



The strategic role of stablecoins and tokenization for Canadian institutions

Considerations and implications for our financial system infrastructure

August 2026



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Executive summary



Executive summary

Three relevant pillars of tokenization:

Digital assets, tokenization and blockchain-based infrastructure are now converging with the global financial system in a meaningful way, reshaping how digital money is issued, transferred, and managed. 2025 marked an inflection point, with institutional adoption accelerating faster than at any point to date. What was once viewed as optional experimentation has increasingly become a strategic necessity, driven by clearer regulation, maturing market infrastructure, shifting institutional sentiment, and intensifying global competition. In our view, this shift is best captured through three practical applications of tokenization: fiat-backed stablecoins, tokenized deposits and tokenized real-world assets.

The first pillar of tokenization in our view is stablecoins. Our focus will remain on fiat-backed stablecoins which can be defined as tokenized assets that are issued on a blockchain or distributed ledger and are designed to maintain a stable value relative to an underlying fiat currency (e.g. CAD) backed by high quality liquid assets, cash or cash equivalents.

The second pillar is tokenized deposits. These are tokenized representations of regulated commercial bank deposits that are issued on a blockchain or distributed ledger and are backed 1:1 by the bank's retail or institutional customer's underlying deposit.

The third pillar is Tokenized Real World Assets ("RWAs"). These are tokenized representations of assets such as (but not limited to) bonds, equities, art, real estate, and commodities that are issued on blockchain or distributed ledger and are typically backed 1:1 by the underlying traditional asset.



While stablecoins continue to gain momentum for permissionless payments and broad interoperability, tokenized deposits are often preferred for intrabank transaction settlement and clearing transactions, as they fit within existing banking regulations and operating models. Choosing between them depends on the specific use case, adoption considerations, and who the issuing institution is.

Tokenized RWAs represent an even larger opportunity for the enablement of the future of global digital commerce, wealth, asset and collateral management, payments and other verticals.

Executive summary



Tokenization is not about speculative digital assets. It is a structural upgrade to financial market infrastructure.

The opportunities for Canadian FIs and the Canadian digital asset ecosystem

For Canadian FIs and the broader Canadian ecosystem, tokenization presents both a competitive opportunity and a defensive imperative. Tokenization offers a dual value proposition: it can improve how assets and transactions are managed across the investment lifecycle, while also enabling new product structures and blockchain native investment opportunities.

The Canadian Stablecoin Act establishes an important federal foundation for fiat-backed payment stablecoins by bringing them within a formal supervisory framework. The next step is translating that legislative foundation into coordinated prudential, payments, custody and market-structure guidance.

Building on this, Canada should pursue a sovereignty first, interoperability second strategy by integrating regulated CAD stablecoins, exploring and enabling bank issued tokenized deposit use cases, integrating tokenized rails to modernize existing payment systems, and aligning with international standards that promote innovation without relinquishing the ability to enforce domestic governance.

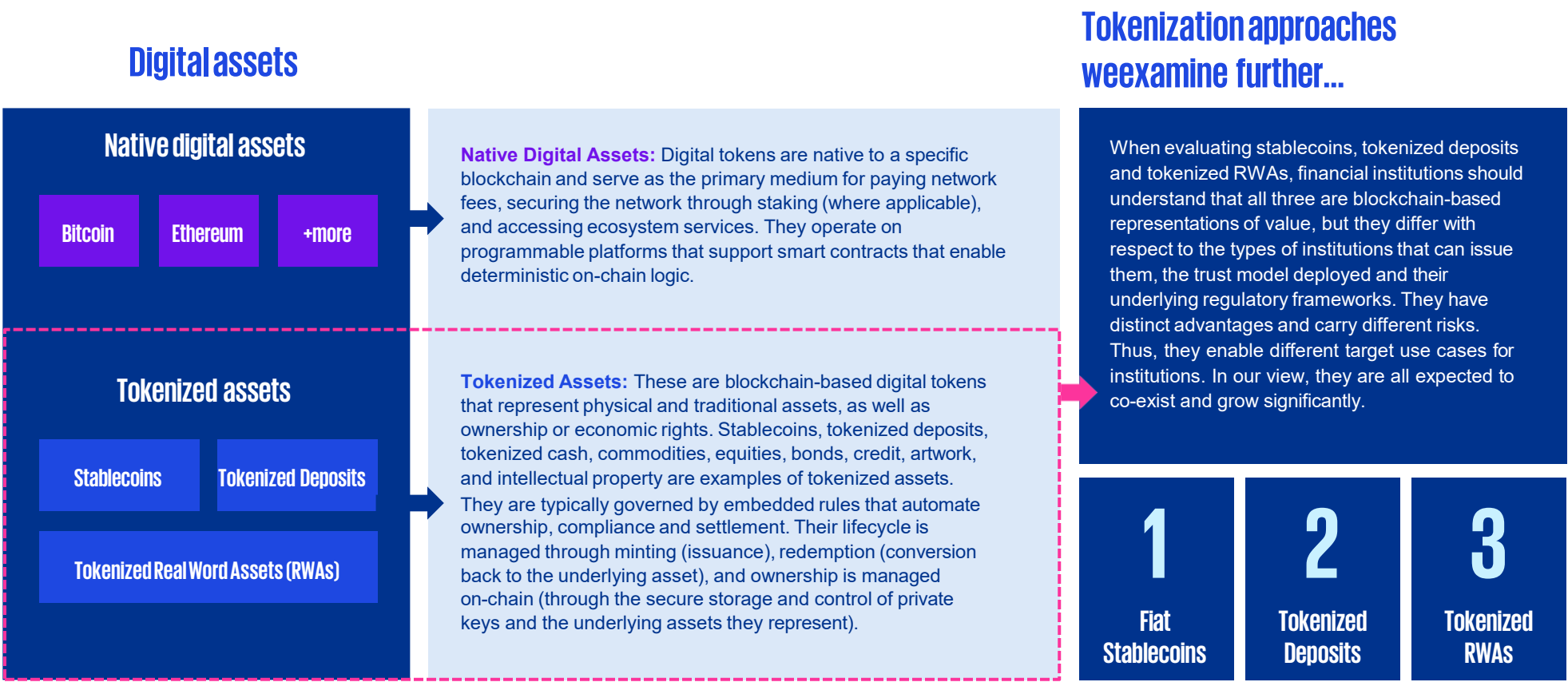
Tokenization is not about speculative digital assets. It is a structural upgrade to financial market infrastructure. The next few years will determine whether Canada leads in building sovereign, scalable, and interoperable digital rails or defaults to infrastructure shaped elsewhere which, in our view, can have negative long-term consequences. The opportunity to act is open, but the window is narrowing.

Tokenization within the broader digital asset landscape



Tokenization within the broader digital asset landscape

Tokenized assets bridge traditional assets and digital-asset infrastructure by representing real-world instruments (e.g., fiat, deposits, debt, securities) on blockchain rails. The primary advantages are operational efficiency, enhanced liquidity and programmability. Rules and workflows (compliance, settlement, payments, corporate actions, collateral) can be embedded and automated via smart contracts, and the benefits, risk, and considerations will be discussed in later sections.



The tokenization journey



The tokenization journey

A decade long effort to create better financial rails

Tokenized assets are enabling shorter settlement cycles, lowering operational costs, enabling always-on liquidity, programmable compliance, and access to new revenue models. Early adopters are building strategic positioning, operational expertise and are well situated to see meaningful long-term return on investment. The question is no longer whether tokenization is here to stay, but rather how effectively institutions can realize value across (but not limited to) custody, lending, payments, treasury & collateral management, and capital markets.

Tokenization is not a new trend, but a set of innovations over the last decade that can be applied to traditional financial infrastructure rails to make transacting value significantly faster and more cost effective. What began as the first tokenized dollar experiment back in 2014, with Tether's USDT,¹ is evolving into one of the most impactful innovations and disintermediation's within the payments, capital markets and the wealth and asset management industries, to name a few.

Early stablecoins proved that blockchain-based dollars could settle 24/7 and move globally without intermediaries. Early institutional adopters of tokenization used that foundation to launch tokenized deposits (see JPM coin below)² for real-time treasury and liquidity management. Asset managers followed by tokenizing money market funds and creating on-chain collateral which is now accepted on major trading venues. In parallel, regulators in the E.U., U.S., and Canada have begun building frameworks that convert this experimentation into regulated, scalable financial products.



The tokenization journey

The milestones, as of March 2026, outlined below show the tokenization journey to maturity today.

Key milestones

2014

Tether Announces USDT Stablecoin

The first tokenized dollar proves blockchain can function as a value-transfer rail. Now, USDT is the global leader, with \$183B USD in market cap.³

2015

Ethereum Mainnet Launches

Programmable smart contracts create the foundation for tokenized deposits, securities, and automated settlement. Ethereum now hosts ~70% of global stablecoin supply.⁴

2018

Circle launches USDC

Circle Launches USDC in collaboration with Coinbase under the Centre Consortium. USDC is the second largest stablecoin with a \$76B market capitalization.³

2019

JP Morgan Releases JPM Coin

The first major bank deposit token proves blockchain settlement works for institutional payments. Now \$5B+ daily volume transacts on Kinexys, with over \$3T cumulative volume.⁵

2024

BlackRock launches BUIDL MMF

The world's largest asset manager tokenizes a U.S. Treasury money market fund, reaching \$2.9B USD AUM and validating on-chain cash as institutional collateral.⁶

2025

Stablecoin Market Cap Hits \$270B

Stablecoin market cap hits \$270B and annual volume surpasses \$10.8T.⁷ However, 99.8% of all supply is USD denominated, with no Canadian denominated stablecoins over 2M in market cap.⁷

2025

MiCA and GENIUS Act Take Effect

The two largest Western economies establish stablecoin frameworks (Markets in Crypto-Assets (MiCA)⁸, U.S. Genius Act⁹) mandating reserves, licensing, and audits.

2026

Canada Builds Its Regulatory Perimeter

Bill C-15, the Budget 2025 Implementation Act, No. 1, received Royal Assent on March 26, 2026, creating a federal framework for fiat-backed stablecoins. In early 2026, CIRO also published its Interim Digital Asset Custody Framework, further advancing the domestic regulatory perimeter.^{10 11}

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Tokenization within the broader digital asset landscape

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How KPMG can help

Approach 1: Stablecoins and global adoption



Approach 1: Stablecoins and global adoption

Globally, stablecoins have gathered significant momentum as regulatory, consumer, and technical frictions have dissipated as the space matures. In their current state, stablecoins have the ability to address real-world financial challenges, are gaining a significant userbase along with a growing utilization for cross border payments, and finally, are gaining traction as the adoption flywheel is factoring in a more favorable regulatory environment.

A stablecoin adoption overview



\$11.9T

Transaction Volume ⁷

12-months, USD



\$244.4B

Average Total Market Cap of Circulating Stablecoins ⁷

12-months, USD



2.3B

Transaction Count ⁷

12-months



\$306.9B

Current Market Cap of Stablecoins Count ⁷



282.8M

Unique Sending Addresses ⁷

12-months



~\$1.1M

Total Canadian Stablecoin Market Cap⁷

*Adjusted to remove potential distortions that can arise from certain activity, such as high-frequency trading and bots

Banks worldwide are adopting stablecoins and digital asset rails as part of their core infrastructure to remain competitive in a rapidly evolving financial landscape.

The rapid advancements in institutional adoption, regulatory clarity, and cross-border integrations make this a pivotal moment to embrace stablecoin innovation. With key players expanding offerings and frameworks such as the U.S. GENIUS Act accelerating standards, Canada has a unique opportunity to lead in financial modernization. Readiness to compete in the global financial institutional arena of stablecoin issuance and adoption will be driven by regulatory clarity in Canada. Although we have the Canadian Stablecoin Act, it precludes prudentially regulated entities. In lieu of purpose-built stablecoin legislation for financial institutions, we must look to current requirements from OSFI.

In Canada, as it stands now, Value Referenced Crypto Assets (VRCAs, or fiat-backed stablecoins) may only be viable for prudentially regulated entities if they are engineered to meet Group 1b classification under OSFI's Capital and Liquidity requirements, with governance, transparency, reserve management, and operational controls comparable to regulated financial instruments. Any failure to meet those conditions results in immediate reclassification to Group 2, with full Common Equity Tier 1 (CET1) deduction and non HQLA treatment and exposure limits, making most balance sheet business cases untenable.

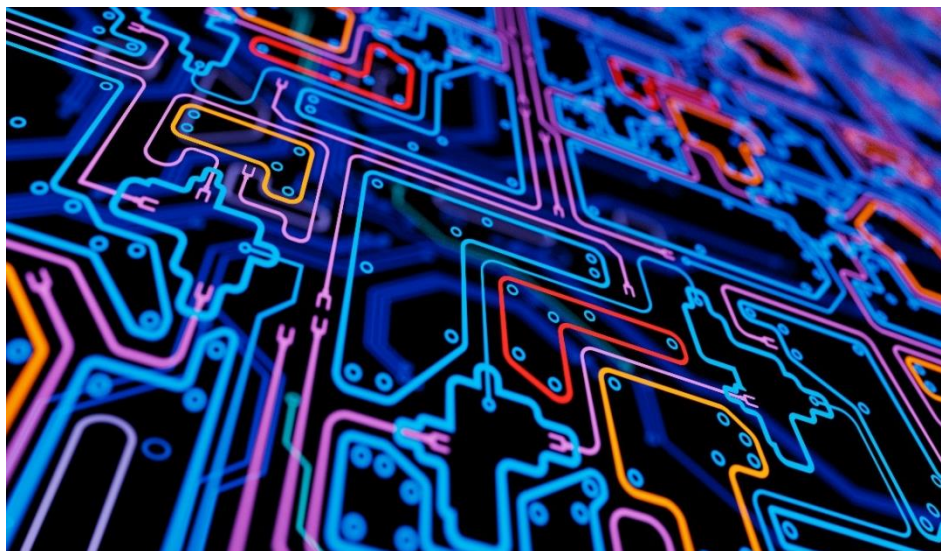
Canada has a unique opportunity to lead in financial modernization

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Approach 1: Stablecoins and global adoption

OSFI requires that Group 1b assets be redeemable for a predefined amount of reference assets (or cash equivalent) and supported by a sufficient pool of reserve assets. FIs must analyze the specific structure of each stablecoin and identify every risk that could result in loss. Each of these risks must then be separately capitalized using the existing CAR credit risk framework. This includes, where relevant: (i) risk of the issuer or redeemer defaulting (ii) risk associated with the reserve asset pool (iii) risks introduced by custodians or intermediaries involved in redemption and settlement. OSFI also imposes ongoing due diligence requirements that do not apply to Group 1a assets. FIs must demonstrate, on at least a quarterly basis, using statistical or similar tests, that the stablecoin maintains a stable relationship to its reference asset. OSFI expects this evidence to be available upon request.



Risk of CAD sovereignty and capital outflows

The widespread adoption of US-dollar stablecoins could diminish the demand for the Canadian dollar. As of March 2026, **99.76%** of all stablecoins are pegged to the **US dollar**. This creates **potential for Canada's financial system and national interests**.



Canadians need a homegrown CAD-denominated stablecoin to enable faster, cheaper digital payments

Approach 2: Tokenized deposits



Approach 2: Tokenized deposits

The question is no longer whether tokenization is here to stay, but rather how effectively institutions can realize value across custody, lending, payments, treasury and collateral management, and capital markets.

Deposit taking institutions are primed for this opportunity

Canadian deposit-taking institutions have a near-term opportunity to modernize payment operations with tokenized deposits. Pairing programmable settlement with existing deposits unlocks faster and more flexible payment solutions for banking clients. Although they are frequently framed through the lens of payments, their significance extends well beyond that use case. As a bank-issued form of digital money, they have the potential to influence how financial institutions approach the following areas:

	Cash Management		Trade Finance & Services
	Investor Services		Merchant Solutions
	Corporate Banking		Retail & Personal Banking
	Treasury Management		Wealth Management
	Lending & Credit		Operations & Compliance
	Asset Management & Servicing		Capital Markets

For banks, the strategic value of tokenized deposits lies not only in their ability to enable new payment capabilities, but also in their potential to support a more programmable, always-available, and operationally integrated enterprise-wide banking model. These near-term and long-term opportunities drive meaningful gains in payment speed and settlement efficiency.



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How KPMG can help

Approach 2: Tokenized deposits

Stay inside the deposit perimeter, manage prudential impact

In Canada, tokenized deposits can fit within OSFI’s Group 1a framework (per OSFI’s capital and liquidity guidance) when they are tokenized versions of traditional assets that meet strict classification conditions.¹² Where a tokenized deposit represents the same deposit liability with identical legal rights to cash, insolvency ranking, and repayment terms, OSFI indicates the credit, market, and liquidity risk treatment should generally follow the non-tokenized equivalent. In practice, this means there should be no fundamental change in credit risk treatment, and the applicable risk weights remain those prescribed under the Capital Adequacy Requirements (CAR) guideline for the underlying deposit exposure.

However, a key nuance that OSFI emphasizes is that tokenization should not be assumed to be risk neutral. Even if legal claims are unchanged, tokenization can alter market liquidity characteristics such as investor base and settlement mechanics, and it can introduce operational and liquidity risk considerations that affect assessments like collateral eligibility, liquidation horizons, and stress behavior. If the design of the tokenized deposit truly preserves the legal and economic characteristics of a traditional deposit, OSFI’s framework supports treatment consistent with deposits. Financial institutions should be able to evidence that tokenization has not introduced hidden liquidity or operational risks, including where the structure involves holding or transacting in any in-scope crypto assets that may trigger additional capital and liquidity considerations.

Global tokenized deposit trends and statistics

5%	Citi reports that by 2030, Tokenized Deposits will account for 5% of large value transfers, totaling \$100-140 trillion annually. ¹³
3T	JP Morgan's Kinexys blockchain has processed \$3.0 trillion USD, with daily average exceeding ~\$5.0 billion daily. ²
80%	J.P. Morgan reports that deposit tokens could cut transaction related costs by 80%, reducing fees, settlement times, and counterparty risks, and by enabling more direct funds transfers. ²

Stablecoin and tokenized deposit use cases



Stablecoin and tokenized deposit use cases

Stablecoins and tokenized deposits enable profitable use cases by delivering faster settlement, improved liquidity mobility, greater transparency, and programmable controls. The use cases shown below are derived directly from these benefit levers and highlight where Canadian FIs can reduce cost, improve balance sheet efficiency, and create new fee generating product lines. Most use cases overlap across stablecoins and tokenized deposits, with differences driven by instrument design and operating model choices such as their permissioning, convertibility, and regulatory treatment.

	Use case	Applicability	Description
Retail and Commercial payments	Cross border and FX settlement	Stablecoins and tokenized deposits	Enable faster cross border and FX payments with near real time settlement and improved transparency.
	B2B and interbank transfers	Stablecoins and tokenized deposits	Support 24/7 B2B payments and interbank transfers with programmable cash movement.
	Merchant acceptance and settlement	Stablecoins	Support merchant acceptance where stablecoin rails settle into deposit accounts or stablecoin balances.
	Cards funded by tokenized balances	Stablecoins	Issue prepaid debit cards linked to stablecoins or tokenized deposits to fund and pay from tokenized balances.
	Insurance claims and premium settlement	Stablecoins	Use tokenized money to automate claim payouts, refunds, and premium collections with faster settlement.
	Loan disbursement and repayment flows	Stablecoins and tokenized deposits	Use tokenized money for milestone disbursements and streamlined borrower payments to improve cash flow timing.
	Tokenized payments API and routing	Stablecoins and tokenized deposits	Provide an API layer to route tokenized payments, manage wallets, and integrate reporting into bank systems.

Stablecoin and tokenized deposit use cases

	Use case	Applicability	Description
Treasury and Operations	Tokenized settlement cash for wires	Stablecoins and tokenized deposits	Use tokenized money as settlement cash to reduce wire cutoffs and reconciliation effort.
	Fund subscription and redemption cash	Stablecoins and tokenized deposits	Use tokenized cash legs for subscriptions, redemptions, and ETF primary market cash movements.
	DvP for tokenized assets	Stablecoins and tokenized deposits	Settle tokenized securities, funds, real estate, or private assets using delivery versus payment with tokenized money.
	Intraday liquidity and cash concentration	Stablecoins and tokenized deposits	Move liquidity across treasury structures in near real time to optimize intraday funding.
Wealth	Wealth platform funding and settlement	Stablecoins	Enable wealth clients to fund and settle digital asset activity using tokenized money.
Custody and Asset Servicing	Stablecoin reserve custody and reporting	Stablecoins	Provide custody, reporting, and controls for stablecoin reserve portfolios, including High Quality Liquid Assets (HQLAs) holdings.
	Safekeeping for tokenized assets	Stablecoins and tokenized deposits	Provide safekeeping, controls, and reporting for tokenized deposits, permitted stablecoins, and tokenized RWAs.

Approach 3: Real-world asset tokenization



Approach 3: Real-world asset tokenization

Adoption and scale – driven by timing and product market fit

The adoption and scale of tokenized real-world assets are being driven by a common set of structural forces rather than any single asset class. Tokenization is gaining traction where it materially improves how assets are issued, transferred, settled, and integrated into modern financial workflows – enhancing liquidity, operational efficiency, and capital usability without changing the underlying investment proposition.

This dynamic is most clearly reflected in the rapid growth of tokenized cash-like instruments, including tokenized money market funds. The market for tokenized U.S. treasuries has scaled to over \$13.6B, up more than 19x from approximately \$710M in January 2024.⁶ In these cases, tokenization reinforces attributes investors already prioritize – such as capital preservation, liquidity, yield, and flexibility – by enabling faster settlement, seamless transferability, and programmability across digital treasury, collateral management, and on-chain liquidity environments.

Other RWAs exhibit more varied adoption outcomes, highlighting that tokenization does not uniformly translate into scale. Where assets involve bespoke structures, complex servicing requirements, or limited secondary liquidity, the efficiency gains from tokenization are often outweighed by underlying legal, operational, and market constraints. While tokenization can improve access and distribution, access alone has proven insufficient to drive widespread adoption.

How does the RWA landscape look?

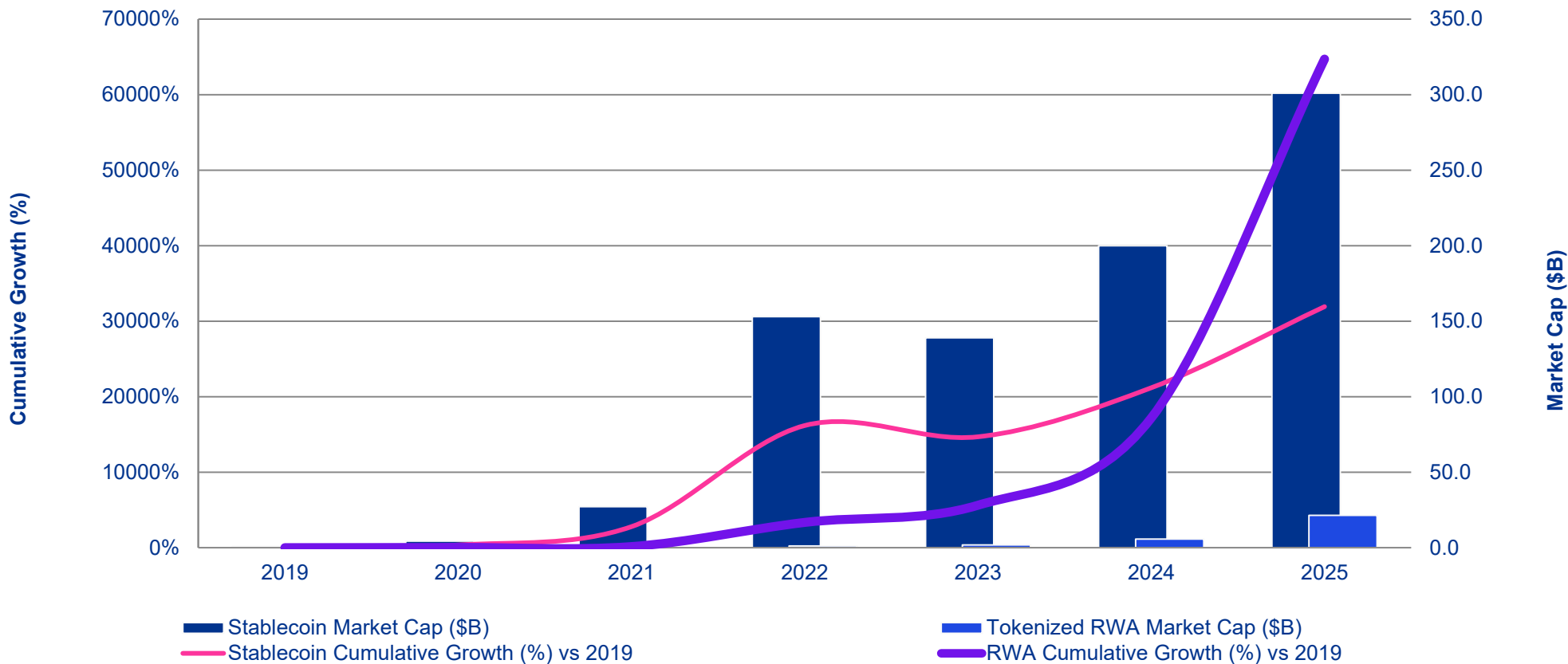
In addition, RWAs can vary significantly in design spanning a broad spectrum of functions and permissibility. As such, the industry has created frameworks to evaluate RWAs; increasingly distinguishing between ‘distributed assets’ which can make them more portable and, in some cases, usable in broader market or DeFi workflows. ‘Represented assets’, in contrast, typically remain within the originating platform or ecosystem, which can support tighter control but limit interoperability. That distinction is useful, but still incomplete: transferability, permissioning and interoperability vary materially even within those categories.

Represented assets can also take the form of fully permissioned tokens, where holding and transfers are restricted to whitelisted addresses. This can limit composability to approved venues, such as BlackRock’s BUIDL as collateral on UniswapX, or in some cases to internal settlement rails only. By contrast, more permissionless RWAs can move more freely and integrate across DeFi workflows. For example, Tether’s XAUT (tokenized gold) can be used for lending, borrowing, liquidity provision, or transfers to any non-blacklisted wallet. Stablecoins have had unrivaled monumental growth and adoption. Tokenized RWA’s currently have a similar explosive growth trajectory to stablecoins, and Citigroup predicts tokenized RWAs (excluding stablecoins and tokenized deposits) to reach **\$4-5T by 2030**.¹⁴

 Tokenized U.S. treasuries has scaled to over **\$13.6B** up more than **19x** from approximately **\$710M in January 2024**

Approach 3: Real-world asset tokenization

Stablecoin vs Tokenized RWA Market Cap (\$B) & Cumulative Growth⁶



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Factors for the successful enablement of a tokenization initiative



Factors for the successful enablement of a tokenization initiative

Cross-service line coordination & preparation is critical

Effective rollout of a tokenization strategy involves coordination between lines of business, risk and compliance, operations, finance, legal, and technology. The critical path is often coordination and operating readiness rather than pure engineering effort.



Line of Business



Engineering



Risk & compliance



Operations



Finance & accounting



Legal & regulatory



Support

Guiding principles for a successful tokenization proof of concept:

01

Minimal client/regulatory change

Ensure there is only minimal/no impact on clients and regulatory requirements.

03

Immediate, measurable liquidity value

Target known pain points to demonstrate clear benefits quickly

02

Build on existing infrastructure

No rebuilding core systems, instead, deliver value by layering on top of existing systems

04

Design for reuse/scalability

Begin with controlled internal use case while creating a foundation for broader reuse

Factors for the successful enablement of a tokenization initiative

Framework for enabling an effective tokenization POC that serves as a foundation for scale

Business	 Align stakeholders	 Define scope	 Define flow	 Test with vendor partner	 Scale up or down decision
	 Confirm baseline metrics	 Validate vendor capabilities		 Build / configure platform	 Measure incremental performance

Baseline	Scope Lock	Flow Design	Execute POC	Scaling Decision
- Establish internal point of view - Define minimum internal and vendor capability requirements - Vendor landscape analysis	- Select single POC use case - Benchmark vendors suitable for regulated banks - Document vendor shortlist	- Define end-to-end business flow; agree on outcome criteria - Validate vendor architecture against internal requirements - Finalize vendor to execute the POC	- Observe vendor-led POC execution - Stand up solution; perform testing and validation - Document results	- Evaluate uplift vs. current-state - Decide extend, reuse, pause, or exit with no production commitment

Relevant risk considerations



Relevant risk considerations

As tokenization use cases gain traction, institutions must assess their internal readiness across technology, risk and business functions. Preparing the right infrastructure, expertise, and controls will enable the safe integration of digital asset infrastructure, products and services. Some of the key risk areas are highlighted below (non-exhaustive).

Main risks applicable to tokenized assets:

- Governance & scoping dynamics
- Legal, regulatory & permissibility
- Capital / liquidity / disclosure
- KYC / CDD / beneficial ownership
- AML / sanctions / travel rule / reporting
- Technology / cyber / key / data security
- Custody / key loss / transfer irreversibility
- Third-party / subcontractor / concentration
- Systems integration / reconciliation / data integrity
- Operational resilience / continuity / incident response
- Consumer protection / conduct / disclosure
- On-chain / off-chain record integrity
- Settlement finality / transferability / traceability
- Smart contracts / admin keys / upgradeability
- Mint / burn / redeem lifecycle governance
- Protocol / fork / node governance / throughput
- On-chain typology / un-hosted wallet / cross-chain monitoring
- Reserve management / redemption



Custody and key management considerations for tokenized assets mirror those of digital assets

Many of the same considerations applicable to digital asset custody are relevant for tokenized asset custody. There is nuance to be applied, as there are differences with the underlying asset ownership and economic models but the technical architecture between digital and tokenized assets are largely aligned.

Relevant risk considerations

Category	High level custody considerations	Applies to Tokenized Asset Custody?
Custody architecture	- What type of custody architecture should be deployed (in-house built, outsourced and/or hybrid approach)? - Does risk posture and enterprise strategy drive custody architecture? - Are the associated physical access, security, reconciliation, reporting, etc. controls in place to enable seamless operation?	Yes
Key business processes	- Are digital asset deposits, withdrawals, purchases and sales executed on-chain in a secure and resilient manner? - Are all the relevant control considerations in place?	Yes
Transaction authorization policies	Have you designed and configured your transaction authorization policies for the appropriate automated and manual executions of key business processes noted above in a secure and resilient manner (considering whitelisting and blacklisting of addresses, transfer limits, appropriate segregation of transaction initiation and approvals)?	Yes
Private key signing	- How are transactions signed using private keys and do you have the appropriate processes and controls in place over private key lifecycle management? - Are private keys appropriately safeguarded to prevent loss or compromise?	Yes
Key custody IT systems	Do you have appropriate general IT application controls and the specific IT application controls needed to appropriately implement digital asset custody and related IT systems?	Yes
Third party custodian(s)	- Have you performed effective due diligence over third party custodians? Does this include due diligence over the custodian's API resilience, their policy engine, their reporting, and reviews of their SOC 2 Type II & ISAE 3000 reports? - Are you effectively able to identify and assess tokenized asset custodian SOC 2 & ISAE 3000 reports to evaluate their appropriateness, coverage and whether specific risks around custody are addressed appropriately?	Yes

Roadmap for Canada: Considerations and Pathways to Adoption



Roadmap for Canada: Considerations and Pathways to Adoption

The Canadian Stablecoin Act establishes an important federal foundation by bringing stablecoins within a formal supervisory framework. The next step is translating that legislative foundation into coordinated prudential, payments, custody and market-structure guidance coupled with a Canadian first tokenization strategy.

Canadian dollar token strategy

The Department of Finance Canada, in coordination with the Bank of Canada and other relevant federal authorities, may consider approaches to align stakeholders and support the evolution of a Canadian dollar token strategy, including:

- Aligning banks, regulators, payments stakeholders, and industry participants around shared objectives for CAD-denominated stablecoins and tokenized deposits
- Supporting domestic issuance and innovation to enable Canadian institutions to participate in shaping market structure
- Identifying priority use cases relevant to Canada, including payments, treasury management, and capital markets activity

Enable global interoperability on Canadian terms

Cross-border interoperability is emerging as an important consideration for Canadian institutions, particularly in relation to:

- Ensuring Canadian tokenized money can move across borders and interact with blockchain rails being developed in major jurisdictions globally
- Monitoring evolving regulatory and market approaches internationally to inform domestic alignment
- Positioning Canadian financial infrastructure to participate in the broader digital asset ecosystem

Integrate with legacy rails

Canadian banks, payment service providers (PSPs), and market infrastructure operators should integrate these new rails into existing payment and settlement workflows, including:

- Connecting CAD stablecoins and tokenized deposits to the payment, treasury, and settlement workflows
 - Emphasizing integration alongside existing infrastructure to minimize disruption to current operating models
 - Examining how blockchain-based settlement could operate alongside existing systems over time



Canada is well-positioned to translate its policy foundation into a more coordinated market approach, supporting the ability of Canadian institutions to scale domestically and participate globally.

How KPMG can help



How KPMG can help

Digital assets and enterprise blockchain initiatives – including tokenization, stablecoins, staking, and distributed ledger infrastructure – are moving from experimentation to implementation. As organizations progress, the challenge is less about understanding the technology and more about making defensible decisions across regulation, risk, operating models, and control environments.

KPMG supports organizations across the digital asset lifecycle – from strategy and feasibility assessment to regulatory alignment, structuring, and control design. We help leadership teams make informed, defensible decisions and

integrate digital asset initiatives into existing enterprise and governance frameworks.

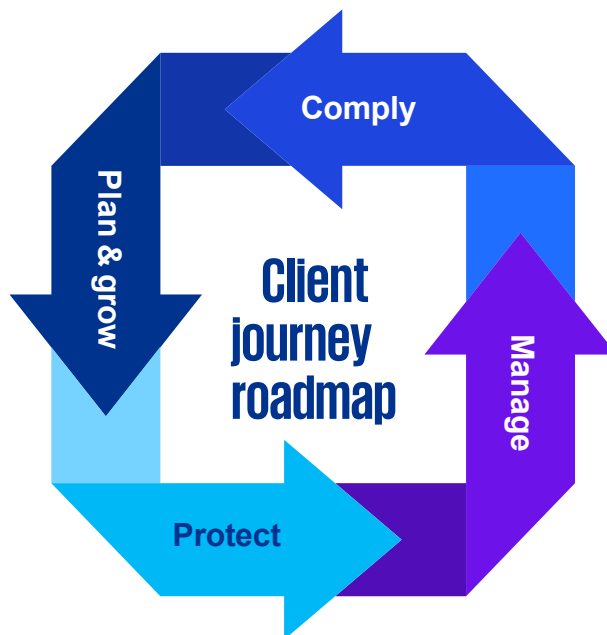
KPMG Canada delivers end-to-end advisory services across the digital asset and enterprise blockchain lifecycle, from strategy through implementation. We work with organizations to shape, assess, and execute digital asset initiatives, providing coordinated support across technology, risk, regulatory, tax, and governance considerations at each stage of the journey. Our experienced cross-functional team will provide end-to-end support that can be adapted throughout to match your needs.

Plan & Grow

- Education
- Business Strategy & Operational Model
- Feasibility Analysis & Thesis Development
- Market Assessment & Expansion
- Deal Advisory (M&A Activity)
- Vendor Assessment & Due Diligence

Protect

- BC and DR Plans and Testing
- Cyber Risk Management Program
- Incident Response & Threat Intelligence



Comply

- AML Program Design & Reviews
- Transaction Monitoring Alert Design
- Investigations
- STR and SAR Filing Support
- Investigation Lookbacks & Remediation

Manage

- Accounting Advisory
- SOC Readiness & Attestation
- Internal Audit
- Risk Frameworks & Policies

Data & Sources

¹ The State of Tokenization, 21Co, (2023)

² JPMorgan moves further into crypto with stablecoin-like token JPMD. CNBC, 17 June 2025: www.cnbc.com/2025/06/17/jpmorgan-stablecoin-jpmd.html

³ DeFiLlama, *Data, Stablecoins, Tether (USDT), Blockchain Networks, Circle (USDC)*, <https://defillama.com/stablecoins>

⁴ DeFiLlama. (2025). *Stablecoins on Ethereum* [Data dashboard]. <https://defillama.com/stablecoins/Ethereum>

⁵ J.P. Morgan. (n.d.). *Blockchain asset tokenization with Kinexys*. <https://www.jpmorgan.com/insights/payments/wallets/blockchain-onyx-asset-tokenization>

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⁸ European Securities and Markets Authority. (n.d.). Markets in crypto-assets regulation (MiCA). <https://www.esma.europa.eu/esmas-activities/digital-finance-and-innovation/markets-cryptoassets-regulation-mica>

⁹ Hagerty, B. (2025, February 4). S.394 – *GENIUS Act of 2025 (119th Congress)*. United States Senate. <https://www.congress.gov/bill/119th-congress/senate-bill/394>

¹⁰ Canada's Stablecoin Framework: <https://www.canada.ca/en/department-finance/programs/financial-sector-policy/canadas-stablecoin-framework.html>

¹¹ Notice on CRO's Digital Asset Custody Framework: <https://www.ciro.ca/newsroom/publications/notice-ciros-digital-asset-custody-framework>

¹² *Capital and Liquidity Treatment of Crypto-asset Exposures (Banking) – Guideline*: <https://www.osfi-bsif.gc.ca/en/guidance/guidance-library/capital-liquidity-treatment-crypto-asset-exposures-banking-guideline>

¹³ Citi, Future of Digital Money and Tokenization (2023), Stablecoins 2030 (2025), Money Tokens, Games (2023)

¹⁴ Citi, Stablecoins 2030 (2025). <https://www.citigroup.com/global/insights/stablecoins-2030>



Executive Summary

Tokenization within the broader digital asset landscape

The tokenization journey

Approach 1: Stablecoins and global adoption

Approach 2: Tokenized deposits

Stablecoin and tokenized deposit use cases

Approach 3: Real-world asset tokenization

Factors for the successful enablement of a tokenization initiative

Relevant risk considerations

Roadmap for Canada: Considerations and Pathways to Adoption

How KPMG can help



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