AI and Stablecoins' Transformation of the Global B2B Payments Experience

FXC Intelligence

IN ASSOCIATION WITH

SUNRATE

CONTENTS

0.0 INTRODUCTION

A CRITICAL MOMENT FOR B2B PAYMENTS

B2B cross-border payments are at a pivotal point in their development.

A decade of digital transformation has reshaped business and consumer payments. Cash use has all but disappeared in the world's global cities, and what the average business user expects from their payments is very different today than it was a relatively short time ago. But the last few years have also seen several pivotal technologies draw significant buzz – bringing hype but also tangible benefits.

The rise of large language models has ushered artificial intelligence (AI) into an entirely new era; blockchain technology has begun to show potential for tokenisation; and stablecoins are challenging the very infrastructure that carries payments around the globe.

These technologies are not going to wholly replace the existing B2B payments landscape, but they are set to augment it, providing operational enhancements and tackling points of friction. The result is a hybrid future where small points of change build up a significant transformation in user experience – and for business-to-business payments that future is bright.

This white paper explores how the world's leading fintech companies see the future of the B2B cross-border payments experience. Developed in collaboration with FXC Intelligence, it includes case studies, data points and analysis to separate excess hype from genuine impact – and paint a picture of the evolving landscape.

> Technologies are changing the B2B payments experience rapidly – but that doesn't mean every existing payments technology is out. SUNRATE aims to integrate traditional and decentralised technologies under a trusted regulatory environment, delivering a unified global payment experience.
>
> **Paul Meng, Co-Founder and CEO, SUNRATE**

> We've seen many hyped technologies over the years, but AI, stablecoins and blockchain are some of the very few that look set to have a lasting impact on cross-border payments.
>
> **Daniel Webber, Founder and CEO, FXC Intelligence**

THE FUTURE OF B2B CROSS-BORDER PAYMENTS IN DATA

$47.8tn
The size of the B2B cross-border payments market in 2032

5.3%
B2B cross-border payments' 2024-2032 compound annual growth rate

27%
The share of 2032's B2B cross-border payments that are set to be from services

Source: FXC Intelligence market sizing data

1.0

THE CHANGING BUSINESS PAYMENTS EXPERIENCE

Business payments have changed rapidly over the past few decades, but not always consistently. Over the past half-century, business payments have experienced several phases of development – each of which emerged slowly and unevenly but was ultimately transformative.

From the 1970s onwards the paper world of business payments was steadily replaced by electronic payments, with the rise of Swift, correspondent banking and batch settlement. For businesses, payments became more standardised and globalised, but were still time-consuming and heavily reliant on manual processes.

This began to be replaced by the digital era around the turn of the millennium. Buoyed by the rise of online banking and application programming interfaces (APIs), this is characterised by the digitisation of many previously manual processes and a marked increase in transparency – tackling inefficiencies and increasing productivity for businesses.

However, over the last decade this has been superseded by the application era, as more advanced APIs have been paired with the rise of real-time and embedded payments. This has brought far more interoperation and programmability to the payments landscape.

Businesses can now complete payments faster than ever before, and from more places than ever before. A payment that would previously have required a trip to the bank to fill out manual forms, followed by a multi-day wait, can be initiated on the move from a phone and completed less than a minute later.

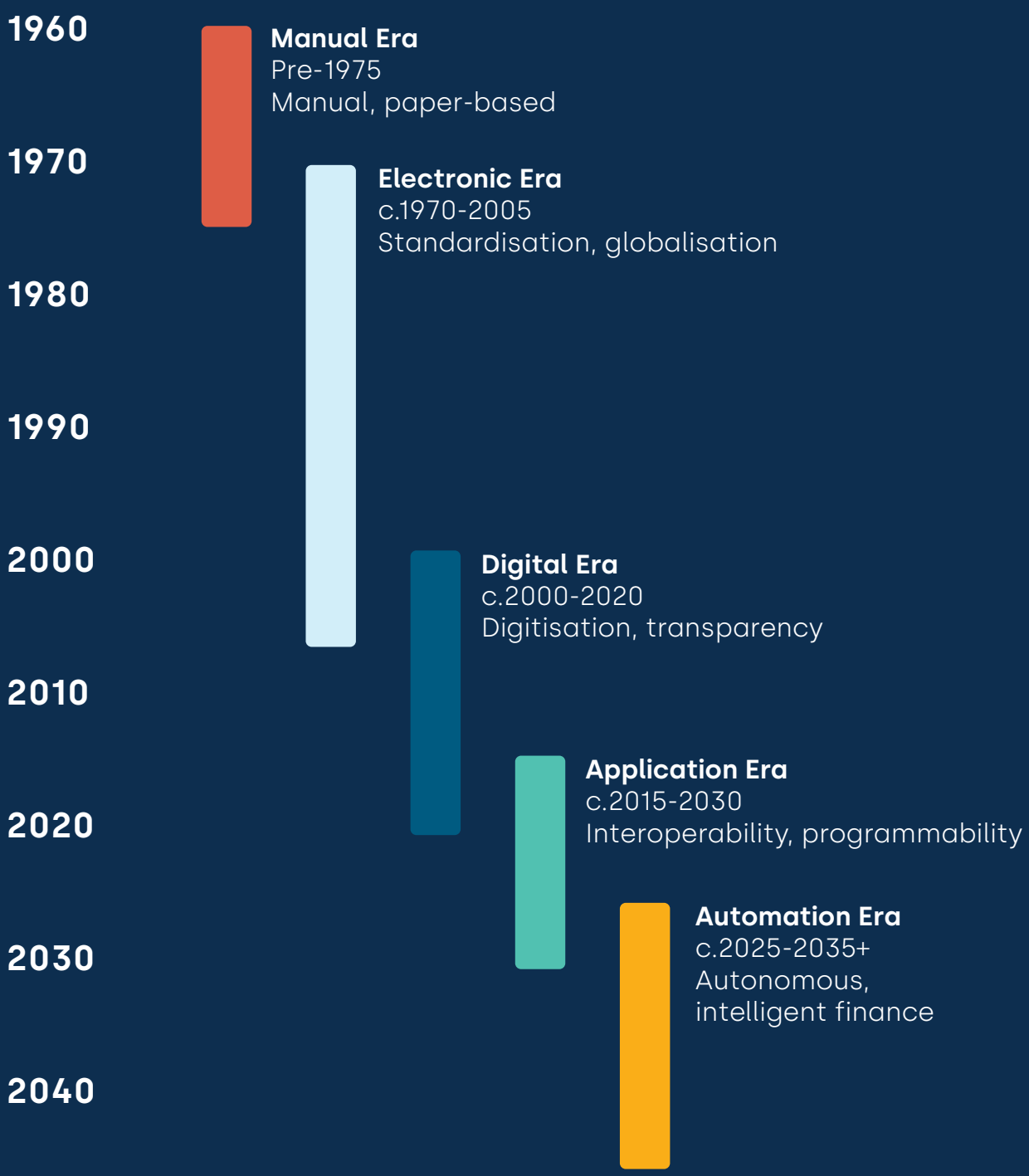
But there are still pain points to solve. Access is uneven globally, with emerging economies in particular often seeing slower speeds and higher costs. And even where this is not the case, treasury operations still need considerable human intervention to initiate payments and monitor potential issues.

Enter the automation era. Although only in its infancy, this next era of payments is beginning to take shape and define the payments experience of tomorrow. Aided by AI, stablecoins and blockchain, this is bringing intelligence to finance while transforming underlying infrastructure to tackle lasting inefficiencies.

The next few years are set to see far greater levels of automation – as well as a proliferation of tokenisation. Combined, these have the potential to further improve the business payments experience – but also begin to add entirely new capabilities to the process.

> “Previously you were looking at five or seven days to receive money in many markets. Today T+1, T+0 or even real-time settlement is no longer a luxury in the B2B world.
>
> **Jonathan Wang, Head of Corporate Development, SUNRATE**

THE EVOLUTION OF INTERNATIONAL BUSINESS PAYMENTS



2.0

THE AI MOMENT: FROM PROMISE TO PERFORMANCE

Artificial intelligence is by no means new to payments. Earlier forms of the technology have played a role in cross-border transactions for some time, particularly in areas such as know-your-customer (KYC) and fraud mitigation. But recent developments have progressed the technology considerably.

The evolution of generative AI and large language models (LLMs) such as ChatGPT and DeepSeek initially sparked a surge of hype across payments and beyond. Boardrooms around the world were seized with discussion on how the technology could help their bottom line – as well as how it might erode their well-honed business models.

The technology was subject to a lot of excited discussion, but also a lot of noise and exaggeration. Now the hype has reduced, the actual benefits are easier to see – and for business payments, the use cases are significant.

> We are true believers in AI. We've seen our efficiency double or triple using the technology over the past year.
>
> **Paul Meng, Co-Founder and CEO, SUNRATE**

> We think AI agents could be really important. Transformational, on the order of magnitude of the advent of ecommerce itself.
>
> **Jack Forestell, Chief Product and Strategy Officer at Visa**
>
> Source: AP Interview

PAYMENTS COMPANY ANNOUNCEMENTS ABOUT AI KEEP RISING

13%↑
YoY rise in company announcements in 2025

26%↑
YoY rise in company announcements in 2024

Source: FXC Intelligence analysis

2.1

AI AGENTS: ENHANCING BUSINESS INTELLIGENCE

Some of the biggest initial impacts from AI that businesses are seeing are often not headline-grabbing, but they are powerful. The use of LLMs is enabling companies to increase efficiency in hundreds of small ways, which are adding up to very meaningful productivity gains.

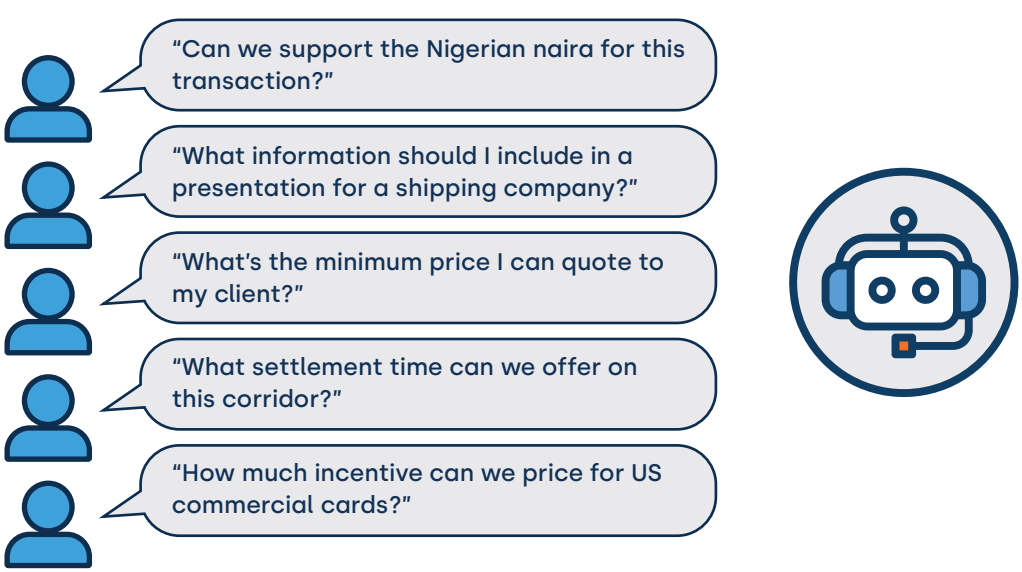
SUNRATE, for example, makes use of optical character recognition to digitise scanned documents and broader AI to reconcile inconsistencies in information it is processing, among many other uses. Others report using the technology to increase the output of marketing teams, boost trend monitoring and automate other repetitive tasks.

However, SUNRATE is taking this optimisation a step further with the use of an in-house AI agent that acts as a single source of information about the company's products and operations for its employees. Teams across the company, from sales to operations and beyond, can use the agent to support pitches, check support for a particular corridor and gain other up-to-date, granular information about their product set. This approach not only ensures information is consistent across the company, but significantly speeds up the time it takes for employees to gather information and support customers.

This type of AI use is increasingly popular across the industry. In September, Bank of America launched AskGPS, its in-house generative AI tool designed to support its Global Payments Solutions team, which is expected to save tens of thousands of work hours a year. Goldman Sachs and Citigroup have also launched similar tools, which are together in use by over a hundred thousand employees.

These in-house generative AIs are also gaining popularity across a variety of sectors. The US Food and Drug Administration (FDA), for example, has launched an in-house generative AI known as Elsa to help agency employees access internal documents and increase the speed at which clinical reviews and scientific evaluations are performed. Meanwhile, global law firm Taylor Wessing's own tool LitiumTW is being used to support its legal and business services teams, and both McKinsey and Deloitte have also launched tools to assist with daily tasks.

WHAT CAN I ASK AN AI AGENT? TYPICAL QUESTIONS ASKED OF SUNRATE'S INTERNAL AI TOOL



2.2

CUSTOMER MANAGEMENT: FROM SERVICE TO ANALYTICS AND BEYOND

Over the next few years we are likely to see such in-house tools become more and more widespread and sophisticated, but they are moving into the customer experience too. SUNRATE is currently looking to rollout a version of its AI agent to its customers, providing detailed first-line support and information that can be updated in real-time.

Other companies have also made significant moves to use AI for customer service, with money transfers player Remitly among those to have seen efficiency gains after launching an AI virtual assistant that handles first-line queries.

AI is also showing growing promise for analytics. SUNRATE, for example, uses analytics from its AI agent queries to identify trends in customer queries over time – something that it can use to better optimise its offerings in response to demand.

On the consumer side, AI-powered personalisation is gaining momentum, with PayPal, for example, using "smart receipts" to provide personalised recommendations to customers. However, over the next few years we're likely to see these types of solutions find their way into the B2B payments space, as the consumer landscape once again raises customer expectations for B2B payments.

2.3

BACK OFFICE OPERATIONS: FROM SECURITY TO ROUTING

While customers are not directly aware of back office operations, they can have a transformative impact on the payments experience – and AI is having an impact here too. Security, compliance and fraud tools have long been supported by forms of AI, but as the technology has developed these have become ever-more sophisticated. Initially these focused on areas such as identifying and blocking fraudulent transactions, but over time they have become broader.

As commercial cards have seen increasing adoption for B2B payments alongside bank transfers, this has in particular created the need for card-focused security solutions that harness AI. SUNRATE, as regional leader in commercial cards, has also implemented AI in fraud detection, doubling its operational efficiency. Neobank Revolut, meanwhile, is among those to combat card scams by identifying potential victims and warning them during the process.

Swift also has a wide variety of artificial intelligence-led projects underway, including a trial with 13 international banks that involves using AI to share transaction data for fraud monitoring while maintaining privacy. As these solutions advance, they are slowly tackling points of friction in the payments process that can have a dramatic impact on the payments experience. However, beyond fraud-related applications, AI can also improve the speed of payments through solutions such as intelligent routing and optimisation, and aid transparency with automatic natural language updates.

2.3

AGENTIC PAYMENTS: COMMERCE AND BEYOND

So far much of the focus has been on using AI to improve processes after a human has initiated payments, but a critical emerging development is agentic payments. These see authorised AI given the ability to identify and initiate payments themselves, typically as part of a wider task, such as ordering supplies, booking a trip or completing a project.

In industrial settings such as manufacturing and energy, agentic AI is being used by firms to monitor and adjust machinery, reducing resource consumption. Meanwhile travel providers such as Booking and Expedia are incorporating agentic AI tools into their products to provide itinerary development and management.

Several companies have also begun work to improve payments acceptance for the AI agents themselves, with Visa launching its Trusted Agent Protocol for agentic commerce in response to a sharp upswing in AI-driven traffic to retail websites.

While this has so far been a consumer-led trend, the potential of agentic payments in the B2B landscape is immense. AI agents that can handle entire projects, pay suppliers and issue invoices could pose a step-change for cross-border payments – and represent a significant opportunity for the industry.

AI'S PAYMENTS IMPACT: NUMBERS FROM THE INDUSTRY

+9-15%
The increase in conversions **Mastercard** has seen from initial trials of its AI-based Payment Optimization Platform for merchants

-75%
The reduction in customer support times money transfers provider **Remitly** saw when it launched its AI-powered virtual assistant

-30%
The drop in fraud losses from card scams that **Revolut** saw after it introduced a new AI-based feature to detect if a customer was being scammed

+200%
The increase in back office efficiency **SUNRATE** saw from its internal AI tool

$3tn-$5tn
The opportunity that **J.P. Morgan** sees in "services as a software" – the delivery of business services via AI-powered software platforms

50+
The number of use cases **Swift** is testing or using AI for, including fraud detection, information sharing and efficiency improvements

3.0

THE FUTURE IS HYBRID: STABLECOINS IN THE PAYMENTS MIX

While 2024 was arguably the peak year for hype surrounding AI in payments, 2025 has been the year the industry woke up to the stablecoin opportunity. A form of cryptocurrency pegged 1:1: with fiat currencies and backed by real-world assets, stablecoins are digital representations of money that move on distributed ledger technology-based networks known as blockchains.

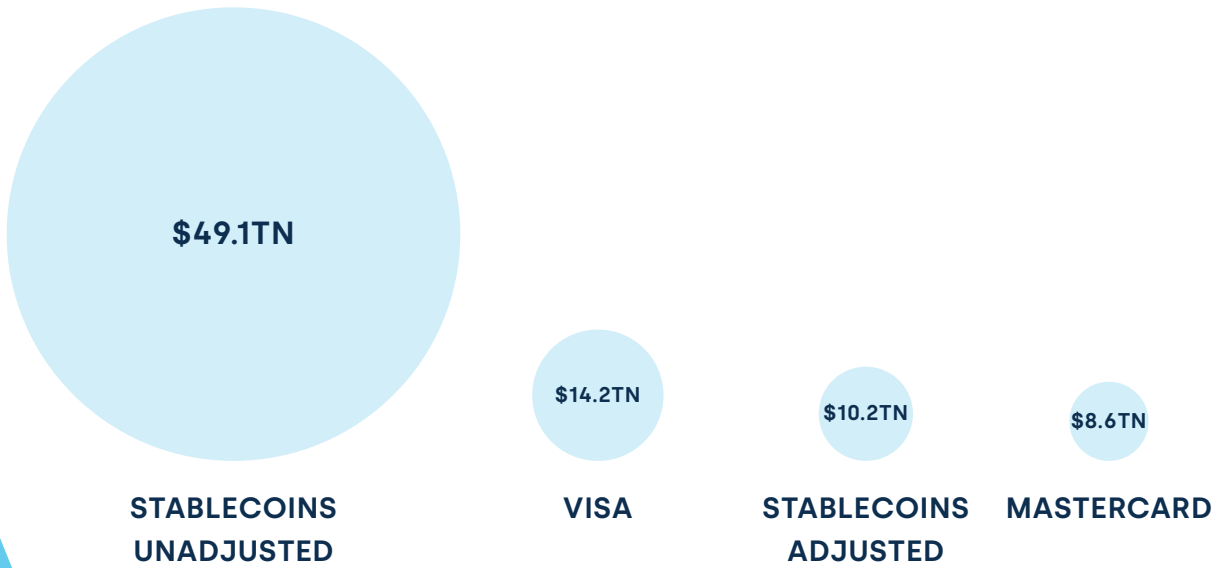
In theory, stablecoins promise faster and cheaper cross-border payments than their fiat counterparts, although the reality is far more complicated and far less clear-cut. Stablecoins are quick to move around the world and so can be used as an alternative form of financial infrastructure, giving them a particular advantage in regions where fiat rails are slow and complex.

However, there are costs and complexities (such as KYC and AML) to moving money in and out of stablecoins that create frictions and increase prices – and that limits their application in reality.

> “We believe the future of financial services will be hybrid – bridging traditional infrastructure with digital innovation. But to fully embrace this model, the industry must address key compliance risks such as AML and KYC. A hybrid ecosystem introduces new complexities around data, regulation and monitoring. How effectively these challenges are managed will define the speed and security of the technology’s adoption.
>
> **Paul Meng, Co-Founder and CEO, SUNRATE**

STABLECOIN TRANSACTION VOLUMES ARE BEGINNING TO CHALLENGE CARD NETWORKS

Stablecoin transaction volume, overall and adjusted to remove intra-exchange, bot and other high-volume trading activity, versus Visa and Mastercard for the last 12 months



Source: Visa Onchain Analytics / Allium, Visa, Mastercard

> Stablecoins are a new branch of the money tree.
>
> **Patrick and John Collison, Stripe Co-Founders**
>
> Source: Stripe Annual Letter

3.1

STABLECOINS BENEFITS ARE NOT UNIVERSAL

Stablecoins do not always present an advantage over existing fiat-based systems. SUNRATE can already facilitate client payments in near real-time in most G10 markets using fiat currencies – with real-time settlement and end-to-end costs now optimised to as low as ~0.01% in certain corridors.

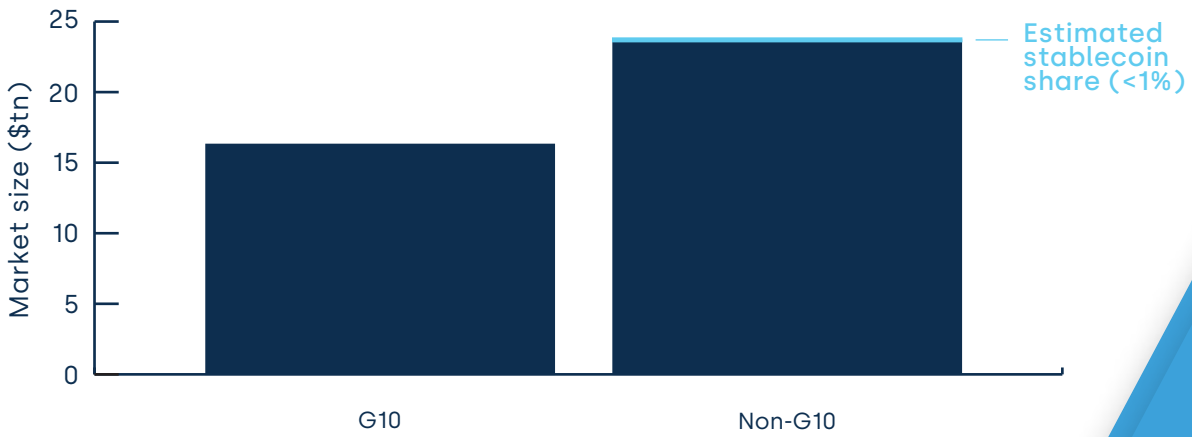
In these markets, the incremental expense of stablecoin on-ramping and off-ramping would not reduce total cost; in fact, it would likely increase it. However, FXC Intelligence data shows that G10 flows represented only 41% of global cross-border volumes in 2024. The problem – structurally – is the other 59%, and that is where stablecoins are beginning to have a significant impact.

Stablecoin volume now accounts for 1.5% of GDP in Africa and the Middle East and 1.4% in Latin America, according to the International Monetary Fund, compared to 0.4% in North America, Europe and Asia Pacific. This is driven by currency volatility, inflation and a lack of USD liquidity in key markets, with a lack of direct currency clearing between neighbouring African countries exacerbating the problem. This has kept payment costs using conventional rails high and has created a critical need for infrastructure alternatives.

Stablecoins and blockchain-based settlement infrastructure have a significantly stronger value proposition. While they remain a small fraction of all cross-border payments, likely less than 1% of global volume, the direction of travel is clear: stablecoins will be a meaningful component of B2B money movement in the coming decade – but they will not replace fiat rails. Instead, they will form part of a hybrid architecture: a new layer of infrastructure that complements existing networks and unlocks value where the legacy system is inherently constrained.

THE EMERGING MARKET STABLECOIN OPPORTUNITY IS STILL BEING REALISED

Estimated 2024 G10 and non-G10 market size and share of non-G10 volume thought to be currently handled via stablecoins



THE POTENTIAL FUTURE: HOW STABLECOIN DEVELOPMENT MAY PROGRESS IN EMERGING MARKETS

TODAY → 2026 Continued grassroots adoption, with stablecoins playing an informal but critical part of everyday payments in some markets

2026 → 2028 Integration with mainstream payment rails, with stablecoins playing a key but often invisible role in payments

2028 → 2030 Regulatory and compliance clarity, with the technology becoming more overtly used as confidence grows

2030 → 2032 Institutional adoption of tokenisation and stablecoins begins to blur the line between bank-held money and stablecoins in some markets

2032 → 2035 Interoperable regional global networks mean stablecoins function as the neutral currency of trade between emerging markets and beyond

3.2

THE INITIAL STAGE: STABLECOIN SANDWICHES AND EMERGING MARKETS

The biggest area stablecoins are currently proving their worth is in what is known as the stablecoin sandwich. This is where the money is sent and received as fiat currency, but the transfer and currency conversion in the middle is achieved using stablecoins.

From the customer's experience, this is no different from any other cross-border payment; as a result, there are already many transactions being processed where the sender may not know stablecoins are being used.

At the moment, companies who are using stablecoins in this way are typically doing so to send money from or to emerging market countries where local fiat infrastructure is slow and expensive. Companies as diverse as airlines, aerospace and mining are among those to make use of the technology to move money between their international bases of operation.

Flutterwave is among the payment companies beginning to use stablecoins in some corridors where they provide improvements for customers in this way, while many, such as MoneyGram, are also using the technology for treasury management.

There are also some situations where end users are funding or receiving payments in stablecoins. In countries where the local currency is very volatile, US dollar-denominated stablecoins have seen growing support as an alternative, while in crypto-facing industries in developed countries, stablecoins are popular as a way of interfacing between the Web2 and Web3 worlds.

KEY STEPS IN THE STABLECOIN SANDWICH

Client initiates payment in local fiat ▶ On-ramped to locally regulated stablecoin ▶ Converted to internationally recognised stablecoin ▶ Off-ramped to recipient's fiat currency

3.3

THE ADOPTION STAGE: GREATER USE, BROADENING APPLICATIONS

While stablecoins already have a place in global cross-border payments, the actual volumes being moved remain very small relative to their potential, and there are far more projects in development that are set to evolve how stablecoins are being used.

In some cases, this involves greater proliferation of invisible applications of the technology, which is being aided by greater regulatory certainty. The passing of the GENIUS Act in the US this year provided a much-needed regulatory framework for companies operating in the country, and follows similar regulations in Singapore and Europe. The Hong Kong Monetary Authority (HKMA) is similarly implementing its own regime, while other jurisdictions including the UK and are still developing their own approaches.

These developments have seen brands such as Stripe, Visa and Mastercard develop stablecoin tools designed to support greater use of the payments technology, but are also beginning to spur greater 'visible' use of stablecoins. These include accepting digital currencies at checkout, with PayPal among those to add such capabilities, as well as the ability to hold stablecoins alongside fiat currencies in fiat/stablecoin hybrid digital wallets.

The last few years have seen fiat-based multicurrency wallets become more popular, first for consumer applications and more recently for B2B use. As stablecoin adoption continues to grow, we are likely to see their presence in such products become more normalised – and may see far more businesses whose treasuries sit across fiat and stablecoins on a daily basis.

THE STABLECOIN OPPORTUNITY IN NUMBERS

$16.5tn
The base total addressable market for cross-border payments using stablecoins

$23.7tn
The upside total addressable market for cross-border payments using stablecoins

$13tn
The base total addressable market for B2B cross-border payments using stablecoins

$18.8tn
The upside total addressable market for B2B cross-border payments using stablecoins

Source: FXC Intelligence market sizing data

3.4

THE MATURE STAGE: CURRENCIES, APPLICATIONS AND SILOS?

As stablecoins proliferate further, we may see them begin to be more commonly used for payments in major currency pairs, however this is far more likely if the current mix of stablecoins evolves. At present, around 90% of stablecoins in circulation are held in a small number of US dollar-pegged stablecoins, primarily USDC, issued by Circle, and USDT, issued by Tether.

The greater volumes of these stablecoins make them the default option for cross-border payments, in part due to the greater ease with which they can be on-ramped and off-ramped. But this lack of support for other currencies can create challenges for payments involving other currencies, particularly if the industry moves away from the stablecoin sandwich model.

There are currently multiple projects in development to issue stablecoins in other major currencies – and crucially they typically involve multiple major institutions that can help ensure the stablecoins get sufficient liquidity to gain momentum. For example, following Hong Kong's passing of its Stablecoins Ordinance 36 companies have submitted initial applications for stablecoin issuance.

In order to comply with regulatory requirements, we may also see stablecoins being used in closed-loop payment networks for specific industries, such as minerals or oil and gas. Steel mills that regularly import iron ore from abroad might ultimately make use of stablecoins in a closed system specifically tailored to the needs of their industry, while another network could be tailored to a different industry's needs entirely.

Stablecoins also have the potential to be programmed – something that is possible now but is generally under-explored. Rather than just being sent, stablecoins could be embedded with smart contracts to hold payments in escrow until the delivery of a service, or otherwise embed logic that would take a payment from a flat process to something reactive and refined.

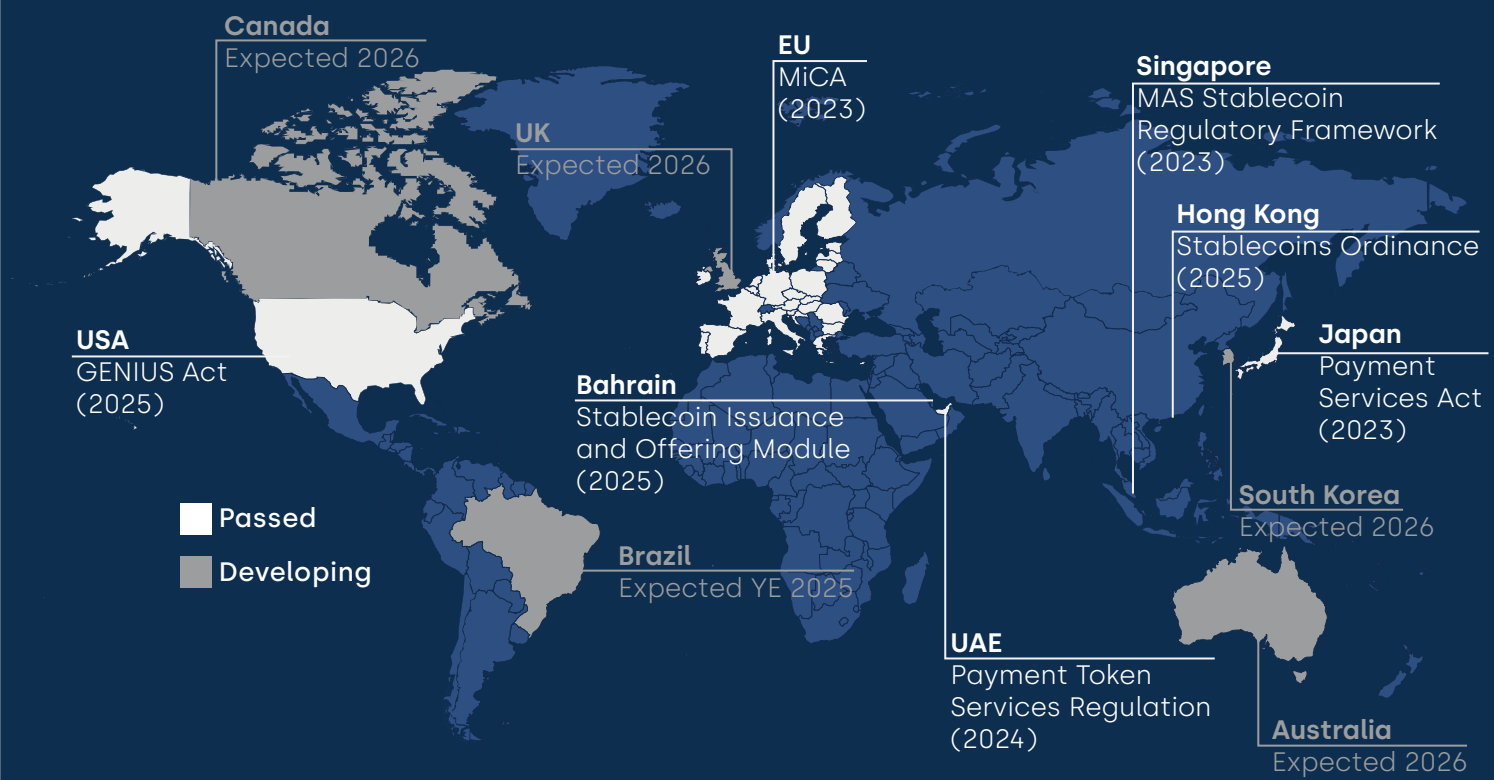
However, the potential for emerging markets is perhaps the most pronounced. Stablecoins are already being used for a wide range of purposes in many emerging markets, including cross-border ecommerce, B2B payments, money transfers and contractor payments. In Sub-Saharan Africa, for example, stablecoins already account for a far higher share of cryptocurrency transaction volume than they do globally, likely a reflection of their increased use for mainstream financial applications in this region.

We are beginning to see greater integration of stablecoins into mainstream payment rails, but as this advances and emerging markets bring more regulatory clarity, adoption is likely to advance further. In time we may ultimately see stablecoins become the dominant financial instrument in some emerging markets, particularly where they are effectively leapfrogging other generations of financial infrastructure. For users, this could translate into a step-change in how they handle their money, making the experience faster, more streamlined and ultimately more global.

The potential for the technology is broad – but for the payment experience, it may prove transformative.

THE GLOBAL PUSH FOR STABLECOIN REGULATION

Key markets to have passed or that are developing stablecoin regulation, as of November 2025



4.0

BLOCKCHAIN BEYOND STABLECOINS: THE BROADER LEDGER OPPORTUNITY

Blockchains are often just thought of as the rails on which stablecoins move, but their potential is far more broad – and the payments industry is now beginning to wake up to that fact. While stablecoins are a specific type of digital asset that are typically moved on public blockchains or other distributed ledger technology (DLT), the infrastructure is by no means confined only to stablecoins – or even to cryptocurrency as we know it.

In theory, anything can be represented in the digital – or Web3 – world by a DLT-based token, and the capabilities of blockchains to effectively track the ownership of such tokens means the potential applications are extremely broad.

While there is potential to use non-stablecoin blockchain technology to directly support the payment process, there are also significant implications for the wider infrastructure surrounding the process, from monitoring the supply chain to tackling inefficiencies in the compliance process. And the potential for the payment experience is therefore significant.

> Our clients want interoperable, multi-bank, cross-border, always-on payment solutions, provided in a safe and sound manner with the complexities solved for them. That, frankly, is best done by tokenized deposits.
>
> **Jane Fraser, CEO, Citigroup**
> Source: Investor call

> We could see a lot of conglomerates deploying their own tokenised services like a bank, and we have the potential to contribute to that.
>
> **Jonathan Wang, Head of Corporate Development, SUNRATE**

PAYMENTS COMPANY ANNOUNCEMENTS ABOUT BLOCKCHAIN & TOKENISATION ARE RISING

98%↑
YoY rise in company announcements about blockchain in 2025

70%↑
YoY rise in company announcements about tokenisation in 2025

4.1

ON-CHAIN CUSTOMER IDENTITY

Blockchain technology has significant potential to streamline aspects of the payments experience beyond the actual movement of money, in particular the know your customer (KYC) process. At present, KYC has to be repeated by every institution, which is energy-intensive, time-consuming and potentially creates increased risk for a business or individual.

However, blockchain technology could have the potential to transform this process, by making it so that KYC only had to be completed once. The data itself would be securely stored, and a digital identifier confirming that it had been completed – known as a hash – would be available for institutions and programs to query as required. As a result, when a customer signed up for a new service, instead of going through KYC again, the service would simply query the hash, which would serve as proof of the KYC being completed.

Such a solution would have potential across consumer and B2B applications, and is one of a number of digital identity applications for the technology. A similar process could be used for age or national identity verification, or for businesses to identify key certifications or forms of compliance

HOW BLOCKCHAIN COULD TRANSFORM KYC

	TRADITIONAL KYC	BLOCKCHAIN-BASED KYC
DATA STORAGE	Each institution keeps its own copy of customer identification documents	Identification data is stored once, with verifiable 'hash' stored on shared ledger
VERIFICATION	Repeated by every institution	Verification occurs once and cryptographic proof allows it to be re-checked
PRIVACY	Risk of data leaks	Customer controls access

4.2

TOKENISED DEPOSITS: THE GROWING STABLECOIN ALTERNATIVE

Tokenised deposits have quickly become the most widely discussed blockchain alternative to stablecoins, with many major banks exploring the technology, and some having already launched their own solutions.

These are similar to stablecoins in that they are a representation of fiat money that can be moved on blockchains and therefore can be used to complete payments, however there is a critical difference. While stablecoins are backed by fiat reserves that have to be held at all times by their issuers, tokenised deposits are simply a digital representation of a customer's deposits at a bank, with the same hold requirements as a fiat deposit.

This is appealing to banks because it requires only minimal change to their current operational setup, rather than mandating they hold large amounts of funds to back stablecoins. Many high-profile banks have begun exploring the technology, with HSBC, Barclays and Santander among those exploring the technology. Meanwhile, both Citi and J.P. Morgan have launched their own tokenised solutions for clients, which are designed to support international treasury management.

With so many banks currently exploring the technology, it is likely that it will gain momentum alongside stablecoins, and for some use cases is likely to prove more dominant. However, it is not automatically an either/or situation. The two could be designed to interoperate, and there may be future situations where businesses store funds in a mix of the two forms of digital token.

STABLECOINS VS TOKENISED DEPOSITS: THE KEY DIFFERENCES

	STABLECOIN	TOKENISED DEPOSIT
ISSUER	Private entity/fintech	Commercial bank
BACKING	Reserves/assets	Customer deposits
KEY USE CASES	Retail, infrastructure & crypto markets	Wholesale & institutional payments

4.3

THE POTENTIAL OF BLOCKCHAIN'S TRACEABILITY

One of the fundamental benefits of blockchain technology is that it is highly traceable. All processes are immutably recorded, meaning changes to tokens can be clearly and reliably monitored.

In the B2B landscape, this is already showing potential for supply chains, particularly when it comes to demonstrating the provenance of assets, such as designer goods or wine, or to track the movement of goods around the world. However, it can also be applied to a number of other areas too.

Chief among these is reconciliation, which can be costly due to potential mismatches between the records of different parties in a transaction. Blockchain-supported reconciliation, however, has the potential to change this because under such a system all parties would have access to a shared ledger providing a single source for transaction data. Under this system, the sending institution and receiving institution would automatically be able to see information such as the transaction ID, timestamp and amount sent, as well as when the funds arrive, with instant reconciliation with their respective ledgers.

There is also potential for solutions spanning the transaction's entire lifecycle, such as blockchain alternatives to letters of credit, which remain in use for some international trade contracts despite digital alternatives. Through such a process, the payment for a trade could be held on the blockchain in escrow and automatically released when the conditions of the transaction – such as the delivery of goods – was met.

HOW A BLOCKCHAIN-BASED ALTERNATIVE TO A LETTER OF CREDIT MIGHT WORK

Buyer and seller agree on trade terms, which are digitally encoded into a blockchain-based smart contract

▼

The buyer deposits tokenised fiat or stablecoins into an escrow wallet controlled by a smart contract

▼

The goods are shipped and the shipment data or electronic bills of lading are uploaded to the blockchain

▼

The smart contract checks the contract conditions have been met

▼

The payment is released and a record of the trade remains on the blockchain

5.0 CONCLUSION

FUTURE IN FOCUS: THE PAYMENTS WORLD REDEFINED

While the exact mix of the future payments landscape remains to be seen, it's clear that the B2B payments experience is on the cusp of profound change. The convergence of AI, stablecoins and wider blockchain technology heralds a new era where global business payments are set to become integrated, instant and intelligent.

These technologies do not exist in their own silos. While there is an inevitable interplay between stablecoins and blockchain, AI could also be combined with both technologies to create systems that are automated, reactive and self-managing.

Despite the current pace of change, traditional Web2 financial institutions still also have a critical edge, in the form of clients and integrations with their last-mile payments infrastructure. Such clients are largely removed from the world of Web3 – and for many direct integration into such technology is a generation away. The future is therefore likely to be a hybrid, where Web2 and Web3 slowly converge.

This does not mean that the technologies themselves will automatically be visible to the end users. Stablecoins may ultimately become a foundational layer of digital money that end users give little thought to, while many processes that rely on AI do so without it being directly obvious to customers. However, the resulting experience will be, and that is set to ultimately be a step-change from an environment where manual processes still dominate.

For the CFO of the future, a cross-border payment may simply involve instructing an AI assistant, which would choose infrastructure, negotiate FX conversions and relay confirmation of the transaction from a blockchain ledger within just a few minutes.

For treasury teams, the focus may have shifted from executing transactions to supervising the rules and models that run them. Meanwhile, international conglomerates may manage inter-company payments on a blockchain, ensuring a single source of truth and making month-end reconciliation a thing of the past.

Many aspects of the payments world of today will still be easily recognised in the future landscape. But the experience is set to become ever-more streamlined, opening up entirely new opportunities in the process.