

WHITEPAPER

# A Neutral, Compliance-First Settlement Network for Cross- Border Stablecoin Payments

*Hong Kong—anchored. Asia at the core. Chain-agnostic by design.*

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Convened by **IOSG Ventures**

Prepared for **prospective founding members**

For discussion with licensed institutions across Asia

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## SECTION 01

## 01 Executive Summary & Vision

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The Asia Payment Network (APN) is a permissioned, compliance-first, chain-agnostic settlement network for cross-border stablecoin payments, anchored in Hong Kong and serving Asia as its core demand region. It is a neutral coordination layer — not a payment company, not an issuer, and not a counterparty to any transaction.

What a reader should take away from this document is not who convened the network, but how the network itself works: its architecture, its rules, and the value it creates for the licensed institutions that join it. APN draws its architectural reference from the Circle Payments Network (CPN) — a three-tier model of Originating and Beneficiary Financial Institutions coordinated by an orchestration layer, a transparent three-tier fee structure, permissioned governance, and a single-API integration through which one connection reaches the entire network.

### Why now

Stablecoins have crossed from crypto-trading instrument into genuine payment infrastructure. On-chain stablecoin transfer volume exceeded **USD 62 trillion** in 2025; but once bot and internal-transfer activity is stripped out, real economic activity was roughly **USD 4.2 trillion**, of which genuine real-economy payments were on the order of **USD 350–550 billion** (BCG). McKinsey and Artemis put real payments near **USD 390 billion**, more than doubling year-on-year, with B2B at ~USD 226 billion and Asia originating ~60% of the total. *Distinguishing "on-chain total" from "real payment volume" is the methodological foundation of this paper.*

### Why Hong Kong — and why Japan

Hong Kong's Stablecoins Ordinance (Cap. 656) took effect on 1 August 2025, and on 10 April 2026 the HKMA issued its first two stablecoin-issuer licences. Hong Kong permits stablecoins referenced to any fiat currency — a natural fit for a neutral, multi-currency network, and complementary to the United States' dollar-only path under the GENIUS Act.

**Sections 09 and 10 work through one regional corridor in full — Japan and the JPY settlement leg — as a template for how any Asian market joins the network.** Japan's revised Payment Services Act took effect on 1 June 2026; Japan is one of the three origination hubs of Asian stablecoin payments; and its financial groups already operate strong stablecoin rails — licensed USDC distribution, trust-type yen stablecoins live under the revised framework, and remittance corridors across Asia. The same corridor pattern applies, *mutatis mutandis*, to Singapore, Korea, Hong Kong and Southeast Asian markets. Section 10 sets out the founding-anchor participation path, including on-record answers to the questions institutions most often raise.

#### POSITIONING & RED LINES

APN is neutral, compliance-first, chain-agnostic, and open. This paper does not frame the network as a means to bypass or replace any existing system, and it does not touch sanctioned jurisdictions. **IOSG Ventures acts solely as convener, researcher, and equity investor in key companies** — it holds no licence, operates no payment

service, and is never a counterparty or custodian. Member economics are described as network **design principles**, never as guaranteed returns. APN complements — and never competes with — its members' existing licensed businesses and partnerships, including members' existing issuer and network relationships.

## SECTION 02

## 02 Market Context

### 2.1 The structural bottleneck in cross-border payments

The global cross-border payment market processes on the order of USD 190 trillion a year, yet its plumbing still rests on a correspondent-banking model designed in the 1970s. According to the World Bank, the global average cost of sending USD 200 was 6.65% in Q2 2024; a single international wire can cost up to USD 50, with intermediary banks deducting fees along the way.

- **Multiple intermediaries, sequential processing.** A single payment can pass through 3–5 banks over several days. SWIFT's own research notes that the SWIFT-network leg accounts for only ~20% of the journey — the remaining ~80% is spent in last-mile local clearing after the payment leaves the network.
- **Shrinking correspondent relationships.** BIS/CPMI reported that active correspondent-banking relationships fell ~20% over 2011–2018 globally, and ~30% across Latin America; banks exit high-risk, low-volume corridors, raising costs and weakening emerging-market reach.
- **Pre-funding drag.** Bilateral relationships require working capital parked in overseas accounts, locking up liquidity.
- **FX opacity.** Banks add a 2%–4% hidden spread over the interbank rate. The JPY leg of Asian cross-border settlement remains among the most expensive in the region, still routed through correspondent chains.

### 2.2 The stablecoin settlement opportunity

Stablecoin settlement completes in seconds, runs 24/7, and needs no correspondent chain. Local-clearing models such as Airwallex already prove the value of bypassing correspondents: combining 60+ licences with a proprietary network, Airwallex routes over 95% of transactions through local clearing rails across 127 countries, with ~94% settling same-day, on volume exceeding USD 266 billion a year. Stablecoins add a globally uniform USD/HKD/JPY value medium and programmability on top of this.

### 2.3 Where the real demand comes from

| Demand source                        | Evidence                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asian payment companies going global | Asia originates ~60% of real stablecoin payments (McKinsey/Artemis), concentrated in Singapore, Hong Kong and Japan. Japan is therefore not an add-on market for APN; it is one of the three origination hubs the network is designed around.                                                                                                |
| Fragile-currency emerging markets    | In Latin America, 71% of institutions already use stablecoins for cross-border payments — the highest globally (Fireblocks 2025). Goldman Sachs Global Institute estimates ~66% of the ~USD 290bn stablecoin supply is held by emerging-market individuals hedging local-currency volatility. Turkey, Nigeria and Brazil are representative. |
| B2B and payouts                      | B2B stablecoin payments grew ~733% year-on-year (McKinsey/Artemis), the fastest-growing segment — and the natural first use case for a JPY                                                                                                                                                                                                   |

settlement leg: Japan–Asia trade settlement, payroll, and remittance payouts.

**ON NO SANCTIONED MARKETS**

APN's emerging-market focus is limited to jurisdictions with fragile local currencies and no sanctions exposure — Turkey, sub-Saharan Africa, South America — and is otherwise expressed in the abstract as "fragile-currency emerging markets." The network does not serve or route through sanctioned jurisdictions.

## SECTION 03

## 03 Network Architecture

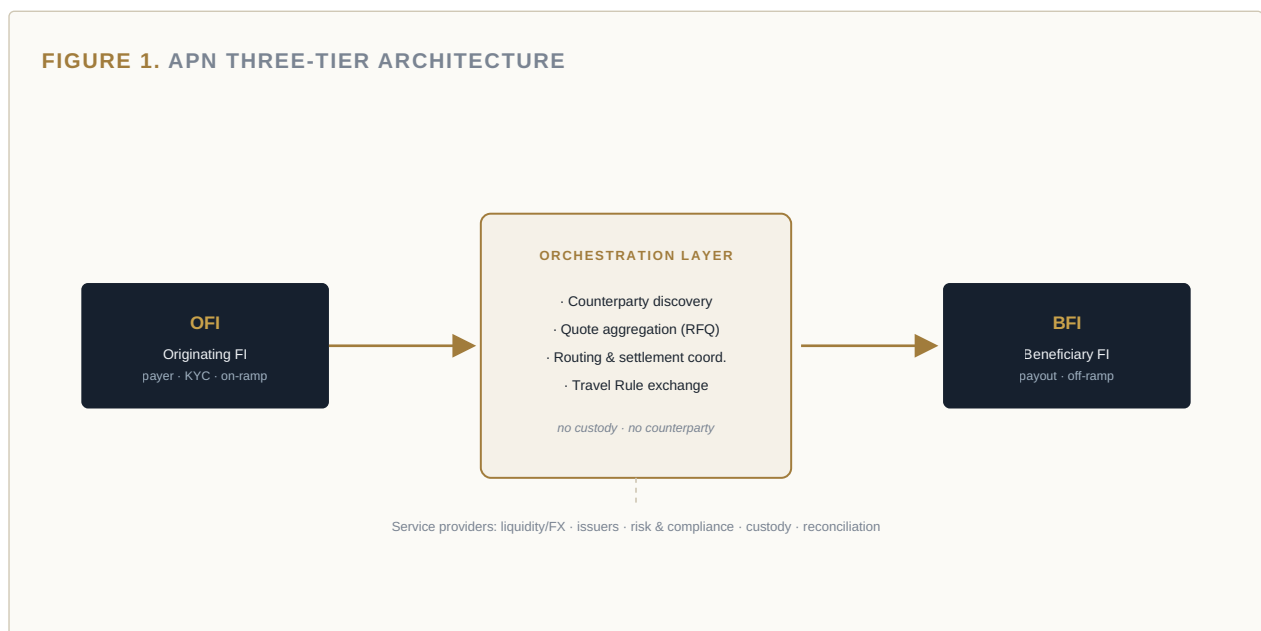
APN adopts a three-tier architecture. Around a core of Originating and Beneficiary Financial Institutions sits an orchestration layer that coordinates discovery, pricing, settlement and compliance — while never touching customer funds.

### 3.1 The three tiers

- **Originating Financial Institution (OFI).** Acts for the payer: performs customer KYC and compliance checks, and converts local currency into a settlement stablecoin (on-ramp).
- **Beneficiary Financial Institution (BFI).** Receives the stablecoin and completes the off-ramp — paying out destination fiat through local payment systems, or custodying the stablecoin at the beneficiary's election.
- **Orchestration Layer.** Performs member and counterparty discovery, quote aggregation (RFQ), routing, on-chain settlement coordination, and encrypted compliance-data (Travel Rule) exchange.

A single institution may register as both OFI and BFI. Around the core OFI–BFI path sits a ring of **service providers** — liquidity/FX venues, stablecoin issuers, risk and fraud tooling, reconciliation and reporting, credit, wallets and custody, compliance services — which plug into the network as value-adding participants rather than as intermediaries in the OFI–BFI transaction.

FIGURE 1. APN THREE-TIER ARCHITECTURE



### 3.2 Operator and governance boundaries

The defining principle: **the network operator is never a counterparty, holds no funds, and moves no funds.** This mirrors CPN's own positioning — CPN "does not move funds directly" but serves as a marketplace and coordination protocol, and its operating entity "does not hold funds or manage accounts on behalf of customers."

| Actor                              | Role                                                                                                                                                                                                                                                                                              |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Network operator / governor</b> | Maintains the Rulebook, eligibility standards, and API/message standards; operates discovery, pricing, routing and settlement-coordination protocols; standardises compliance exchange; vets members and issues network credentials; runs continuous risk review, security and incident response. |
| <b>Participating FI (member)</b>   | Holds its own licences; makes its own risk-based assessment of transactions and counterparties; executes on/off-ramp; bears transaction risk.                                                                                                                                                     |
| <b>IOSG Ventures</b>               | Convener / organiser, researcher, and equity investor in key companies. Does not enter the transaction path, custody funds, or hold a licence. Government may support, incorporate into policy, or lend its platform — but this paper does not claim government endorsement or sponsorship.       |

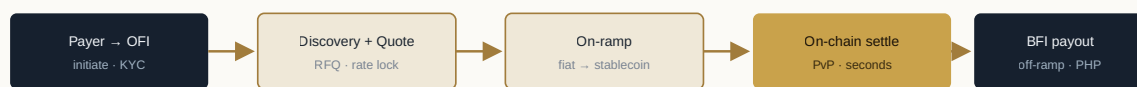
## SECTION 04

## 04 The Settlement Lifecycle

A cross-border payment — a payer in market A paying out local currency to a beneficiary in market B through an OFI — moves through the network as follows.

- 1 **Initiation.** The payer initiates a request at the OFI (e.g. JPY → PHP).
- 2 **KYC / compliance check.** The OFI completes payer KYC/AML and prepares Travel Rule data.
- 3 **Counterparty discovery.** Through a single API call, the OFI queries the corridor; the network returns executable quotes from multiple eligible BFIs.
- 4 **Quote & rate lock.** The network aggregates RFQ quotes and locks the FX rate, removing in-flight currency risk; the OFI selects the best BFI on price and operational preference, adds its own fee, and returns pricing to the payer.
- 5 **Compliance exchange.** The OFI sends encrypted Travel Rule and beneficiary data to the chosen BFI, which decrypts, verifies and approves.
- 6 **On-ramp.** The OFI ensures its operating wallet holds sufficient stablecoin (local currency → stablecoin).
- 7 **On-chain settlement.** The network generates the on-chain transaction object; the OFI signs and submits; stablecoin moves to the BFI wallet, typically within seconds.
- 8 **Off-ramp / payout.** On confirmation, the BFI pays out destination fiat through local payment systems and reports status back to the network.
- 9 **Finality & reconciliation.** Each transaction is uniquely identified and timestamped for compliance and audit; the network returns status to the OFI.

**FIGURE 2. END-TO-END FLOW (JPY → JPY/USD STABLECOINS → PHP), TYPICALLY MINUTES**



*Compliance data (Travel Rule) exchanged encrypted between OFI and BFI throughout*

End-to-end (e.g. JPY → JPY stablecoin → USD stablecoin → PHP) typically completes within minutes. Quote discovery happens off-chain via API (fast, private); settlement occurs on public chains.

## SECTION 05

## 05 Economic Design Principles

APN's economics are stated as network design principles — how value is intended to flow among participants by contribution — not as promised or guaranteed returns.

### 5.1 The three-tier fee model

| Fee          | Purpose                                                                                                                                               |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payout Fees  | Compensate the BFI for local fiat payout and processing costs.                                                                                        |
| FX Spreads   | Reflect liquidity risk and conversion cost.                                                                                                           |
| Network Fees | A variable basis-point charge, tiered by country group, supporting the network's core compliance, security, infrastructure and development functions. |

On-chain settlement carries a separate gas cost. As value-added services (risk, custody, accounting, compliance) are introduced by first- or third-party providers, usage-based service fees may layer on top.

### 5.2 Distribution principles

- **Contribution-linked.** Value flows toward members that genuinely provide payout capacity, liquidity, and compliance or technical services.
- **Non-discriminatory pricing.** Members of the same class, in the same role, are subject to consistent, transparent fee rules.
- **Jurisdiction-neutral.** Pricing and access do not discriminate by a member's home country; review depth scales with risk and compliance status, not nationality.

#### REGULATORY NOTE

Any promise of return to an unlicensed party may cross a regulatory line in the network's operating jurisdictions. APN therefore strictly avoids "guaranteed return" language and describes only how fees flow within the network by contribution.

### 5.3 Industry reference on issuance economics (illustrative, not an APN commitment)

The recent wave of "consortium stablecoins" is instructive for network designers. On 30 June 2026, Open USD (OUSD) — backed by 140+ companies including Visa, Mastercard, Stripe, Coinbase and BlackRock, and governed by an independent entity — launched with free mint/redeem and reserve yield distributed to partners after management fees. It illustrates that a network's durable edge comes more from distribution and distribution design than from issuance alone. **APN does not issue a stablecoin and does not promise reserve-yield sharing; this is context only.**

## SECTION 06

## 06 Compliance & Eligibility

APN is a permissioned network open only to licensed financial institutions, with compliance built into the protocol rather than bolted on.

### 6.1 Eligibility standards

- **Licensing.** Holds the licences required in its relevant jurisdictions.
- **AML/CFT and sanctions.** Meets FATF-aligned international standards and local law.
- **Financial and operational readiness.** Adequate financial strength, sound security controls, ability to meet SLAs.
- **Continuous review.** Pre-admission assessment plus periodic, risk-based re-assessment; members under robust regimes get standard review, others deeper scrutiny.

On approval, a member receives **network credentials** used for counterparty identification and due diligence — capturing status, jurisdictional scope and eligibility, and continuously updated.

### 6.2 Self-configured risk controls

Members define and enforce their own admission criteria for transactions and counterparties across four dimensions:

| Dimension        | Control                                               |
|------------------|-------------------------------------------------------|
| Geography        | Permitted / prohibited corridors and jurisdictions.   |
| Payment type     | Permitted use cases (B2B, remittance, payroll, etc.). |
| Counterparty     | Allow-lists and counterparty types.                   |
| Eligibility tier | Thresholds set by counterparty eligibility tier.      |

Each member retains the final right to approve or reject an inbound transaction.

### 6.3 Compliance-first, chain- and issuer-agnostic

- **Compliance built in.** Travel Rule enforced per FATF guidance; compliance data exchanged encrypted between OFI and BFI, with selective disclosure only to authorised parties under law.
- **Chain-agnostic.** No single blockchain is mandated; members choose per their own risk/compliance/operational needs.
- **Issuer-agnostic.** No single issuer is mandated; compliant stablecoins serve as settlement media, with new additions passing a governance assessment (reserve transparency, fiat liquidity, risk controls, reporting). This is the admission path designed for media such as a trust-type JPY stablecoin — see Section 09.

## SECTION 07

## 07 Protocol, API & Interoperability

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### 7.1 Single API, network effect

Integrate once, reach the whole network. A member connects through a single API and network protocol, and can then discover and connect to every other member's corridors — with no need to negotiate bilateral relationships or maintain multiple nostro accounts.

This is the same flywheel as CPN's "connect once and gain access to a growing network" and Stripe Connect's "one integration to global local payment methods and compliance."

### 7.2 Message standards and programmability

- **Message standards.** Standardised models for quotes, payments, transactions and compliance (Travel Rule) data, reducing the friction of onboarding new corridors; aligned with the ISO 20022 direction (global ISO 20022 migration completed November 2025).
- **Programmability.** Settlement occurs on programmable public chains, supporting smart-contract escrow, automated reconciliation, and conditional triggers (e.g. release on trade-document verification). The design remains non-custodial.
- **Depth of control.** This paper describes architecture and interface design intent, not protocol-level code.

### 7.3 AI-agent payments — a forward-looking interface

Machine-to-machine and agentic payments are emerging, with stablecoins the natural settlement medium. Relevant open protocols include Coinbase's **x402** (instant stablecoin payment over HTTP 402), Google's **AP2** (Agent Payments Protocol, a verifiable-credential authorisation framework), and Stripe/Tempo's **MPP** (Machine Payments Protocol). APN's interface design reserves programmable space to connect such agentic settlement in future.

## SECTION 08

## 08 The Clearing & Stablecoin Layer

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### 8.1 Multi-currency USD/HKD/JPY PvP settlement

APN uses USD and HKD stablecoins as its present-day settlement media — with a JPY-denominated stablecoin, on admission, joining as the third core leg. Settlement follows a Payment-versus-Payment (PvP) design that eliminates settlement risk: the two currency legs are atomically bound, so if either leg fails, neither completes — removing principal credit exposure.

CPN's own roadmap sets out 24/7 PvP on-chain settlement with a built-in FX engine (RFQ price discovery); APN adopts the same principle. A JPY leg settling PvP against USD and HKD stablecoins removes the cost and delay of the correspondent-routed JPY leg in a single design step — the subject of Section 09.

### 8.2 Chain-agnostic clearing

The clearing layer binds to no single chain or issuer. Members choose their operating chains; the network orchestrates settlement across source and destination chains and uses cross-chain protocols for interoperability.

### 8.3 Offshore RMB (CNH): a forward-looking research topic only

Hong Kong permits stablecoins referenced to any fiat currency, so a CNH stablecoin is legally conceivable but requires coordination with mainland monetary authorities. The market already shows CNH instruments licensed outside Hong Kong; the HKMA has publicly cautioned on unlicensed marketing. **APN treats CNH strictly as a forward-looking research topic** — any design premised on compliance, jurisdiction-neutrality and regulatory coordination, and never a present-day settlement commitment.

## SECTION 09

## 09 Regional Corridors: the JPY Settlement Leg

This section works through one regional corridor in full — Japan and the JPY settlement leg — as a worked example of how any Asian market joins the network: a regional financial group as a founding anchor, a compliant local-currency stablecoin admitted as a settlement medium, and a corridor built on members' licensed infrastructure. The same pattern generalizes to Singapore, Korea, Hong Kong and Southeast Asia.

### 9.1 Japan in APN's demand map

McKinsey and Artemis place real stablecoin payment volume near USD 390 billion a year, more than doubling year-on-year, with Asia originating roughly 60% of the total — concentrated in Singapore, Hong Kong and Japan. Japan is therefore not an add-on market for APN; it is one of the three origination hubs the network is designed around. Yet the JPY leg of Asian cross-border settlement remains among the most expensive in the region, still routed through correspondent chains. A JPY-denominated stablecoin settling PvP against USD and HKD stablecoins removes that leg's cost and delay in a single design step.

### 9.2 A trust-type JPY stablecoin as an admitted settlement medium

APN is issuer-agnostic by charter (§6.3): no single issuer is mandated, and compliant stablecoins are admitted as settlement media after a governance assessment covering **reserve transparency, fiat liquidity, risk controls, and compliance reporting**.

A trust-type JPY stablecoin — issued through a licensed Japanese trust structure, free of the JPY 1 million ceiling that binds fund-transfer-type issuance, with institutional settlement as its declared purpose — is precisely the profile this admission process was designed for. On admission, it would stand alongside USD and HKD stablecoins as a core settlement leg, and **every APN member becomes a potential counterparty for the yen stablecoin through one integration**. Distribution answers the use-case question: a stablecoin without corridors is inventory; inside a payment network it is infrastructure.

#### POSITIONING NOTE

Admission of a JPY stablecoin does not grant it exclusivity, and does not require its issuer group to route existing business through APN. Issuer admission and member participation are separable decisions.

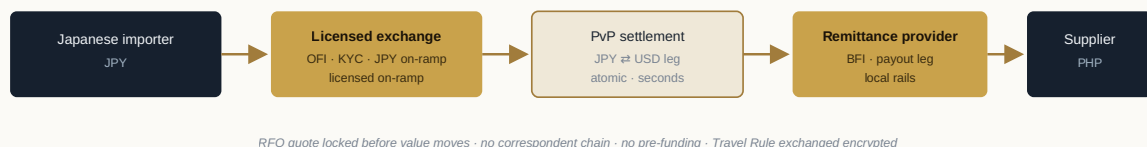
### 9.3 The Japan corridor design

A Japan corridor on APN uses the network's standard three-tier lifecycle (§4), with the member group's licensed entities in the two licensed roles:

| Network role         | Member entity<br>(illustrative) | Function in the corridor |
|----------------------|---------------------------------|--------------------------|
| Originating FI (OFI) | Licensed EPI<br>exchange        |                          |

|                              |                                            |                                                                                                                 |
|------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                              |                                            | Payer KYC; JPY on-ramp into a JPY stablecoin or USDC under Japan's licensed framework; quote selection via RFQ. |
| <b>Beneficiary FI (BFI)</b>  | Licensed remittance provider               | Destination payout through local rails across its existing markets; status and finality reporting.              |
| <b>Settlement medium</b>     | Trust-type JPY stablecoin (post-admission) | JPY leg of USD / HKD / JPY PvP atomic settlement — both legs complete or neither does.                          |
| <b>Service provider ring</b> | Group entities (optional)                  | Liquidity / FX, custody, compliance tooling as value-adding participants.                                       |

**FIGURE 3. THE JAPAN CORRIDOR — A JAPANESE IMPORTER PAYS A PHILIPPINE SUPPLIER, END-TO-END IN MINUTES**



## 9.4 Regulatory pathway in Japan

Japan's revised Payment Services Act took effect on **1 June 2026**, opening a compliance path for foreign trust-type stablecoins and introducing a lighter intermediary licence category. Two consequences matter for this corridor:

- **Inbound.** USD and HKD settlement media used by APN can reach Japanese users through licensed distributors — a path already proven in production by Japan's first licensed electronic-payment-instrument exchanges distributing USDC.
- **Outbound.** The corridor's Japan-side nodes are the member's licensed entities. IOSG holds no licence and never enters the transaction path; APN's Japan presence is exactly its members' licensed presence, which is the design intent of the whole network.

## 9.5 Complementary with members' existing rails

Japan's financial groups already operate strong stablecoin rails: blockchain-based remittance corridors, licensed USDC distribution, USD-stablecoin partnerships, and trust-type yen issuance. **APN does not replace any of these; it is the orchestration standard above them.** Where each rail today needs its own bilateral integration, APN offers corridor discovery, RFQ pricing and PvP settlement across every member through one API — with multiple issuers' stablecoins admitted side by side as settlement media.

**RED LINE, RESTATED**

The network operator is never a counterparty, holds no funds, and moves no funds. IOSG Ventures acts solely as convener, researcher, and equity investor in key companies. **Nothing in this edition frames APN as a remittance operator or a competitor to any member's licensed business.**

## SECTION 10

## 10 Founding Anchor Participation

Three participation models, independent of one another. An institution can enter with any one and add the others as the network proves itself against the thresholds in §14.

### 10.1 Participation models

| Model                                 | What it involves                                                                                                                                     | What the member gains                                                                                                   |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>Founding Anchor Member</b>         | Join the 5–10 institution founding cohort (June–September 2026 window); shape the Rulebook, eligibility standards and stablecoin-admission criteria. | Governance seat; corridor priority; standards written with Japan's regime in view.                                      |
| <b>Issuer Member (JPY stablecoin)</b> | Submit a trust-type JPY stablecoin to the settlement-media governance assessment (§6.3, §9.2).                                                       | Network-wide distribution: every member a BD-ready counterparty; the use-case engine for the yen stablecoin.            |
| <b>Corridor Operator</b>              | The member's licensed exchange as OFI and remittance arm as BFI on the Japan corridor (§9.3).                                                        | New corridor revenue under the three-tier fee model (payout fee, FX spread), on infrastructure the member already runs. |

### 10.2 Answers on record — the questions institutions ask

| Question raised                               | Answer                                                                                                                                                                                                                                                                    |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>What is APN's timeline?</b>                | A three-month anchor phase (June–September 2026) to confirm 5–10 founding members, followed by Rulebook drafting and a first live corridor targeted for Q4 2026. Thresholds that would accelerate or converge the plan are stated in §14.                                 |
| <b>Does APN itself have a business model?</b> | Deliberately none. The three-tier fee model (payout fees, FX spreads, network fees) flows to contributing members under non-discriminatory rules. Neutrality is the product; a profit-seeking operator would create the conflicts of interest the design exists to avoid. |
| <b>What does IOSG commit?</b>                 | A dedicated operations function: IOSG's four-person post-investment team runs convening, research and network operations during the founding phase, funded by IOSG. IOSG takes no licence and no transaction role.                                                        |

### 10.3 Day-one counterparties for a JPY stablecoin

IOSG ecosystem companies already in APN discussions — each a potential counterparty for a yen stablecoin from the first corridor — include RedotPay (stablecoin cards and payouts, Hong Kong hub, 6M+ users), Transak (global on/off-ramp across 60+ markets), and Fansyz (Polymarket's exclusive deposit channel, USD 8bn+ cumulative volume). Ecosystem introductions for yen-stablecoin business development can begin immediately and do not wait for network formation.

## SECTION 11

## 11 Governance

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- **Neutral governance.** Network rules are set by the governor and published; an advisory council incorporates member feedback; periodic review and independent audit cover volume, availability and member compliance.
- **Jurisdiction-neutral.** Access and pricing do not discriminate by a member's home country; review depth is layered by risk and regulatory regime.
- **No single controlling party.** Drawing on consortium-network governance (e.g. a partner-board model), APN avoids any single entity controlling issuance, reserves or rules. The goal is a neutral network jointly owned and maintained by many parties; IOSG is convener only. Founding anchors write these rules rather than inherit them.

## SECTION 12

## 12 Participant Value Propositions

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What each type of member gains from joining the network.

| Member type                         | What they gain                                                                                                                                                                                       |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Stablecoin issuers</b>           | Become a network-recognised settlement medium with multi-member distribution and liquidity venues; must meet governance standards for reserve transparency, fiat liquidity and compliance reporting. |
| <b>PSPs / payment institutions</b>  | One integration reaches every corridor on the network, removing bilateral negotiation and pre-funding; self-configure risk controls; retain pricing and the customer relationship.                   |
| <b>Banks</b>                        | Upgrade cross-border business with a compliant, programmable clearing layer; participate as OFI/BFI or as a liquidity/FX provider; reduce correspondent-banking dependence.                          |
| <b>Card issuers</b>                 | Plug into stablecoin collection and payout to support multi-currency card settlement (cf. the Visa / Mastercard stablecoin-card roadmap).                                                            |
| <b>Compliance service providers</b> | Join as service providers offering Travel Rule, risk, reconciliation and audit capabilities — a new revenue line inside the network.                                                                 |

## SECTION 13

## 13 Precedents & Applications

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The APN design is not speculative. Each of its pillars is already validated in production by leading networks and companies.

### 13.1 Circle Payments Network (CPN) — the closest architectural reference

CPN launched its mainnet in May 2025 and is APN's most direct architectural reference: the OFI/BFI/orchestration three-tier model, the three-tier fee model, permissioned governance, chain-agnosticism, and single-API access. Key data points:

- **Scale.** Circle's January 2026 reporting cited roughly USD 3.4 billion in annualised volume since the May 2025 launch. A separate third-party compilation cites ~55 enrolled institutions and ~USD 5.7 billion annualised volume as of February 2026 — flagged as unverified; rely on Circle's official disclosure.
- **Corridors.** Brazil, China, Colombia, Hong Kong, Mexico, Nigeria live; India, Philippines, Singapore, EEA, UAE, US expanding.
- **Hong Kong.** Circle's CEO has described inbound flow to Hong Kong as one of the most popular cross-border settlement routes on CPN; BFIs such as Tazapay support compliant fiat payout into Hong Kong.
- **Governance.** Circle is governor, standard-setter and operator; it does not custody funds or act as counterparty.

### 13.2 Circle Open Issuance / Open USD — issuance and shared liquidity

The industry is moving toward third-party issuance and shared-liquidity networks. Open USD (OUSD) launched on 30 June 2026, governed by an independent entity with 140+ partners, free mint/redeem, reserve yield distributed to partners, and partner-board governance. Stripe's Open Issuance (September 2025) lets any business issue its own stablecoin "in a few lines of code," with reserves managed by BlackRock, Fidelity and Superstate. **The lesson for APN:** the clearing layer should be stablecoin-agnostic, support multi-issuer shared liquidity, and design issuance economics as shared rather than exclusive.

### 13.3 Stripe — platform enablement and developer ecosystem

- **Stripe Connect** lets platforms onboard with zero licence, with Stripe carrying KYC, compliance and money-movement; platforms set fees and share revenue without becoming a licensed money transmitter.
- **Bridge acquisition (USD 1.1bn, closed 2025)** brought stablecoin orchestration; Bridge received an OCC conditional national-trust-bank charter in February 2026.
- **Tempo**, a payments-focused L1 built with Paradigm, went to mainnet in March 2026 (Series A at a USD 5bn valuation, October 2025).
- **Stablecoin Financial Accounts** let businesses hold and move USDC/USDB in 101 countries.

**The lesson for APN:** a neutral orchestration layer plus a single API plus a developer ecosystem is the engine of the network effect. APN positions itself as a neutral coordination layer, not a single company's chain.

### 13.4 RedotPay — emerging markets + Hong Kong hub

- **Scale.** As of November 2025: 6M+ registered users, 100+ markets, USD 10bn+ annualised payment volume, USD 150M+ annualised revenue.
- **Funding.** USD 107M Series B (December 2025, Goodwater lead, with Pantera, Blockchain Capital, Circle Ventures), reaching USD 194M raised in 2025.
- **CPN integration.** Joined CPN in June 2025 as an OFI supporting USDC payments into Brazil, auto-converting stablecoin to BRL and bypassing correspondents.

### 13.5 Airwallex / Wise — local clearing + cross-border network

Airwallex validates the "build local clearing, bypass correspondents" path: with 60+ licences and a proprietary network, it routes 95%+ of transactions through local rails across 127 countries, ~94% same-day, on USD 266bn+ annual volume. **The lesson for APN:** a stablecoin clearing layer is complementary to local clearing — stablecoins solve the cross-border "middle leg," while local BFIs handle the "last-mile" fiat payout. Japanese remittance providers' existing corridors are exactly such last-mile infrastructure.

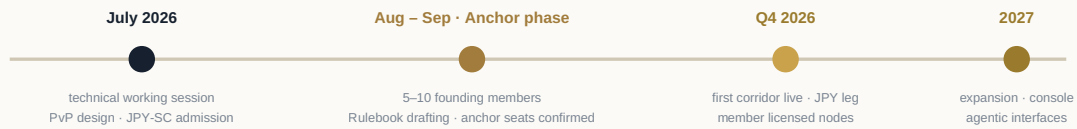
### 13.6 Stablecoin payment innovation — latest signals

- **Cost/efficiency.** Traditional emerging-market cross-border fees average ~USD 28–52 per transaction; stablecoin transfers are typically under USD 1, settling in seconds, 24/7.
- **Two measures of scale.** On-chain total (~USD 62tn in 2025, BCG) vs. real payments (~USD 350–550bn, BCG; or ~USD 390bn, McKinsey/Artemis). This paper insists on distinguishing the two.
- **Visa / Mastercard.** Mastercard announced (17 March 2026) the acquisition of stablecoin-infrastructure firm BVNK for up to USD 1.8bn; Visa's stablecoin-settlement annualised run-rate was ~USD 4.6bn as of March 2026 across 130+ card programmes.
- **AI-agent payments.** x402, AP2 and MPP/ACP combine agentic settlement with stablecoins, reserving forward space for APN's programmable interface.

## SECTION 14

## 14 Roadmap & How to Participate

FIGURE 4. PHASED ROADMAP — WITH THE JAPAN-CORRIDOR PATH



### 14.1 The founding-member role

Founding members participate in shaping the Rulebook and technical standards, gain priority access to corridors, and share in network governance. Participation begins by submitting institutional credentials and use cases to the convener for eligibility review.

### 14.2 The Japan-corridor path, step by step

- 1 **Step 1 (July).** A technical working session between the two teams: PvP settlement design, JPY-stablecoin admission criteria, and Japan corridor architecture. IOSG brings the draft eligibility framework; the member brings its JPY stablecoin's reserve and compliance profile.
- 2 **Step 2 (August–September).** Founding anchors confirm their seats; joint drafting of the Rulebook sections covering settlement-media admission and the Japan corridor.
- 3 **Step 3 (Q4 2026).** First corridor live with real payment volume; JPY leg operational with the member's licensed entities as network nodes.

### 14.3 Thresholds that would change the plan

- **Accelerate.** First-corridor real-payment volume and member retention meeting set thresholds; clearer regulatory guidance on multi-currency stablecoin settlement; key BFIs covering target corridors.
- **Converge.** If real-payment volume falls short, key-corridor BFI coverage is thin, or regulatory uncertainty rises — narrow to fewer corridors and deeper compliance.

## SECTION 15

## 15 Glossary & Disclaimer

### Glossary

|                                  |                                                                                                                                                                |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>OFI</b>                       | Originating Financial Institution — acts for the payer; performs KYC and on-ramp.                                                                              |
| <b>BFI</b>                       | Beneficiary Financial Institution — receives stablecoin and completes off-ramp/payout.                                                                         |
| <b>PFI</b>                       | Participating Financial Institution — a network member.                                                                                                        |
| <b>Trust-type JPY stablecoin</b> | A yen stablecoin issued through a licensed Japanese trust structure; free of the fund-transfer-type ceiling; institutional settlement as its declared purpose. |
| <b>On/Off-ramp</b>               | Fiat-to-stablecoin / stablecoin-to-fiat conversion.                                                                                                            |
| <b>PvP</b>                       | Payment-versus-Payment — atomic settlement that eliminates settlement risk.                                                                                    |
| <b>RFQ</b>                       | Request-for-Quote pricing mechanism.                                                                                                                           |
| <b>Travel Rule</b>               | FATF requirement to share originator/beneficiary information on transfers.                                                                                     |
| <b>Chain- / issuer-agnostic</b>  | Not bound to any single blockchain or stablecoin issuer.                                                                                                       |
| <b>Finality</b>                  | Irreversible settlement completion.                                                                                                                            |
| <b>FRS / EPI</b>                 | Fiat-Referenced Stablecoin (Hong Kong Stablecoins Ordinance term) / Electronic Payment Instrument (Japan Payment Services Act term).                           |

### Disclaimer

This whitepaper is a confidential working document prepared for discussion with prospective founding members, on the basis of public information available up to July 2026, distinguishing established facts from projections; uncertain data is flagged. Descriptions of CPN, Stripe, RedotPay, Airwallex, Open USD and others are industry reference only and do not constitute an endorsement of any party. APN's member economics are network design principles — not promised returns or guaranteed yield — and nothing here is investment, legal or tax advice. IOSG Ventures acts solely as network convener, researcher and equity investor in key companies; it holds no licence, operates no payment service, and is never a counterparty or custodian. Statements about any stablecoin's regulatory status reflect public information as of July 2026 and should be verified by each institution's own counsel. The role of government is stated as it actually stands; this paper does not claim government endorsement or sponsorship. Forward-looking statements are directional judgments, not definitive forecasts.

## APPENDIX

## 附 中文執行摘要

本白皮書第 09–10 節以日本走廊為完整範例，說明任何亞洲市場如何加入網絡：區域金融集團作為創始錨定成員（Founding Anchor），合規本幣穩定幣通過治理評審成為結算媒介，走廊由成員持牌實體承接。同一模式可推廣至新加坡、韓國、香港與東南亞。

### APN 是什麼

一張以香港為錨點、亞洲為核心、準入制、合規優先、鏈中立（chain-agnostic）的跨境穩定幣結算網絡。三層架構（OFI 發起金融機構 / BFI 受益金融機構 / 編排層），三層費用模型（派付費 / 匯差 / 網絡費），單一 API 一次接入、互聯全網。網絡運營方永不作交易對手、不託管資金、不移動資金；IOSG 僅作為發起組織者、研究者與關鍵公司股權投資者，不持牌、不進入交易路徑。

### 三個參與模式（相互獨立，可先選其一）

**創始錨定成員**——進入 6 至 9 月 5 至 10 家創始機構名單，參與規則手冊與穩定幣準入標準制定，獲得治理席位與走廊優先權。**發行方成員（日元穩定幣）**——將信託型日元穩定幣提交結算媒介治理評審（儲備透明、法幣流動性、風控、合規報告四項標準），一次準入，全網成員即成為日元穩定幣的分銷對手方；分銷本身就是用例的答案。**走廊運營方**——成員持牌交易所作為 OFI、持牌匯款機構作為 BFI，在現有基礎設施上獲得三層費用模型下的新走廊收入。

### 對機構常見問題的正式回答

**時間線**——6 至 9 月錨定期（確認 5 至 10 家創始成員），Q4 2026 首條走廊上線並跑出真實支付量。**APN 自身商業模式**——刻意不設；中立性本身就是產品，費用按貢獻以非歧視性規則流向成員；一個逐利的運營方恰恰會製造這套設計要避免的利益衝突。**IOSG 投入什麼**——4 人投後團隊承擔召集、研究與網絡運營，費用由 IOSG 承擔；不持牌、不進入交易路徑。

### 與成員現有軌道的關係

APN 不替代成員既有的任何一條軌道（區塊鏈匯款走廊、持牌 USDC 分銷、信託型日元穩定幣發行），而是這些軌道之上的中立編排標準——多發行方的穩定幣並列作為結算媒介，每條軌道今天各需一套雙邊集成，在 APN 上通過一個 API 完成走廊發現、RFQ 報價與 PvP 結算。日元穩定幣的準入不含排他性，也不要求發行方集團把現有業務導入 APN；發行方準入與成員參與是可分離的兩個決定。

### 下一步

7 月內安排一次雙方技術工作會議（PvP 結算設計、日元穩定幣準入標準、日本走廊架構）；8 至 9 月確認創始席位並聯合起草規則手冊相關章節；Q4 2026 首條走廊上線，日元結算腿由成員持牌實體作為網絡節點承載。生態引薦（RedotPay、Transak、Fansyz 等作為日元穩定幣首批對手方）即刻可以啟動，不必等待網絡成形。