Jack Henry Platform™

tokenized money

Tokenized money – whether in the form of stablecoins, tokenized deposits, or deposit tokens – is becoming an increasingly important part of the financial landscape. As this technology evolves, financial institutions are determining how and when it fits into their long-term strategy. Some are already exploring tokenized-money initiatives. Others are monitoring regulatory developments before making decisions. And many are simply seeking clarity on where the industry is headed.

Regardless of where your financial institution is today, Jack Henry is preparing for a future in which traditional fiat (dollar) networks and cryptographic (blockchain-based) networks coexist. We are building the underlying capabilities that will enable you to support tokenized-money use cases while maintaining the stability, compliance posture, and settlement controls of your foundational core.

but first... what is tokenized money?

"Tokenized money" is an umbrella term that includes stablecoins, tokenized deposits, and deposit tokens. While we'll use this term to refer to all three collectively throughout this document, the comparison matrix below outlines distinctions between each type and how they all differ from native digital assets like cryptocurrencies.

		Tokenized Money		
	Cryptocurrencies	**Payments Stablecoins**	**Tokenized Deposits**	**Deposit Tokens**
What is it	Cryptocurrencies are native digital assets that use blockchain networks – typically decentralized – to enable peer-to-peer transactions without relying on a central authority. Their prices are determined by market demand and often exhibit high volatility.	Per the GENIUS Act, payments stablecoins are digital tokens pegged to another asset – such as USD – in order to maintain consistent value. This makes them typically less volatile than cryptocurrencies while still being able to be represented on a public blockchain.	Tokenized deposits are cryptographic representations of a financial institution's existing deposits on a private, permissioned blockchain for current accountholders. They maintain the same legal status, regulatory treatment, reserve requirements, and interest characteristics of the deposits they represent.	Deposit tokens are financial institution-issued digital tokens that represent a direct claim on deposits held at the issuing financial institution. Unlike tokenized deposits, which simply mirror existing deposits on a private chain, deposit tokens are natively issued on a public chain and could act as an alternative to stablecoins and be available to both accountholders and non-accountholders. Deposit tokens are designed for 24/7 programmable settlement while retaining the regulatory protections of traditional deposits.
Examples	• Bitcoin • Ethereum • Solana	• Circle's USDC • PayPal's PYUSD • Ripple's RLUSD	• Citi Token Services • Kinexys by JP Morgan	• JPM Coin (JPMD)

The key to navigating this new landscape is understanding the infrastructure required to support different forms of tokenized money and native digital assets. All require a hybrid ledger that bridges your foundational core to on-chain networks.

- Stablecoins operate on public blockchains.
- Tokenized deposits are typically restricted to private, permissioned blockchains where financial institutions act as exclusive nodes.
- Deposit tokens represent a breakthrough in interoperability, as they are designed to be natively issued by financial institutions on public blockchains. This allows them to function as a regulated, financial institution-issued alternative to stablecoins.

where the industry sits today

While some financial institutions have already moved forward with tokenized-money strategies, many are waiting for regulatory guidance. Two major legislative efforts – the **G**uiding and **E**stablishing **N**ational **I**nnovation for the **U**.S. **S**tablecoins (GENIUS) Act and the forthcoming Digital Asset Market Clarity Act (or CLARITY Act) – aim to define the regulatory perimeter for tokenized money and native digital assets.

A key question the CLARITY Act is expected to resolve is how stablecoins and tokenized deposits should be classified from a regulatory standpoint and what rights they convey. This includes how these on-chain representations relate to the underlying deposit accounts on the balance sheet, and how interest, ownership, and reporting should be treated when a deposit exists in both on-chain and traditional core systems.

> ⓘ On-chain technology brings a new category of competitors as the OCC grants national trust bank charters to fintech and crypto firms entering the traditional financial services sector. What used to be a privileged franchise for chartered financial institutions is now challenged and weakened by a slew of new entrants.

why tokenized money?

Benefits

- **Programmability:** Automate payment workflows – such as escrow releases and payouts – when certain conditions or compliance criteria are met.
- **Instant finality:** With tokenized money, the exchange of an asset and the payment for that asset happens simultaneously, eliminating settlement risk that accompanies reconciliation in traditional payment systems.
- **24/7/365 availability:** Because tokenized money moves across decentralized, automated ledgers, settlement is not confined to “banking hours.”

Use Cases

Tokenized money introduces new ways to move and settle value, offering financial institutions faster, more efficient, and more programmable capabilities across key payment scenarios:

- **Send/receive stablecoins:** Enable accountholders to send/receive stablecoins, i.e., convert fiat dollars to payment stablecoins and vice versa.

- **Treasury and liquidity:** Treasury services for entities with multiple overseas accounts, cash concentration and instant sweeps, programmable vendor and supplier payments, and automatic trade finance and contract settlement.
- **Cross-border and FX:** Enable near-real-time international transfers and settlement of currency trades for investment and/or speculation.

And It's Only Picking Up Speed...

Although regulations are pending, stakeholders no longer question the value of blockchain technology. The industry is now actively upgrading and integrating its infrastructure into the on-chain ecosystem. While most financial institutions continue to evaluate the potential, the following industry developments are driving new urgency:

- **Infrastructure shifts:** Major infrastructure players like the New York Stock Exchange are moving toward these technologies. And because the Federal Reserve's currency is not tokenized, banks must act as the connector between Decentralized Finance (DeFi) and Traditional Finance (TradFi).
- **Payments companies enable stablecoin acceptance:** Shopify, Stripe, and the card networks are building out stablecoin acceptance for businesses small and large.
- **OCC enfranchises new competitors:** The OCC's serial approvals of national trust bank charters for a growing number of non-bank crypto and fintech firms makes those firms eligible for direct settlement with the Federal Reserve, cannibalizing traditional payments volumes and related non-interest fee income for full-service, federally-insured banks and credit unions.
- **Expansion of digital lending models:** The competitive landscape for credit is expanding. Some fintechs already facilitate collateralized lending against digital assets. As the industry explores tokenizing real-world assets (RWAs) like auto loans and mortgages on-chain, there is a potential for traditional intermediaries to be bypassed in the credit transaction lifecycle.

ⓘ Despite the hype, current stablecoin usage for 'real-world' payments remains nominal. For instance, stablecoin payments currently account for a miniscule share (less than 0.1%) of total global cross-border transaction value.[1]

1. Celent Research, 2025

Jack Henry's response

No matter how the regulatory landscape evolves, having the infrastructure to bridge fiat and on-chain networks is imperative if you are going to protect and win deposits, loans, and accountholder relationships in a hybrid monetary ecosystem.

To support this evolution, we've developed a hybrid ledger that enables conversion and settlement of funds between your existing core environment and the on-chain world. Jack Henry's hybrid ledger is a component of the Jack Henry Platform that extends and modernizes our foundational cores (i.e. CIF 20/20, Core Director, SilverLake, and Symitar).

Paving The Way With Tokenized Money-Ready Infrastructure

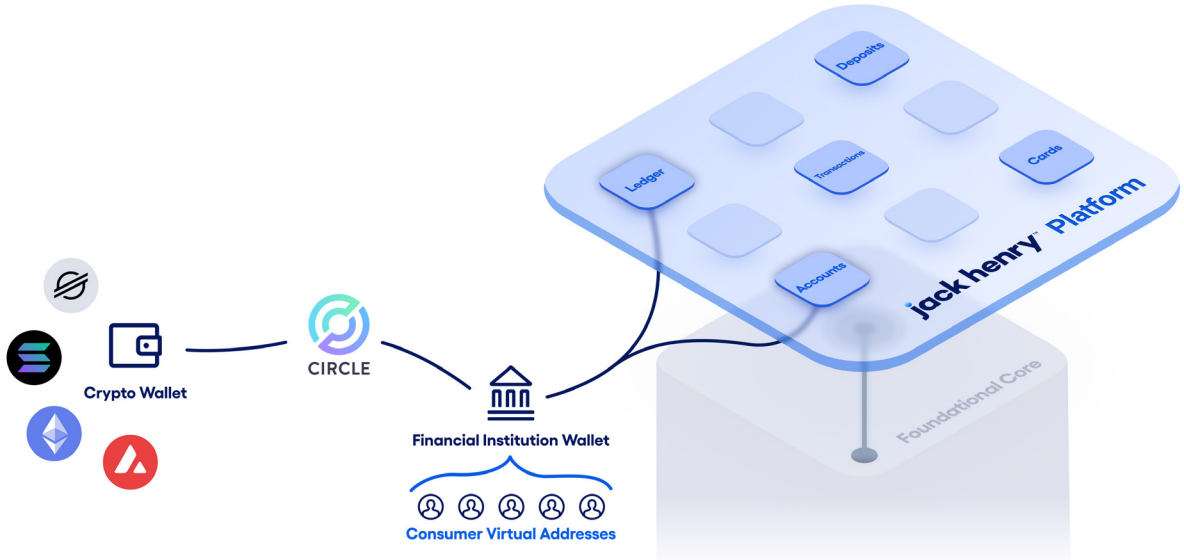
Why does the Jack Henry Platform matter for tokenized money initiatives? Many blockchain-based assets – like stablecoins – settle to six decimal places or more. While our foundational cores support two decimal places, the Jack Henry Platform supports nine and is built to scale further, ensuring compatibility with both current and emerging token formats.

We have also built the initial rails required to send and receive USDC (the dominant payments stablecoin in the U.S.) on the Jack Henry Platform through an integrated partner model. This enables financial institutions to onramp and offramp USDC, participate in USDC-based transaction flows, and support future tokenized money use cases. Over time, this foundation will allow financial institutions to support a wide variety of use cases and participate fully in the economics of tokenized money products and services.

Foundational Core Integration

The best part? The Jack Henry Platform handles the ledgering and money movement for tokenized money transactions while maintaining native integration with your foundational core. Funds ultimately settle back to the foundational core, ensuring consistency across systems and preserving the operational controls and reporting structures you rely on today.

This design allows your financial institution to explore tokenized money while maintaining the stability, auditability, and compliance standards of traditional banking infrastructure.



frequently asked questions

For additional insights, read the full Q&A from the February 2026 Around the Corner with Greg Adelson C-Suite Meetup focused on stablecoins.

navigate the evolving digital monetary landscape with confidence

Let's talk about this together. digitalexperience@jackhenry.com

For more information about Jack Henry, visit jackhenry.com.