



TREASURY  
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# Digital Assets Survey 2024



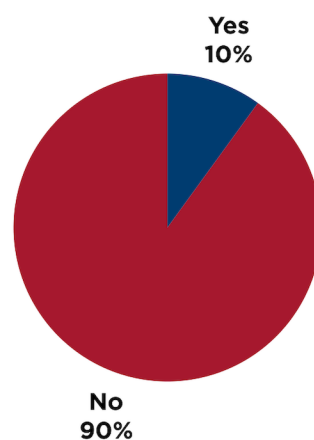
In collaboration with Zodia Markets by Standard Chartered, the ACT recently conducted a survey regarding member views on digital assets, and this paper represents the findings.

The survey received over 80 responses, with 70% from businesses based in the UK and the remaining responses distributed across North America, Africa, and Europe.

## Understanding current digital asset usage

When respondents were asked about their current use of digital assets, a modest positive response was received, as illustrated in Figure 1 below.

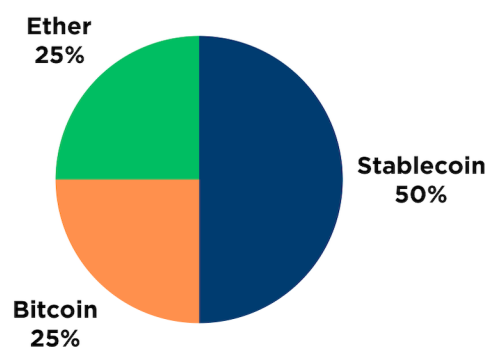
**Q9 Do you currently use digital assets?**



When asked about the types of digital assets used (Q10), stablecoins emerged as the most popular used asset. Some stablecoins are internet-based tokens backed by fiat currencies, similar to e-money services such as PayPal, which allow funds to be transferred across borders 24-7 without the inconvenience of cut-off times or business day restrictions. Over 95% of stablecoins by market cap are linked to the USD although non-USD alternatives are starting to appear.

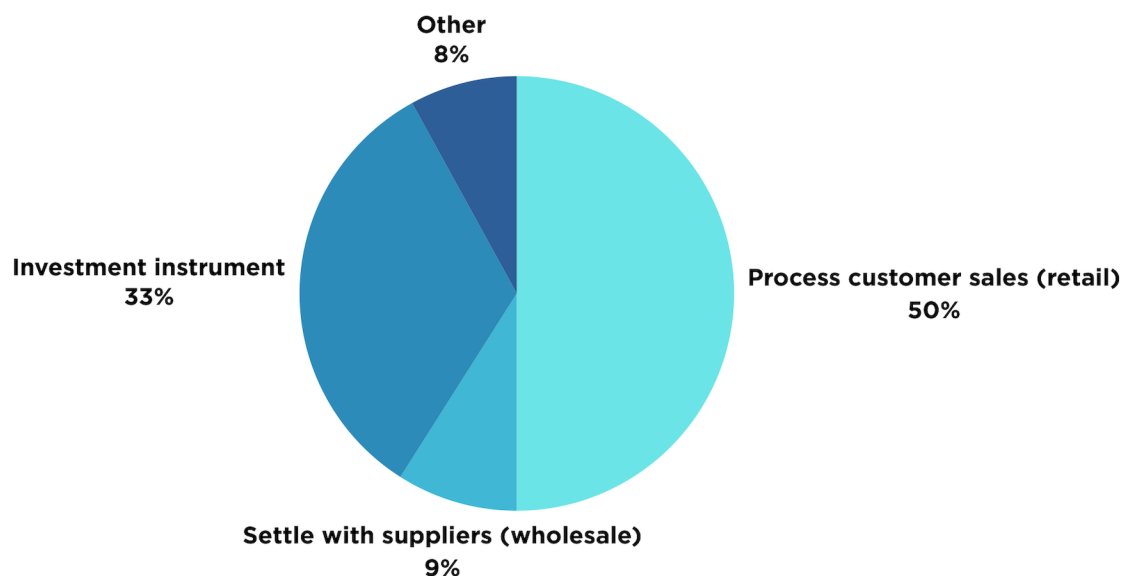
One respondent, with operations in El Salvador, noted that despite Bitcoin now being recognised as legal tender in that country, they had not yet been approached to process any receipts in this.

**Q10 What digital assets do you use?**



When questioned about what the reasons for using digital assets were, unsurprisingly the majority was for retail receipts, offering an alternative to the local currencies in some jurisdictions affected by concerns about trapped funds, unstable banks and unreliable local payment systems. One respondent noted that digital assets were being used to settle creative work for clients. For example, in many jurisdictions, corporate entities, let alone natural persons, face difficulty opening USD bank accounts locally, as they are often denied access by the banks. As an alternative, holding USD stablecoins is comparatively easy and, in many jurisdictions, attractive compared to receiving local currency. For corporate treasurers, this can reduce complexity in paying suppliers, as purchasing a USD stablecoin with USD is cheaper and simpler than managing the FX and payments risks associated with many currencies, particularly in emerging and frontier markets.

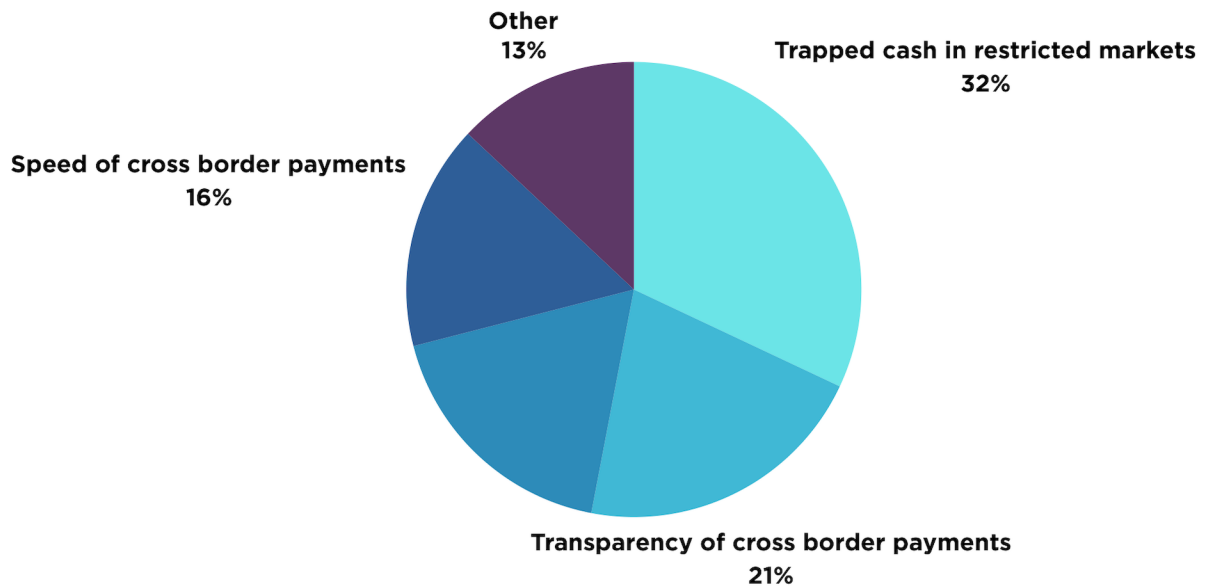
**Q11 What do you currently use digital assets for?**



## Digital assets: Benefits for treasurers

The survey aimed to identify the key pain points for treasurers in areas where digital assets could provide solutions. The next chart shows that trapped cash is by far the most pressing concern. As mentioned above, the option to offer goods and services in exchange for digital assets can help diversify away from the challenges that some local currencies can create. Using stablecoins helps remove volatility and the near-instant settlement and 24-7 availability mean that funds can be repatriated with relative ease. There are now increasing numbers of payment services providers such as Noah or Triple-A that can enable companies to offer stablecoin or digital asset payment options at the point of sale.

**Q12 What are the biggest pain points for your treasury activities ?**



Other concerns included:

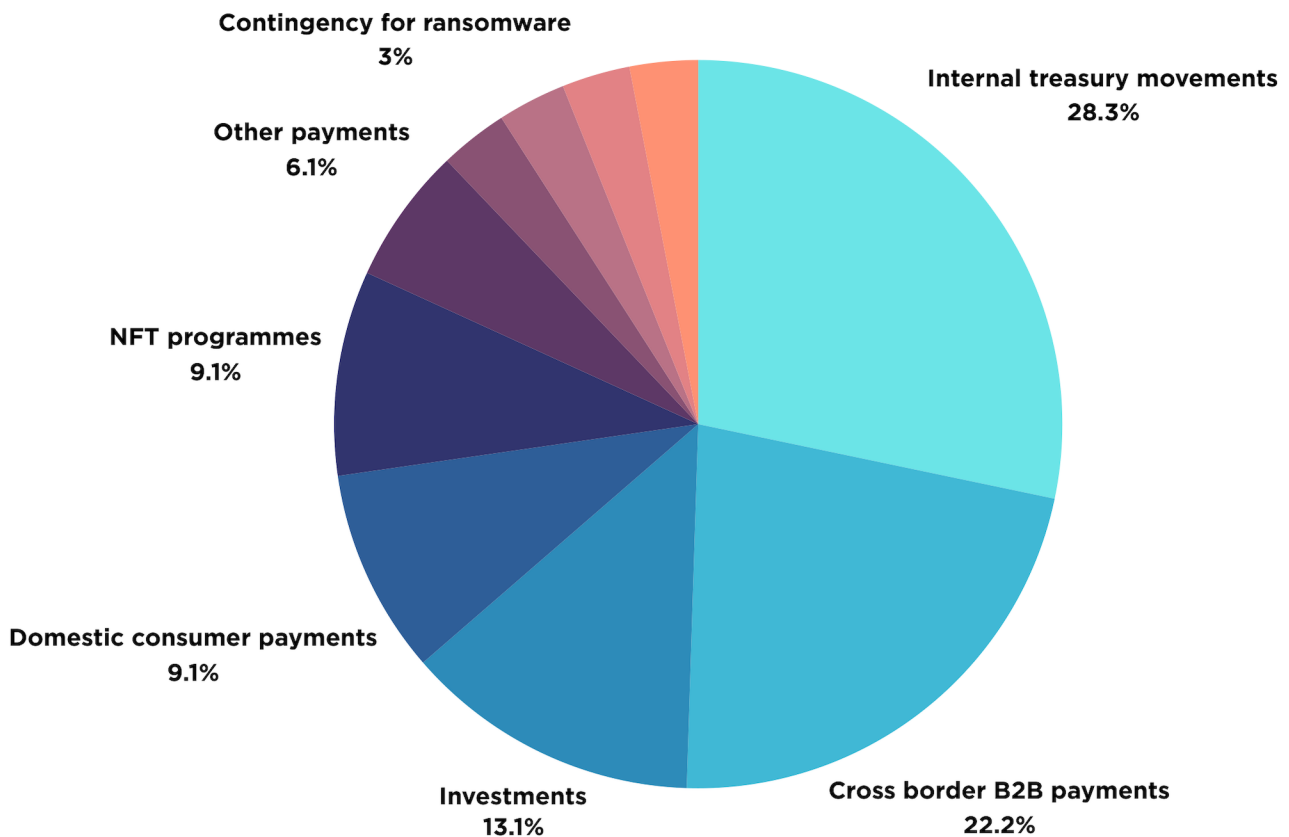
- FX volatility
- Risk of an asset significantly diminishing in value
- Operational fragmentation.

When queried about the potential value of digital assets to their organisation, the majority of respondents (28%) indicated internal treasury movements as the most significant, while low-value payments such as salaries and cross-border payments to consumers received the least votes. Stablecoins are available 24-7 and settlement times range between 30 minutes and 0.4 seconds depending on the blockchain involved. This removes issues regarding local payment cut-off times and limitations around business days or national holidays. Also, the relative transparency of the blockchain allows treasurers to observe their transfers in real time, should they wish to do so. Confidentiality and privacy concerns are mitigated by the pseudonymous nature of digital asset blockchains. Treasurers, knowing their wallet addresses, can monitor payments using information that would be indecipherable to any other observer.

A small number thought digital assets could be used to settle central bank digital currencies, albeit these would largely be confined to national payments as opposed to cross-border payments, where the most significant pain points lie, at least based on all the initial designs seen in production.

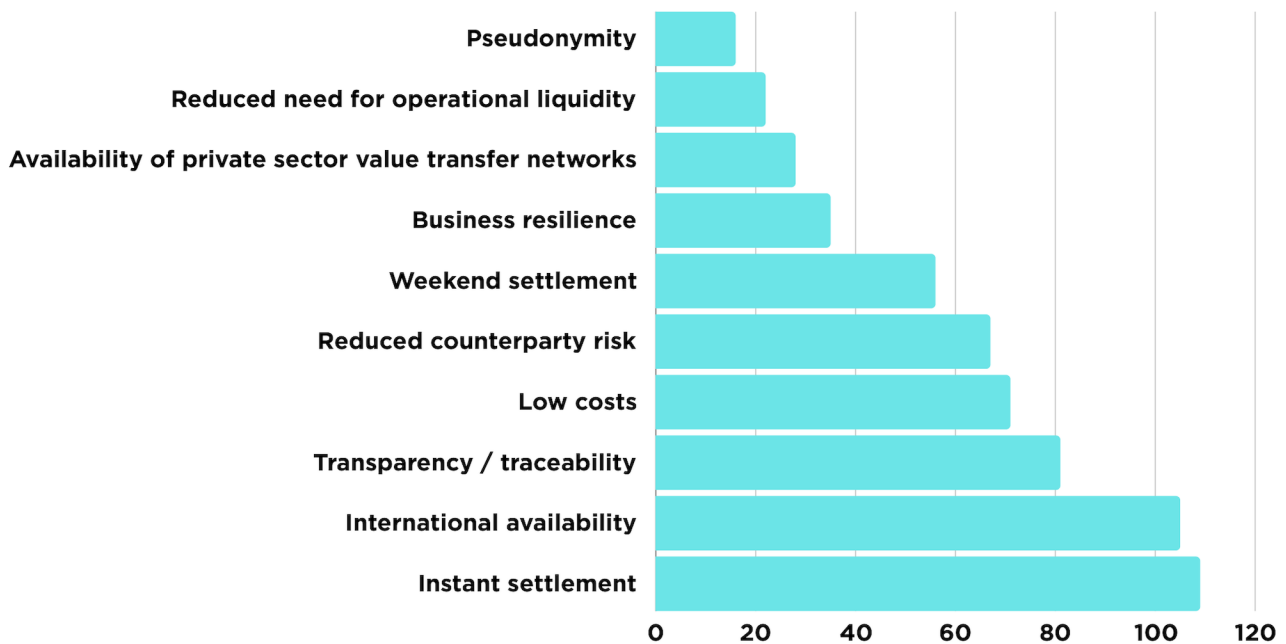


**Q13 Which of the potential use cases for digital assets can you see your company adopting?**



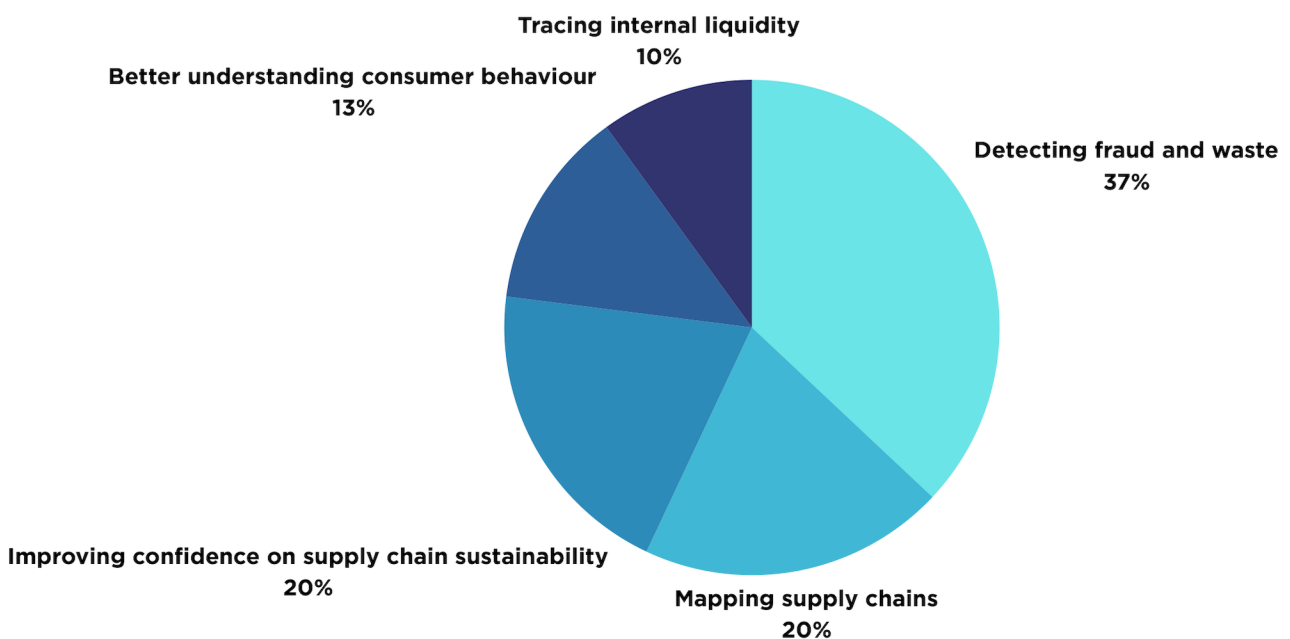
When asked about the benefits of digital assets, and allowing respondents to order their preferences, instant settlement and international availability featured as the most important attributes with the next most popular group comprising traceability, low costs, and reduced counterparty risks. This extends to other initiatives in global commerce. The Electronic Trade Documents Act in the UK allows for the digitisation of trade documents. There are now live initiatives that allow trade documents to be placed on the same blockchains as, for example, the stablecoins being used as a means of payments for the goods. This means that settlement of the payment and the bill of lading can be contingent and synchronous, removing settlement risk. It also offers the opportunity to create escrow services where the bill of lading and the stablecoin payments can be held by a common custodian.

**Q15 What do you think are the biggest benefits of digital assets?**



When examining the traceability and audit trails that digital assets can enhance, respondents ranked detecting fraud and waste as the most important factor, followed by supply chain visibility. For example, where payments are made with stablecoins, it provides the opportunity to ‘follow the money’ in parallel to tracing the supply chain. Where trade documents such as eBills can be placed on the same blockchain, this process becomes even easier to implement.

**Q18 What are the biggest potential benefits of the traceability and audit trail?**

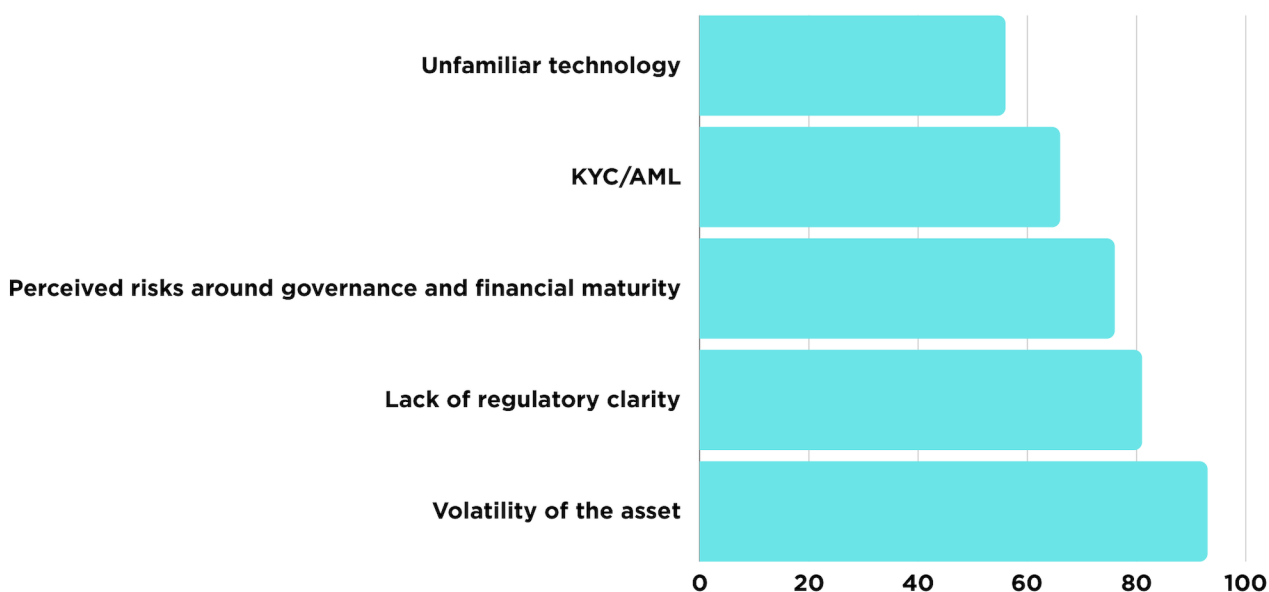


## Risks and hurdles

Having explored the benefits and opportunities that digital assets can offer, the survey also examined some of the challenges hindering their broader adoption. Question 20 asked respondents to prioritise their concerns, which were then ranked. Clearly some of the responses depend on the types of assets and their intended uses, but the inherent volatility of the most liquid digital asset, Bitcoin, emerges as the most significant risk. This explains the appeal of stablecoins such as USDC (Circle) and PYUSD (PayPal's stablecoin), which seek to address concerns around volatility. Following this is the regulatory framework, or lack thereof in certain jurisdictions, which receive the next largest area of media focus.

Many jurisdictions have either implemented stablecoin regulations, such as in the State of New York (which regulates the PayPal stablecoin), Singapore (which regulates the Circle stablecoin) or the UAE, with more to follow such as the EU and the UK. However, this tends to explain the lack of adoption among existing banks and financial services companies. Corporate entities, particularly in the oil and gas industry, have started to adopt stablecoins as a more efficient means of cross-border payment and settlement.

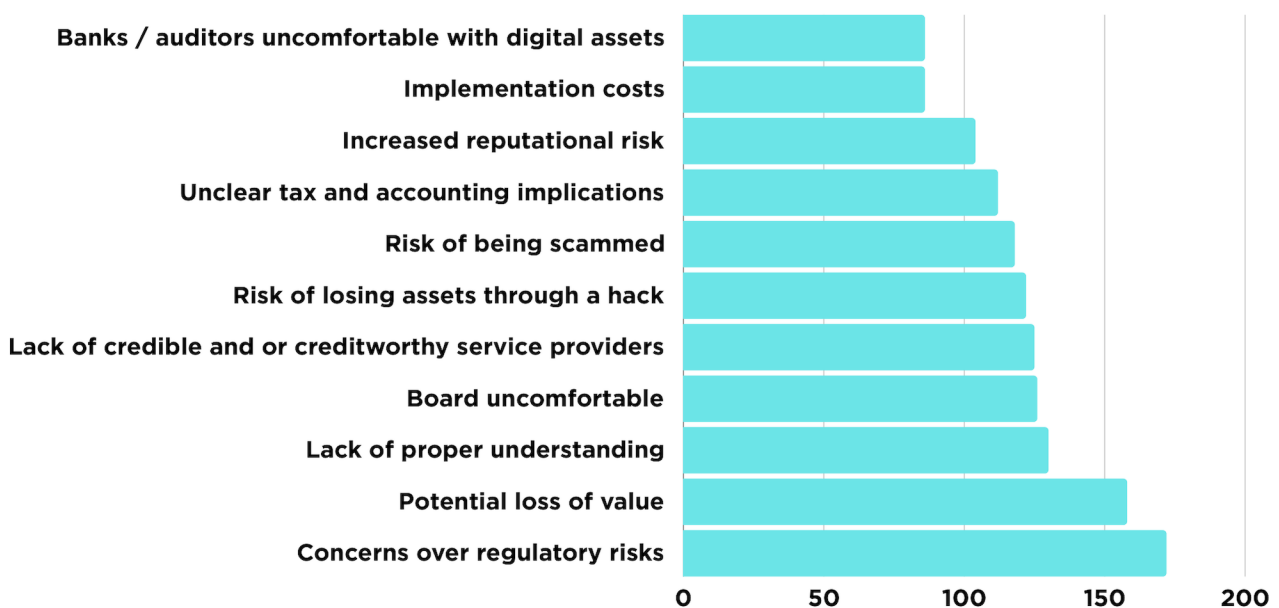
**Q20 What do you think are the biggest risks when using digital assets?**



In addition to risks, there is a broader array of concerns preventing businesses from adopting digital assets. The diagram below illustrates the most significant ones pertain to the regulatory environment and the possible loss of value. This should be understood in context where the widest adoption of digital assets has not been in developed markets where fiat currency can be freely traded and reliably delivered, but rather in emerging and frontier markets with less dependable financial systems and currencies. For corporate treasurers in developed markets seeking to do business in less developed ones, stablecoins and digital assets offer a credible alternative to restricted local currencies with elevated costs, poor local banking, volatile FX, limited derivatives for risk management, and high inflation.

Another concern involves board reticence and fears of asset loss due to scams or hacking. This underscores the importance of opportunities to educate senior leadership, with the ACT and its partners playing a crucial role in fulfilling this responsibility.

**Q22 What would be the biggest hurdle in adopting the use of digital assets in your organisation?**

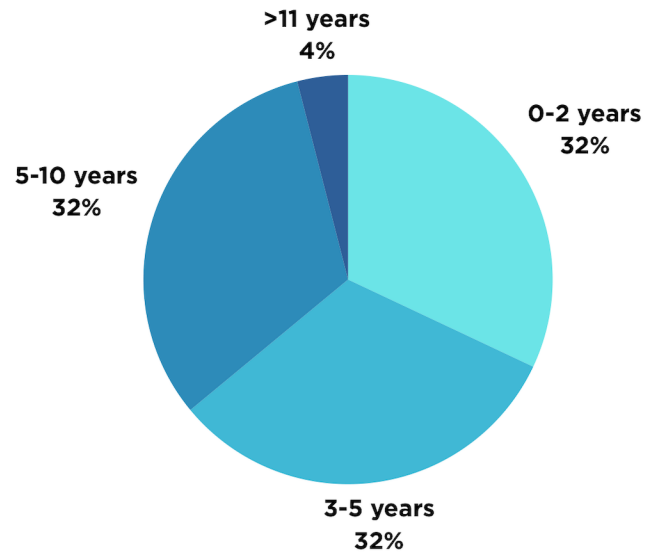


## The future of digital assets

Respondents were asked when they planned to start using digital assets, and almost half suggested within the next five years.

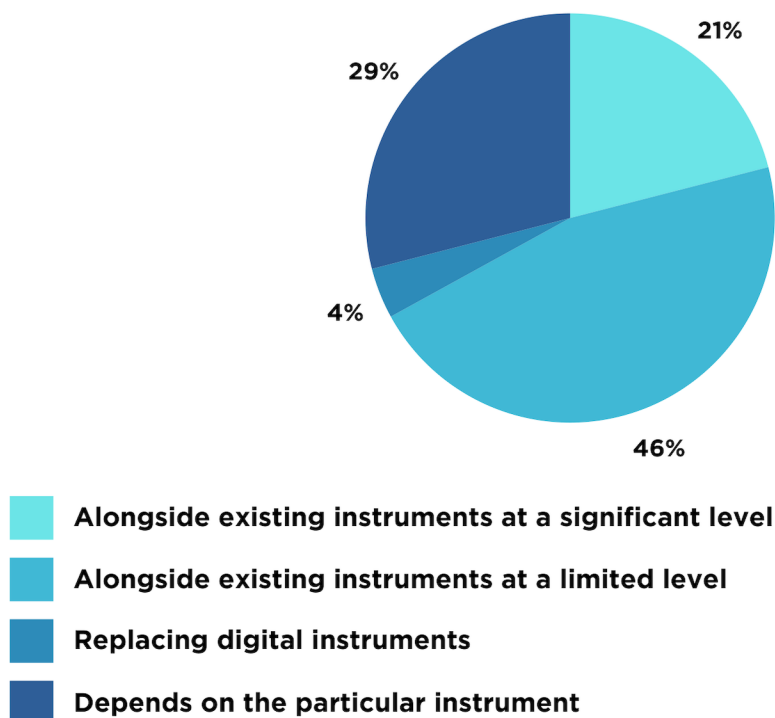


#### Q14 When do you see your organisation using digital assets?



However, when asked whether digital assets would entirely replace existing instruments most respondents saw them coexisting with current instruments in a limited capacity. This reflects the fact that digital assets and stablecoins are unlikely to disrupt robust payment channels between the likes of New York and London, or Hong Kong and Singapore. Rather, the use cases are most compelling when operating in corridors between less developed markets, particularly in Latin America, Africa, the Middle East and Asia.

#### Q17 How do you see the role of digital assets in the future?



Digital assets represent the migration of finance on to the open internet, which has been achieved by many other industries such as post (email), hotels (Booking.com), taxis (Uber) and mass retail (Amazon). This progression creates upheaval for many. For example, in the UK, newspapers transitioned from competing primarily on a national level to facing competition from global players like the WSJ, Straits Times and South China Morning Post. New technologies introduce new risks, but they also bring forth new opportunities. The ability to send money and assets with the same ease, low cost and speed at which one sends email presents a world of intriguing possibilities that should pique the interest of many treasurers looking to capitalise on these new opportunities.

## **What are your views?**

If you would like to discuss any of the content of this report, or engage with us further on digital assets, please contact Naresh Aggarwal, Associate Director, Policy & Technical at the ACT: [naggarwal@treasurers.org](mailto:naggarwal@treasurers.org).

### **About Zodia Markets**

Zodia Markets is an institutional digital asset trading business whose mission is to make the unfamiliar, familiar. We are the trusted institutional trading partner for corporations and institutions who want to trade in digital assets, but who don't want to compromise on the standards and principles associated with traditional finance. Zodia Markets is backed by SC Ventures, the innovation, and ventures unit of Standard Chartered, and OSL Group, Asia's leading digital asset company. For more information visit [www.zodiamarkets.com](http://www.zodiamarkets.com) or email [contact@zodiamarkets.com](mailto:contact@zodiamarkets.com).

### **About the ACT**

The Association of Corporate Treasurers is the professional body for treasurers and related roles in the UK and internationally. We were one of the first professional bodies in treasury, established in the 1970s, and we are the only treasury association to hold a Royal Charter. The ACT sets standards and qualifications in treasury, supports and develops treasurers throughout their careers, and ensures the voice of the real economy is heard by regulators, policymakers and employers.



**[treasurers.org](http://treasurers.org)**