Haycen Stablecoin Solutions for Mid-Market global trade

Thought Leadership
Haycen Bermuda Ltd
January 2026

Executive Summary

As we enter 2026, fully reserved, institutionally managed stablecoins and tokenised cash are emerging as core ‘digital cash’ rails for institutional settlement and Haycen brings these rails into the mid-market trade corridor as a key vertical that fuels the movement of physical goods around the world.

Global trade underpins the world economy, yet the financial infrastructure supporting it is increasingly constrained. Banks have capped their exposure to trade finance at approximately **$150 billion**, while global trade requires over **$2 trillion of liquidity** annually. This mismatch has created a structural financing gap, slowing supply chains and increasing costs—particularly for mid-market trade participants.

At the same time, trade finance funds experience **6–10x more demand for transactions than available assets under management**, creating a need for faster capital deployment without compromising risk or compliance.

Haycen addresses this imbalance through our regulated USD-denominated stablecoin infrastructure (USDhm) purpose-built for trade finance. By enabling liquidity, settlement, and payments to operate on instant, transparent rails, Haycen increases capital velocity, enhances returns by an additional 4–5%, and reinforces USD dominance across global supply chains—while operating in parallel with banks and existing trade finance frameworks.

The Structural Liquidity Gap in Trade Finance

Within trade finance, subset products include commodity finance (CF), the provision of funding to facilitate the import and export of materials from seller to a buyer either internationally or domestically along a supply chain. CF is largely self-liquidating, short-term, cash flow-driven and asset- backed along a supply chain.

Successive regulatory changes have forced banks to scale back trade lending operations, by volume and risk appetite - Basel IV exacerbated the move by banks from buy-and-hold to originate-and distribute , according to the World Economic Forum.

In fact bank lending is increasingly focused on higher credit rated companies for their existing clients where they have total visibility over their balance sheet.

This leaves lower credit rated businesses widely shut out from this vital bridge to liquidity.

Therefore, regulatory capital requirements, balance sheet constraints, and risk-weighted asset rules have fundamentally limited banks' ability to scale trade finance exposure. While demand for trade finance continues to grow, banks' aggregate capacity remains capped.

Private capital has stepped in, but inefficiencies persist:

- Slow settlement cycles
- High collateral costs
- Dependence on correspondent banking
- Idle capital during reconciliation periods

The issue is not credit quality or demand—it is **infrastructure**.

Why Stablecoins Are a Natural Fit for Trade Finance

As on-chain dollars are projected to support multi-trillion-dollar annual settlement volumes by the middle of the decade, applying this infrastructure to documented, closed-loop trade finance flows represents one of the most natural institutional use cases. Trade finance possesses characteristics uniquely suited to stablecoin settlement:

- Counterparties are known and pre-vetted
- Transactions are document-driven and auditable
- **Only 10–20% of trade finance requires off-ramping** into local currencies
- **95% of global trade finance** is denominated in USD

With 60% of all trade finance conducted on open credit, not letters of credit, much of the system no longer requires bank-controlled settlement instruments. Haycen's USDhm enables USD to move globally, instantly, and at zero marginal cost—without altering underlying risk structures.

A Responsible Model for Mid-Market Trade

Mid-market trade participants are often overlooked by large financial institutions despite being critical to global supply chains.

Haycen serves this segment responsibly by:

- Operating only with known counterparties
- Supporting documented trade flows
- Remaining USD-denominated
- Running in parallel with banks, not replacing them

This delivers institutional-grade infrastructure to underserved markets without introducing systemic risk.

A Parallel System, Not a Competing One

Alongside bank-led tokenised-deposit initiatives, Haycen provides a complementary multi-bank, cross-border settlement layer that offers similar prudential comfort through high-quality reserves and the absence of maturity transformation. Haycen does not replace banks, trade finance funds, or clearing systems.

Instead:

- Banks (where applicable) retain credit origination and risk management
- Funds retain underwriting and structuring
- Custodians safeguard assets
- Haycen provides the liquidity, settlement, and payment rails

This alignment ensures scalability, regulatory compatibility, and financial stability.

Haycen's Three Core Solutions

1. Stablecoin Liquidity Augmentation

Trade finance typically delivers **8–15% annualized returns**, but capital is often underutilized due to settlement delays and collateral lock-ups.

Haycen enables USDhm liquidity to:

- Settle instantly
- Remain continuously deployable
- Generate **4–5% incremental yield** from the underlying USD

This augments returns without increasing credit exposure or leverage, allowing funds to meet excess deal demand without expanding AUM.

2. Zero-Cost, Instant Stablecoin Settlement

Traditional settlement relies on correspondent banks, margin requirements, and multi-day delays.

Haycen enables:

- Instant global settlement
- Zero marginal transaction cost
- Reduced dependency on correspondent banking
- Faster recycling of capital

With most trade finance remaining USD-denominated, settlement rarely requires FX or off-ramping, allowing liquidity to remain continuously productive.

3. Direct Global P2P Trade Payments

Haycen enables direct USD payments between known trade counterparties in a peer-to-peer model:

- No intermediary banks
- No FX leakage
- Full transaction transparency
- Immediate finality

This payment layer completes an integrated trade finance stack, enabling seamless liquidity deployment, settlement, and repayment.

Liquidity Risk Management and Full Reserve Protection

This fully reserved, custodied, closed-loop model is closely aligned with the type of fiat-backed stablecoin infrastructure that regulators and policymakers are signalling support for in 2025–26.

One of the most frequently cited concerns regarding stablecoin infrastructure is liquidity risk—specifically, whether assets backing digital settlement instruments remain available, redeemable, and resilient during periods of market stress.

Haycen's model is explicitly designed to eliminate this risk.

1:1 Collateralisation at all times

All Haycen-issued USDhm stablecoins are **fully collateralised on a 1:1** basis, with no leverage, rehypothecation, or maturity transformation. Each stablecoin unit represents a direct claim on USD reserves held under a regulated custodial structure.

At no point are reserves:

- Lent out
- Encumbered
- Used for proprietary activity
- Subject to fractional reserve dynamics

This ensures immediate and predictable redemption under normal and stressed market conditions.

Regulated Custody with Northern Trust

To further mitigate liquidity and counterparty risk, Haycen secures underlying USD deposits with **Northern Trust**, a globally systemically important, highly liquid, and regulated custodian.

This structure delivers:

- Institutional-grade safekeeping of reserves
- Asset segregation from Haycen's operating balance sheet
- High-quality liquid asset management
- Regulatory oversight and auditability

By anchoring reserves within a trusted custodial institution, Haycen **recentralises liquidity into the regulated financial system**, rather than dispersing it across opaque intermediaries.

This approach aligns stablecoin issuance with the same prudential expectations applied to traditional financial market infrastructure.

Risk & Liquidity Stress Benchmarks

Risk Dimension	Traditional Model	Haycen Model
Reserve Backing	Bank deposits, varying credit quality	1:1 USD, fully reserved
Custodian Quality	Distributed, often opaque	Single-tier, regulated (Northern Trust)
Redemption Predictability	Subject to bank cut-offs and liquidity	Trade-cycle driven, predictable
Stress Scenario Liquidity Access	T+3 to T+10	T+0 to T+1
Exposure to Intermediary Failure	High (correspondent banks)	Low (direct settlement)

Predictable Redemption and Stress Resilience

Because Haycen operates in trade finance—rather than speculative retail markets—liquidity demands are:

- Transaction-driven
- Predictable
- Linked to known trade events

Unlike open-ended consumer stablecoins, Haycen does not face sudden, sentiment-driven redemption shocks. Instead, issuance and redemption flows mirror the lifecycle of trade transactions, significantly reducing liquidity volatility.

In combination with full reserve backing and regulated custody, this creates a **structurally low-liquidity-risk model**.

Closed-Loop Trade Finance: Quantifiable Risk Reduction Through Known Counterparties

Trade finance operates fundamentally differently from open payment systems. It is, by nature, a **closed-loop financial environment** in which all participants are known, pre-vetted, and linked to real economic activity.

The Closed-Loop Structure of Trade Finance

Wallet-level controls, comprehensive KYB and real-time monitoring are designed to exceed traditional banking visibility and sanctions-screening standards, rather than merely replicate them.

In a typical trade finance transaction:

- Buyers, sellers, financiers, and logistics providers are identified upfront
- Transaction values, timelines, and conditions are predefined
- Funds move along documented commercial flows
- Repayment sources are linked to underlying goods or receivables

This structure materially reduces multiple categories of financial risk.

Quantifying Risk Reduction

Compared to open payment or retail financial systems, closed-loop trade finance offers:

- **Lower counterparty risk:** participants are contractually bound and credit-assessed
- **Reduced fraud risk:** transactions are backed by invoices, shipping documents, and delivery confirmations
- **Lower AML risk:** funds are not freely transferable to unknown recipients
- **Minimal velocity risk:** capital circulates within a defined group of entities

Historically, the incidence of default in well-structured trade finance transactions is significantly lower than in unsecured corporate credit, reflecting this controlled environment.

Haycen leverages these characteristics to deploy stablecoin infrastructure **where risk is already constrained**, rather than introducing it into open-ended financial systems.

Institutional KYB, Monitoring, and Wallet Controls

While trade finance is inherently lower risk, Haycen applies **institutional-grade controls** to further strengthen the closed-loop model.

These include:

- Full KYB onboarding for all participating entities
- Verification of corporate structure, ownership, and operating jurisdiction
- Ongoing sanctions screening and transaction monitoring
- Counterparty controls, ensuring that stablecoins are only transacted between approved, monitored addresses

By combining off-chain KYB with on-chain transparency, Haycen delivers a dual-layer compliance model that exceeds traditional banking visibility.

Controlled On-Chain Flows

Unlike public, permissionless payment systems, Haycen's infrastructure is designed to:

- Restrict transfers to approved counterparties
- Monitor transaction patterns in real time
- Prevent unauthorized wallet interactions
- Maintain a closed-loop flow aligned to trade activity

This ensures that stablecoins function as **trade settlement instruments**, not general-purpose payment tokens.

A Lower-Risk Environment for Digital Settlement

The combination of:

- Fully collateralised reserves
- Regulated custody
- Closed-loop trade flows
- Known counterparties
- Continuous KYB and monitoring

creates a settlement environment that is **meaningfully lower risk** than many existing cross-border payment and correspondent banking systems.

In this context, stablecoins are not a source of additional risk—they are a mechanism for **reducing operational, liquidity, and compliance risk** in global trade finance.

Traditional Trade Finance vs Haycen Stablecoin Model

Metric	Traditional Trade Finance Infrastructure	Haycen Stablecoin Infrastructure	Indicative Improvement
Settlement Time	T+2 to T+10 business days	T+0 (minutes)	90–99% faster
Capital Idle Time per Transaction	5–15 days (settlement, reconciliation, cut-offs)	< 1 day	80–95% reduction
Annual Capital Turns	3–5x	6–10x	2–3x increase
Base Trade Finance Yield	8–15%	8–15%	No change
Incremental Stablecoin Yield	0%	+4–5%	+400–500 bps
Effective Annual Return	8–15%	12–20%	+30–60% uplift
Settlement Cost (Bank Fees)	20–50 bps per leg	~0 bps	Near elimination
FX Leakage	50–150 bps (where FX required)	0–25 bps (10–20% of cases)	70–90% reduction
LC Collateral Cost	1–2% of trade value	~0% net (yield offset)	~100% reduction
Liquidity Coverage Ratio Impact	High (cash immobilized)	Low (yield-bearing collateral)	Material improvement
Operational Touchpoints	5–10 intermediaries	1–2 infrastructure layers	70–80% reduction

Case Studies: Stablecoins in Action

Case Study 1: Bunker Fuel Financing

Traditional Structure

Bunker fuel financing relies on short-tenor liquidity routed through correspondent banks, resulting in settlement delays and idle capital. Returns typically range from **8–12%**.

Haycen Structure

USDhm stablecoins are paid instantly to fuel suppliers. Repayment occurs directly on-chain, enabling immediate recycling of capital.

Result

- Base return: 8–12%
- Stablecoin yield: +4–5%
- Effective return: 12–17%
- Faster deal turnover with no additional risk

Case Study 2: Invoice Receivables Financing (Open Credit)

Traditional Structure
Invoices settle over 30–120 days via bank rails, immobilizing capital and incurring fees. Returns range from **10–15%**.

Haycen Structure
Invoices are denominated and settled in USDhm stablecoins via P2P payment, remaining on-chain throughout the lifecycle.

Result

- Base return: 10–15%
- Stablecoin yield: +4–5%
- Effective return: 14–20%
- Reduced settlement and operational friction

Case Study 3: Pre-Export Finance in the DRC

Traditional Structure
USD liquidity passes through multiple banks, FX conversions, and delayed settlement, increasing cost and risk. Returns range from **12–15**%.

Haycen Structure
USDhm stablecoins are delivered directly to known producers. Export proceeds return in USD hmstablecoins, eliminating unnecessary FX and delays.

Result

- Base return: 12–15%
- Stablecoin yield: +4–5%
- Effective return: 16–20%
- Improved access to USD liquidity in underserved markets

Case Study 4: Stablecoin Collateral Triggering a Letter of Credit

Traditional Structure
Banks require fully funded cash collateral, charging **1–2**% fees while collateral earns minimal yield.

Haycen Structure
Stablecoins are posted as programmable collateral. On-chain proof of funds triggers LC issuance while collateral remains yield-bearing.

Result

- Stablecoin yield offsets LC cost
- Near-zero net collateral cost
- Same bank assurances without balance sheet expansion

Reinforcing USD Supply Chain Dominance

Global trade finance is already USD-centric. Haycen reinforces this dominance by enabling USD to move instantly and transparently across global supply chains.

By maintaining USD denomination end-to-end:

- FX leakage is minimized
- Settlement risk is reduced
- Capital recycling accelerates

Rather than fragmenting currency usage, Haycen **strengthens USD's role as the backbone of global trade**.

Haycen recentralises USD deposits backing its stablecoins into **highly liquid, transparent custodians, including Northern Trust**, its strategic partner.

This structure ensures:

- Full reserve backing
- Asset segregation
- Auditability and transparency
- Integration with the regulated financial system

Haycen does not remove liquidity from traditional finance—it **channels global trade capital back into trusted institutional custody**.

Trade finance does not lack demand or capital—it lacks efficient infrastructure.

Haycen's stablecoin-based liquidity, settlement, and payment solutions unlock trapped capacity, enhance returns by **4–5%**, and accelerate global trade—while reinforcing USD dominance and operating responsibly within the financial system.

This is not a disruption of trade finance.

It is its next phase.

Appendix A Risk Comparison: Traditional Trade Finance Infrastructure vs Haycen Stablecoin Model

Risk Category	Traditional Trade Finance (Bank / Correspondent-Led)	Haycen Stablecoin Trade Finance Model	Risk Impact
Liquidity Risk	Capital trapped during settlement cycles (T+2 to T+10); reliance on multiple correspondent banks	1:1 collateralised USD stablecoins; instant settlement; reserves held with Northern Trust under regulated custody	**Significantly reduced**
Reserve Risk	Cash balances dispersed across banks with varying credit quality	Fully reserved USD held with a top-tier global custodian; no rehypothecation	**Reduced**
Settlement Risk	Delayed finality; payment reversals; cut-off times	Immediate, atomic settlement with finality	**Eliminated**
Counterparty Risk	Exposure to correspondent banks and intermediaries	Closed-loop known counterparties only	**Reduced**
Operational Risk	Manual reconciliation; document handling; multi-system dependencies	Automated, on-chain settlement and reconciliation	**Reduced**
Compliance Risk (AML / Sanctions)	Fragmented visibility across banks and jurisdictions	End-to-end KYB, wallet-level controls, real-time monitoring	**Reduced**
Fraud Risk	Document fraud; payment misdirection; spoofed accounts	Controlled wallet addresses; immutable transaction history	**Reduced**
FX Risk	Multiple conversions and timing mismatches	USD maintained end-to-end in 80–90% of trades	**Reduced**
Collateral Cost Risk	1–2% LC fees; idle cash collateral	Yield-bearing stablecoin collateral; near-zero net cost	**Reduced**
Capital Velocity Risk	Slow recycling limits deal capacity	Instant settlement increases capital turnover	**Reduced**
Systemic Risk	Reliance on opaque correspondent networks	Transparent reserves and transaction flows	**Reduced**
Redemption Risk	Bank liquidity subject to market stress and cut-offs	Fully collateralised, predictable redemption linked to trade flows	**Significantly reduced**

Appendix B Capital Efficiency & Cost Comparison: Traditional Trade Finance vs Haycen Stablecoin Model

Representative Mid-Market Trade Transaction ($10m Notional)

Metric	Traditional Trade Finance	Haycen Stablecoin Model	Impact / % Improvement
Capital Deployed	$10m	$10m	0%
Capital Turns per Year	4x	8x	+100%
Base Trade Finance Yield	12%	12%	0%
Incremental Stablecoin Yield	0%	4.5%	+4.5 pp
Effective Annual Yield	12%	16.5%	+37.5%
Annual Return ($)	$1.2m	$2.64m	+$1.44m (+120%)
Letter of Credit / Collateral Cost	1–2% of trade value ($100k–$200k)	~0% net (stablecoin collateral yield offsets cost)	~100% reduction
Margin / Liquidity Requirements	High (cash tied up for 5–15 days per trade)	Low (instant settlement, closed-loop recycling)	~70–80% reduction
Operational Touchpoints	5–10 intermediaries	1–2 infrastructure layers	~70–80% reduction
Settlement Time	2–10 days	<1 day	90–99% faster
FX Exposure	50–150 bps on trades requiring conversions	0–25 bps (minimal FX)	~70–90% reduction

Key Takeaways

1. **Capital Turns & Returns**
   By doubling the capital turns and adding 4–5% stablecoin yield, Haycen increases effective annual return by **37–40%** and nearly **doubles absolute return in dollar terms** on the same deployed capital.

2. **Collateral Cost Reduction**
   Traditional LC / collateral costs of 1–2% of trade value are effectively eliminated by using **yield-bearing stablecoins as on-chain collateral**, reducing friction and increasing net trade profitability.

3. **Margin & Liquidity Efficiency**
   Instant settlement and the closed-loop nature of trade finance significantly reduce liquidity requirements. Funds can now recycle capital **70–80% faster**, freeing working capital for additional deals.

4. **Operational & FX Efficiencies**
   - Fewer intermediaries → lower operational risk and costs
   - USD-denominated stablecoins reduce FX exposure by 70–90% in typical mid-market trades