

ACMUN 2026

Background Guide

United Nations Economic and Social Council (ECOSOC)

Agenda

*Discussing the regulation of digital currencies and their implications for
global financial stability*

Executive Board

Samiksha VB, Co-Chairperson
Rudraksh Mandal, Co-Chairperson
Shreyansh Jain, Vice Chairperson

Letter from the Executive Board

Dear Delegates,

The Executive Board of the United Nations Economic and Social Council welcomes you to ACMUN 2026. This background guide exists to support your preparation, not to replace it. It gathers the core facts, legal instruments, and disputes that define our agenda, and it points you toward the deeper reading that strong diplomacy demands.

Treat the guide as a foundation rather than a final answer. The regulation of digital currencies moves quickly, and much of what matters in committee will turn on the evidence you bring rather than on anything printed here. Read widely, test your sources, and arrive ready to defend a position that reflects your country's real economic and political interests.

Model United Nations rewards more than the accumulation of facts. It rewards the capacity to listen, to negotiate, and to turn competing priorities into workable text. We ask you to approach the conference with an open mind, a commitment to honest debate, and the patience to find common ground on a subject where reasonable states disagree.

We look forward to the discussions ahead.

Warm regards,

Samiksha VB, Co-Chairperson

Rudraksh Mandal, Co-Chairperson

Shreyansh Jain, Vice Chairperson

Table of Contents

Rules of Procedure (UNA-USA):

Introduction to the Committee: 6

Introduction to the Agenda: 8

Key Terms and Definitions: 9

Historical Context and Timeline: 11

Legal Framework, Precedents, and Examples: 13

Stakeholders and Perspectives: 17

Case Studies: 18

Bloc Positions: 21

Questions a Resolution Must Answer (QARMA): 23

Further Research and Sources: 24

Rules of Procedure (UNA-USA)

This committee follows the UNA-USA rules of procedure, the most common format at Model UN. The guide below explains how debate flows and the motions you will use most. When in doubt, ask the dais; procedure serves debate, not the other way around.

Flow of Committee

1. Roll call: the dais calls each delegation. Reply present, or present and voting.
2. Setting the agenda: with a single topic, a motion to open debate moves the committee straight into it.
3. General Speakers List (GSL): the default mode of debate, where delegates speak in turn on the topic. It runs in the background whenever no caucus is active.
4. Caucusing: delegates motion to move into focused discussion, moderated or unmoderated.
5. Working papers and draft resolutions: blocs write up their ideas, then formalise them into a draft resolution.
6. Amendments: delegates propose changes to a draft resolution.
7. Voting procedure: the committee votes on amendments, then on the draft resolutions.

Types of Caucus

- **Moderated caucus:** the dais calls on delegates one by one to speak for a set time on a sub-topic. A delegate motions with a topic, a total time, and a speaking time. Example: a motion for a 10-minute moderated caucus with 45-second speaking time on stablecoin reserve rules.
- **Unmoderated caucus:** delegates leave their seats to negotiate freely and draft text. A delegate motions with a total time. Example: a motion for a 15-minute unmoderated caucus.

Points

- **Point of personal privilege:** raises a personal comfort issue, such as being unable to hear a speaker. It may interrupt a speaker.
- **Point of order:** flags a breach of the rules by the dais or a delegate.
- **Point of parliamentary inquiry:** asks the dais a question about procedure. It cannot interrupt a speaker.

Key Motions

- Motion to open or set the agenda.
- Motion for a moderated or unmoderated caucus, and to extend one.
- Motion to introduce a draft resolution.
- Motion to move into voting procedure.
- Motion to adjourn debate (pause the session) or close debate (end it and move to a vote).

Documents and Voting

- **Working paper:** an early, informal write-up of a bloc's ideas. It needs dais approval to circulate.
- **Draft resolution:** the formal proposal, made up of preambulatory clauses that set context and operative clauses that state actions. It needs the number of sponsors and signatories the dais requires.
- **Amendment:** friendly amendments, accepted by all sponsors, pass without a vote; unfriendly amendments are put to a vote.
- **Voting on resolutions:** each delegation casts one vote, for, against, or abstain. A simple majority usually passes a resolution, and substantive votes are open only to voting members.

Introduction to the Committee

What ECOSOC Is

The Economic and Social Council is one of the six principal organs of the United Nations, established under the UN Charter in 1945. It is the main platform where member states debate economic, social, and environmental questions and coordinate the work of the wider UN system on them.

Membership and Structure

- 54 member states, elected by the General Assembly.
- Three-year terms, with seats shared across the regional groups so every region is represented.
- Works through functional commissions, regional commissions, and specialised agencies such as the IMF and the World Bank.
- Reports to the General Assembly.

What the Committee Can Do (Mandate)

The Council's authority comes from Chapter X of the UN Charter. In practice it can:

- Study and report on economic, social, and related issues (Article 62).
- Make recommendations to the General Assembly, member states, and specialised agencies.
- Coordinate the work of UN agencies and enter into agreements with them (Article 63).
- Convene expert bodies and call for international cooperation, technical assistance, and capacity building.

What the Committee Cannot Do (Limits)

- It cannot pass binding law. Its output is recommendation, not legislation.
- It cannot set monetary policy or define legal tender. That stays with sovereign states and central banks.
- It cannot impose technical financial standards. Bodies such as the FATF do that.

Aim, therefore, at outcomes the Council can deliver: shared principles, coordinated standards, technical assistance, and calls for cooperation. A draft that orders states to ban or adopt a currency will fail. A draft that builds agreement on disclosure, consumer protection, and cross-border enforcement can carry weight.

Why This Agenda Belongs Here

Digital currencies cut across finance, development, taxation, and human rights at the same time, and no single agency owns all of them. ECOSOC can pull these threads together, commission analysis, and press for coordination among bodies such as UNCTAD, the FATF, the Financial Stability Board, and the G20.

Introduction to the Agenda

Digital currencies have moved from a fringe experiment to a mainstream feature of global finance in little more than a decade. The term covers three categories, private cryptocurrencies, stablecoins, and central bank digital currencies, each defined in the Key Terms section that follows. The scale is now large:

- Roughly 19,000 cryptocurrencies exist, and the market peaked above \$3 trillion in November 2021 before deep corrections.
- The stablecoin market has passed \$300 billion, more than double its 2023 size, and now settles trillions of dollars in transfers each year.
- CBDC exploration reached 146 countries and currency unions by 2026, about 98% of global gross domestic product.

The core of the agenda is a real policy tension. Supporters argue that digital currencies can cut the cost of payments, speed cross-border transfers, and extend financial services to people the banking system has left behind. Critics point to volatility, the risk to monetary sovereignty in smaller economies, exposure to money laundering and sanctions evasion, and the surveillance potential of state-issued digital money. UNCTAD has warned that private digital currencies, while rewarding for some, behave as unstable assets that threaten financial stability, domestic resource mobilisation, and the integrity of monetary systems, above all in developing countries.

Financial stability sits at the centre because the risks now reach beyond the crypto sector itself. Correlation between crypto assets and equity markets rose sharply during 2020 and 2021, so shocks can spill into ordinary portfolios. Where citizens shift savings and payments into foreign-currency stablecoins, national monetary policy weakens in a pattern that resembles dollarisation, a process UNCTAD calls cryptoisation. The task before the international community is to contain these risks without smothering useful

innovation, and to protect fundamental rights, including privacy, as digital money spreads.

Key Terms and Definitions

This section gives the basic vocabulary used across the guide. Read it first, since the later sections assume these terms.

Types of Digital Currency

- **Cryptocurrency:** a digital token that runs on a decentralised network with no issuer standing behind it. Its value comes from supply and demand. Examples: Bitcoin, Ether.
- **Stablecoin:** a token designed to hold a steady value by pegging to an asset, usually the US dollar. Examples: Tether (USDT), USD Coin (USDC).
- **Algorithmic stablecoin:** a stablecoin that tries to hold its peg through code and market incentives rather than cash reserves. TerraUSD was one, and it failed.
- **Central bank digital currency (CBDC):** a digital form of official money issued by a central bank. It is a direct claim on the state. Examples: the Bahamian Sand Dollar, China's e-CNY.
- **Peg:** the fixed value a stablecoin promises to hold, such as one token to one dollar. Losing the peg means the token no longer trades at that value.

How the System Works

- **Blockchain:** a shared digital ledger that records transactions across many computers, so no single party controls it.
- **Decentralised finance (DeFi):** financial services such as lending and trading that run on code on a blockchain instead of through a bank or broker.

- **Wallet:** software or hardware that holds the keys to a person's crypto. A self-hosted (or unhosted) wallet is controlled by the user alone, with no intermediary.
- **Virtual asset service provider (VASP):** a regulated business that handles crypto for others, such as an exchange or custodian.
- **Exchange:** a platform where users buy, sell, and trade digital assets. Examples: Coinbase, Binance.

Risks and Regulatory Concepts

- **Financial stability:** the ability of the financial system to keep working through shocks. Volatile crypto and runs on stablecoins can threaten it.
- **Monetary sovereignty:** a state's control over its own currency and monetary policy.
- **Cryptoisation:** the unofficial replacement of a national currency by crypto, which weakens monetary sovereignty, similar to dollarisation.
- **Regulatory arbitrage:** moving a business to a country with looser rules to escape stricter ones elsewhere.
- **AML and CFT:** anti-money-laundering and counter-terrorism-financing rules that stop criminals from disguising illicit money or funding terrorism.
- **Travel Rule:** an AML rule requiring identifying information to travel with a crypto transfer, the way it does with a bank wire.

Key Bodies to Know

- **FATF (Financial Action Task Force):** the global standard-setter for AML and CFT. Its rules are not treaties, yet most countries adopt them.
- **IMF (International Monetary Fund):** monitors global monetary stability and advises members.
- **BIS (Bank for International Settlements):** the bank for central banks, which studies payment systems and CBDCs.

- **UNCTAD (UN Conference on Trade and Development):** the UN body that has led warnings on crypto risks for developing countries.
- **ESMA (European Securities and Markets Authority):** the EU regulator that maintains the register of approved stablecoins under MiCA.
- **Financial Stability Board and G20:** coordinate global financial rules and the roadmap for cheaper, faster cross-border payments.

Historical Context and Timeline

The regulatory challenge cannot be understood without the sequence of events that produced it. Each crisis in this history left a mark on how governments now think about digital money.

Bitcoin emerged in 2009 out of the wreckage of the 2008 financial crisis, framed by its creators as an alternative to a banking system that had just required public rescue. The 2014 failure of the Mt. Gox exchange gave an early lesson in custodial risk, and the 2017 boom in initial coin offerings drew billions into loosely documented projects. The turning point for governments came in 2019, when the FATF extended its standards to virtual assets and a private consortium proposed Libra, a corporate global stablecoin that pushed dozens of central banks to begin work on their own digital currencies. The pandemic then accelerated adoption, and the Bahamas launched the first retail CBDC in October 2020.

The 2021 to 2022 cycle delivered both the peak and the reckoning. Market capitalisation crossed \$3 trillion, El Salvador made Bitcoin legal tender, and institutional money entered the sector. In May 2022 the algorithmic stablecoin TerraUSD collapsed, erasing roughly half a trillion dollars in two weeks, and the failure of the FTX exchange later that year added fraud to the list of concerns. Since 2023 the emphasis has shifted to building durable rules, with the EU's MiCA, new US legislation, and the February 2025 theft of about \$1.46 billion from the Bybit exchange all shaping the current landscape. The timeline below sets out the milestones delegates should know.

Date	Event
2008	An author using the name Satoshi Nakamoto publishes the Bitcoin whitepaper, proposing a peer-to-peer electronic cash system that removes banks from the settlement of payments.
2009	The Bitcoin network launches. A decentralised, non-sovereign digital asset moves from theory into circulation.
2014	The Mt. Gox exchange collapses after losing customer bitcoin, an early lesson in custodial risk. Tether launches the first widely used dollar-pegged stablecoin.
2017	The initial coin offering boom draws billions into new tokens with little disclosure, prompting the first wave of securities enforcement.
2019	The FATF extends Recommendations 15 and 16 to virtual assets, applying the Travel Rule to crypto transfers. A private consortium proposes Libra, a global stablecoin that alarms central banks and accelerates work on public alternatives.
Oct 2020	The Bahamas launches the Sand Dollar, the first fully deployed retail CBDC.
2020 to 2021	The COVID-19 pandemic accelerates adoption. Developing economies account for 15 of the top 20 countries by cryptocurrency ownership.
Sep 2021	El Salvador adopts Bitcoin as legal tender alongside the US dollar, the first sovereign state to do so.
Nov 2021	Total crypto market capitalisation peaks above \$3 trillion.
May 2022	The algorithmic stablecoin TerraUSD loses its peg. Total market capitalisation falls from \$1.85 trillion to \$1.34 trillion in two weeks.
Nov 2022	The FTX exchange collapses amid fraud, hardening the case for market-conduct regulation.
Jul 2023	In SEC v. Ripple, a US court rules that public sales of the XRP token were not securities offerings, while institutional sales were. Token classification becomes a defining legal question.
2023	The European Union finalises MiCA, the first comprehensive regional framework for crypto-assets.
Jan 2024	US regulators approve spot Bitcoin exchange-traded funds, opening a regulated channel for institutional exposure.

Dec 2024	MiCA enters full application for crypto-asset service providers across the EU.
Feb 2025	Hackers linked to North Korea steal roughly \$1.46 billion from the Bybit exchange, the largest single theft in crypto history.
Jul 2025	The US House passes the CLARITY Act. Days later the GENIUS Act is signed into law, creating a federal framework for payment stablecoins and barring a Federal Reserve retail CBDC.
2025 to 2026	CBDC exploration reaches 146 countries and currency unions, about 98% of global gross domestic product. China's e-CNY records cumulative transactions of roughly 16.7 trillion renminbi (about \$2.3 trillion).
Jul 2026	The MiCA transitional period closes. Providers serving EU customers without a licence are in breach of EU law. The US CLARITY Act remains stalled in the Senate.

Legal Framework, Precedents, and Examples

No single global law governs digital currencies. Instead there are four layers of rules. Some bind states, some only guide them, and delegates should know which is which. A precedent is a past decision, usually by a court or a standards body, that shapes how later cases are judged.

The Four Layers at a Glance

- **Layer 1, human rights law:** binding treaties that protect privacy and property. These set the outer limits, above all for CBDCs.
- **Layer 2, global standards:** rules from bodies such as the FATF. Not treaties, but adopted almost everywhere. This is soft law, meaning it guides rather than legally binds, yet carries real pressure.
- **Layer 3, regional regulation:** binding law within a region, above all the EU's MiCA.

- **Layer 4, national law and courts:** each country's own statutes and court rulings, which often become the models others copy.

Layer 1: Human Rights Law (Binding)

These treaties set the outer limits. A traceable digital currency cannot override them.

- **UN Charter (1945):** Articles 1(3) and 55 make respect for human rights a purpose of the UN.
- **Universal Declaration of Human Rights (1948):** Article 12 protects privacy, and Article 17 protects property.
- **ICCPR (1966), Article 17:** makes privacy a binding treaty obligation. This is the main legal anchor against surveillance in CBDC design.
- **UN Guiding Principles on Business and Human Rights (2011):** set the state duty to protect rights and the company duty to respect them. They apply to exchanges and issuers.

Example. In Petition 0538/2025, a citizen asked the European Parliament to halt the digital euro, arguing that a state-run digital currency would breach the rights to privacy and personal autonomy.

Layer 2: Global Standards (Soft Law, Widely Adopted)

The FATF sets the baseline for fighting illicit money. More than 200 jurisdictions adopt its standards, and a state that fails to comply risks being grey-listed, which raises its cost of doing business.

- **Recommendation 15:** countries must regulate crypto firms for AML and CFT purposes.
- **Recommendation 16, the Travel Rule:** crypto firms must attach sender and receiver details to transfers above about \$1,000.

The gap. As of June 2025, only 85 of 117 surveyed jurisdictions had passed Travel Rule laws. Where enforcement is weak, illicit money routes through. Hackers linked to North Korea stole about \$1.46 billion from the Bybit exchange in February 2025, and almost none of it was recovered.

Layer 3: Regional Regulation (The EU's MiCA)

MiCA is the most complete regional rulebook. Because global firms tend to follow the strictest rule everywhere, it often becomes the working world standard.

- It sorts stablecoins into two types: e-money tokens, pegged to one currency, and asset-referenced tokens, backed by a basket of assets.
- Every stablecoin must be fully backed, redeemable at face value, and issued by a licensed firm listed on the ESMA register.
- Full rules applied from December 2024, and the grace period ended on 1 July 2026.

Example. EURC, Circle's euro token, secured a licence and trades freely in the EU. USDT, the largest stablecoin at over \$180 billion, did not apply and was delisted from EU exchanges.

Layer 4: National Law and Court Precedents

National statutes and court rulings shape the market directly and often become templates for other states.

United States

- **GENIUS Act (July 2025):** the first federal law for payment stablecoins. It also bars the Federal Reserve from issuing a retail CBDC.
- **CLARITY Act:** would split oversight between the securities and commodities regulators. It passed the House in July 2025 but stalled in the Senate through 2026 over ethics rules, protection for DeFi developers, and stablecoin yield.
 - **SEC v. Ripple (2023):** a court ruled that public sales of the XRP token were not securities, while sales to institutions were. This drew the line issuers still follow.
 - **SEC v. Terraform Labs (2024):** the firm behind the TerraUSD collapse was found liable for fraud. A stablecoin label offers no shelter from securities law.
 - **BitMEX (2025):** the exchange pleaded guilty to weak AML controls, showing that enforcement runs alongside new legislation.

Other Jurisdictions

- **United Arab Emirates:** issued Rulebook 2.0 through its Virtual Assets Regulatory Authority in 2025.

- **Hong Kong:** a stablecoin regime took effect in August 2025.
- **Singapore and Japan:** run established licensing systems that attract industry.
- **India:** the Supreme Court struck down a central-bank banking ban on crypto firms in 2020, yet the state taxes crypto heavily and runs a digital-rupee pilot rather than embracing private tokens.

Privacy and the Right to a Remedy

- European rights law protects private life and personal data (ECHR Article 8, EU Charter Articles 7 and 8, and the GDPR). Any digital euro must comply.
- A CFA Institute survey found that 63% of respondents worried about privacy in a CBDC.
- The right to an effective remedy means users harmed by fraud or technical failure must be able to seek redress. Current frameworks meet this only partly.

The Big Gap

No binding global treaty ties these four layers together. The system runs on soft law, the pull of the EU's example, and the G20's cross-border payments roadmap. Closing that gap, without overriding the sovereignty of individual states, is the heart of this committee's work.

Stakeholders and Perspectives

Delegates represent states, but the debate is shaped by many actors whose interests rarely align. Knowing each perspective helps in drafting language a majority can accept.

- **Developing and emerging economies:** adoption is highest here, driven by remittances, inflation hedging, and gaps in banking access, with Ukraine, Russia, Venezuela, and Nigeria among the highest ownership rates. The upside is financial inclusion; the downside is cryptoisation, capital-flight risk, and weakened monetary control. UNCTAD speaks largely for this group and urges caution, cash preservation, and public payment alternatives.
- **Developed economies:** the United States, EU states, the United Kingdom, and Japan prioritise financial stability, consumer protection, and payment efficiency. They favour comprehensive regulation over prohibition, though they differ sharply on stablecoins and on whether to issue a retail CBDC.
- **China and the digital-yuan bloc:** China treats the e-CNY as both a domestic payments tool and an instrument of geopolitical strategy, part of a push toward a multipolar currency system and reduced reliance on the dollar. Cross-border projects such as mBridge link it with partners in the Gulf and Southeast Asia.
- **International organisations:** the IMF, the BIS, the Financial Stability Board, the FATF, the World Bank, and UNCTAD each bring a mandate, from monetary stability to financial integrity to development. Their analyses supply the evidence base for resolutions.
- **Central banks:** their central concern is monetary sovereignty and the transmission of monetary policy. Most are exploring CBDCs defensively, to keep public money relevant as payments digitise.
- **The private sector:** exchanges, stablecoin issuers such as Tether and Circle, and DeFi developers want legal certainty and market access, and they lobby hard on questions like stablecoin yield and developer liability.

- **Civil society and privacy advocates:** these voices press for privacy safeguards in CBDC design, warn against surveillance, and highlight the digital divide that can exclude those without connectivity or literacy.

Case Studies

Case Study 1: The Collapse of TerraUSD, May 2022

TerraUSD held its dollar peg not through cash reserves but through an algorithm that linked it to a companion token, Luna, using arbitrage to absorb price pressure. When confidence broke in May 2022, the mechanism unravelled. The consortium behind the tokens deployed more than \$1.5 billion in Bitcoin to defend the peg, then sold much of it rapidly, which drove Luna toward zero and pushed TerraUSD to \$0.15. The shock spread: Tether, the largest stablecoin, briefly slipped to \$0.95 on 12 May and lost close to 10% of its market value to redemptions. Total crypto market capitalisation fell from \$1.85 trillion to \$1.34 trillion in a fortnight. The episode showed how an unbacked design can fail without warning and how quickly distress spreads across the ecosystem.

Case Study 2: UNCTAD's Policy Framework for Developing Countries

In August 2022 UNCTAD published three policy briefs on the risks cryptocurrencies pose to developing economies. The first examined why uptake had been rapid, citing remittances and inflation hedging, but warned that unofficial replacement of domestic currencies could jeopardise monetary sovereignty. The second argued that a well-designed public digital payment system could limit crypto's spread, while a state maintained cash issuance to avoid deepening the digital divide. The third analysed how crypto undermines domestic resource mobilisation by enabling tax evasion and by weakening capital controls. UNCTAD's recommended actions include regulating exchanges, wallets, and DeFi, barring regulated institutions from holding crypto,

restricting advertising, providing affordable public payment options, and coordinating tax rules across borders.

Case Study 3: The EU's MiCA Framework

MiCA has become the reference point that other jurisdictions study and adapt. It requires full asset backing and adequate liquidity for stablecoins, subjects service providers to consumer-protection and disclosure rules, and creates a single authorisation valid across all 27 member states. Its influence extends beyond Europe because multinational firms often apply the strictest applicable standard everywhere, which turns EU rules into working global norms. The framework's real test is enforcement against non-compliant tokens and coordination with jurisdictions that choose lighter rules, since regulatory arbitrage persists wherever standards diverge. Work on a successor, informally called MiCA 2.0, has slowed as the EU shifts attention toward the tokenisation of traditional assets.

Case Study 4: The Privacy Debate and the Digital Euro

In April 2025 a citizen petitioned the European Parliament to stop the planned digital euro, arguing that a central bank digital currency would infringe fundamental rights in a way that was neither justified nor proportionate. The petition claimed the design would threaten personal autonomy, freedom of choice, data protection, and freedom of association, and it warned that mandatory or de facto exclusive digital money would remove the right to choose how to take part in economic life. The petitioner called for all work on the digital euro to end and for a permanent legal ban on similar systems. The case captures the central CBDC dilemma: the same features that make state digital money efficient and inclusive also make it a potential instrument of surveillance.

Case Study 5: The FATF Travel Rule and Illicit Finance

The Travel Rule aims to strip anonymity from crypto transfers by making identifying information travel with the transaction, yet uneven adoption creates havens. As of the FATF's 2025 review, 85 of 117 surveyed jurisdictions had passed implementing legislation, and cooperation bodies including the Egmont Group, INTERPOL, and the UN Office on Drugs and Crime have issued joint guidance for investigators. The limits show in the numbers. In 2025 illicit crypto addresses received at least \$154 billion, up sharply on the prior year, and stablecoins accounted for the large majority of that volume. The Bybit theft, attributed to state-linked actors, remains the starkest example, with almost none of the funds recovered. Where one jurisdiction enforces weakly, criminals route through it, which is why harmonised implementation matters more than any single national rule.

Case Study 6: The US Regulatory Landscape, 2025 to 2026

The United States shows how a major economy builds a framework in real time, and how domestic politics can stall it. The GENIUS Act gave stablecoins a federal footing and closed the door on a Federal Reserve retail CBDC. The CLARITY Act, meant to divide oversight between the securities and commodities regulators, cleared the House comfortably but lodged in the Senate, held back by disputes over official ethics, developer liability, and stablecoin yield. The contrast with jurisdictions such as the UAE, Hong Kong, Singapore, and Japan, which built licensing regimes quickly to attract the industry, illustrates the competitive dynamic among states seeking to lead the digital-asset economy, and the cost of legislative delay in a fast-moving market.

Case Study 7: Blockchain and Human Rights Due Diligence

Blockchain can support human rights compliance in supply chains. Some firms use smart contracts to release payment only once a product is confirmed to meet quality, environmental, and ethical standards, and platforms such as VeChain integrate external data to verify compliance. The technology carries its own risks. A smart contract executes fixed conditions and cannot weigh humanitarian nuance; falsified input data can certify goods made with prohibited labour; high implementation costs can shut out small suppliers in developing countries; and cyberattacks can corrupt the record. The case shows both the promise of digital tools for accountability and the need for regulatory safeguards that address their failure modes.

Bloc Positions

Blocs at this committee will form around economic structure and regulatory philosophy rather than around traditional regional lines. The groupings below are a guide to likely alignments, not fixed camps, and many states will sit across two of them.

- **Comprehensive regulators:** the EU states, the United Kingdom, Canada, Australia, South Korea, and Japan favour full-scope frameworks on the MiCA model, complete FATF implementation, strong consumer protection, and coordinated international standards. They seek harmonisation to close the gaps that arbitrage exploits.
- **Innovation-forward markets:** the United States, the UAE, Singapore, Switzerland, and Hong Kong prefer clear but lighter-touch licensing designed to attract industry and capital. They tend to support private stablecoins, and several, led by the United States, oppose a state-issued retail CBDC.
- **Financial-inclusion and development bloc:** many African, Latin American, and South Asian states, broadly aligned with UNCTAD, focus on inclusion, protection

of capital flows, preservation of cash, and technical assistance. They are wary of cryptoisation yet open to CBDCs where these extend access, and they will press developed states for capacity-building commitments.

- **Monetary-sovereignty and alternative-systems bloc:** China, Russia, and several BRICS partners prioritise CBDCs, cross-border wholesale settlement through projects such as mBridge, resilience against sanctions, and reduced dependence on the dollar. State control of the payment rail is a feature, not a concern, in this view.
- **Crypto-adopter states:** a small number of economies that have embraced private crypto, with El Salvador the clearest case, argue for permissive regimes and against restrictions they see as protecting incumbents.
- **Rights-focused voices:** some European member states and many civil-society observers foreground privacy, data protection, and safeguards in any CBDC design. They can supply the swing language that makes a text acceptable across blocs.

Productive compromise usually lies where these interests overlap: minimum standards for stablecoin backing and disclosure, mutual recognition of licensing, technical assistance for developing states, privacy-by-design principles for any CBDC, and a shared commitment to close the enforcement gaps that let illicit money move

Questions a Resolution Must Answer (QARMA)

A strong resolution should engage the questions below. They are meant to direct research and to test whether a draft actually resolves the agenda rather than restating it.

1. According to UNCTAD, what specific risks do cryptocurrencies pose to developing countries, and which policy actions would address them without cutting off the benefits of financial inclusion?
2. What was TerraUSD, how did it maintain its peg, and what do its collapse and the wider May 2022 rout teach about the regulation of stablecoins?
3. What are the key provisions of the EU's MiCA regulation on stablecoin backing and consumer protection, and should they serve as a global template?
4. Weighing the case studies, what are the strongest arguments for and against central bank digital currencies, particularly on privacy and surveillance, and how can a design reconcile them?
5. What is the FATF Travel Rule, why does uneven implementation matter, and how can states close the enforcement gaps that illicit actors exploit?
6. How does the rising correlation between crypto assets and equity markets threaten global financial stability, and what supervisory tools can contain the spillovers?
7. Why does divergent national regulation fuel regulatory arbitrage, and what mechanisms could deliver genuine international harmonisation without overriding sovereignty?
8. What are the benefits and the risks of using blockchain for human rights due diligence and supply-chain transparency, and how should regulation address the risks?
9. How do the competing approaches of the EU, the United States, and jurisdictions such as the UAE and Hong Kong reflect wider shifts in economic competition and geopolitics?

10. If you could prioritise a single policy recommendation for a balanced global framework, one that protects financial stability, consumer rights, and fundamental freedoms at once, what would it be and why?

Further Research and Sources

The Executive Board expects delegates to move beyond this guide. The sources below are reliable starting points; treat them as entry doors to primary documents, national positions, and current data, which shift week to week on this agenda.

- UNCTAD, policy briefs on cryptocurrencies in developing countries (2022) and related updates.
- UN DESA, Policy Brief No. 135: Cryptoassets and so-called stablecoins.
- International Monetary Fund, reports on digital money and financial-integrity considerations.
- Financial Action Task Force, Targeted Update on the Implementation of the FATF Standards on Virtual Assets and VASPs (June 2025).
- European Union, Regulation 2023/1114 (MiCA) and Regulation 2023/1113 (Transfer of Funds Regulation).
- European Parliament, Petition No. 0538/2025 on the digital euro.
- Atlantic Council, Central Bank Digital Currency Tracker.
- Chainalysis, Crypto Crime Report (2026) for illicit-finance data.
- CFA Institute, analysis on CBDCs and privacy.
- Office of the High Commissioner for Human Rights, reports on international financial obligations, digital systems, and human rights.