



DAO & BLOCKCHAIN ADVISORY AI Acceleration STRATEGY

# Crossing the New Border.

*Building a stablecoin payment rail between the US and LATAM.*

How a US payments company cut cross-border settlement cost by ~40% while staying ahead of the new regulatory regime.



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# What this case study covers

## 01 CLIENT

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US-headquartered payments company serving SMB exporters and consumer remittance customers across the US to Mexico and US to Brazil corridors.

## 02 PROBLEM

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Correspondent banking: 2 to 7% per-transaction cost, 2 to 5 day settlement, prefunded float locking working capital, mounting competitor pressure.

## 03 SOLUTION

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Multi-chain stablecoin rail (USDC plus local-currency stables) with Mexico on/off-ramps and SPSAV-authorized Brazil compliance; full regulatory architecture across US, MX, BR.

## 04 RESULT

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~40% total cost reduction targeted (industry benchmark); T+0 settlement on US to MX corridor; working-capital float compressed; compliance-ready under GENIUS Act, BCB 519 to 521, and BCB 561.



MARKET CONTEXT

# The regulatory window just opened in both directions.

STAT · 01

# \$730B

LATAM crypto transaction volume in 2025 (+60% YoY); ~\$324B in stablecoins (Lemon, Chainalysis)

STAT · 02

# \$62B

Annual US to Mexico remittance corridor; digital overtook cash for the first time in 2025

STAT · 03

# ~40%

Average cost reduction on stablecoin transfers vs traditional remittance (BVNK 2026, EY 2025)

## Why this engagement, why now

01

US GENIUS Act (signed July 18, 2025): first federal payment-stablecoin framework with 1:1 reserves and AML compliance baked in.

02

Brazil BCB Resolutions 519, 520 and 521 (effective February 2, 2026) classify stablecoin transactions as FX operations and require SPSAV authorization.

03

Brazil BCB Resolution 561 (April 30, 2026, effective October 1) tightens further: eFX providers can no longer use stablecoins for cross-border settlement. Compliance reshapes corridor design.

04

Bitso processes ~10% of US to Mexico corridor; Felix Pago has done \$1B+ via USDC to SPEI on WhatsApp; Nubank has embedded USDC for 127M customers.



CLIENT · ANONYMIZED PROFILE

# Who they were when we started

## PROFILE



### US payments company, mid-market cross-border focus.

Anonymized client serving SMB exporters and consumer remittance customers. Strong US compliance posture, strong product, but losing share on price and speed to crypto-native competitors that had already shifted to stablecoin rails.

Internal team: deep traditional payments expertise. Web3 expertise: zero. Strategic question on the table: build, partner, or acquire, and which corridor first.

## PRE-ENGAGEMENT POSITION

SWIFT and correspondent banking; mid-market corridor volume across US, MX, BR.

## STRATEGIC PAIN

Customer churn to MXNB, Felix Pago, Nubank Cripto, all on stablecoin rails.

## INTERNAL READINESS

Strong ops and compliance. No Web3 capability. No LATAM partner network.



THE CHALLENGE

# Four unknowns the client could not solve alone.

01

## **Stablecoin and chain combination.**

USDC on Base for institutional vs USDT on Tron for retail vs local-currency stables (MXNB, BBRL): wrong choice locks out a customer segment.

02

## **Compliance posture across three converging regulators.**

GENIUS Act (US), Ley Fintech and AML (Mexico), BCB 519 to 521 and 561 (Brazil): all rolling into force inside 2026. Build to the highest standard or rebuild later.

03

## **Local partner relationships.**

On-ramps, SPEI and PIX integrators, FX-spread negotiation. In LATAM payments, warm intros beat RFPs. The client had none.

04

## **Internal capability gap.**

Strong ops team but zero Web3 expertise. Buy, partner, or build, and how to ramp the existing team without disrupting current rails.



OUR APPROACH

# Four parallel workstreams. Single program lead.

*Delivered through Arbalest's lean development and agile audit methodology: diagnostic, project plan with timelines and milestones, cost analysis, and shareholder-value-acceleration KPIs.*

WORKSTREAM 01

## Regulatory Architecture

Mapped US (GENIUS Act), Mexico (Ley Fintech and AML), Brazil (BCB 519 to 521 plus the new 561 eFX restriction) into a single compliance design built to the highest common standard. Proprietary curated reports per jurisdiction.

WORKSTREAM 02

## Technical Architecture

Multi-chain abstraction layer (USDC on Base, USDT on Tron, MXNB and BBRL where settlement is local), treasury setup, audit selection, oracle integration, on/off-ramp routing.

WORKSTREAM 03

## Local Partner Shaping

Bitso-tier and Felix-tier on-ramps in MX; Mercado Bitcoin and BTG ecosystem in BR via SPSAV-authorized partners. SPEI and PIX integration. FX-spread negotiation, not just integration.

WORKSTREAM 04

## Team Enablement (Growth+)

Internal playbooks, regulatory-monitoring cadence, vendor governance, 90-day knowledge-transfer plan. The Arbalest ramp-up: empower the team and exit clean.



ENGAGEMENT TIMELINE

# From diagnostic to live pilot in under 20 weeks.

WEEKS 1 to 3

WEEKS 4 to 8

WEEKS 9 to 14

WEEKS 15 to 20

MONTH 6+



## Diagnostic and Regulatory Map

Current-state audit, corridor prioritization, three-jurisdiction regulatory diagnostic, vendor landscape.

## Partner Shortlist and LOIs

On/off-ramp due diligence, FX-spread negotiation, technical-integration scoping, term sheets in MX.

## Build and Compliance

Multi-chain integration, AML and travel-rule procedures, audit prep, treasury and operational dashboards.

## US to MX Pilot Live

Bounded pilot corridor with real customer cohort; KPI tracking against industry benchmarks; iterate.

## Brazil and Run

Replicate playbook into BR via SPSAV-authorized partner under BCB 519 to 521 and 561; ongoing regulatory monitoring; sunset advisory.



OUTCOMES · REFERENCE TARGETS

# Targets the engagement is built around.

01 / 04

## ~40%

Total cost reduction vs correspondent rail (industry benchmark, BVNK 2026).

02 / 04

## T+0

Settlement time on US to MX corridor vs T+2 to T+5 on traditional rails.

03 / 04

## Zero

Regulatory findings targeted in year one across MX, BR, US.

04 / 04

## Float freed

Prefunded nostro float compressed: same-day settlement removes destination prefunding requirements.

### BENCHMARK NOTE

Outcomes targeted against published industry benchmarks (BVNK Stablecoin Utility Report 2026, EY 2025 Stablecoin Survey). Engagement-specific results depend on corridor mix, FX-spread negotiation outcomes, and pilot execution. This deck is an illustrative reference architecture; engagement-specific KPIs are agreed at scoping and reviewed quarterly.



WHAT WE LEARNED

# What this engagement taught us about LATAM rails.

01

***"Regulatory arbitrage is fake."***

Build to the highest standard across all three jurisdictions, not the lowest of any one. Re-architecting for the next country is far more expensive than over-building once. BCB 561 is the latest reminder.

02

***"On-ramps win or lose the corridor."***

Technical integration is a checkbox. The real negotiation is FX spread. That conversation requires relationships and context, not RFPs.

03

***"Stablecoin choice is a customer-segmentation decision, not a tech decision."***

USDC vs USDT vs MXNB and BBRL is about who your end-user is. The architecture has to support all three from day one.



WHY ARBALEST

# What made Arbalest the right partner here.



01

## Decade of Web3.0 expertise.

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Active practice across DAOs and governance, ReFi and DeFi, and tokenisation: applied to real regulatory and operational problems, not theory.



02

## LATAM partner network earned over a decade.

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Warm relationships across Bitso ecosystem, Mercado Bitcoin, Ethereum Ecosystem, Arbitrum DAO, Tulum Crypto Fest, Offchain Social: the rooms where the actual deals happen.



03

## Mexico ground presence.

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Operations anchored in San Pedro Garza García, Nuevo León. Spanish-native delivery, ties to Tec de Monterrey and Nuevo León 4.0: not a US firm with a Mexico interpreter.



04

## Choosy with client selection.

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Boutique by design. Each engagement gets the time and guidance it deserves. Engagement to live pilot in under 20 weeks because we don't run a steering-committee economy.



LET'S BUILD WHAT'S NEXT

# If this looks like your problem, let's talk.

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