

OpenVoiceNews Pakistan

Transparent. Unbiased. Yours.

Stablecoins Driving a New Era in Startup Funding

August 11, 2025

– Categories: *Crypto*



The rise of crypto treasury deals is redefining how startups raise capital, offering a faster, more flexible alternative to traditional funding models. By using stablecoinsdigital currencies pegged to a fiat currency like the U.S. dollar, companies can access liquidity without the delays and restrictions of conventional banking systems. Major issuers such as Tether and Circle are at the forefront of this shift, drawing attention from innovators and institutional investors eager to tap into the stability and efficiency these assets provide.

Understanding Crypto Treasury Deals

Crypto treasury deals involve startups leveraging blockchain-based financial instruments, particularly stablecoins like USD Coin (USDC) and Tether (USDT), to bolster liquidity and fund growth. Backed by substantial reserves, often including U.S. Treasury securities, these stablecoins allow emerging companies to move capital quickly and adapt to market conditions. This financing method is especially valuable in regions where banking access is limited or overly regulated.

The Power of Stablecoin Reserves

Stablecoin reserves are playing an increasingly critical role in this funding model. Tether's U.S. Treasury holdings exceed \$100 billion, while Circle maintains assets between \$45 and \$55 billion. With the stablecoin market valued at roughly \$270 billion today and expected to reach \$2 trillion by 2028, these reserves are reshaping how investment capital is deployed. For startups, this means more opportunities to secure funding outside the confines of traditional banking.

Regulatory Pressures and Strategic Shifts

The rapid growth of stablecoins has drawn heightened attention from regulators, particularly the U.S. Securities and Exchange Commission (SEC). Past cases, such as the SEC's (Securities and Exchange Commission) legal action against Telegram, highlight how sudden regulatory moves can disrupt the market. Startups seeking to raise funds through stablecoins must navigate evolving compliance rules, balancing innovation with adherence to legal requirements.

Liquidity and Institutional Adoption

Beyond funding, stablecoins have become essential to liquidity in the cryptocurrency market, enabling faster, lower-cost transactions that connect the fiat and digital economies. This has caught the attention of institutional investors, nearly half of whom now use stablecoins for various transactions. Their growing adoption indicates that stablecoins are no longer niche tools but integral to modern financial operations.

Impact on U.S. Treasury Markets

Leading issuers like Tether and Circle have become significant holders of U.S. Treasury assets, influencing market liquidity and, potentially, interest rate trends. However, concentrated holdings also pose risks; a loss of confidence in a major issuer could ripple through both crypto and traditional financial markets.