THE MONETARY SUCCESSION TEST™

A Foundational Analytical Framework for Evaluating Claims to Global Reserve-Currency Succession

CONVERTIBILITY ● CAPACITY ● CIRCULATION ● CONTINUITY

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THE MERRICK SPITTERS RESET REPORT™

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Executive Statement

The weakening of an incumbent currency does not establish the strength of a proposed successor. That distinction is the foundation of The Monetary Succession Test™.

Debates about the future of the U.S. dollar often begin with evidence of rising government debt, monetary expansion, sanctions and changing trade relationships. They may also point to declining purchasing power or growing interest in alternative currencies and digital assets. These developments may reveal weaknesses within the existing system, but they do not, by themselves, demonstrate that another system can assume the dollar's international role.

A global reserve currency is supported by more than the unit printed on a banknote or displayed on a screen. It depends on legal rights, financial markets, collateral and bank balance sheets. It also depends on payment systems, trade contracts, credit creation, political institutions and the willingness of people and governments to hold claims denominated in that currency. Monetary succession therefore requires the replacement of an operating system, not merely the selection of a different symbol.

The Monetary Succession Test™ evaluates whether a proposed successor can satisfy four conditions simultaneously:

1. **Convertibility:** Can the currency be freely acquired, held, transferred and redeemed across borders?
2. **Capacity:** Can its financial system absorb global savings, provide trusted collateral and support capital markets at reserve scale?
3. **Circulation:** Can the system supply enough currency, credit and liquidity to support international trade and financial settlement?
4. **Continuity:** Are its legal, political, institutional, economic and operational foundations durable enough to sustain confidence across generations?

The test does not average these conditions. Strength in one cannot compensate for failure in another. A candidate does not pass unless all four conditions are satisfied at the same time.

The framework also distinguishes a monetary successor from a payment rail, a tokenized claim, a reserve asset and an unformed proposal. A stablecoin can distribute dollars without replacing the dollar. A central bank digital currency can change the delivery of a sovereign currency without changing its issuer. Gold can serve as a reserve asset without operating as a complete payment, credit and capital-market system. A proposed BRICS currency cannot be evaluated as an operating successor until a defined unit, issuer, governance structure and common financial infrastructure exist.

Based on evidence available to July 19, 2026, none of the widely discussed candidates evaluated in this framework currently passes the complete test. The euro is the closest existing currency-system alternative, but it remains constrained by the absence of a unified sovereign safe-asset market and by incomplete fiscal integration. The renminbi has economic scale and growing international use, but capital controls limit convertibility. BRICS has geopolitical and economic significance, but no common monetary balance sheet. Dollar-backed stablecoins extend the dollar through digital networks. Bitcoin provides direct peer-to-peer transfer and digital scarcity, but it does not provide the stable collateral, elastic credit or institutional balance-sheet capacity required of a global reserve system.

This conclusion is not a forecast that the dollar will remain dominant indefinitely. It is a finding that monetary dissatisfaction and monetary succession are different questions. The dollar can remain dominant while losing purchasing power, and a transition can remain unresolved even as the weaknesses of the incumbent become more visible.

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1. Purpose and Origin of the Framework

The Monetary Succession Test™ was developed to address a recurring analytical error. Claims that a national currency, multilateral arrangement or digital asset could replace the U.S. dollar must be tested against the functions of the existing reserve system. Evidence of weakness in the incumbent may explain the search for alternatives, but it does not establish that an alternative can perform those functions.

A currency may lose purchasing power, accumulate fiscal strain or face political resistance while continuing to dominate reserves, trade, funding and collateral markets. Such persistence does not prove soundness. It demonstrates how difficult the supporting institutional structure is to replace.

This framework establishes the methodology that will serve as the foundation for the forthcoming 2026 article *What Happens When No Currency Passes the Test?*, to be published by The Merrick Spitters Reset Report™. The article will translate the framework's structural findings into a family-level distinction: the survival of a currency is not the same as the preservation of wealth.

This document establishes the methodology that the forthcoming article will apply. It provides a consistent analytical standard for future claims about the euro, renminbi, BRICS arrangements, Special Drawing Rights, stablecoins, central bank digital currencies and Bitcoin. The same standard can also be applied to monetary structures that have not yet been created.

The framework separates an operating monetary system from a narrative, proposal or payment technology. It also identifies the minimum structural conditions required for reserve-currency succession so that the same standard can be applied to unlike candidates.

Each candidate is examined through the same questions, without allowing one attractive feature to substitute for missing infrastructure. The resulting record can then be updated as laws, markets and institutions change without altering the underlying method.

The standard is deliberately high because the role is extensive. A global reserve system must function for governments, banks, businesses, investors and households during ordinary periods and periods of stress. It must support transactions measured in billions and balance sheets measured in trillions. It must continue to function through political changes, market failures, technological disruption and disputes over ownership and access.

2. The Question the Test Is Designed to Answer

The test asks:

Does the candidate currently possess the monetary, financial, legal and institutional structure required to assume the primary international functions now performed by the U.S. dollar system?

The word **currently** is essential. The framework evaluates demonstrated capability, not political intention, technological potential or projected adoption.

The phrase **primary international functions** includes official reserve holdings, international trade invoicing and settlement, cross-border bank funding and lending, international debt issuance and the provision of widely accepted collateral. It also includes deep markets for liquidity management and risk transfer, a common unit of account for contracts extending across jurisdictions and access to liquidity during periods of market stress.

The unit of analysis is not only the currency. It is the currency together with the legal, fiscal, banking, market and settlement system that makes the currency usable.

The test is not designed to identify the asset with the highest expected return, the lowest theoretical supply growth or the most advanced payment technology. Those may be important qualities for other purposes. They are not substitutes for the complete architecture required of a global reserve system.

The Central Distinction

The framework separates two questions that are often combined. System succession asks what could replace the dollar's role in global reserves, credit, collateral, trade and settlement. Asset security asks what a family, institution or government can own while the eventual shape of the monetary system remains uncertain.

The first question requires a complete monetary system. The second may be answered in part by assets that are not complete monetary systems. Gold is the clearest example. Its inability to provide modern credit creation does not remove its role as a reserve asset. It places that role in the correct category.

3. Scope, Classifications and Definitions

Before applying the four conditions, the candidate must be classified. Classification prevents unlike instruments from being treated as though they perform the same function.

3.1 Eligible Monetary System

An eligible monetary system must have a defined unit of account and a defined method of issuance or supply. It must also operate under rules governing ownership, transfer and settlement so users can identify what the unit represents, how it enters circulation and when a transaction becomes final.

Eligibility also requires an independent monetary identity and an operating legal or protocol-based structure. The candidate must exist separately from the currency or financial system it is proposed to replace rather than merely transmitting another issuer's unit or claim.

Finally, the system must have sufficient real-world use to permit evidence-based assessment. A theoretical design, political announcement or pilot project cannot establish how the system performs across markets, institutions and jurisdictions.

An existing sovereign currency can qualify for assessment. A protocol-based digital monetary asset can also be assessed when it has an independent unit and operating network, although qualification for assessment does not imply that it passes.

For classification purposes, an independent protocol-based digital monetary asset that meets these requirements is treated as an Eligible Monetary System candidate. This classification permits the test to be applied. It does not imply that the asset supplies banking, credit or capital-market infrastructure.

3.2 Derivative Payment Instrument

A derivative payment instrument represents, transmits or tokenizes an existing currency or claim. Its value and capacity depend on the underlying issuer, reserves or banking system.

Dollar-backed stablecoins fall into this category. They may improve the speed, availability or geographic reach of dollar payments. They do not create an independent unit of account or a separate pool of reserve assets. Their monetary capacity is inherited from the dollar system.

Tokenized bank deposits are also derivative instruments. The recordkeeping and settlement technology may change, but the underlying claim remains a liability of a bank denominated in an existing sovereign currency.

3.3 Digital Form of Sovereign Currency

A central bank digital currency is a digital form of central bank money. It remains denominated in the issuing jurisdiction’s unit of account and is a direct liability of the issuing central bank.

A CBDC can change access, administration, settlement and data collection. It does not, by itself, change the underlying currency's capacity, fiscal structure, political continuity or purchasing-power risk. The underlying sovereign currency, not the technology used to deliver it, must therefore be evaluated.

3.4 Reserve Asset

A reserve asset may provide liquidity, diversification or independent value without constituting a complete monetary system.

The International Monetary Fund (IMF) defines monetary gold as a reserve asset and identifies gold bullion as an asset for which there is no corresponding liability.[19] That characteristic is important. It does not give gold a central bank, a credit system, an elastic supply of settlement balances or a global payroll network.

The Special Drawing Right is also a reserve asset, but the IMF states that the SDR is not a currency. It is a potential claim on the freely usable currencies of IMF members.[16]

3.5 Unformed Proposal

An unformed proposal lacks one or more of the elements required for direct assessment. It may not yet possess a defined unit, a common issuer or treasury, or a central bank or equivalent monetary authority capable of governing the system.

The proposal may also lack rules governing supply and redemption, a common safe asset and a unified legal and dispute-resolution system. Without those elements, reserve holders cannot determine how claims are created, valued, enforced or resolved during disagreement and stress.

Operating settlement and custody infrastructure must also exist before the proposal can be assessed as a monetary system. Until these institutions and rules are operating, the framework assigns an Unformed finding rather than projecting future capacity into the present.

An unformed proposal receives an **Unformed** finding rather than a speculative score. Future institutions are not assumed into existence.

3.6 Operating Benchmark

The U.S. dollar system is the operating benchmark because it currently performs the international functions being evaluated. Benchmark status is not an endorsement of fiscal soundness, political permanence or purchasing-power preservation. It establishes the scale and range of functions a proposed successor would need to assume.

4. Methodology and Decision Rules

The Monetary Succession Test™ uses structured qualitative findings rather than an arithmetic score. Reserve systems are not interchangeable collections of features. A high score in payment speed cannot offset the absence of a safe-asset market. Economic size cannot offset capital controls. Scarcity cannot offset the absence of elastic liquidity or credit creation.

4.1 Assessment Sequence

Each assessment begins by classifying the candidate and defining its current operating form. Classification determines whether the subject is an Eligible Monetary System, Derivative Payment Instrument, Digital Form of Sovereign Currency, Reserve Asset or Unformed Proposal. The operating-form review then identifies the unit, issuer, governance, legal structure, settlement system, reserve backing and geographic scope that actually exist.

The four conditions are then applied using the indicators in this document, and each condition receives a Pass, Partial, Fail or Unformed finding. Inherited or Out of Scope is used where the candidate is not an independent monetary system. This stage records what the candidate supplies directly and what it receives from another issuer, reserve pool or financial structure.

The no-compensation rule is applied after the condition-level findings are complete. A candidate passes the complete test only when every condition receives a Pass finding. Each assessment then records the evidence date and the developments that could change the finding so readers can distinguish current capability from possible future change.

4.2 Findings

Finding	Meaning
Pass	The essential capabilities are operating at international scale. Remaining limitations do not materially prevent governments, institutions and markets from relying on the system for the function being tested.
Partial	Meaningful capability exists, but one or more structural limitations prevent full reliance at global reserve scale.
Fail	An essential capability is absent, materially restricted or unable to operate at the required scale.
Unformed	The institutional or monetary structure does not yet exist in a form that can be tested.
Inherited	The function depends on an underlying sovereign currency, issuer, reserve pool or financial system and is not independently supplied by the candidate.
Out of Scope	The instrument may serve another monetary or asset-security purpose, but it is not a complete monetary-system candidate.

A Pass does not mean perfection or permanence. It means the condition is presently satisfied at the scale required for the role. A Partial finding prevents the candidate from passing the complete test because global reserve managers cannot rely on an unfinished function as though it were already complete.

4.3 Core Decision Rules

The No-Compensation Rule

All four conditions must be satisfied. No average or total score can convert a structural failure into a pass.

The Current-Capability Rule

The assessment is based on institutions, markets and rights that currently operate. Announced reforms, pilot projects and political intentions are recorded as possible catalysts, not treated as completed capacity.

The Scale Rule

A system that works domestically, bilaterally or regionally does not automatically work at global reserve scale. The relevant question is whether it can support the volume, liquidity and legal complexity of international finance.

The Independence Rule

A candidate cannot replace the monetary system from which it derives its unit, reserves and redemption value. A dollar-backed stablecoin may strengthen dollar circulation, but it is not an independent successor to the dollar.

The Ownership-and-Access Rule

Technical transferability is not equivalent to unrestricted convertibility. The assessment must identify every issuer, custodian, exchange, legal authority, software layer and settlement gateway required for the owner to acquire, hold, transfer and redeem the asset.

The Stress Rule

Capabilities must be evaluated during ordinary conditions and credible stress conditions. Market depth, settlement and legal rights matter most when liquidity and confidence are under pressure.

The Evidence Rule

Primary and first-party sources are preferred. These include central banks, finance ministries, the IMF, the Bank for International Settlements (BIS), official statistical agencies, treaty documents, issuer terms

and protocol documentation. Secondary commentary may help identify questions but should not determine a finding when primary evidence is available.

4.4 Evidence Confidence

Evidence confidence is High when current primary sources directly address the relevant condition. The finding can therefore be traced to operating rules, official data or first-party documentation rather than inferred from indirect evidence.

Evidence confidence is Moderate when primary sources exist but important data, legal interpretations or operating details remain incomplete. The finding is supportable, although some uncertainty remains about how the system functions in practice.

Evidence confidence is Preliminary when the candidate is emerging or the available evidence is indirect. The designation identifies the limits of the evidence without converting future possibility into current capability.

Evidence confidence describes the support for the finding. It is not a forecast of the candidate's future success.

5. Convertibility

5.1 Governing Question

Can governments, institutions, businesses and individuals freely acquire, hold, transfer and redeem the currency across borders without depending on exceptional permission?

Convertibility includes more than the ability to send a digital token or obtain a quoted exchange rate. It includes the legal and practical ability to enter and exit the system, move capital, settle obligations and retain access when the transaction crosses institutions and jurisdictions.

5.2 Indicators

Convertibility begins with acquisition, holding, transfer and redemption. The assessment asks whether foreign official and private actors can obtain the currency in the required amounts, hold it legally in domestic and international accounts or custody structures and move it across borders without routine discretionary approval. It also examines whether the holder can exchange the instrument for the underlying unit or other widely accepted settlement assets at predictable value and scale.

The analysis then turns to capital-account openness and market access. Investment flows, repatriation and portfolio transactions must be broadly permitted, and foreign participants need usable access to the relevant banking, securities, clearing and custody systems. Legal title, settlement finality, creditor rights and dispute-resolution procedures must also be sufficiently defined across the relevant jurisdictions.

Finally, the assessment identifies access dependencies within the instrument's design or terms. An issuer, custodian or intermediary with broad power to suspend access, block transfer or prevent redemption can make technical mobility less meaningful. These dependencies determine whether apparent convertibility remains available under ordinary conditions and credible stress.

5.3 Pass Standard

A candidate passes convertibility when official and private foreign users can routinely acquire, hold, transfer and redeem it at institutional scale. Those functions must operate under clear law, with restrictions limited to generally applicable legal and regulatory requirements.

Generally applicable sanctions, anti-money-laundering rules and court orders do not automatically produce a failure because all major monetary systems operate within law. The relevant distinction is whether ordinary use depends on discretionary capital permission, issuer consent or restricted market access beyond those general requirements.

5.4 Failure Conditions

Convertibility fails when capital movements require routine administrative approval or when foreign access to financial markets is structurally limited. In either case, official and private users cannot rely on ordinary entry, holding, transfer and exit at the scale required of a reserve system.

Failure can also arise when private-issuer discretion, redemption restrictions or blocking rights are broad enough to make ordinary access unreliable at institutional scale. An asset may move inside a network, but that mobility is insufficient if it cannot reliably enter or exit the wider economy.

Ownership and settlement rights must also remain sufficiently certain across jurisdictions. Material uncertainty over title, finality or enforceability prevents users from treating the instrument as freely convertible even when its technology permits rapid transfer.

An issuer-dependent instrument may receive a Partial rather than Fail finding when it remains routinely transferable and redeemable but cannot satisfy the Pass standard because access is contingent. A Fail finding is appropriate when those dependencies make ordinary entry, exit or redemption materially unreliable. When a category covers multiple issuers, the application must state whether the finding is category-wide or issuer-specific.

5.5 Evidence Examples

Evidence may include capital-control regulations, foreign-investor access rules, exchange-market turnover, settlement membership, custodian terms, redemption rights, sanctions frameworks and legal opinions concerning title and finality.

6. Capacity

6.1 Governing Question

Does the system possess financial markets, balance sheets and collateral large, liquid and trusted enough to absorb the world's savings and support global finance?

Reserve currencies are supported by a financial system, not only by a payment mechanism. Governments and institutions need somewhere to place reserves. Banks need collateral and funding markets. Businesses need credit across maturities. Investors need the ability to buy and sell large positions without causing disorderly price movements.

6.2 Indicators

Capacity begins with the supply of safe assets, market depth and liquidity across maturities. The assessment asks whether a large and widely accepted pool of high-quality assets is denominated in the currency, whether large transactions can be completed with limited price disruption and whether bills, notes, bonds, repurchase agreements and derivatives are available across a useful maturity structure. These features determine whether global savings can be absorbed without destabilizing the market.

The analysis then examines collateral function, banking capacity and settlement infrastructure. The relevant assets must be broadly accepted in secured funding, derivatives and central-bank operations, while banks must be able to create credit, manage liquidity and intermediate international claims in the currency. Payment, securities, clearing and custody systems must also be capable of operating at global volume.

The final indicators are stress absorption and legal enforceability. The system must continue functioning during market disruption, while claims, collateral rights, insolvency priorities and settlement finality remain sufficiently predictable. A system that displays scale in ordinary conditions but loses liquidity or legal certainty under pressure does not possess reserve-scale capacity.

6.3 Pass Standard

A candidate passes capacity when it provides a deep, liquid and legally reliable pool of assets. Its financial institutions must be capable of absorbing global reserve demand, supporting credit and providing collateral through normal and stressed markets.

Market capitalization alone is not capacity. A high asset price does not create a stable yield curve, a lender of last resort, a repo market, trade finance or a common pool of sovereign collateral.

6.4 Failure Conditions

Capacity fails when no sufficiently large safe-asset market exists or when the available market is fragmented among materially different issuers and legal risks. Reserve users then lack a common pool of dependable collateral capable of absorbing global savings.

Failure also occurs when price volatility prevents dependable collateral use or when credit and maturity transformation are absent or too small. A traded asset may have substantial market value while still lacking the banking, funding and yield-curve functions required of a reserve system.

Market depth and infrastructure must remain dependable at scale. If large transactions cause material disruption or settlement and custody depend on immature or concentrated channels, the system cannot absorb global demand through ordinary and stressed conditions.

7. Circulation

7.1 Governing Question

Can the system supply and distribute enough currency, credit and reserve assets to support global trade, funding and settlement?

A reserve currency must be available outside its home jurisdiction. Foreign governments need reserve assets. Companies need working capital and trade finance. Banks need deposits, loans, securities and derivatives denominated in the currency. Markets need additional liquidity during stress.

7.2 The Triffin Constraint

Belgian-American economist Robert Triffin identified the structural tension confronting a national reserve-currency issuer. The world requires a continuing supply of reserve assets and liquidity, but the issuer’s efforts to supply that liquidity can eventually weaken confidence in its currency.[20]

Historically, the United States has supplied dollars through external deficits, overseas investment, bank credit and large markets for dollar-denominated debt. These channels make dollars available internationally. They also contribute to the accumulation of claims on the United States and to the fiscal and monetary pressures that can weaken confidence over time.

The Triffin constraint does not mean that every reserve issuer must run a current-account deficit in every period. It identifies the broader requirement that the rest of the world must be able to obtain liquid claims in the reserve currency on a continuing basis.

7.3 Indicators

Circulation begins with international availability and actual use. Foreign users must be able to obtain the unit and its reserve assets in sufficient quantity, and the currency must be used to invoice, finance and settle international trade. Deposits, loans and wholesale funding must be broadly available outside the issuing jurisdiction, while governments and companies must be able to issue debt in the currency across markets and maturities.

The assessment then tests liquidity elasticity, crisis support and the breadth of the distribution network. Settlement balances and credit must be capable of expanding when demand rises, and central-bank facilities, swap lines or credible lender-of-last-resort mechanisms must be available when markets come under pressure. Correspondent banks, payment systems, dealers and market makers must also be sufficiently broad to distribute that liquidity.

Domestic compatibility completes the analysis. The issuer must be able to supply international liquidity without creating an immediate conflict with the political and economic structure supporting the currency. A system whose international role depends on policies its domestic structure cannot sustain will remain constrained even if its payment network continues to expand.

7.4 Pass Standard

A candidate passes circulation when its unit, credit and reserve assets are broadly available outside the home system. Those resources must be able to expand or be redistributed to meet international demand in normal and stressed conditions.

7.5 Failure Conditions

Circulation fails when supply is too restricted to support global demand or when the system has no mechanism for elastic credit or liquidity. Existing units may move efficiently, but the system cannot finance expanding trade and settlement if liquidity cannot increase or be redistributed when demand rises.

Failure also arises when trade and funding use remains narrow or primarily bilateral. A currency used within selected relationships does not automatically possess the distribution networks, balance sheets and market participation required of a primary reserve system.

The issuer's domestic model must also be compatible with the openness required of an international currency. A payment network that moves existing units but cannot create the balance-sheet capacity needed to finance commerce does not satisfy the circulation condition.

8. Continuity

8.1 Governing Question

Are the legal, political, institutional, economic and operational foundations durable enough to sustain confidence across generations?

Currency-denominated assets and long-term financial claims support retirement systems, sovereign obligations, business investment and multigenerational plans. A system may be technologically efficient or economically large today while lacking institutions capable of preserving rules, rights and access through political, demographic and financial change.

8.2 Indicators

Continuity begins with the rule of law, institutional durability and monetary credibility. Ownership, contracts, collateral and dispute resolution must be enforceable, while central-banking, fiscal, regulatory and market institutions must be capable of surviving changes in leadership. The system also requires a durable process for managing inflation, liquidity and financial stability so confidence does not rest on a temporary political alignment.

The analysis also considers fiscal capacity, political cohesion and the economic and demographic base. The public balance sheet must be capable of supporting the safe assets and institutions on which the system relies, participating jurisdictions must be able to maintain common rules and shared liabilities

during stress, and the productive and tax base must support long-term obligations. Weakness in any of these areas can turn current market size into fragile continuity.

Finally, the assessment examines governance of change, operational resilience and access across generations. Rule changes must be transparent, legitimate and subject to defined procedures, while the system must withstand cyber failure, technological obsolescence, infrastructure disruption and concentrated-service failure. Ownership and control must also remain transferable through succession, insolvency and jurisdictional change, because continuity requires both the system and the owner's rights to remain usable over time.

8.3 Pass Standard

A candidate passes continuity when its legal and institutional foundations are established and its governance can adapt without destroying confidence. Its political and economic structure must also be capable of supporting the system through foreseeable stress.

Continuity does not require predicting that the system will exist forever. It requires sufficient evidence that rights and functions are not dependent on temporary political alignment, an undeveloped governance process or a narrow set of operational actors.

8.4 Failure Conditions

Continuity fails when the governing institutions do not yet exist or when the arrangement depends on political cooperation without enforceable common rules. Confidence cannot extend across generations when the system's authority and obligations depend on temporary alignment.

Failure also arises when ownership or access can be changed without a durable process. Fiscal, monetary and operational structures must remain capable of supporting the system through stress rather than relying on discretionary treatment or undeveloped governance.

A protocol may continue operating while legal conversion, custody, inheritance or economic use remains structurally uncertain. Technical durability alone therefore cannot establish the legal and institutional continuity required of a reserve system.

9. Current Application of the Test

9.1 Findings at a Glance

Evidence date: July 19, 2026

Candidate	Classification	Convertibility	Capacity	Circulation	Continuity	Complete Test
Euro	Eligible Monetary System	Pass	Partial	Partial	Partial	Does not pass
Chinese renminbi	Eligible Monetary System	Fail	Partial	Partial	Partial	Does not pass
Proposed BRICS currency	Unformed Proposal	Unformed	Unformed	Unformed	Unformed	Does not pass
Dollar-backed stablecoins	Derivative Payment Instrument	Partial	Inherited	Partial	Partial	Not independent
Bitcoin	Eligible Monetary System (protocol-based digital asset)	Partial	Fail	Fail	Partial	Does not pass

These findings are current structural assessments, not forecasts. Parallel or regional use may expand without producing global succession.

Evidence Confidence by Candidate

Candidate	Evidence Confidence
Euro	High
Chinese renminbi	High
Proposed BRICS currency	High for the current Unformed classification
Dollar-backed stablecoins	Moderate because issuers, terms and regulations differ
Bitcoin	High

Candidate Selection and Scope

This application evaluates widely discussed candidates for global monetary succession and considers related instruments and reserve assets commonly placed in the same debate. Other established reserve currencies, including the Japanese yen, pound sterling, Swiss franc, Canadian dollar and Australian dollar, may be assessed in future versions. They receive no finding here because this version does not evaluate them as complete global successors. Their omission is not a Fail finding.

9.2 The Euro

Classification

The euro is classified as an Eligible Monetary System. Among existing currency systems, it is the most credible alternative to the dollar.

Convertibility: Pass

Convertibility is strong. Mature banks, payment systems, securities markets and legal institutions allow foreign governments, companies and investors to acquire, hold and transfer euro-denominated assets across borders.

Capacity: Partial

The euro area has large government and corporate bond markets, sophisticated financial institutions and established central-bank infrastructure. Its central capacity limitation is fragmentation. The euro area shares a central bank and a unit of account, but sovereign debt continues to be issued primarily by separate national governments with different fiscal positions, credit characteristics and market structures.

The European Central Bank (ECB) has stated that the current financial architecture produces an undersupply of euro-denominated safe assets. It has also observed that the stock of German federal debt is too small relative to the euro area and global system to satisfy demand.[6] Common European debt instruments have expanded, but they do not yet provide a permanent, unified pool equivalent in structure and scale to the U.S. Treasury market.

Circulation: Partial

Global use is significant across reserves, international debt and trade. The ECB reported that the euro's share across indicators of global currency use reached approximately 20 percent in 2025.[5] It nevertheless remains well below the dollar across the combined networks of reserves, foreign-exchange trading, cross-border funding and international debt.

Continuity: Partial

Established democracies, a central bank and decades of operating history support the euro. Long-term continuity still depends on political and fiscal cooperation among twenty-one member countries.[7] Monetary policy is unified, while fiscal authority and sovereign borrowing remain substantially national. The issue is not whether the euro area has institutions. It is whether those institutions can produce and support the common liabilities required of a primary global reserve system during periods when national interests diverge.

Overall Finding

The euro does not currently pass the complete test. It comes closest among existing sovereign alternatives, but capacity, circulation and continuity remain partial.

Developments That Could Change the Finding

A different euro finding would require a permanent and sufficiently large common safe asset, deeper capital-market and banking integration and wider use in trade, debt and bank funding. The continuity assessment would also depend on evidence of stronger common fiscal governance and crisis-sharing arrangements.

9.3 The Chinese Renminbi

Classification

The renminbi is classified as an Eligible Monetary System. It is supported by one of the world's largest economies, major trade relationships and expanding financial markets.

Convertibility: Fail

China maintains controls over capital transactions and administers access to foreign exchange. The IMF's 2025 Article IV material states that exchange controls continue to apply to most capital transactions.[9] The State Administration of Foreign Exchange (SAFE) has published guidance identifying an annual facilitation quota equivalent to US$50,000 for individual foreign-exchange purchases. Documentation is required for transactions outside normal quota procedures.[8]

These rules do not prevent all international use of the renminbi. They do prevent a Pass finding because reserve managers and institutions require confidence that capital can move at scale without discretionary restriction.

Capacity: Partial

China has large banking, equity and bond markets. The limitation is not economic size alone. Foreign access, governance, market pricing, capital movement and the state's role in financial allocation differ from the open-market structure used by global reserve managers.[9] A large domestic market is not automatically a globally accessible safe-asset market.

Circulation: Partial

Renminbi use in trade, lending, swap arrangements and foreign-exchange markets has grown. The BIS reported that the renminbi was on one side of 8.5 percent of foreign-exchange trades in April 2025.[3] The IMF reported that the renminbi accounted for 1.99 percent of disclosed foreign-exchange reserves in the first quarter of 2026.[1]

China also recorded a current-account surplus of approximately US$735 billion in 2025.[10] An export-surplus model accumulates claims on the rest of the world. Primary reserve-issuer status would require China to provide much larger quantities of renminbi assets internationally and accept greater two-way

movement of capital. That requirement creates tension with the controls used to protect the domestic system.

Continuity: Partial

China has substantial state capacity, a large productive base and long-term policy planning. The IMF's 2025 Article IV consultation identifies aging pressures and areas where data quality, transparency, financial oversight and market-oriented reform remain relevant.[9] Global reserve users must also assess legal recourse, capital access, governance changes and the concentration of political authority. The finding concerns institutional reliance rather than political approval or disapproval.

Overall Finding

The renminbi does not pass the complete test. Convertibility is the decisive current failure, while capacity, circulation and continuity remain incomplete at global reserve scale.

Developments That Could Change the Finding

Reassessment of the renminbi would begin with broad capital-account liberalization and reliable two-way access for foreign reserve managers and institutions. A different capacity finding would depend on deeper, more transparent and internationally integrated safe-asset markets. A different circulation finding would require greater reserve, trade, funding and collateral use that does not depend on discretionary access.

9.4 A Proposed BRICS Currency

Classification

A proposed BRICS currency is classified as an Unformed Proposal. The classification reflects the absence of a common operating monetary structure rather than the importance of the participating economies.

BRICS cooperation is economically and geopolitically significant. Members have expanded the use of local currencies, explored payment links and developed the New Development Bank. These developments may reduce transaction costs or dependence on particular payment channels.

The official 2024 BRICS Finance Ministers and Central Bank Governors statement described work on local currencies, payment instruments and a voluntary, non-binding cross-border payments initiative. It also referred to continued examination of feasibility and technical proposals.[11] These are cooperation mechanisms, not a common currency.

India's Ministry of External Affairs stated in February 2026 that, although local-currency trade settlement was being discussed, there was "no discussion for a BRICS currency." This supports the

current Unformed classification because no common issuer, central bank, treasury, monetary balance sheet or conversion framework presently exists.[27]

Current Structural Gaps

No operating BRICS monetary successor presently has a common unit of account, central bank, monetary authority or treasury. It also lacks a unified sovereign bond market, common fiscal capacity or shared liability. There is no single legal structure for ownership, collateral and settlement, no common rule for issuance, redemption or crisis liquidity, and no durable method for resolving conflicts among member states.

Overall Finding

The proposed BRICS currency does not pass because there is no complete operating candidate to test. Local-currency settlement and alternative payment infrastructure may grow without creating a common monetary balance sheet.

Developments That Could Permit Reassessment

Reassessment would require the adoption of a defined common unit. A treaty would need to establish governance, issuance and dispute resolution. The arrangement would also require a common central bank, treasury or equivalent monetary authority, a unified reserve asset and collateral market, and demonstrated convertibility and settlement beyond participating governments.

9.5 Dollar-Backed Stablecoins

Classification

Dollar-backed stablecoins are classified within the Derivative Payment Instrument category. They are digital claims designed to maintain a fixed value relative to the dollar and are supported by reserves held in the conventional financial system.

Convertibility: Partial

Stablecoins can move through digital networks continuously and across borders. This can reduce payment friction and provide access to dollar-denominated balances. Redemption, however, depends on issuers, banking relationships, reserve assets, compliance systems and regulated gateways. Issuer terms may permit addresses or tokens to be frozen in specified circumstances.[13][28]

Because this category includes multiple issuers and substantial routine transfer and redemption remain available, the current category-level finding is Partial rather than Fail. An individual instrument may warrant a Fail finding when its terms or operating record make ordinary access materially unreliable.

Capacity: Inherited

A dollar-backed stablecoin inherits capacity from its reserve assets, commonly bank deposits, short-term U.S. Treasury securities and government money-market instruments. Federal Reserve analysis of the U.S. payment-stablecoin framework describes eligible backing in terms of relatively safe dollar assets. These include bank deposits, short-term U.S. Treasury securities and certain central-bank balances.[22]

The token does not create a separate sovereign yield curve, safe-asset pool or lender of last resort. It packages existing dollar capacity.

Circulation: Partial

Stablecoins can extend the geographic and technological circulation of dollars. Federal Reserve research reported substantial growth in stablecoins during 2025 and noted their increasing connection to the traditional financial system.[12] This may strengthen the dollar's reach rather than weaken it.

Continuity: Partial

Continuity depends on the issuer, reserve custody, banking access, blockchain operation, wallet infrastructure, legal rules and redemption arrangements. A protocol may continue operating while the claim's redemption, transfer or legal status changes.

Overall Finding

Dollar-backed stablecoins are not independent successors to the dollar. They are a distribution and settlement layer built on dollar denomination and dollar reserves.

Developments That Could Change the Finding

A dollar-backed stablecoin cannot become independent of the dollar without ceasing to be dollar-backed. Reassessment as a monetary successor would require a distinct unit of account, independent reserve assets, durable governance, broad convertibility and a credit and liquidity architecture capable of operating at global scale.

9.6 Bitcoin

Classification

Bitcoin is classified as an Eligible Monetary System candidate because it is an independent protocol-based digital monetary asset with a defined unit, operating network and peer-to-peer transfer system.[14] Eligibility permits assessment under the complete test; it does not establish that Bitcoin supplies the wider financial system required to pass.

Convertibility: Partial

Bitcoin can be held directly and transferred without a commercial bank authorizing each network transaction. That provides a meaningful ownership distinction. Its conversion into wages, taxes, business expenses and conventional investments commonly depends on exchanges, banks, custodians, wallet software, network access and legal gateways.

Direct network transfer is not the same as universal economic convertibility. Public-ledger transactions can be analysed, exchanges can restrict access and governments can regulate conversion points.

Capacity: Fail

Bitcoin has a substantial market value and active trading markets. It does not provide a stable sovereign safe asset, a conventional yield curve, broad credit creation, a repo market of reserve scale or a lender of last resort. Its price volatility limits its use as low-volatility collateral for official reserves and global balance sheets. The BIS stated in its 2025 Annual Economic Report that unbacked cryptoassets are not widely used for payments and do not serve as a unit of account.[15]

Circulation: Fail

Bitcoin's predetermined scarcity is central to its design and appeal. That same supply structure does not provide elastic settlement balances, trade finance or credit expansion when global demand rises. Existing units can circulate, but the system does not create the balance-sheet capacity required to finance a modern global economy.

Continuity: Partial

The protocol has operated since 2009 and does not depend on a central issuer. Its long-term continuity still depends on software governance, network incentives, hardware, energy, communications, custody practices and the legal treatment of ownership and conversion. Protocol durability does not by itself establish durable monetary institutions, creditor rights or intergenerational access.

Overall Finding

Bitcoin does not pass the complete test. Digital scarcity and direct network ownership do not supply the capacity or circulation functions required of a primary reserve system.

Developments That Could Change the Finding

Reassessment of Bitcoin would depend on broad and stable use as a unit of account and acceptance as low-volatility collateral across official and private balance sheets. It would also require deep credit and funding markets that operate without reliance on fiat units. Further evidence would be needed for liquidity during system-wide stress and for durable legal treatment of ownership, succession, taxation and settlement across jurisdictions.

9.7 Special Drawing Rights

Evidence Confidence: High.

The IMF defines the SDR as an international reserve asset and a potential claim on freely usable currencies. It is not a currency.[16]

Under the classification established in Section 3.4, the SDR is a Reserve Asset rather than an Eligible Monetary System. It does not provide an independent payment, banking, credit or capital-market structure. A larger future role would require circulation, private use, governance, market capacity and legal settlement beyond the present SDR arrangement.

9.8 Central Bank Digital Currencies and Tokenized Deposits

Evidence Confidence: Moderate. Designs, laws and implementation stages vary across jurisdictions.

These instruments receive no independent succession finding. A digital euro is assessed through the euro system, a digital renminbi through the renminbi system, and a tokenized dollar deposit through its issuing bank and the dollar system.[17] Technology may alter speed, access, privacy, administration and settlement, but it does not create a common treasury, open a capital account or supply new fiscal capacity.

9.9 Gold

Evidence Confidence: High.

Gold receives an Out of Scope finding for monetary succession because it does not supply the payment, credit or liquidity architecture tested here. Its separate relevance lies in reserve diversification and the absence of a corresponding liability, as described in Section 3.4.[19]

Central banks purchased a net 863 tonnes in 2025 after three consecutive years of purchases above 1,000 tonnes, according to the World Gold Council.[18] Those purchases do not convert gold into a complete monetary system. They demonstrate continuing official demand for a reserve asset.

For families, the relevant questions are ownership, allocation, custody and jurisdiction. A gold fund, certificate or pooled claim does not create the same legal position as direct title to identifiable metal.

10. The Dollar as the Operating Benchmark

The dollar is not treated as a prospective candidate because it is the incumbent system against which succession claims are measured. The IMF reported that the dollar accounted for 57.13 percent of

disclosed foreign-exchange reserves in the first quarter of 2026. The euro accounted for 20.03 percent and the renminbi for 1.99 percent.[1]

The BIS reported that the dollar was on one side of 89.2 percent of all foreign-exchange trades in April 2025. The ten most-traded currency pairs all involved the dollar.[3]

Federal Reserve research reported that foreign investors held approximately US$9 trillion of marketable U.S. Treasury securities in the first quarter of 2025.[2] The same research estimated that more than US$1 trillion in dollar banknotes was held abroad.[2] These figures demonstrate the breadth of the operating network. They do not establish that the dollar preserves purchasing power or that its fiscal and political foundations are permanent.

10.1 Benchmark Functions

The dollar currently provides broad convertibility and market access, supported by a large, unified Treasury market across maturities. It is used extensively in trade, bank funding, loans, securities and derivatives. Its operating structure also includes a global network of correspondent banking, clearing and custody, together with central-bank liquidity arrangements and established crisis mechanisms. Legal and institutional continuity has developed over generations.

10.2 Benchmark Pressures

The same structure carries pressures arising from government debt, rising interest costs and repeated monetary intervention.[4][23] It also depends on external imbalances associated with supplying international liquidity, the political use of financial access and sanctions, and continued confidence in U.S. institutions and markets.[20]

These pressures can contribute to long-term erosion in domestic purchasing power even while the dollar continues to perform its international functions. The durability of the operating system and the preservation of value within that system must therefore be assessed separately.

The test therefore permits two conclusions to coexist. Under the current application, the dollar remains the operating benchmark because no evaluated candidate matches its complete structure. At the same time, dollar dominance does not guarantee the preservation of real purchasing power for families or institutions holding dollar claims.

11. What the Test Does Not Conclude

The Monetary Succession Test™ does not conclude that the dollar will remain dominant indefinitely or that dollar-denominated assets are free of fiscal, monetary, market or jurisdictional risk. It also does not treat a Partial or Fail finding as evidence that a candidate has no useful role.

Regional monetary systems may expand, and several systems may coexist within a more fragmented monetary order. Those developments can change the distribution of monetary functions without producing a single complete successor.

The test does not dismiss payment technology, the ownership and transfer characteristics of Bitcoin or the ability of stablecoins to improve cross-border payments. It does not classify gold as a complete currency, credit and capital-market system, and it does not assume that political decisions can never accelerate monetary change. These possibilities remain analytically distinct from evidence that a candidate can perform the complete role.

The test also does not predict the timing of succession. Reserve systems are supported by network effects and can remain dominant after weaknesses become visible. Change may occur gradually through diversification, parallel settlement arrangements and regional systems before it appears as a clear transfer of leadership.

11.1 A Partial Role Is Not Succession

A candidate may expand in one function without becoming the primary reserve system. The euro can gain reserve share, renminbi settlement and BRICS local-currency arrangements can grow, and stablecoins can broaden digital dollar circulation without satisfying the complete test. Bitcoin and gold may be held for scarcity, ownership or reserve purposes without becoming the operating unit of global credit. The framework preserves these distinctions rather than treating every useful monetary role as succession.

12. Monetary Succession and Family Asset Security

The central distinction introduced in Section 2 has a practical consequence for families. A global reserve system must support payments, credit, collateral and settlement at enormous scale. A family balance sheet instead requires assets that remain accessible, useful and capable of meeting obligations as markets, institutions and currency values change.

Monetary-system security therefore evaluates the operating system. Asset Security evaluates the owner's control, access, independence and continuity within it. An asset may contribute to the latter without becoming a reserve currency, particularly when it reduces dependence on issuers, custodians or legal promises.

When these four concepts are translated into family-level ownership questions, they do not alter the system-level definitions or decision rules of The Monetary Succession Test™. They show how monetary structure can affect ownership, access, liquidity and continuity without turning a family balance sheet into a monetary-system candidate.

The Monetary Succession Test™ should therefore be used with, but not confused with, *Last Asset Standing™*[24], *Owning Assets in Order of Asset Security™*[25] and *The Five Pillars of Asset Security™*[26]. The succession test evaluates candidate monetary systems. The ownership frameworks evaluate how assets are issued, titled, held, accessed and transferred, and how those assets are assembled into a complete wealth structure. Current reference versions are maintained through The Merrick Spitters Reset Report™.

Owning Assets in Order of Asset Security™ examines five levels of financial responsibility: foundational assets; essential productive assets; professionally governed investment capital; tax-advantaged strategies for repositioning assets; and comprehensive wealth and continuity planning. These levels identify the responsibilities that should be addressed as wealth is built rather than prescribe fixed allocations or a mandatory implementation sequence.

The Five Pillars of Asset Security™ framework translates that ordering into a working wealth structure: Physical Gold and Silver; Alternative Investments and Productive Private Assets; Discretionary Private Portfolio Management; Tax-Advantaged Strategies for Repositioning Assets; and Comprehensive Wealth and Continuity Planning. Together, the pillars spread risk across different forms of ownership, income, portfolio management, tax planning and family planning.

The practical analysis begins by identifying the monetary system and its dependencies, then determining whether a proposed successor is complete or merely partial. It next identifies the issuer, legal owner, custodian and governing jurisdiction of each family asset, including the parties capable of freezing, diluting, restricting, encumbering or changing it.

Productive investment, liquidity and succession planning can then be built without requiring a precise prediction of the next monetary order. This sequence keeps monetary-system analysis connected to family outcomes without turning a structural framework into a market forecast.

The framework does not require a family to abandon productive assets or conventional markets. It requires clarity about what each asset depends on and what role it is expected to perform.

13. Review, Versioning and Framework Governance

The Monetary Succession Test™ separates changes in evidence from changes in methodology. That distinction governs both scheduled reviews and changes to the test itself.

13.1 Scheduled Review

The framework should be reviewed at least annually. Every published application should state the framework version, evidence cutoff date, candidate classification, finding for each condition and evidence confidence.

Each application should also identify the developments that could change the finding. This record allows readers to distinguish a change in the evidence from a change in the analytical method.

13.2 Event-Driven Review

An interim review should occur when a material event changes one or more conditions. Capital-account liberalization, the imposition of new capital controls or the creation of a permanent common sovereign safe asset may alter convertibility or capacity enough to require reassessment.

Formation of a common currency, issuer, treasury or central bank would require a broader review because it could transform an unformed proposal into an operating candidate. Major changes in reserve composition, trade invoicing or international debt issuance, together with new central-bank swap or crisis-liquidity arrangements, may also alter circulation and market capacity.

Digital instruments require review when stablecoin legislation, reserve rules or issuer viability changes materially. A major protocol, governance or custody change affecting a digital asset may likewise change its access, capacity or continuity assessment.

Legal and geopolitical events can also change a finding. A material change in legal ownership, settlement finality or cross-border access, as well as war, sanctions or political fragmentation, may alter the rights and institutional continuity on which the system depends.

13.3 Methodological Changes

A change in a candidate's finding is not necessarily a change to the framework. Findings should change when evidence changes.

A new framework version is required when a condition is added, removed or redefined, or when the standard for a Pass, Partial or Fail finding changes. Those revisions alter the method itself rather than merely updating the evidence applied to a candidate.

A new version is also required when the classification system or the unit of analysis changes. Either revision can alter which candidates qualify for assessment and what financial, legal or institutional structure is being measured.

The no-compensation rule is also a foundational methodological element. Any change allowing strength in one condition to offset failure in another would require a new version and a clear explanation in the change log.

Each version should preserve a short change log so readers can distinguish new evidence from a new methodology. The change log forms part of the framework's evidentiary record rather than serving as a narrative summary.

13.4 Framework Integrity

Framework integrity requires the same classifications, conditions and decision rules to be applied to every candidate, including those the authors may favour or distrust. The Monetary Succession Test™ is a structured analytical framework developed by Peter J. Merrick and Adrian C. Spitters. It is not an official central-bank, government or academic standard. Its findings are analytical judgments, and each published application should disclose the evidence supporting them.

13.5 Version History

Version	Publication Date	Evidence Cutoff	Change Summary
1.0	August 2026	July 19, 2026	Original publication of the framework, classifications, decision rules and current candidate assessment.

14. Glossary

Capacity: The ability of a monetary and financial system to absorb savings, provide collateral, create credit and support markets at global reserve scale.

Central bank digital currency: A digital form of central bank money denominated in an existing sovereign unit of account.

Circulation: The ability to supply and distribute currency, credit, funding and reserve assets internationally.

Continuity: The durability of the legal, political, institutional, economic and operational foundations supporting confidence.

Convertibility: The legal and practical ability to acquire, hold, transfer and redeem a currency or monetary claim across borders.

Derivative payment instrument: An instrument that transmits or represents an existing currency or claim and inherits its monetary capacity from the underlying system.

Evidence confidence: The strength and directness of the primary evidence supporting a finding. It does not measure the candidate's probability of future success.

Eligible monetary system: A sovereign or protocol-based monetary arrangement with an independent unit, defined issuance or supply, operating transfer rules and sufficient real-world use for assessment under the complete test. Eligibility permits assessment and does not imply a Pass finding.

Global reserve currency: A currency widely used by official and private actors for reserves, trade, settlement, funding, debt issuance, collateral and contracts across jurisdictions.

Monetary successor: An independent monetary and financial system capable of assuming the primary international functions of the incumbent reserve system.

Operating benchmark: The incumbent system whose current functions establish the practical requirements a successor must meet.

Payment rail: Infrastructure that transfers a monetary unit or claim but does not necessarily issue the unit, create reserve assets or provide credit capacity.

Reserve asset: An asset held by monetary authorities for liquidity, confidence or diversification. A reserve asset need not be a complete currency or financial system.

Safe asset: An asset broadly regarded as liquid and low in credit risk, and therefore usable for reserves, collateral and balance-sheet management.

Special Drawing Right: An international reserve asset created by the IMF. It is a potential claim on freely usable currencies and is not itself a currency.

Triffin constraint: The tension created when the international system requires a reserve issuer to supply liquidity and reserve assets in ways that may eventually weaken confidence in the issuer.

Unformed proposal: A proposed monetary arrangement that lacks sufficient operating institutions, rules or infrastructure to be tested as a complete system.

15. Notes and Primary Sources

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Framework Provenance

The Monetary Succession Test™, including its four conditions of convertibility, capacity, circulation and continuity, was developed by Peter J. Merrick and Adrian C. Spitters through The Merrick Spitters Reset Report™ as part of its Asset Security research program. This foundational document is published first as the governing methodology for subsequent applications. The forthcoming article *What Happens When No Currency Passes the Test?* will be the first published article to apply the framework.[21] The

distinction between a complete monetary system and independently owned value extends the ownership analysis developed in *Last Asset Standing™*.[24]

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