



The Chart and the Log

Treasury AI governance —
and the assumption
nobody checked.

Like navigating without
knowing your longitude.



In March
2023, \$3.3
billion of
USDC
reserves were
trapped at
Silicon Valley
Bank and the
token traded
down to about
86 cents.

Any treasury system still carrying it
at \$1.00 that weekend was carrying
a wrong number.

The peg is not a property of the token. It is confidence in a promise.

A stablecoin holds its \$1.00 because the issuer promises to redeem each token for a dollar. That weekend, 8 percent of the reserves sat inside a failed bank, and redemption runs through banks, which were closed until Monday. Holders who needed dollars had to sell, and buyers would only pay 86 cents.



Now replay that weekend with a well-governed AI agent.

The agent acts only within the permissions it was given. It writes down every decision and the reasoning behind it. It escalates to a human whenever a threshold trips.

That weekend, nothing trips, because the agent still believes a dollar of USDC is worth a dollar. The log fills up with tidy, well-documented decisions, each one resting on a number that stopped being true on Friday.



Every control passes

The books are still wrong.

Think of a ship's log.

The Log

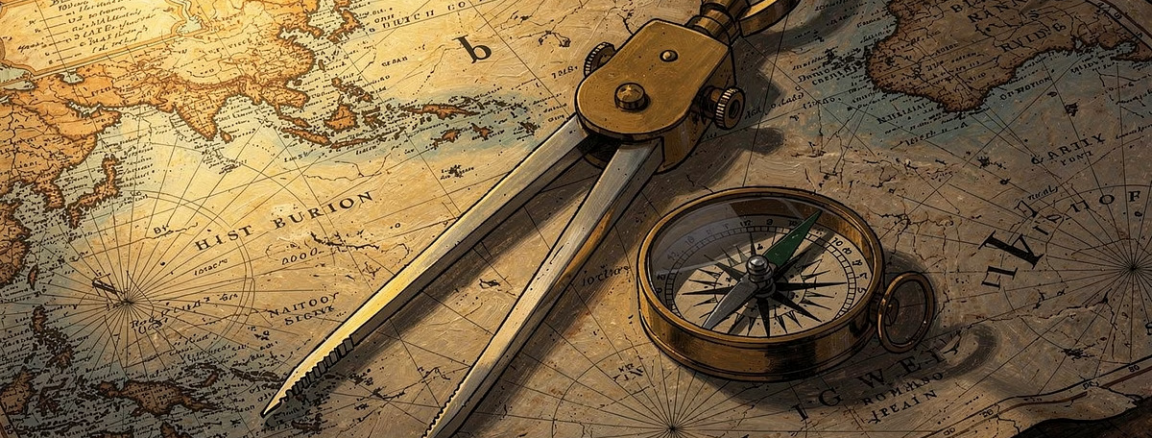
It can prove the crew stood every watch and executed every order by the book. It cannot prove the chart they were steering by was current.

The log records conduct: what was done, by whom, under what authority.

The Chart

It records belief: what the crew held true about the water around them.

A perfect log and a wrong chart is how a well-disciplined crew sails onto the rocks.



An audit trail is a log.

The governance now being built for treasury AI — including the US Treasury's new AI risk framework for financial firms — is almost entirely log: proof that the agent followed the rules.

It is real progress.



But nobody has been assigned to audit the chart.

Why not?

→ **Compliance teams built the process controls.**

Segregation of duties. Transaction limits and escalation thresholds.

→ **Quant risk teams built valuation controls, but only for instruments that obviously needed them.**

Derivatives, structured products, illiquid credit. Not cash.

→ **Cash was assumed to price itself.**

But tokenized cash breaks that assumption, and treasury needs to take ownership of it.

My
expectation:
auditors will
start asking
"show me
what you
checked the
price in the
log against,
and when."



The background is a detailed, sepia-toned historical map of the Netherlands. It features a central compass rose with a star-like design. In the upper right, there is a small illustration of a three-masted sailing ship. The map is filled with various place names in Dutch, such as 'Sunderborch', 'Nieuwe', 'Londen', 'Haghe', 'Oldenborch', and 'Wageningen'. A scale bar is visible in the top right corner.

Value stablecoin balances in real time.

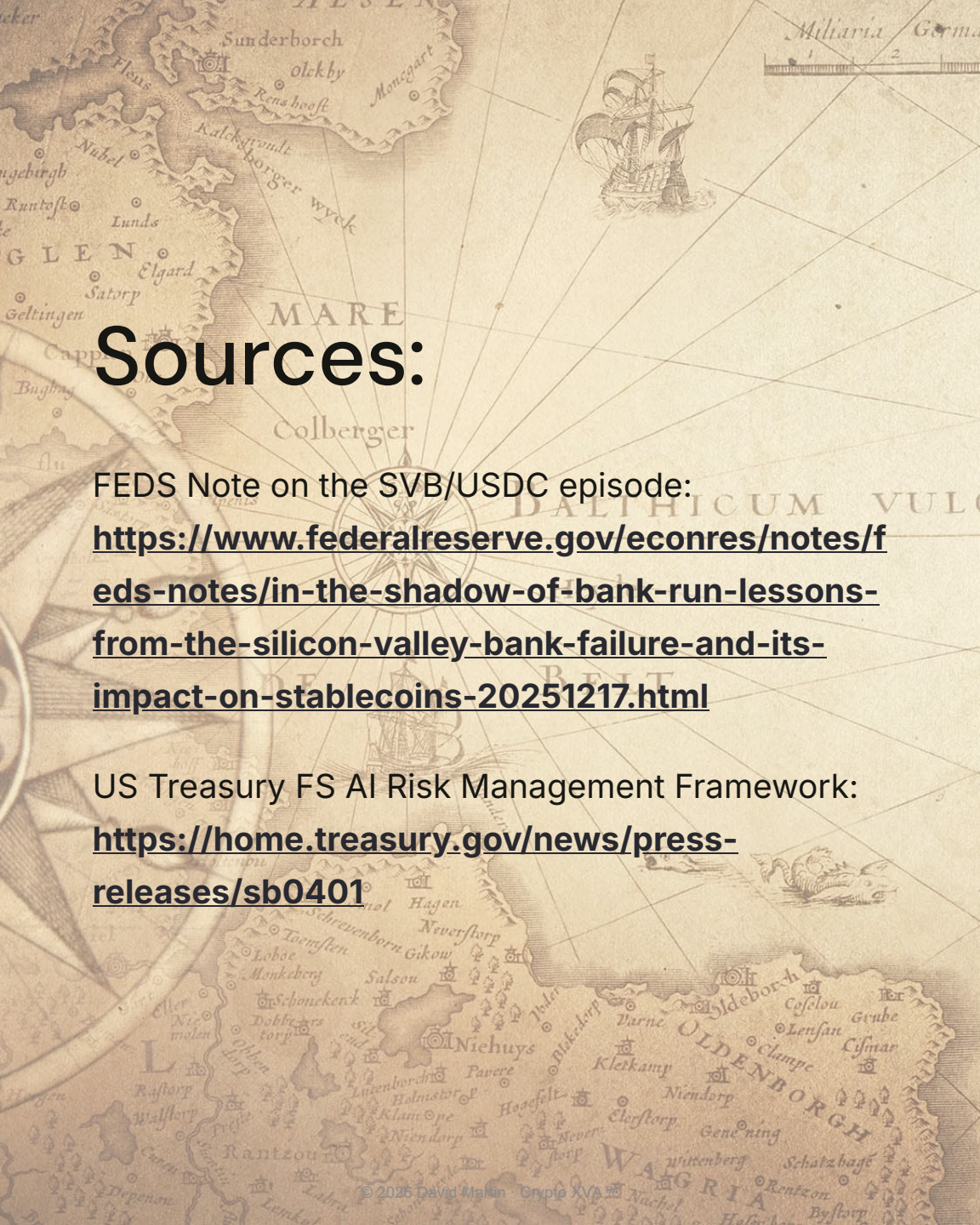
Watch two things continuously: is redemption at par actually available right now, and what is the market paying. The moment either moves away from \$1.00, the carrying value, and every decision made on top of it, should reflect that. Don't wait for month-end to discover the peg slipped.



If you're building or buying
treasury AI this year, ask one
question of every governance
pitch:

How is the price checked?

The log proves conduct. Only the chart proves truth. Demand
both.



Sources:

FEDS Note on the SVB/USDC episode:

<https://www.federalreserve.gov/econres/notes/feds-notes/in-the-shadow-of-bank-run-lessons-from-the-silicon-valley-bank-failure-and-its-impact-on-stablecoins-20251217.html>

US Treasury FS AI Risk Management Framework:

<https://home.treasury.gov/news/press-releases/sb0401>