



THE INTERRUPTION OF THE FINANCIAL TRIAD: THE END OF PHASE 3 OF DREX AND THE SETBACK FOR BRAZIL'S VANGUARD IN GLOBAL FINANCE

A INTERRUÇÃO DA TRÍADE FINANCEIRA: O FIM DA FASE 3 DO DREX E O RETROCESSO NA VANGUARDA BRASILEIRA SOBRE AS FINANÇAS GLOBAIS

LA INTERRUPCIÓN DE LA TRÍADA FINANCIERA: EL FIN DE LA FASE 3 DE DREX Y EL REVÉS PARA LA VANGUARDIA BRASILEÑA EN LAS FINANZAS GLOBALES



<https://doi.org/10.56238/edimpecto2025.070-005>

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ABSTRACT

This article criticizes the Central Bank of Brazil's (BCB) shutdown of the Drex platform in November 2025, discontinuing Phase 3 and postponing its implementation to 2026, thus interrupting the financial "Holy Trinity" (PIX, Open Finance, and DREX). This triad, which would unite instant payments, shared data, and asset tokenization, would position Brazil at the global forefront, reducing transactional risks and credit costs by up to 30%. The suspension, justified by technical failures, is seen as a strategic setback, possibly political in a pre-election year, favoring private stablecoins and weakening its leadership within the BRICS.

Keywords: Macroeconomics. Regulatory Interruption. DREX. PIX. Open Finance. CBDC.

RESUMO

O artigo critica o desligamento da plataforma Drex pelo BCB em novembro de 2025, descontinuando a Fase 3 e adiando sua implantação para 2026, interrompendo a "Santíssima Trindade" financeira (PIX, Open Finance e DREX). Essa tríade, que uniria pagamentos instantâneos, dados compartilhados e tokenização de ativos, posicionaria o

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Brasil na vanguarda global, reduzindo riscos transacionais e custos de crédito em até 30%. A suspensão, justificada por falhas técnicas, é vista como retrocesso estratégico, possivelmente político em ano pré-eleitoral, favorecendo stablecoins privadas e enfraquecendo a liderança nos BRICS.

Palavras-chave: Macroeconomia. Interrupção Regulatória. DREX. PIX. Open Finance. CBDC.

RESUMEN

Este artículo critica la decisión del Banco Central de Brasil (BCB) de suspender la plataforma Drex en noviembre de 2025, interrumpiendo la Fase 3 y posponiendo su implementación hasta 2026, lo que supone una ruptura de la «Santísima Trinidad» financiera (PIX, Finanzas Abiertas y DREX). Esta tríada, que integraría pagos instantáneos, datos compartidos y tokenización de activos, posicionaría a Brasil a la vanguardia mundial, reduciendo los riesgos transaccionales y los costos crediticios hasta en un 30 %. La suspensión, justificada por fallas técnicas, se percibe como un revés estratégico, posiblemente con motivaciones políticas en un año preelectoral, que favorece a las monedas estables privadas y debilita su liderazgo dentro de los BRICS.

Palabras clave: Macroeconomía. Interrupción Regulatoria. DREX. PIX. Finanzas Abiertas. CBDC.



1 INTRODUCTION

The official announcement by the Central Bank of Brazil (BCB), in early November 2025, about the shutdown of the DREX platform – the *Hyperledger Besu-based* infrastructure that underpinned phases 1 and 2 of the project – represents not only a technical pause, but a significant blow to the ambition to position Brazil at the global forefront of financial innovations. This decision, which effectively discontinues Phase 3 as originally planned and postpones to 2026 an "agnostic" approach prioritizing use cases over technology, interrupts what would be the "Holy Trinity" of the national financial system: the full integration of DREX with the new Pix rules and the accelerated evolution of Open Finance. What was once sold as a revolution — bridging instant payments, data sharing, and asset tokenization — now looks like a house of cards crumbling on the eve of a pivotal election year in 2026.

Officially, the BCB justifies abandoning blockchain by unsolvable scalability and privacy challenges, opting instead for a rebuild from scratch with no initial commitment to distributed technology. This technical narrative masks, however, unofficial versions circulating in the market: chronic insecurities in the information processed, widespread discomfort among institutional investors – who fear regulatory volatility and the risk of excessive state surveillance – and, why not, a "governmental graciousness" to avoid controversy in a pre-election period. With presidential elections in 2026, the Lula government may be retreating so as not to feed oppositional narratives about "totalitarian control" via CBDC, especially after fake news and criticism that compares DREX to the Chinese e-CNY as a monitoring tool.

This interruption frustrates the promise of an innovative triad that would put Brazil ahead in the global financial market. Pix, with its new rules such as Pix Automático and Installments implemented in 2025, has already revolutionized payments, reaching 177 million users and reducing transaction costs by 3.5% for cross-border. Open Finance, in turn, has evolved to 62 million active consents, fostering competition and inclusion by allowing credit portability and personalized offers. Together, they paved the way for DREX as the "smart money": real estate tokenization, automatic collateral, and atomic transactions that would eliminate default risks, democratizing investments and making credit cheaper by up to 30%. Without the full DREX, this synergy breaks down, leaving Brazil hostage to partial solutions while rivals such as China move forward with integrated ecosystems.

We believe that this setback is a strategic mistake. After four years of investments and pilots, abandoning the platform due to "technical failures" sounds like a euphemism for regulatory inefficiency or political pressures. The investment market, already uncomfortable with instability, may migrate to private alternatives such as stablecoins, weakening national financial sovereignty. In an election year, this "grace" can be seen as populism, prioritizing



political calm over economic innovation. Brazil misses the chance to lead in the BRICS, where CBDCs are key to "de-dollarized" trade. To get back on track, the BCB needs transparency: publish independent audits and speed up Phase 3 with a focus on privacy, or risk seeing the triad become an obsolete duet. The interruption is not the end, but a warning: without regulatory courage, the global vanguard slips through its fingers.

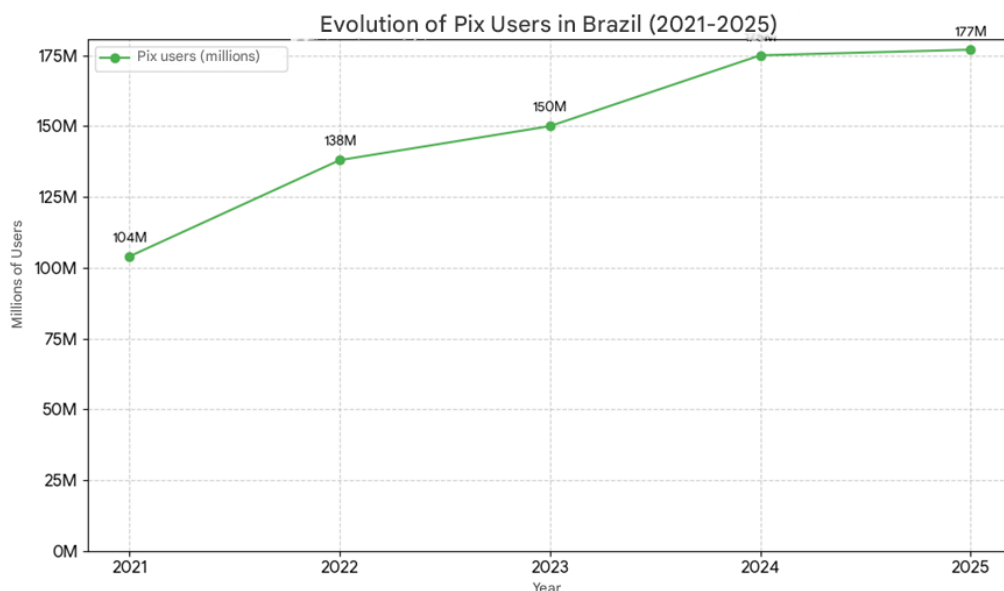
2 NEW PIX RULES: EXPANSION AND MORE SECURITY

PIX, launched in 2020, revolutionized instant payments, with free 24/7 transactions for individuals. In 2025, new rules expand its functionality: PIX Automatic, launched in June, allows automatic recurring payments (such as bills and subscriptions) with prior authorization. PIX Installments, with regulation in October 2025, introduces installments as credit, while PIX Internacional adjusts the IOF to 3.5% in *cross-border transactions*.

Security measures include caps for fintechs and limits on transfers to combat fraud, effective from September 2025, with sanctions extended until January 2026. Expansions to recurring payments via licenses like Boku's aim for 2026. Globally, PIX attracts interest, despite investigations in the US, positioning Brazil as a leader in instant payments.

Figure 1

Evolution of PIX Users in Brazil (2021-2025)



Source: The authors, 2025

This graph demonstrates how PIX has consolidated itself as an essential tool, with linear growth after the initial boom, while Open Finance gained traction from 2023 onwards, benefiting 57.5 million users in July 2025. Overall usability improves with integrations, such



as using Open Finance data to personalize transactions via PIX, reducing costs and time in financial services.

3 OPEN FINANCE: SHARING DATA FOR GREATER COMPETITION

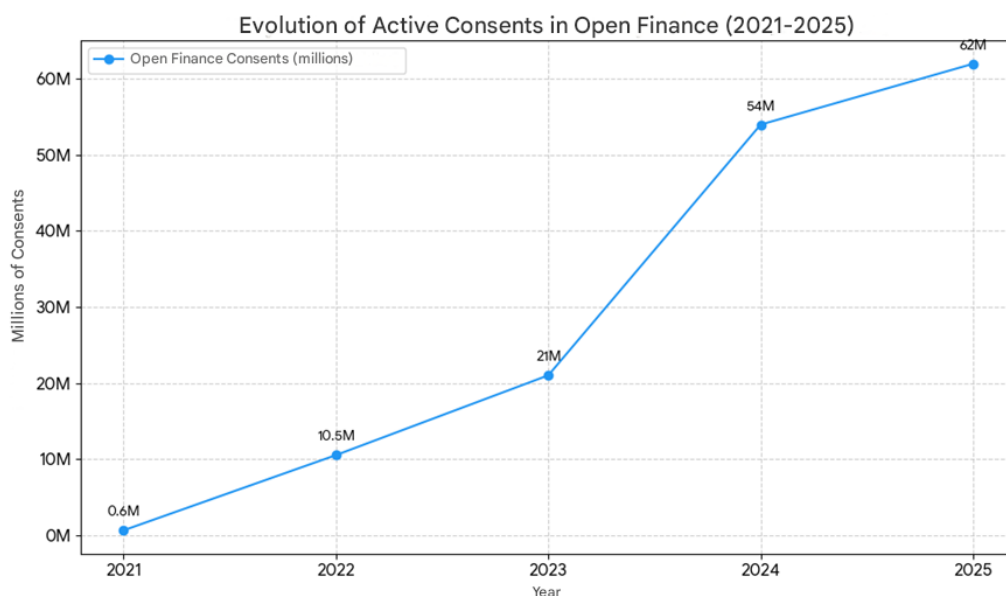
Open Finance expands Open Banking by enabling the consented sharing of financial data between institutions, including banks, insurance companies, and investments. Implemented in phases since 2021, the system reached 57.5 million users in July 2025, with more than 64 million unique consents, making it the largest regulated open finance ecosystem in the world. Phase 3, scheduled for the end of January 2025, integrates real-time payments with investment portfolios, while regulatory priorities for 2025-2026 focus on the evolution of the system, including credit portability and marketplaces.

This structure promotes competition, reducing costs and improving personalized offers. Internationally, it resembles models such as the United Kingdom, but with an emphasis on financial inclusion, benefiting the unbanked. The BCB emphasizes the consideration of citizens in data management, in line with the General Data Protection Law (LGPD).

See the evolution graph of users who activated Open Finance through their banks and financial operators in Brazil.

Figure 2

Evolution of Active Consents in Open Finance (2021-2025)



Source: The authors, 2025



4 IMPACTS FROM JANUARY 2026 FOR BRAZILIAN CITIZENS

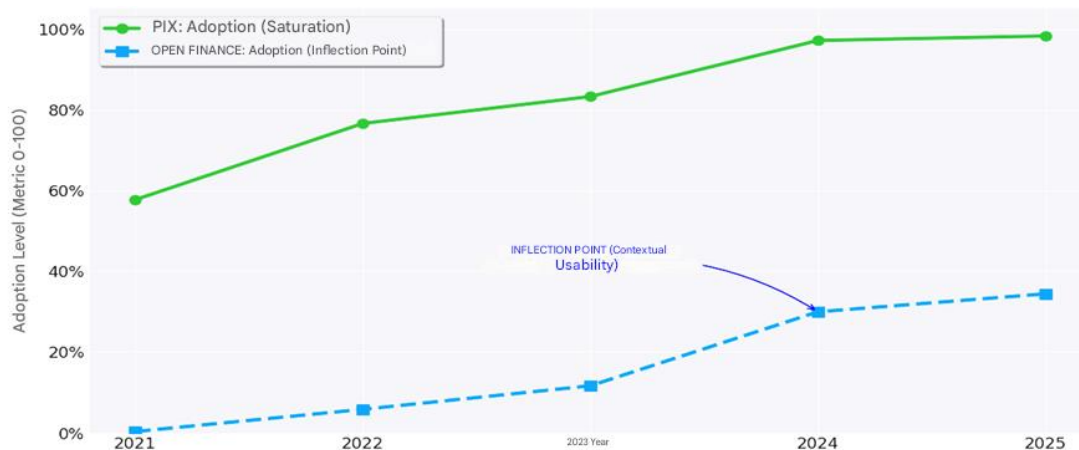
As of January 2026, new BCB rules intensify the security and expansion of these systems, with direct effects on daily life:

- **PIX:** All participating institutions must fully comply with anti-fraud rules, such as minimum assets of BRL 5 million and enhanced monitoring against financial crimes (e.g., money laundering). This protects users from scams, but may limit high-value transactions for smaller fintechs initially, requiring adaptations. Resources such as PIX Installments (instant installments) and PIX Automatic (recurring payments) will be more consolidated, facilitating automatic accounts and subscriptions – benefiting more than 190 million users with time savings and reduced delinquency. Internationally, *cross-border* remittances via PIX will become more accessible, impacting the 4 million Brazilians abroad.
- **Open Finance:** Full Phase 4 moves forward with credit portability and investment marketplaces, allowing instant comparisons of loans and insurance. With an additional 65 million consents projected, citizens will have personalized offers, reducing interest rates by up to 20% and boosting inclusion for the unbanked. However, greater data sharing requires surveillance of the LGPD, with privacy risks if there is no digital education.

Overall, these impacts promote a more inclusive and efficient economy, adding up to 1-2% to GDP via reduced transactional costs, but require financial literacy to mitigate digital divides in rural regions or among the elderly. Brazil consolidates itself as a global leader in digital payments, in line with trends such as UPI in India. For updated data, see the BCB website.

Figure 3

The comparative Double Evolution of PIX and Open Finance (2021-2025)



Source: The authors, 2025

This chart illustrates the Global Revolution duo and the Brazilian Benchmark because it has ceased to be a follower and has become the world's leading reference in retail financial innovation.

Based on the most recent data available up to October 2025, this single chart illustrates the evolution of adoption of PIX (measured by the number of users) and Open Finance (measured by the number of active consents). The data was compiled from official sources, such as the Central Bank of Brazil (BCB) and Febraban, reflecting annual growth from 2021 to 2025. PIX has consolidated itself as an essential tool, with linear growth after an initial boom, reaching around 177 million users in September 2025, representing more than 80% of the Brazilian adult population. Open Finance, on the other hand, gained significant traction from 2023 onwards, with active consents rising from low values in 2021 to 62 million in 2025, benefiting 57.5 million users in July 2025. The integration of these systems improves overall usability, allowing customization of transactions via PIX with Open Finance data, reducing costs and time in financial services.

The world is not looking at PIX or Open Finance in isolation. The world is watching the impact of the convergence of the two most advanced systems on the planet, implemented in record time and on a continental scale.

5 THE INTEGRATION OF WHAT WOULD BE THE "HOLY TRINITY" OF THE FINANCIAL SYSTEM AND WHAT TO EXPECT FROM THE DREX THAT WAS POSTPONED

DREX wouldn't work without the other two. It is the pillar that fits over the foundation already built:



1. **The PIX** (The Rails): It will be the "entry and exit ramp" of DREX. The average Brazilian will not "buy" DREX. He simply, within his bank's app, will use his balance in Reais (via PIX) to enter into an operation that *runs* on the DREX platform. PIX will be the "pipe" that takes Rápido money (R\$) to the Smart Money (DREX) environment and brings it back.
2. **Open Finance** (Identity and Data): It is the "passport" of the ecosystem. For you to operate on the DREX network in the future, your identity needs to be validated (KYC - Know Your Customer). Open Finance has already created the standards to share this identity and its financial data securely. It ensures that person A who is buying "tokenized real estate" B is, in fact, person A.
3. **The DREX** (The Contract and the Asset): It is the business environment. It is a platform (DLT/Blockchain-based) where *Smart Contracts* run.

Complete Ecosystem (2026+) and with that, Brazilians will have an investment offer in their bank's app (thanks to Open Finance). You will decide to buy and use your balance (via PIX) to pay. The operation itself (the exchange of your money for a security) will take place within the DREX network instantly and securely. This is the central thesis that makes Brazil unique in the world. No other country has simultaneously (1) a universally adopted instant payment system (PIX) and (2) a standardized and broader financial data sharing system in the world (Open Finance).

The impact of 2026, which the whole world will watch, is: What happens when Intelligence (Open Finance) takes control of the Rails (PIX)? The answer is real-time hyper-personalization. Financial usability in Brazil 2026 will not be about "paying bills", but about:

- Receive instant and cheaper credit offers from banks you are not a customer of, based on your total cash flow.
- Having a financial manager (app) that not only *shows* your expenses, but *acts* on them (using PIX via Open Finance to move money and optimize investments).
- Consolidate your entire financial life (accounts, investments, insurance) in a single place, with real product portability.

In less than 5 years, Brazil has created the most modern and integrated financial ecosystem on the planet. The rest of the world is no longer looking to Silicon Valley or London to see the future of *retail fintech*; they're looking to Brazil.

From 2026, these innovations will directly affect everyday life, promoting inclusion, but also challenges. With DREX in full, citizens would carry out complex transactions, such as



real estate purchases with atomic settlement, reducing bureaucracy and costs – potentially saving billions in intermediaries. For the 34 million unbanked, DREX will facilitate access via apps, boosting financial inclusion similar to PIX, which has already doubled digital transactions. However, concerns about "state control" persist, although the BCB guarantees privacy at all phases and levels of projections.

Open Finance will allow consumers to easily compare and port financial products, obtaining lower interest rates and personalized services – estimates indicate a 10-20% reduction in borrowing costs. This benefits the middle and lower classes, but requires digital education to avoid data risks.

The new PIX rules have simplified recurring payments, reducing delays in accounts and subscriptions, while installments offer affordable "instant credit". Internationally, it will facilitate remittances to the 4 million Brazilians abroad, at competitive rates. Anti-fraud limits will protect users, but they can inconvenience high transactions, requiring planning.

Economically, these changes can add 1-2% to GDP via efficiency, aligning Brazil with global CBDC and open finance trends. However, digital inequalities persist: the elderly and rural people may face barriers, demanding inclusion policies.

PIX digitized the payment. Open Finance has digitized information. DREX will digitize the asset and the contract and will be the final mechanism that ties everything together, creating a market where the exchange of value (money, real estate, securities) becomes as instantaneous, programmable and secure as the exchange of information (PIX). This is the true evolution that consolidates the Brazilian avant-garde.

The Analysis of all this is about the Innovation that can become the government Surveillance that generates risks of abuse and imbalance of the State in society. However, this efficiency comes at a high cost: the risk of a "superstate Critics, especially from the right, argue that DREX represents the "end of banking secrecy", creating a "financial super profile" traceable by the government, with the potential for arbitrary asset freezes and retroactive taxation, perhaps for this reason the financial market and even the political class have positioned themselves against the activation of the phase as early as 2026. Centralization in the BCB, without full blockchain initially, aggravates this, unlike decentralized cryptocurrencies, DREX allows state programmability, where smart contracts could impose invisible tax conditions, such as automatic withholdings on "suspicious transactions".

PIX illustrates the *backlash*: IN 2219/2024 generated panic with fake news about "Pix tax", leading to its repeal via MP in January 2025, which explicitly prohibits taxes on the system. Still, the episode reveals vulnerabilities: monitoring high transfers can stigmatize legitimate transactions by informal or self-employed workers, exacerbating inequalities in a



country where 34 million are unbanked. In Open Finance, "consent" is illusory for many, as the growing obligation for fintechs (as in CMN Resolution No. 5,565/2025) forces shares that benefit the tax authorities more than the user, potentially violating the LGPD by prioritizing "fighting crimes" over privacy.

Globally, criticisms such as those of Donald Trump, US president, to the instant payment system (echoing the debate on PIX) warn of the risk of "totalitarian control", where the State uses data for political purposes, not just fiscal ones. In Brazil, with a history of regulatory instability, this could "feed the lion's hunger" without brakes, increasing revenue at the expense of economic freedom – a private *stablecoin*, instead of CBDC, would be an alternative proposal to preserve autonomy. A reflection of this international alert can be interpreted with the boost to consumption and formalization (93% of the adult population uses Pix in 2025), the system contributed to GDP growth (from R\$ 7.4 trillion in 2020 to ~R\$ 11 trillion in 2024), expanding the tax base.

In summary, Pix generated robust growth in revenue (accumulated +55% real from 2020-2024), not by itself, but by making the tax system more agile and inclusive, aligning with the modernization agenda of the Federal Revenue Service in Brazil.

Do we have a future to unveil on a path of Balance or Dystopia? The Regulatory Choice that the country will choose from 2026 through the Federal Government and the National Congress, as the evolution of Pix, Open Finance and DREX offers the Federal Government a powerful lever for control and collection, enhancing an inclusive digital economy that could add 1-2% to GDP via fiscal efficiency. However, with the Central Bank's announcement in November 2025 about the shutdown of the DREX platform (based on *Hyperledger Besu*) and the suspension of its full deployment as of January 2026, due to scalability, privacy, and technical inefficiencies challenges, this view becomes uncertain. Without balanced regulation – such as legal frameworks for privacy (e.g., PECs for congressional approval of updates to DREX) and massive digital education – there is a risk of a dystopia of surveillance, where "instant exchange" becomes an invisible chain. The opening quote is right to prioritize equity: success depends on transparency, not state opacity. In 2026, Brazil could have led globally with the integrated "triad" – Pix for agile payments, Open Finance for shared data, and DREX for asset tokenization, boosting financial inclusion, reducing transaction costs, and attracting investments in the BRICS – but the suspension postpones this potential, making room for private stablecoins and questioning whether the retreat is technical or political in an election year. To go deeper, I recommend the BCB website and debates in Congress.

In short, the year 2026 symbolizes the advent of a new era for finance in Brazil, characterized by greater agility, digital inclusion, and technological integration – but now



overshadowed by the suspension of DREX, which could have elevated the country to a global vanguard level, with atomic transactions, more accessible credits, and democratization of fractional investments. However, the success of this transformation will essentially depend on prudent regulation and effective public policies for financial education. This is a historic opportunity for the country to position itself at the forefront of the global digital economy, as long as technological advances are guided by principles of distributive equity, and not only by imperatives of state control or increased tax collection. In this sense, it is imperative that the protagonism of innovation is accompanied by fiscal responsibility, institutional transparency, and respect for individual freedoms in the digital environment, especially now that the postponement of DREX forces a reassessment of the ecosystem, potentially benefiting private innovations while the public sector rebuilds its approach.

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