

What is USD Coin (USDC) ?

USD Coin (USDC for short) is a centralized stablecoin that Center is responsible for issuing. The task of the currency is to reflect the value of the US dollar as a digital currency.

This allows users to create and send stable cryptocurrencies, avoiding unwanted losses, but also gains. It is not to be confused with a CBDC.

USDC is actually not a coin, but a token, as it does not exist on its own blockchain .

Pros

- Stable value: The value of the USD coin is linked to the US dollar. So you can own crypto, but are not exposed to the significant volatility of Bitcoin, Ether and Co
- Backed by Assets: Each USDC is backed by one dollar or equivalent asset held in accounts with US regulated financial institutions.
- Worldwide fast transfer: The USD coin offers the possibility to send US dollars from wallet to exchanges, companies and individuals worldwide in a matter of seconds

Cons

- USDC cannot be used as a profitable investment as it is always 1:1 to the dollar
- Since USD Coin runs on Ethereum, you often pay high transaction fees for sending USDC tokens.