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Introducing Basis, a Stable Cryptocurrency with an Algorithmic Central Bank*



I am excited to announce today that Basis (formerly Basecoin) has raised \$133M in a private placement from Bain Capital Ventures, GV, Stanley Druckenmiller, Kevin Warsh, Lightspeed, Foundation Capital, Andreessen Horowitz, Wing VC, NFX, Valor Capital, Zhenfund, INBlockchain, Ceyuan Ventures, Sky9 Capital, and many more. Together, we are building a cryptocurrency with an algorithmic central bank that we believe will make cryptocurrency stable and usable around the world.

Cryptocurrencies Aren't Currencies

At Basis, we believe the price volatility of cryptocurrencies is one of their biggest barriers to widespread adoption. Unlike the currencies we use today, most cryptocurrencies do not have a mechanism to keep purchasing power stable. This means that sporadic swings in demand can cause huge changes in price.

This is bad. Imagine you're paid a salary of 1 Bitcoin per month. If the price of Bitcoin drops, you might not be able to make rent. If it rises, your employer won't be able to afford your salary. It's simply not a reliable means of payment.

A *currency* needs to be stable in order for people to use it. Central banks apply monetary policy to mitigate currency volatility. Until now, there's been no way to create a cryptocurrency with comparable benefits. And no way for cryptocurrencies to become true currencies.

A Central Bank on the Blockchain

At a high level, central banks maintain stability by expanding and contracting the availability of money. But Bitcoin and other cryptocurrencies have a fixed supply that never expands or contracts. This is a key contributor to cryptocurrencies' volatility, making them virtually unusable, other than for speculation.

We wondered: Why can't a cryptocurrency have an expanding and contracting supply, just like a real currency? We invented Basis to do just this. So it has all the benefits of cryptocurrency but without the volatility that's prevented mainstream adoption to date.

Decentralizing Monetary Expansion

Put simply, when a central bank needs to expand the money supply, it runs the proverbial printing press to put new money into circulation. When the supply of Basis needs to expand, newly-created Basis is distributed to people who participate in the system. In that way, the system decentralizes monetary expansion. See our [white paper](#) to learn more.

Why the World Needs Basis

Most people in the developed world take for granted their access to a stable currency. In the developing world, however, the most stable currencies that people have access to are often inflating at annual rates of 10% or more.

Bitcoin was intended to be the solution to these problems. But its volatility makes it as deficient and ineffective as a hyperinflating local currency. As a result, it has brought us a tool for speculation and not much more.

We believe Basis can help solve this problem of currency instability for people in the developing world. By providing anyone with an internet connection access to a stable and secure medium of exchange for the first time, we believe Basis can significantly increase the efficiency of the economies of developing nations. This would help us achieve a dream that has eluded cryptocurrencies until now.

Our Backers

We realized early on that building a new monetary system requires buy-in from major institutions all over the world.

Now, through our private placement, we don't just have the support of financial institutions like venture capitalists and crypto hedge funds. Major crypto exchanges, blockchain wallets, application developers, and economists have also come in to support our effort. We are proud to say that our backers now form an international network of supporters who have come together to help us make Basis the next great monetary system.

Rock and roll.

Nader Al-Naji, CEO

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If building the next great monetary system excites you, we're hiring. See descriptions of the team on our website.

**** Basis is not a bank or engaged in banking business.***