

Week3

Anchors on Stellar and the FinTech Ecosystem

Stellar Technical Academy



UNIC|DLRC



Stellar

Session 3: Agenda

1. Stellar Asset Issuers (Anchors)
2. Stellar for FinTech Applications
3. Stellar and FinTech Use Cases



Session 3: Objectives

In the Week 3 of the Stellar Technical Academy, you will:

- ✓ Discover the Stellar Asset Issuers (or Anchors) and how significantly they contribute to the universality of the Stellar network
- ✓ Discover why Stellar's technology is an ideal infrastructure for supporting the FinTech industry
- ✓ Get acquainted with many use cases that already utilize Stellar and how they solve some important problems



1. Stellar Asset Issuers (Anchors)

Stellar Asset Issuers (Anchors)

Anchors connecting Stellar to the Traditional Banking System

- Today's payment landscape is fragmented and consists of many disparate local systems, since each region has its own payment scheme and they are not interoperable.
- Stellar makes it possible to represent the world's currencies – in the form of digital fiat tokens – on one decentralized ledger where they can all **interoperate** freely among each other but also among all the wallets and apps that leverage the Stellar network, paving the path toward a new global payment standard
- **Anchors** facilitate moving **value** from the traditional banking system into Stellar and vice-versa.
- Anchors are regulated financial institutions, money service businesses or FinTech companies that often utilize compliance-oriented apps and services built on Stellar to provide borderless access to financial infrastructure and provide one – or both - of the following:
 - **Issue fiat tokens:** Issue one-to-one fiat-backed tokens (also known as stablecoins) and maintain fiat reserves equivalent to the value of the issued tokens, so users can redeem them back to fiat at any time.
 - **Provide a fiat on/off-ramp:** Connect the Stellar network to the Anchor country's banking system by maintaining a service that handles regulatory processes such as KYC/AML and allows users to make seamless deposits and withdrawals.

Stellar Asset Issuers (Anchors)

Anchors connecting Stellar to the Traditional Banking System

- Basically, Stellar Anchors are the on/off ramps of the Stellar network: they accept deposits of fiat currencies (USD, CNY, BRL, etc.), via existing rails like bank deposits or cash-in points, and send a user the equivalent digital tokens representing those deposits on the Stellar network.
- In a similar way, they allow holder to redeem those tokens for the real-world assets they represent.
- Anchors are a critical link between the Stellar network and the traditional banking system in their respective countries and are positioned to leverage a variety of business models and monetization strategies.
- The Stellar Anchors, leveraging the efficiency of the Stellar network, offer a portfolio of products and services, ranging from API-based Banking-as-a-Service offerings, cross-border B2B payments and invoicing, remittances, P2P payments, international payroll, and two-sided marketplace payments.

Stellar Asset Issuers (Anchors)

Anchors connecting Stellar to the Traditional Banking System

- However, Anchors are not only limited to fiat currencies.
- We can also deploy a wide variety of assets, like other cryptocurrencies (e.g. Bitcoin), real-estate-backed security tokens, an in-app currency and so on.
- Due to the multidimensional nature of the Anchors, their policies vary and depend on the nature of the original asset, as well as the fees that incur for their use.
- For example, some Anchors may require the KYC (Know-Your-Customer) verification, while others with laxer regulations might not require it.

Stellar Asset Issuers (Anchors)

Anchors connecting Stellar to the Traditional Banking System

When Stellar Anchors wish to issue assets, they should make sure that they comply with the following criteria:

- All customer deposits should be held 1:1 (one-to-one) in reserve in insured accounts dedicated to stablecoin redemption
- Issuers should involve a third-party, to monitor whether the stablecoins are backed 1:1 (one-on-one) with fiat and whether the fiat funds are held in dedicated accounts.

Respectively, when Stellar Anchors wish to create an on/off ramp, they should make sure that they comply with the following criteria:

- Deposits and withdrawals should be processed through local domestic payment rails and not via wire transfer.
- Deposit and withdrawal flows should follow Stellar Ecosystem Proposal (SEPs) to allow for seamless interoperability between wallets and Anchors across the network.
- Anchors should maintain a customer support function to ensure customer queries and/or problems are resolved in a timely manner.
- Anchors should maintain a comprehensive AML (Anti-Money Laundering) policy and program, including the ability to perform KYC (Know-Your-Customer) checks on new customers

Stellar Asset Issuers (Anchors)

Anchors Location Compliance

Also, for all locations where an Anchor makes their service available, they must comply with:

- Regulatory, registration, and licensing obligations to perform the Anchor's financial and money transmission services
- Financial crimes, anti-money laundering, and counter-terrorism obligations
- Data privacy rules and regulations
- Industry-standard cybersecurity practices

Stellar Asset Issuers (Anchors)

Anchors and the Stellar Ecosystem Proposals

- Stellar is a completely open network, that enables interoperability, and it is important that all the organizations providing services on Stellar are built in an inclusive way, allowing new products to integrate with the existing services smoothly.
- The Stellar Development Foundation (SDF) makes sure that this is done by defining standards that the network participants need to implement.
- Those standards are specified in the Stellar Ecosystem Proposals (SEPs), which are open-source documents located in [Stellar's GitHub repository](#).
- These SEPs define how different kinds of institutions (asset issuers, wallets, exchanges, service providers, etc.) should interoperate and cover many use cases, including regulated assets ([SEP-8](#)) and federated user identification ([SEP-2](#)).

Stellar Asset Issuers (Anchors)

Stellar Asset Issuers

- **Circle**: a USDC issuer, fully backed by cash, equivalents and short-duration U.S. treasuries. It is always redeemable 1:1 for U.S. dollars and doesn't require KYC verification.
- **Flutterwave**: a USDC issuer, fully backed by cash. It issues XOF asset on Stellar and requires KYC verification.
- **Stellarport**: an issuer enabling depositing and exchanging of BTC and ETH. It is fully backed 1:1 on Stellar and it doesn't require KYC verification.



Asset Issuers (Anchors)

Stellar Asset Issuers

- **AnchorUSD**: issues a token 1:1 to the U.S. Dollar, fully secured in US-domiciled bank accounts. It requires KYC verification.
- **Tempo**: issues a stablecoin backed by EUR, with 1:1 value. It is licensed by the French Regulator ACPR, BdeF and it requires KYC verification.
- **Bitbond**: German security token issuer. Enables regulated financial institutions and large issuers to tokenise their assets and the custody system.



2. Stellar for FinTech Applications

Stellar for FinTech Applications

Why Stellar is Suitable for FinTech

- Stellar has the answer to the problem FinTech companies all around the world have been trying to tackle:
“How do we, as a financial community, provide equitable access to reliable and efficient global financial system?”
- Stellar has proven that it leads the way for establishing interoperability between global payment systems, by enhancing the global financial system – and not supplanting it.
- As a blockchain network, Stellar possesses some attributes that make it more than hospitable to FinTech applications.

Stellar has already made an Impact

- The network already supports Euros, Bitcoins, US dollars, Mexican Pesos, Argentinian Pesos, Brazilian Reals, Nigerian Naira and more currencies as tokens.
- Their respective issuers handle minting, deposit and redemption and the users are able to transfer value in seconds for a fraction of cent.

Stellar for FinTech Applications

Why Stellar is Suitable for FinTech

Stellar is Decentralised:

- The focus of an emerging FinTech company usually is on building a product that provides its users a great experience. Stellar offers a suite of tools and services that make it easy for anyone – from independent developers to regulated financial companies – to build and launch innovative financial products and services. One of the most important amenities that Stellar offers is the stability that comes from building on a completely decentralized network and avoiding downtime.

Stellar is Compliant:

- Transparency is a fundamental principle of the Stellar network and it makes easy for anyone to seamlessly operate across borders and navigate differing compliance requirements. It has built-in features that promote safety and transparency, including a public ledger and a network of international Anchors.

Stellar for FinTech Applications

Why Stellar is Suitable for FinTech

With Stellar, FinTech platforms can offer:

- Global access to USDC and other stablecoins
 - One of the main motivations for using digital wallets in emerging markets is permitting users to access digital versions of major global currencies (stablecoins). Customers can use their digital wallets to access, let's say, USDC in a simple and comprehensive way.
- Easy cash in and onboarding
 - Partnering with Stellar Anchors that have the ability to accept fiat and onboard customers gives wallets a new acquisition channel for wallets that seek to grow their user base.
 - Wallets are able to access the relevant Anchors, whether natively or via an interactive web-based flow, by taking advantage of the standard Stellar protocols, referred to as Stellar Ecosystem Protocols (SEPs).

Stellar for FinTech Applications

Why Stellar is Suitable for FinTech

- New cash-out destinations, including mobile money
 - The Stellar Anchor Network is broadening the reach of wallet applications to new locations across the globe, whether by enabling customers in new geographies to convert to their home fiat currency, or designing an international peer-to-peer (P2P) payments flow.
 - Moreover, Stellar has the ability to support 'difficult' currencies in emerging economies, many of which lack liquidity in retail forex markets, as well as local cash out methods that permit users to move from digital assets back into their local fiat currency.
 - Stellar Anchors also give access to local rails, including ACH in the US, mobile money in Kenya and SEPA in Europe.
- Access to additional financial products for the underbanked
 - Stellar is designed to support financial inclusion, hence it forms the basis for a number of companies that tokenize financial services to enable access to consumers and small businesses in emerging markets.
 - Through specific integration standards, wallets are offering new products and service offerings that leverage Stellar every month.

Stellar for FinTech Applications

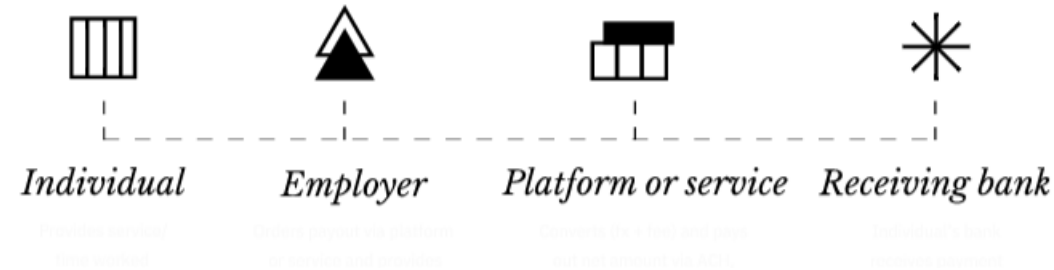
How does Stellar enable cross-border payments of an asset?

- Traditionally, cross-border payments for businesses are implemented via SWIFT.
- However, in 2015, Stellar was introduced as an open network that facilitates moving value internationally, while complying to standard instructions, but in a more modern and transparent way to make B2B payments.
- Think of Stellar as an open, digital and faster version of SWIFT.
- As we have all seen through traditional payments, whether we get paid by an entity or we pay another entity, there is a cost when transacting between different currencies.
 - Whether it comes to B2B (business-to-business), B2E (business-to-employee) or B2C (business-to-customer) payments, there are extremely complex and costly paths, that involve multiple banks and institutions, which are usually slow to initiate transactions and dictate high exchange rates and fees.

Stellar for FinTech Applications

How does Stellar enable cross-border payments of an asset?

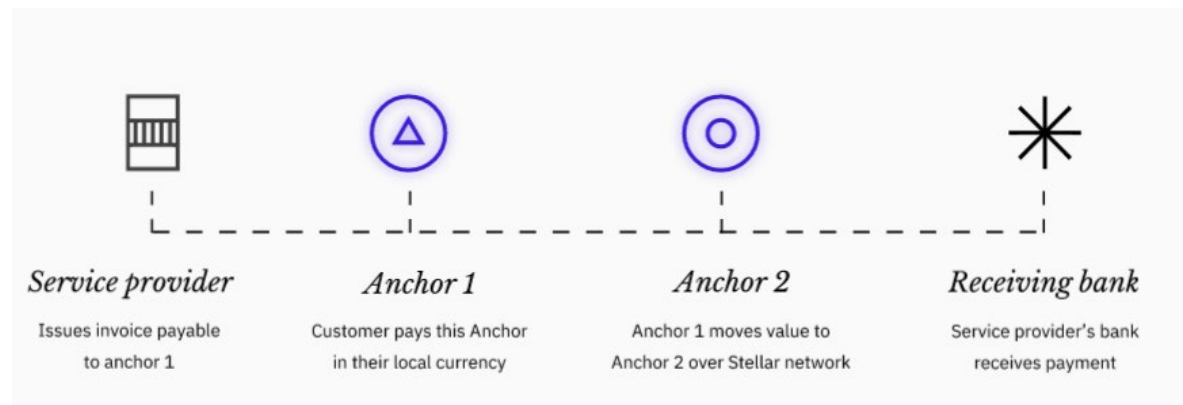
- Usually, in most B2E and B2C transactions, the paying business or marketplace decides how the payment happens and employers use an international payroll service to handle compliance with local tax and employment regulations.



Stellar for FinTech Applications

How does Stellar enable cross-border payments of an asset?

- Stellar replaces this convoluted path with a uniform path, making transactions fast and efficient.
- More specifically, Stellar provides a frictionless, blockchain-based pathway for payments, with local partners to provide on/and off-ramps to the world's currencies.
- These partners are called Anchors, which we will examine more in the upcoming weeks, move value on the Stellar network, while accepting and paying out traditional currency in their local geography.
- This process allows both the service provider and the buyer to transact in their own, local currency, without the need for an intermediary bank.
- So, basically, you get 'the best of both worlds'.



Stellar for FinTech Applications

Why is Stellar ideal for CBDCs?

- Thanks to the evolution of digital money, policymakers and central bankers are exploring more and more the idea of government-backed assets on blockchain, called Central Bank Digital Currency, or CBDCs.
- Currently, there are more than 90 countries researching or developing CBDCs.
- One of the immediate advantages of the CBDCs already seen is decreased dependence on cash, less friction in international payment channels and better financial access and programmability options.
- Generally, currencies issued by sovereign states remain important financial instruments, and issuing them on a blockchain has positive implications for the global monetary system.
- Stellar was built precisely in a way to accommodate trusted users to create digital representations of their assets and is uniquely suitable for CBDCs because it capitalised on the trust inherent in asset issuers.
- Although Stellar is a public blockchain, it doesn't base security on this fact, but on these two assumptions:
 1. Each issuer wants to ensure the security of its own asset and therefore can be trusted to provide the truth about that asset
 2. Issuers have a strong desire to interoperate with the rest of the world, hence will not 'cheat' or deviate from the rules, because it would cut them off the world.

Stellar for FinTech Applications

Why is Stellar ideal for CBDCs?

- Stellar has proven multiple times the interoperability, security and safety that it provides, without any single entity having control of the underlying infrastructure.
- Stellar secures these features due to the fact that there is actually no single source of control and that the system maintains necessary protections.
- However, in order to enhance its contribution in the evolution of CBDCs, the Stellar Development Foundation (SDF) has produced a comprehensive guide for policymakers to consider technology options for CBDCs, since regulation and compliance is a huge issue for CBDCs.
- You can find this guide [here](#).

Stellar for FinTech Applications

Stellar for Remittances

- In most cases, remittances are transfers of money from foreign workers to family members in their home country, sent on a monthly basis.
- The typical transaction is between \$200 and \$300; the average retail cost of these transfers is 7-8%, which is usually collected in cash, and each year over \$500 billion of value is transferred cross-border through personal remittances.
- Also, sending costs can be as high as 15% when transferring money to people in developing economies.
- Since there are many steps involved in using legacy financial systems and moving value through emerging market economies, costs remain high.
- However, technology is slowly changing the landscape.
- Stellar helps remittance service providers, digital money apps, growing FinTech companies and remote traditional banks to reduce the friction and costs associated with traditional MTOs (Money Transfer Operators), correspondent banks and financial payment rails.

Stellar for FinTech Applications

Stellar for Remittances

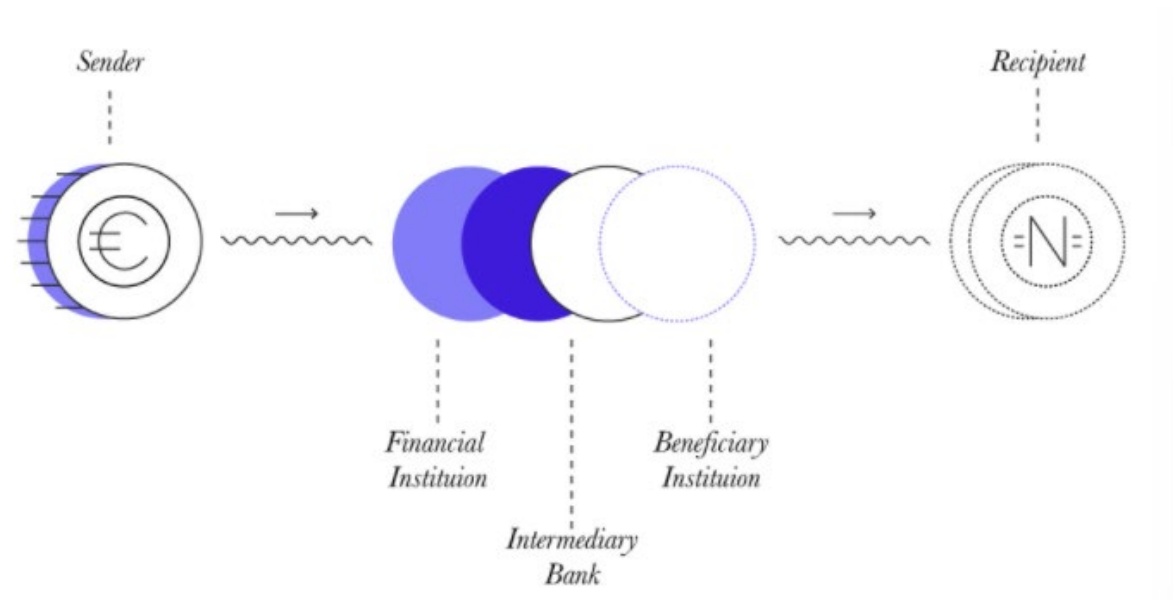
Let's see what remittance challenges Stellar addresses.

- Traditional remittances use MTOs, which mean that it can take days to confirm a payment, and rely on local agents to pay cash out. Settlements between agents and MTOs are not in 'real-time' but are settled periodically on a schedule through a commercial bank.
- This means that MTOs need to keep significant capital in destination countries to fund days' worth of transactions and repay agents.
- Moreover, in order to comply with each country's legacy systems, new entrants and growing FinTech companies must establish in-country accounts and local bank relationships for every geography they wish to serve.
- Then, correspondent banks charge fees and make profit on the foreign exchange (FX) across currencies, increasing operating costs even more.
- To cover these costs, remittance service providers choose to charge fees or build costs into the FX transaction, thereby passing their costs onto the customer which results in the remittance recipient receiving less money.

Stellar for FinTech Applications

Stellar for Remittances

- Of course, this makes it hard for people who need remittances to enter new markets or expand remittance services.



Stellar for FinTech Applications

Stellar for Remittances

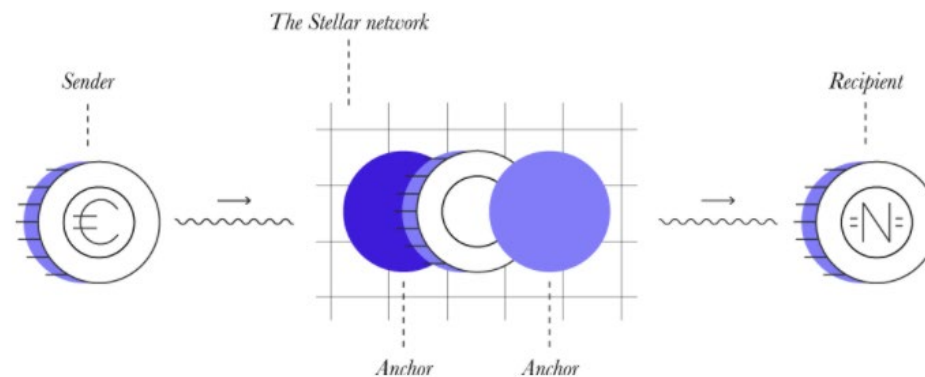
Let's see how Stellar helps with remittances:

- We have seen that Stellar helps business clear the way for cross-border transactions by recording the movement of secure, digital representations of world currencies.
- In order to do so, Stellar, instead of using intermediaries like correspondent banks, achieves this through two efficient payment standards.
- Businesses that use Stellar can connect directly to a network of fully licensed fiat (traditional currency) acceptance and distribution partners, known as Anchors.
- As we have previously seen, these Anchors take care of deposits, redemptions and compliance allowing businesses that Build on Stellar to focus on their customer's experience.

Stellar for FinTech Applications

Stellar for Remittances

- The typical Stellar-powered remittance experience is pretty simple:
 1. A sender funds the transaction in their country.
 2. The funds are received by an Anchor and represented on Stellar in the form of fiat tokens.
 3. Fiat tokens are converted over the Stellar network into the recipient's currency via a path payment operation, using either the exchange rates on the Stellar Decentralized Exchange (DEX) or facilitated through a market maker.
 4. Then, the funds arrive in the destination country and they can be transmitted to either the end-recipient's wallet, bank account or another local rail.



3. Stellar and FinTech Use Cases

Stellar for FinTech Applications

Use Cases - Asset Issuance, Private Asset Marketplace



- **Industry:** Financial Services
- RealtyBits Inc connects verified sponsors & investors to directly transact with each other in a secure and compliant way.
- Sponsors use custom dashboards to manage their cap-tables in real-time and investors through the life of the asset, while investors can browse listed offerings and invest in them freely on the RealtyBits platform.
- RealtyBits Inc identified the following pain points that affect investors and sponsors:
 - Traditionally, to invest in a private asset, an investor first needs to seek out the sponsoring party, usually a private equity manager, for the said asset. This evolves into an investment process between multiple parties that is arduous, slow, and expensive. In addition, the current tools and technology used to facilitate this process are often manual and don't sync well across different systems.

Stellar for FinTech Applications

Use Cases - Asset Issuance, Private Asset Marketplace

- Stellar's guarantee of **speed** in transactions and **decentralised network** helped RealtyBits Inc promote greater efficiency in investor-sponsor relationships and streamline the investment process with fast transactions, a simplified onboarding and verification process and easy-to-use management tools.
- By taking advantage of the Horizon API, the one that interacts with the Stellar Network, RealtyBits lets sponsors and investors take full advantage of Stellar's payment features while navigating via a user-friendly interface at the same time.
- When a sponsor onboards an offering using RealtyBits, the protocol automatically registers the offering on the Stellar network on their behalf, making it extremely easy to issue an asset, since issuing assets is a native feature of Stellar.
- Regarding transaction **speed** and **fees**, when sponsors or investors transact with each other, RealtyBits utilises the Stellar protocol to confirm and record those transactions instantly. Since Stellar's transaction fees are near to zero, the only cost for sponsors and investors is the one required to use the RealtyBits platform, which is at least 90% lower than any other comparable solution out there.
- Once again, Stellar's **blockchain** network comes to the rescue, since it enables sponsors and investors to track the confirmation and ownership of the offerings through transaction records that are updated by Stellar's immutable distributed ledger.
- For more click [here](#).

Stellar for FinTech Applications

Use Cases - Asset Issuance, Access to Fiat



- **Industry:** FinTech, Digital Currencies
- Vibrant is a wallet app, built on Stellar, by Sunship Inc., a subsidiary of the Stellar Development Foundation.
- It provides a solution to Argentines that experience the ever-ongoing inflation to purchase and hold USDC quickly, cheaply and easily.
- Due to their ever-ongoing inflation, Argentines often attempt to maintain their wealth by exchanging Argentine Pesos for US Dollars.
- However, this often requires that the Argentines open foreign bank accounts and hold onto the physical bills at home, leaving them with no safe choice to store or use their money.

Stellar for FinTech Applications

Use Cases - Asset Issuance, Access to Fiat

- Vibrant's wallet app aims to expand access to Dollar-based stablecoins such as USDC, a leading digital Dollar currency.
- Aware of the high user trust in LATAM-based digital assets settlement network Settle and their products, Vibrant integrated its services with Settle's ARST stablecoin, pegged to the Argentine Peso on Stellar.
- Now, Argentines can download the Vibrant app on their phone and use it to convert their Pesos to ARST, buy USDC, and easily exchange USDC back into ARST and transfer to their regular bank account any time they want.
- Regarding speed, transactions on Stellar clear and settle in a **matter of seconds**. With Vibrant, users are able to exchange ARST into USDC and back at a moment's notice. They can then withdraw ARST to their bank account into Pesos – a process that takes one business day to complete.
- On Vibrant, users **don't have to pay** transaction fees in order to deposit, withdraw, or exchange their money, thanks to transaction fees on Stellar being less than a fraction of a cent. This allows Vibrant to sponsor them upfront on behalf of its users.

Stellar for FinTech Applications

Use Cases - Asset Issuance, Access to Fiat

- Thanks to Stellar's suite of tools (see Week 1), Vibrant provides a great deal of user experience, since users can't transact **quickly** and **easily**, taking advantage of Settle's on/off ramp to exchange their value all the way from fiat to ARST to USDC and back effortlessly.
- Since each USDC is backed by one **Dollar** or asset with equivalent fair value, Vibrant users are able to hold USDC tokens without having to worry about devaluation.
- For more click [here](#).

Stellar for FinTech Applications

Use Cases - Remittance-Service



- **Industry:** FinTech
- COINQVEST from Estonia has been a long-time member of the Stellar ecosystem, most recently being awarded a grant through the Stellar Community Fund.
- Aware that COINQVEST's product would be handy for many merchants worldwide, the company prioritized developing on a blockchain that could support transacting in multiple fiat and digital currencies, choosing Stellar.
- As an all-in-one enterprise payment platform built on Stellar, it offers programmable cross-blockchain settlement for merchants.
- Merchants can conduct fast, affordable and scalable transactions on the Stellar network, which are recorded to its ledger, routed through the COINQVEST platform, and paid out in the merchant's fiat or cryptocurrency of choice.

Stellar for FinTech Applications

Use Cases - Remittance-Service

- More simply: COINQVEST provides merchants with the ability to accept payments from their customers in the form of digital currency and directly settle these payments in the fiat currency of their choice, including the US Dollar, Euro, Brazilian Real, Argentinian Peso etc.
- **But how does Stellar help COINQVEST?**
 - The company depends of its interoperability on Stellar's Anchors, which are financial institutions that can issue assets that represent any form of value and establish ramps that allow value to move on and off the network.
 - By integrating with multiple Stellar anchors, COINQVEST can easily facilitate intra and cross-border transactions in the merchant's pre-selected currency.
 - Regarding **speed**, since the settlement of the payment is so quick on Stellar, COINQVEST is able to guarantee that a conversion from a price-volatile currency (i.e. crypto) will pay out to the amount of fiat that merchants expect, significantly avoiding devaluation.
 - The SCP helps COINQVEST achieve **transparency**: once the ledger is updated with the latest set of transactions every few seconds, the data is then routed to COINQVEST's platform ensuring an accurate and up-to-date transaction history that merchants can reliably consult to keep track of payments.
- For more click [here](#).

Stellar for FinTech Applications

Use Cases - Remittance-Service



- **Industry:** FinTech
- ClickPesa from East Africa, Tanzania works with licensed financial institutions governed by central banks.
- The payment provider facilitates digital transactions to give the East African economy access to better financial services.
- This means that individuals in rural areas without access to traditional banking will be able to make payments and store money without a bank account.
- ClickPesa provides a user-friendly interface and is designed to make the process of running a small or medium-sized business in Africa much easier.
- Therefore, ClickPesa gives its users the option to create a "portal account" that connects to their bank accounts, or allows them to create one after completing a Know Your Customer (KYC) process.

Stellar for FinTech Applications

Use Cases - Remittance-Service

- **How does Stellar help ClickPesa?**
 - ClickPesa serves as an Anchor on the Stellar network and provides on/off-ramps to the banking systems from Tanzania, Kenya and Rwanda.
 - For cost-effective cross-border payments on the Stellar network, ClickPesa uses Anchors according to the Stellar Ecosystem Proposal-24 (SEP-24). The SEP-24 explains how anchors interoperate with wallets for users to deposit and withdraw assets. This means if users send remittances, the receiver needs to actively withdraw their digital asset balance (via Stellar-enabled wallet in a popup screen) to receive the money in the bank or in cash.
 - ClickPesa users benefit from the integration of the Stellar Lumens payment network through 3 money operators in East Africa: Tigo, Vodacom (M-Pesa) and Airtel.
 - Through this cooperation, ClickPesa enables cross-border transactions and its users can receive payments directly from a bank account in Europe to an account in Tanzania.
 - ClickPesa works on a partnership with a bank which is currently active in 36 countries and ready to open their business to other continents.
- For more click [here](#).

Stellar for FinTech Applications

Use Cases - Remittance-Service



- **Industry:** Financial Services
- Saldo addresses the problem of migrant workers who, in order to cover family utility bills back home, either confront that cost and complexity every month, or resort to cumbersome and inefficient workarounds.
- Issuing Mexican-Peso-backed tokens on Stellar, Saldo allows migrant workers to support family members back home by making it easy to pay bills across borders. Their simple interface lets a sender in the U.S. top up a recipient's account with a utility provider in Mexico.

Stellar for FinTech Applications

Use Cases - Remittance-Service

- Thanks to Stellar's multicurrency feature, a sender selects a recipient's utility provider and account, chooses the amount they want to pay, and hits send.
- Because Saldo issues a Mexican-Peso-backed token and settles on the Stellar network, senders can initiate a payment in USD, and automatically convert the payment to MXN in a single transaction. That transaction is immediate, transparent, and irreversible.
- To settle payments, Saldo needed a **digital** Peso. Stellar makes it easy to issue an asset and connect it to existing financial infrastructure.
- As mentioned in Week 1 of the course, Stellar offers **very low transaction fees** and enables currencies while you send them.
- With current remittance platforms, it's hard to know in advance how much the recipient will actually receive. Thanks to Stellar's speed of transactions, you can specify that amount, see the transaction **happen in real-time**, and know immediately that the payment succeeded.
- For more click [here](#).

Stellar for FinTech Applications

Use Cases - Payment-service



- **Industry:** Financial Services
- Online content isn't free — consumers are usually overcharged and often under-informed, but publishers have yet to devise a better way to collect necessary revenue.
- Publishers either find themselves having to serve ads on their platform or charging subscription fees, both of which are not optimal for the user experience.
- SatoshiPay allows publishers to install a SatoshiPay **widget** with a built-in Stellar wallet into their websites, making it easy for **consumers** to pay **tiny amounts** for online content. No login, no waiting, and (virtually) no fees.

Stellar for FinTech Applications

Use Cases - Payment-service

- Consumers can top up this wallet with XLM, USD, or any other Stellar-network token. As they browse any site with the SatoshiPay widget installed, they can click on **pay-per-view content** and access it immediately with no login required.
- It's a **seamless**, **private**, and **ad-free** experience.
- Since Stellar's network fees are near to zero, SatoshiPay can accommodate **micropayments**.
- Since Stellar's transactions take seconds to clear, it is feasible for SatoshiPay to settle a payment in the time requires for just a one-click access to content.
- Online publishing happens **internationally**. So, to pay for content across borders and currencies, SatoshiPay relies on Stellar's built-in DEX and its ability to seamlessly transmute assets.
- For more click [here](#).

Stellar for FinTech Applications

Use Cases - Access to Tokenized Assets



- **Industry:** FinTech
- Those who live in high-income economies can easily access high-quality securities and other investment opportunities compared to the rest of the world.
- In the United States, residents can invest in securities such as Tesla or Apple shares via traditional financial institutions or consumer mobile apps.
- Yet, when it comes to emerging markets, that don't have the ability to hold best-in-class assets for growing, diversifying, or protecting wealth, many of these populations are left holding onto money whose value diminishes over time, especially in high-inflation countries.
- DSTOQ is here to solve this problem: it increases worldwide access to **high-quality securities** via tokens on Stellar and **transacting** these tokens on a **borderless** digital interface.

Stellar for FinTech Applications

Use Cases - Access to Tokenized Assets

- In order to provide such a solution, DSTOQ needed the blockchain technology to cut out the intermediaries. But why did the company decide to choose Stellar?
- As mentioned before, Stellar enables transacting and trading to happen so fast, allowing DSTOQ to make the interface as user-friendly as possible.
- Thanks to Stellar's extremely **low transaction fees**, DSTOQ has significantly pared down high costs associated with traditional **cross-border** investing and their retail users don't have to pay any user fees.
- Also, the DEX that at a protocol level is built on Stellar, ensures that no entity can act as a **blocker** to trading and transacting on Stellar.
- As mentioned before, Stellar favours safety over liveness. Therefore the Stellar network will never fork. This reassures the users trading securities that they will never have to worry about **competing chains** on the network and who is the legitimate owner.
- The feature of asymptotic security that SCP accommodates, neutralised 51% attacks, which demonstrate a plausible threat if attackers are after securities, rather than native tokens.
- For more click [here](#).

4. Conclusion

Conclusion

Key Learnings

- Stellar Anchors are the on/off ramps of the Stellar network: they accept deposits of fiat currencies (USD, CNY, BRL, etc.), via existing rails like bank deposits or cash-in points, and send a user the equivalent digital tokens representing those deposits on the Stellar network.
- Anchors are a link between Stellar and the traditional banking system at each location.
- They are an important tool in order to comply with each location's financial regulations.
- Stellar has proven that it is ideal for FinTech, since it is decentralized, compliant and has many active use cases that support it.
- With Stellar, FinTech platforms can offer global access to USDC and other stablecoins, easy cash-in and onboarding, new cash-out destinations, including mobile money and access to additional financial products for the underbanked.
- Stellar enables cross-border payments of an asset and is ideal for CBDCs and remittances since it is built in a way to accommodate trusted users to create digital representations of their assets.
- There are already many Stellar FinTech use cases related to asset issuance, private asset marketplaces, access to fiat, remittance-services, payment-services and access to tokenised assets.

References

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Questions?

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