

# State of the USDC Economy

A RETROSPECTIVE ON 2023  
& LOOK AHEAD TO 2024



# Welcome to the era of open money

Over the past decade, the rise of blockchain technology has fueled a convergence of the internet and global finance. This convergence is delivering a software upgrade for the financial system that is nothing short of transformational.

This is what inspired Circle's founding in 2013. Our focus has been infusing the core elements of open internet software into the world of money. Our mission is to use the internet's openness and scale to raise global economic prosperity through the frictionless exchange of value — building what we believe is an emerging and new internet financial system.

Software is poised to eat the world of finance, just as it evolved many legacy industries a generation ago. By making communications, entertainment, and other business activities faster, cheaper, and easier to access, costs dropped, barriers fell, and innovation flourished. We see the accelerating migration of commerce to the blockchain as the next wave of this decades-long trend of digital transformation, with a social and economic impact potentially larger than that unleashed by the original internet in the 1990s and early 2000s.

Consider that from 2000-2020, internet usage grew from less than 7% of the world's population to 60%.<sup>1</sup> As blockchain opens up aspects of traditional finance that have long been closed, we anticipate a similar growth trajectory for blockchain-based commerce. In the coming years, we expect millions of businesses and billions of people to begin using this new, *open* Web3 internet layer to transact trillions of dollars in value.

Open money is a *big* idea, comprising economic, technical, and philosophical principles rooted in the internet's design of openness and interoperability. By bringing the marginal cost of data dissemination to zero, the web made the sum of human knowledge accessible to all. By making it easy for developers and creators to build, it enabled a rich ecosystem of sites and apps.

Yet the project of the internet remains incomplete, because even though data moves around the world securely, instantly, and for free, the monetary superhighway on the internet is still being paved.

Everything we do today is focused on building and accelerating this internet financial system.

As this report details, it all starts with our efforts to build USDC into the largest, most widely-used stablecoin network in the world. Through USDC, we are empowering almost anyone, anywhere, with the ability to access and use dollars on the internet. And we are turning USDC into an open platform for companies and developers to build a new wave of apps that could rival and reshape today's dominant internet and financial platforms.

Last year marked a major turning point for the future of blockchain-based, internet native finance. Bad actors began to bear the full weight of their nefarious activity, frauds were uncovered, yet the underlying technology matured, and mainstream businesses deepened their involvement with technologies like USDC.

Leading payment companies and merchant settlement firms are now using USDC to solve real-world pain points. Blockchain-based credit markets are using USDC to support real economic activity around the world. Fintech and neobanks that were born on the internet are turning to USDC as a means of moving dollars at the speed of internet commerce. Remittance companies and non-governmental organizations (NGOs) are building with USDC to tackle the hard problem of moving value quickly and fairly to people who need it. Traditional banks, capital markets firms, and custodians are supporting USDC as a way to grow their businesses.

This momentum is why policymakers globally have made significant progress on issuing rules and guidelines for how to responsibly engage with stablecoins and open blockchains. They understand the magnitude of the opportunity and are determined to harness the benefits for their economies and societies. Together, innovators and policymakers are redefining the art of what is possible with money on the internet.

While it is still early, there are unmistakable signs that USDC and the broader ecosystem are poised to reach escape velocity — unleashing the power of open money around the world.

I hope you enjoy the 2024 edition of *State of the USDC Economy*. My team and I look forward to discussing the findings with you.



Sincerely,  
Jeremy Allaire

CO-FOUNDER, CHAIRMAN, AND CEO

CONTENTS

Dollars for Anyone, Anywhere	7
------------------------------	---

---

Open Money Around the World	10
-----------------------------	----

---

Money With a Mission	30
----------------------	----

---

Global Regulatory Clarity Is Coming	34
-------------------------------------	----

---

USDC by the Numbers	36
---------------------	----

---

USDC Macro Perspective: Beyond Speculation in Five Charts	39
---	----

---

About Circle	42
--------------	----

---

# Dollars for Anyone, Anywhere



## The world is open for business with USDC

Today, ideas can cross the world in a matter of seconds — and our economies are connected like never before. But almost two billion people do not have access to something as simple as a bank account. Hear from Dante Disparte, Circle's Chief Strategy Officer and Head of Global Policy, about how USDC is enabling practically anyone, anywhere to participate in the global economy.

[WATCH THE STORY](#)

Open blockchain networks are powering a new form of money and redefining how people and businesses exchange value globally. These networks represent a new layer of financial technology that leverages the internet to reduce deeply embedded costs and friction, increase speed, and reimagine what is possible when exchanging value, be it sending digital dollars across borders or interacting with tokenized versions of other traditional assets.

This possibility impelled Circle's launch of USDC in 2018. USDC is a payment stablecoin that combines the strength, trust, and network effects of the US dollar with the superpowers of the open internet.

The near-term opportunities are significant and are starting to create outsized impact, driven by the dollar's role at the center of global finance. The dollar comprises more than 90% of trade invoicing in Latin America, 74% in Asia Pacific, and 79% in the rest of the world outside of Europe.<sup>2</sup> According to the Federal Reserve, nearly \$1 trillion in US bills, including two-thirds of all \$100 bills in existence, are held outside the US.<sup>3</sup>

The dollar's global role means the overwhelming majority of stablecoin activity today is denominated in dollars. USDC makes it possible for nearly anyone, anywhere, to access, hold, and transact digital dollars over the internet. USDC is already available in more than 190 countries and held in nearly 3 million on-chain wallets.<sup>4</sup>



## USDC: The dollar's new form factor

Backed 100% by highly liquid cash and cash-equivalent assets, always redeemable 1:1 for US dollars

Deep connectivity to the banking system to maintain price stability, ensure timely redemption, and expand global availability

In 2023, Circle bridged more than \$197 billion between the banking system and the blockchain through minting and redeeming<sup>5</sup>

# An open platform for money on the internet

Over the past few years, USDC has experienced exponential growth as a stablecoin network.

Since its introduction in 2018, USDC has been used for approximately \$12 trillion in blockchain transactions. More people in more countries are experiencing the benefits of unlocking digital dollars on the blockchain. This is spurring developers to build new apps, strengthening the ecosystem of services around USDC, and making it even easier to obtain, send, and store.

The growing use cases for blockchain technology recall the adoption curve of cloud computing. Early in its history, the cloud was seen as niche and risky, but now the cloud's inherent advantages for business are clear. Today, corporations store 60% of their data in the cloud, with 9 in 10 large enterprises adopting a multi-cloud architecture.<sup>6</sup> We are on the brink of the next phase in this evolution, as more businesses adopt Web3 on enterprise-grade blockchains. The internet financial system that Circle is helping build does not compete with this cloud; it helps complete it. Indeed, blockchain networks bring trustworthy data, transactions, and computational power to the public internet.

Circle is proud to partner with leading banks and financial institutions globally, including:



BNY Mellon (New York)



Nubank (São Paulo)



SBI Holdings (Tokyo)



Standard Chartered (UK)

## A dollar API for internet finance

USDC is essentially a dollar API on the public internet. It is a well regulated, open-source building block that offers easy integration into other fintech, bank, and digital currency projects to enable nearly-instant, nearly free transactions denominated in the world's most widely used currency. This creates tremendous opportunities at a time of rapid evolution in the finance tech stack and the growing ubiquity of APIs.

## Built for blockchain interoperability

USDC is natively available on 15 blockchain networks today. Over time, our plan is to make USDC available wherever developers are active and the right security measures are in place, so that it can easily and safely flow across the blockchain ecosystem.

At the same time, we are making more blockchain complexity fade into the background. Our recently launched Cross-Chain Transfer Protocol (CCTP) helps reduce friction, increase safety and security and reduce costs when sending USDC from one blockchain to another. In the near future, we aim to enable CCTP support for every blockchain where USDC is native, making it seamless to send dollars across the internet without users needing to know about the underlying complexity of blockchain technology.

## Making blockchain easier for developers

There are already tens of thousands of developers building on blockchain networks, and we expect this figure to multiply rapidly in the years to come. Circle offers programmable wallets, smart contract templates, and other services to support the growth of this ecosystem and simplify the process for enterprises and developers to build new apps on blockchain networks. Internet businesses that have achieved scale can simply put USDC and other digital assets into existing customer experiences without needing to rebuild them from the ground up.



Visa is a world leader in digital payments, facilitating transactions between consumers, merchants, financial institutions, and government entities across more than 200 countries and territories.

Visa has expanded its stablecoin settlement pilot program, working with participating issuers and acquirers to move millions of USDC between its participating clients over select blockchain networks to settle fiat-denominated payments authorized over VisaNet. According to Cuy Sheffield, Head of Crypto, Visa, "By leveraging USDC and select global blockchain networks, we're exploring new options for participating clients to easily send or receive funds."



Coinbase is building the online platform for the cryptoeconomy — evolving a more fair, accessible, efficient, and transparent financial system.

Since jointly launching USDC more than five years ago, Coinbase has helped enable access to USDC for millions of users across the world, providing trusted digital dollar access and facilitating efficient money movement at scale. With millions of end-user customers and more than 245,000 ecosystem partners in over 100 countries, Coinbase is committed to serving the public interest by helping to advance USDC as the on-chain dollar of choice for businesses, developers, and users worldwide.

## BlackRock

BlackRock is an asset manager and one of the world's leading providers of investment, advisory, and risk management solutions.

As part of BlackRock's digital asset strategy, the company made an investment in Circle and announced a strategic partnership to explore tokenization and how digital cash — like USDC — can help eliminate inefficiencies in financial services activity. In addition, BlackRock manages the majority of the USDC reserves through the Circle Reserve Fund (USDXX), a registered Rule 2a-7 government money market fund. The Circle Reserve Fund is subject to the requirements of the Investment Company Act of 1940 and reports portfolio holdings on a daily basis.



MoneyGram is a leading global financial technology company that enables millions of consumers to send money around the world.

MoneyGram leverages USDC on Stellar to provide global money movement capabilities — offering consumers the ability to 'cash-out' to fiat from digital assets like USDC in 180+ countries and 'on-ramp' to USDC in 30+ countries around the world. Additionally, with MoneyGram's forthcoming non-custodial digital wallet, set for release in Q1 2024, users will be able to send, receive, and hold USDC — empowering users to safeguard their wealth; when a user wants to cashout, they can visit any participating MoneyGram location or any payment method that MoneyGram supports. USDC is helping MoneyGram advance an evolution in international money transfer that is fast, cost-effective, and trusted.

# Open Money Around the World

## Asia Pacific

The birthplace of super apps embraces digital currencies

Over the past decade, the Asia Pacific region has taken a leading role on the world's technology stage. The region has incubated and launched a new generation of innovative businesses built on bringing unprecedented convenience and connectivity to billions of people. Category-defining companies have risen up, reshaping both commerce and society.

The region is young, mobile-first, and wallet ready. Nearly half of Asia Pacific's 1.8 billion online population already uses a digital wallet.<sup>7</sup> Even among Southeast Asia's unbanked, digital wallet penetration could reach 58% by 2025.<sup>8</sup>

The region is also ahead of the curve when it comes to digital asset adoption. Today, Asia Pacific accounts for 29% of digital currency value received, compared to 19% in North America and 22% in Western Europe.<sup>9</sup>

## Regulators lead the way

This rapid advance of private sector innovation has occurred in lockstep with key Asia Pacific policymakers and regulators. It aligns with a regional vision set forth several years ago to steer toward a well regulated digital economy powered by financial services super apps. Forward-thinking governments have successfully nurtured new digital financial infrastructure that can move value with greater speed, less cost, and more transparency, positioning both businesses and individuals to benefit.

### By the numbers



Share of Asia Pacific's 1.8 billion people who regularly use a digital wallet



Potential digital wallet penetration in the current unbanked population in Southeast Asia by 2025

Several Asian economies — notably India, Singapore, Hong Kong, Malaysia, and Thailand — have established 24/7/365 real-time payments systems that have achieved significant scale and volume.

Buoyed by the success of these real-time payment systems, regulators in the Asia Pacific region are looking at the next financial evolution and moving rapidly to establish regulatory frameworks for payment stablecoins.

**Singapore** — The Monetary Authority of Singapore (MAS) already regulates stablecoins, such as the distribution of USDC, through the Major Payment Institution licensing regime. Circle Singapore has



### Digital dollars power faster, more efficient commerce

Imagine paying a fee to email someone. Or waiting for days for a text to reach a friend. Unfortunately, this is commonplace when sending money across borders. Listen to Kash Razzaghi, Circle's Chief Business Officer, discuss how future-ready organizations — in every geography and industry — are gaining a competitive advantage by leveraging the properties of open money.

### WATCH THE STORY

received a Major Payment Institution License to offer digital payment token services as well as cross-border and domestic money transfer services. In August 2023, Singapore authorities built on the existing rules and proposed a framework to establish a “MAS-regulated stablecoin” in an effort to solidify the city-state’s position as a digital asset hub.<sup>10</sup>

**Japan** — Stablecoin implementation rules came into effect in June 2023, setting the stage for distribution of foreign-issued stablecoins such as USDC.<sup>11</sup> Circle is partnering with SBI Holdings to circulate and expand the use of USDC in Japan.

**Hong Kong** — Concluded its first consultation on stablecoins in January 2023 and is expected to implement regulatory arrangements in 2024.<sup>12</sup>



Leading Southeast Asian superapp Grab piloted Web3 customer experiences in Singapore through the integration of Circle’s new Web3 Services platform in the Grab app.

Available as the ‘Grab Web3 Wallet,’ Singapore-based users are currently able to set up a blockchain-enabled wallet, use non-fungible token (NFT) vouchers, and earn rewards and collectibles. Grab and Circle worked together to create a seamless, secure customer experience that stripped away complexities typically associated with Web3.

### Circle is licensed in Singapore

Circle Singapore has received a Major Payments Institution License from the Monetary Authority of Singapore (MAS). Circle Singapore offers digital payment token services, cross-border money transfer services and domestic money transfer services in the city-state.

## The natural evolution toward Web3

As the digital asset industry matures, we are seeing growth in two key categories: native Web3 businesses born on the blockchain, and mature internet businesses transitioning into Web3.

Web3-native companies are creating blockchain services with digital assets at their core. Some of these companies, including digital asset exchanges, are iterating on existing business models. Other Web3-native companies are building completely new apps and services that change the value structure between platforms and their users and creators. This breadth of opportunity underscores that Web3 is not only a new foundational layer of the internet, but a fundamentally new approach to value creation and stakeholder participation — one where people are not merely products or beneficiaries of technology-powered business models, but builders and owners of digitally-unique assets.<sup>13</sup>

Many e-commerce businesses and superapps in the region are also exploring how to bring Web3 services — including digital wallets and stablecoins — into their offerings. Local web developers are ready. The Asia Pacific region now boasts 19% of all global Web3 developers, up from 9% just a few years ago.<sup>14</sup>

## How stablecoins can expand economic opportunities

Asia is primed to adopt stablecoins more widely, particularly for cross-border use cases that have an outsized impact on Asian economies.

**Cross-border payments:** Home to much of the world’s supply chain and information and communication technology (ICT) services, commercial trade in Asia is estimated to be \$22.5 trillion in 2022-23, or nearly 65% of the region’s \$35 trillion GDP.<sup>15</sup> Stablecoins offer exceptional efficiencies for businesses that send funds across borders.



Coins.ph, the Philippine’s leading digital asset exchange platform regulated by the Philippine central bank, has partnered with Circle to deliver safe, low-cost, and near-instant international money movement using USDC.

Remittances, with over \$36 billion flowing into the Philippines in 2022, remain vital for the country’s economy.<sup>16</sup> Together, Coins.ph and USDC tackle high fees and lengthy transaction times that impact remittance channels by adopting blockchain-based systems that enable real-time settlement at minimal transaction costs. According to Coins.ph CEO Wei Zhou, “Coins.ph’s partnership with Circle aims to show how USDC can provide a faster, lower-cost, and more accessible remittance option for Coins.ph’s 18 million Filipino users and their families and loved ones abroad.”

**Trade finance:** For trade to take place, many of the region’s small and medium-sized enterprises (SMEs) must secure trade financing such as letters of credit, trade loans, guarantees, and insurance. The Asian Development Bank estimates that the trade finance gap in Asia is about \$510 billion.<sup>16</sup> Stablecoins like USDC can help plug this gap by offering easier access to dollars over the internet.

**Remittances:** \$130 billion in remittances flowed into Asia Pacific in 2022, with an average cost of 5.7% to send \$200 into the region<sup>17</sup> and significant additional friction for recipients who lack access to a bank. Since USDC is built on blockchains, USDC settlement can happen globally in near-real time and almost for free, and users do not need a bank account to access their funds.



BitoGroup, one of Taiwan’s digital assets leaders, and Taiwan FamilyMart, the market’s second-largest convenience store chain, have pioneered a “Points-to-Crypto” service to allow customers to convert their FamilyMart loyalty points, called FamiPoints, into digital currencies like USDC.

Loyalty programs are a cornerstone of daily life in Taiwan; FamiPoints has attracted over 17 million members in Taiwan due to its simplicity in accumulation, redemption, and conversion, which now includes USDC. The collective innovations of BitoGroup, FamilyMart, and Circle expand the utility of loyalty points and is helping to lower the barrier of engaging in the digital economy across Taiwan. The collaboration with BitoGroup has injected new vitality into Taiwan’s digital economy and laid a solid foundation for the future applications of USDC.

# Latin America

## Stablecoins and Web3 fuel a global fintech powerhouse

While North America drove global adoption of the original internet, Latin America is taking on a leading role when it comes to digital currency and financial technology more broadly. This is partly due to necessity, because Latin America has traditionally been a large remittance corridor where moving money is slow and expensive, and where demand for US dollars is high. The reliance on and requests for the US dollar has far-reaching impact in a region long-vexed by macroeconomic uncertainty and instability, with blockchain networks well-suited to deliver digital dollars as a feasible medium of exchange for economic activity.

### Digital currency use in Latin America

\$562bn

Digital currency volume received by LatAm citizens, mid-2021 to mid-2022<sup>27</sup>



Share of LatAm consumers who have paid with digital currency<sup>28</sup>



Share of LatAm consumers who have paid with stablecoins<sup>29</sup>

Many in this region lack access to analog financial services, underscoring the potential impact of device-centric banking and payments. Demographics also play a key role in defining the opportunity at hand; with a population of 658 million<sup>19</sup> — roughly double the US — Latin America has roughly the same number of people as Southeast Asia. Nearly a quarter of this population is aged 14 or younger,<sup>20</sup> giving Latin America another advantage over other regions with aging populations.

Latin America's strong developer base is also a major factor. There are nearly a million developers in the region who are active in offshore development,<sup>21</sup> much of which is outsourced by US companies.<sup>22</sup> This developer base is increasingly making an impact locally, with homegrown fintech and neobanks driving major cost and accessibility improvements to Latin America's financial sector.<sup>23</sup>

The Latin American fintech sector has recently doubled in size and now features approximately 2,500 platforms.<sup>24</sup> Higher Latin America fintech adoption is associated with lower income inequality, as evidenced by the fact that three-quarters of the region's 30 million digital bank customers are previously unbanked or underbanked consumers and small and medium-sized enterprises.<sup>25</sup> Fintech is also widely supported by Latin American governments, because it provides authorities with new tools to manage risks and compliance.<sup>26</sup>



### Securing wealth, igniting dreams — practically everywhere

The shortcomings of traditional money movement prove most acute in moments of stress — such as health emergencies or during monetary instability — particularly for nontraditional workers, youth, and other exposed populations. Hear from Keyla, a remote worker in Buenos Aires, who gets paid in USDC and uses digital dollars to plan a more secure future for herself, including her ambition to start an adventure tourism business.

[WATCH THE STORY](#)

Taken together, Latin America's well-established market demand, policy support, and widespread dollar usage make the region a natural fit for broader stablecoin adoption. As noted earlier, stablecoins are already working their way into the purchasing power of Latin American consumers. Many countries are exploring Central Bank Digital Currencies (CBDCs), with Brazil having selected 14 institutions to take part in its digital real (Drex) pilot.<sup>32</sup>

Which brings us to today — and tomorrow. FinTech, traditional banking, stablecoins, and CBDCs all exist in some form or fashion, but remain disconnected. The path to a future state of frictionless value-exchange will require additional infrastructure that can work in the background to ensure all of these forms of money can coexist, creating financial interoperability both locally within Latin America and globally.

Circle is focused on building this interoperability in financial services through compliant stablecoins, secure message protocols, and other open-source, blockchain-based solutions that drive friction out of value-transfer.

#### LatAm fintech — a global powerhouse

# 22.5 million

# 2,500

Number of fintech/neobank customers who were previously underbanked<sup>30</sup>

Total number of fintech platforms<sup>31</sup>



Grupo Elektra, part of the Grupo Salinas conglomerate, is a leading specialized trade and financial services company in Latin America, headquartered in Mexico City.

Through more than 2,500 retail locations, Grupo Elektra serves as one of the foremost money transmitters in Mexico and Latin America. The company enables nearly half of Mexico's remittance transfers, powering a critical activity in an economy where remittances totaled \$61 billion in 2022, according to the World Bank.<sup>30</sup> By leveraging USDC and Circle's Programmable Wallets solution, Grupo Elektra is enhancing the remittance and payments offerings available to users through their multiple digital channels. Circle is also partnering with Banco Azteca, part of the Grupo Salinas conglomerate, to evolve the availability of key stablecoin infrastructure for efficient money movement, reducing the friction of cross-border payments and trade.



Lemon is an Argentina-based company that enables blockchain-powered financial services for more than two million customers across Brazil, Argentina, Mexico, Colombia, and other parts of Latin America.

Lemon's goal is to be the bridge into the future of money and the internet. Emphasizing Web2 to Web3 interoperability, its primary offering is a virtual wallet that integrates traditional finance with digital assets like USDC. Their innovations include a range of products and solutions such as DeFi products, peer-to-peer exchange, and expense management. Because of their partnership with Visa, USDC can be spent alongside local currency in Argentina via the Lemon Card.



Nubank — one of the world's largest digital financial platforms serving 90 million customers across Brazil, Mexico, and Colombia — and Circle have announced a partnership to extend USDC access to Brazilian Nubank customers.

USDC support will initially be rolled out as part of Nubank Cripto, providing its Brazilian users with access to buying and holding digital dollars. Future opportunities for integration with Nubank's broader digital banking platforms offers the potential for Nubank's customers to gain the benefit of blockchain-based financial services powered by USDC. True to the spirit of both companies' missions, the partnership includes mutual contributions to educational campaigns aimed at spreading knowledge about USDC in the Brazilian market, establishing it as a secure, cost-efficient and transparent method for accessing and transacting in digital dollars.



### Wedding bliss, courtesy of USDC

Planning a wedding is complicated as it is, let alone one taking place in another country with a different currency. Learn how Eche and Chika simplified the process of paying for their ceremony in Lagos, Nigeria, using cross-border payments powered by USDC.

[WATCH THE STORY](#)

## The Middle East and Africa

Blockchain enhances interoperability and builds on mobile money dominance

There are many reasons why people, businesses, and software developers across the Middle East and Africa are rapidly embracing and building on the blockchain; chief among them is a lack of access to traditional finance. Today, nearly 60% of Africans lack access to a bank account.<sup>33</sup> In the Middle East, 85 million adults are unbanked.<sup>34</sup> By equipping every internet-connected device with financial services capabilities, blockchain networks help build on existing fintech solutions that have already had success tackling this widespread access problem. In fact, we have already seen this in practice: in sub-Saharan Africa, users sent or received over \$800 billion in transactions in 2022 — nearly double the value of the rest of the world combined,<sup>35</sup> demonstrating the value of digital assets even to those who do not have access to banks.

In the coming years, we expect fintech and blockchain adoption in the Middle East and Africa to accelerate even faster. Regulatory clarity is emerging, with the United Arab Emirates (UAE) in the vanguard. The UAE has multiple regulatory structures in place for digital asset firms, along with open consultations led by the Central Bank of the UAE on stablecoins.

Demographic advantages will also play a key role. Unlike other regions, Africa's population is growing rapidly and is expected to double by 2050, accounting for a quarter of the world's population.<sup>36</sup> Even today, around 40% of the continent's people are aged 15 or younger (compared to the 25% global average).<sup>37</sup> Paired with the strong local web development scene, this is helping to drive an influx of billions in startup capital to fuel additional growth.<sup>38</sup>

Along with a brightening regulatory outlook, these factors point the way toward greater stablecoin and blockchain adoption.

### Lack of banking access drives innovation

57%

Portion of Africans who lack access to a bank account

85 million

Number of unbanked adults in the Middle East

\$832 billion

Value of sub-Saharan mobile money transacted in 2022

## Strengthening the foundation with blockchain

Blockchain and digital currency are building on the mobile money revolution and the continent's embrace of new technologies. Indeed, African nations are ahead in the digital global economy: they have upgraded from analog money that follows banking hours to always-on, trusted digital money that empowers end users with the ability to send, spend, save, and secure on their own terms.

Regional interest in blockchain is growing, because it helps address key points of friction, such as payment delays, high fees, and network incompatibilities.

In addition, smartphone proliferation is accelerating, which makes it easier than ever for African fintech to provide new types of powerful financial products. Digital wallets on smartphones can serve as compliant endpoints for a new generation of blockchain-based financial services.

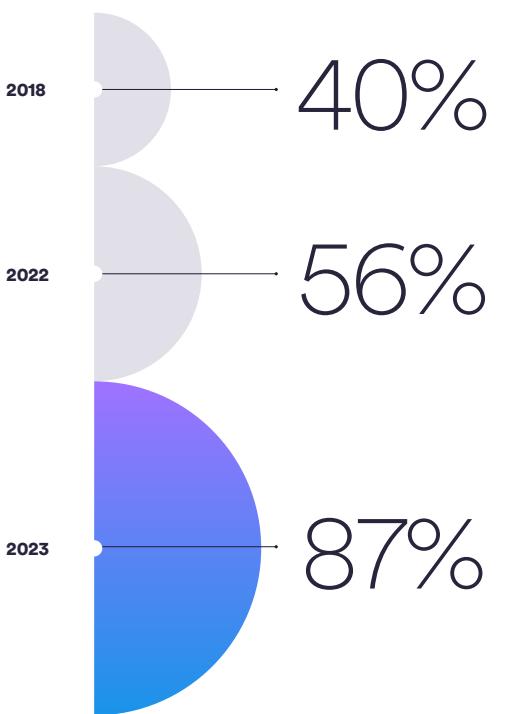
### Demographic and tech advantages fuel growth

40%

2.5 billion

\$4.3 billion

Share of African mobile phones that are smartphones<sup>39</sup>



Share of Africans who are 15 or younger today

Expected African population in 2050

Amount raised by African fintech startups

## onafriq

Onafriq is a leading force in African digital payments, revolutionizing financial accessibility across the continent.

Formerly known as MFS Africa, Onafriq operates a vast and interoperable financial services network, spanning 40 countries and over 500 million mobile wallets and 200 million bank accounts. Building on the stability and reach of USDC to enhance their global treasury operations, Onafriq is poised to leverage USDC to supercharge existing use cases, including remittances, enterprise settlement, card services, and merchant payments. This partnership positions Onafriq at the forefront of leveraging blockchain technology for real-world financial applications in Africa, promising a future where payments are as seamless and universal as a phone call.



## Goldfinch

Goldfinch is a decentralized credit protocol that unlocks global financing with USDC.

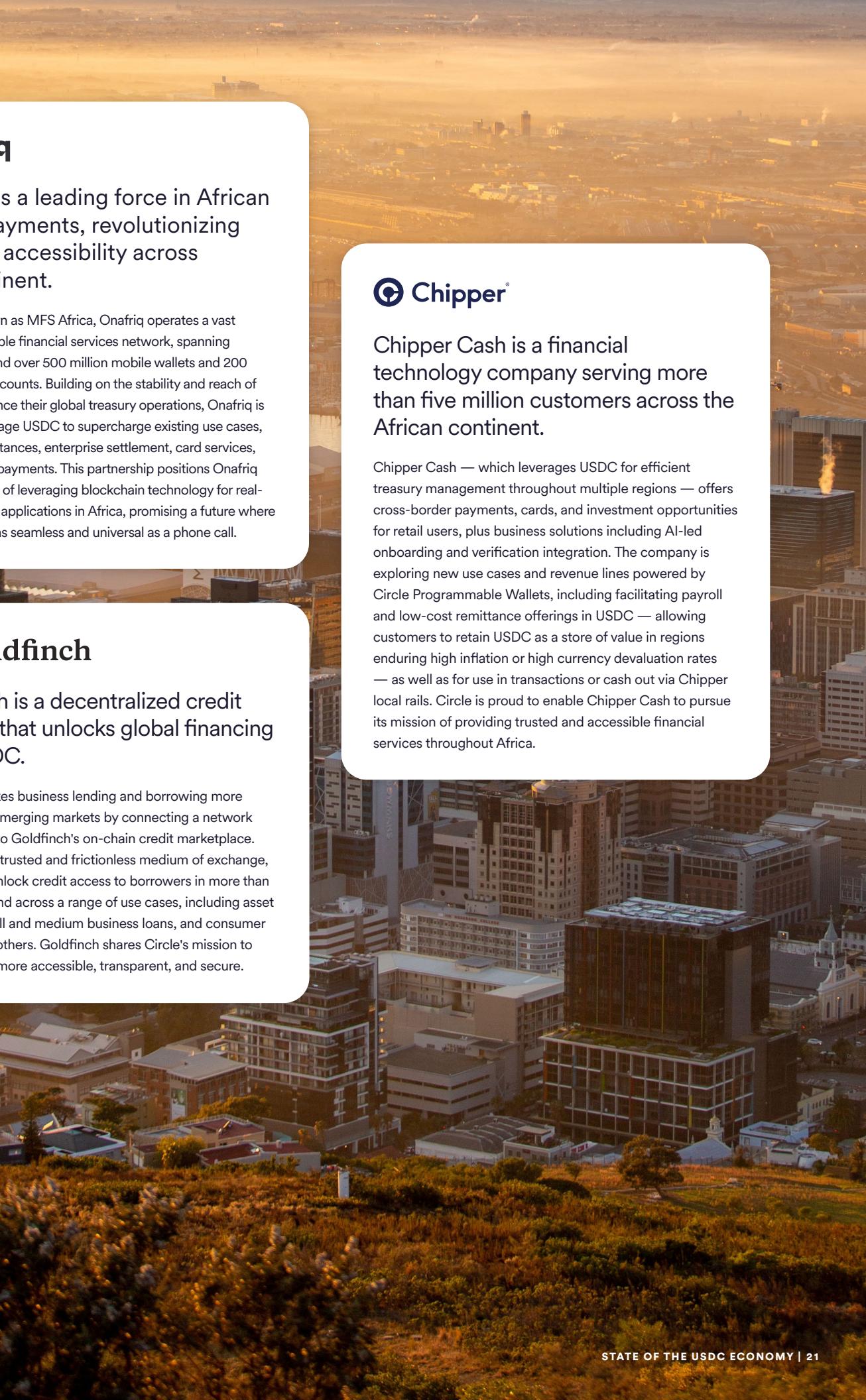
Goldfinch makes business lending and borrowing more accessible in emerging markets by connecting a network of businesses to Goldfinch's on-chain credit marketplace. Serving as the trusted and frictionless medium of exchange, USDC helps unlock credit access to borrowers in more than 25 countries and across a range of use cases, including asset financing, small and medium business loans, and consumer loans, among others. Goldfinch shares Circle's mission to make finance more accessible, transparent, and secure.



## Chipper

Chipper Cash is a financial technology company serving more than five million customers across the African continent.

Chipper Cash — which leverages USDC for efficient treasury management throughout multiple regions — offers cross-border payments, cards, and investment opportunities for retail users, plus business solutions including AI-led onboarding and verification integration. The company is exploring new use cases and revenue lines powered by Circle Programmable Wallets, including facilitating payroll and low-cost remittance offerings in USDC — allowing customers to retain USDC as a store of value in regions enduring high inflation or high currency devaluation rates — as well as for use in transactions or cash out via Chipper local rails. Circle is proud to enable Chipper Cash to pursue its mission of providing trusted and accessible financial services throughout Africa.





## Europe

Early Web3 adoption and regulatory clarity drive global standards

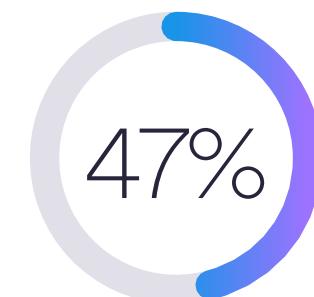
Europe is creating a unique technology and economic path that is shaped by greater digital sovereignty, individual empowerment, and regulatory leadership. Web3 aligns well with the European ethos to build a shared, free, open, and secure global internet that empowers personal rights while pushing back on the concentration of data and power by governments or industry titans. European values of decentralization, self-determination, and digital sovereignty are inherent in the design of blockchain-based internet and financial services.

Europe has advanced technological infrastructures and widespread smartphone usage — often with government support — enabling seamless digital transactions for a tech-savvy population that accepts and trusts digital platforms. Europe was also among the first regions in the world to make mobile phone numbers portable and interoperable, and may stand to do the same for digital assets.

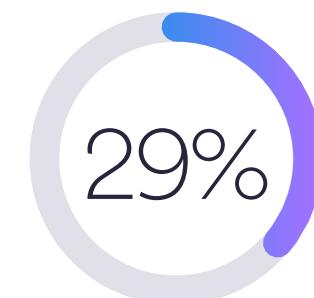
## Europe is a digital asset innovation leader

Europe is moving purposefully to adopt Web3 and blockchain. Taken together, the European Union, United Kingdom, Switzerland, and Eastern Europe are home to the largest relative share of blockchain activity,<sup>40</sup> a large portion of the world's blockchain jobs<sup>41</sup> (including blockchain developers<sup>42</sup>), a growing share of VC digital asset investment,<sup>43</sup> and a high number of banks that are friendly to digital currency.<sup>44</sup>

### EU and Web3 adoption



EU's share of global digital asset investments in Q1 2023 (excludes UK)<sup>45</sup>



Portion of global blockchain developers who are European<sup>46</sup>

## Regulatory clarity can spur responsible growth

In addition to this promising starting position in terms of users, builders, and infrastructure, the EU is also home to the most comprehensive regulatory framework for digital assets to date: the Markets in Crypto-Assets Regulation (MiCA).

### worldpay from FIS

Worldpay from FIS, whose payment processing solutions enable businesses in 146 countries to accept payments in-person and online, is allowing customers to receive settled funds quickly and efficiently in USDC.

Using Worldpay solutions, merchants can develop fit-for-purpose settlement and treasury strategies that leverage diverse payment rails — both blockchain-powered and traditional — that are optimized to their currency and payment needs. Today, digital asset exchanges are leveraging this functionality and settling card processing proceeds in USDC with Worldpay.

MiCA will harmonize the EU's current patchwork of national regulations, allowing issuers and crypto-asset service providers, once regulated in one single EU member state, to "passport" and scale their services throughout a single EU digital asset market. Coupled with the creation of regulatory clarity, this benefit could lead to a new wave of institutional market activity, as well as an influx of talent and capital to the EU.

However, MiCA's ability to set global standards and boost industry activity is not a foregone conclusion. Much depends on the still-to-be finalized practical implementation and supervisory practice of the comprehensive rulebook<sup>47</sup>, especially for stablecoin issuers.

The EU has the core elements in place to become a regulatory champion and market leader for Web3,

buoyed by the region's considerable economic heft, population, and global influence. These dynamics informed Circle's decision to commit to the region, investing in its European operations and making France a hub for regional activity. As part of this plan and subject to French regulatory permissions, EURC — Circle's euro-denominated stablecoin — will be fully on-shored to Europe as an e-money token that is compliant with MiCA.<sup>48</sup>

Switzerland and the UK have also positioned themselves as global digital asset hubs. Switzerland was one of the first countries to adopt practical guidelines and rules for the industry, both for investment assets and payments assets.

In the UK, former Chancellor of the Exchequer and now Premier Rishi Sunak made it his "ambition to make the UK a global hub for crypto-asset technology"<sup>49</sup> and passed legislation to bring stablecoins under the regulatory perimeter.

### deel.

Deel is the [all-in-one HR platform](#) for global teams, allowing organizations to simplify every aspect of managing an international workforce.

Deel offers its customers the ability to cover payroll and payments in USDC, which can be a lower-cost, faster, more reliable, and preferred payment method for staff, contractors, and vendors in many regions. USDC is the only stablecoin that Deel offers for payouts because it is regulated, fully-reserved, and transparent. In addition to enabling payroll and payments for its business customers, Deel enables anyone paid through Deel to withdraw their earnings in USDC. Deel is proud to serve over 20,000 customers, from SMBs to publicly traded companies.

Proposed rules for digital asset issuers and service providers were also published. As comprehensive digital asset guidance issued by the Bank of England, Financial Conduct Authority, and His Majesty's Treasury translate into law, the UK stands to be as relevant to the future of money, as it was to the past.

## Stablecoins find utility in Europe and globally

Based on early adoption trends and emerging regulatory clarity, here are some stablecoin use cases we expect to become widespread in the coming years.

**Remittances:** Europe is a significant source and recipient of remittances. Migrants living in the European Union send on average €63 billion per year to developing countries. Switzerland, Germany, France, the Netherlands, UK, and Italy are major remitting countries. Enabling these critical flows to USDC and EURC can help ensure more of each transaction makes it into the hands of beneficiaries.

**Cross-border B2B payments:** As with individual remittance senders and recipients, blockchain networks and stablecoins offer businesses significant efficiencies when conducting trade across borders. Dollars and euros are the two highest used currencies in global payments, making USDC and EURC an ideal way to connect with suppliers, employees, and other business counterparts.<sup>50</sup> Major enterprise software providers are already piloting USDC cross-border payments.<sup>51</sup>

**Foreign exchange (FX):** The UK, France, and Germany are among the world's top FX trading hubs.<sup>52</sup> With the emergence of stablecoins and new markets powered by smart contracts, blockchain networks have shown the potential to remove risks and costs while increasing liquidity and stability.<sup>53</sup>





## North America

### A homebase for innovation

North America served as the bedrock for many of the innovations that defined the first iterations of the internet as well as the financial innovations we rely on daily. The impact of these innovations was revolutionary, shifting how we all live, work, play, and spend.

Today, the advent of blockchains as truly internet-native networks of value represents a generational opportunity to build on this tradition of leadership in both technology and capital markets. Among the multiple use cases we are observing, two stand out: First, the utility of faster, more cost-effective cross-border payment flows for individuals and businesses. Second, driving dramatic efficiencies across a range of financial services applications.

#### Demographic and tech advantages fuel growth

>99%

\$1,441 trillion

88%

## From Main Street to Wall Street and everywhere in between

As nations embedded in global commerce and peopled by immigrants with cultural and familial ties that span the world, the US and Canada have much to gain from making cross-border payments easier and cheaper. Today, whether remitting funds overseas or sending a wire to a foreign supplier, moving money across borders remains costly, difficult, and slow.

With more than \$87 billion in combined remittance outflows in 2022<sup>54</sup> and as the world's largest and ninth largest economies,<sup>55</sup> respectively, the US and Canada present a significant opportunity to reduce payment and commercial friction at a global scale.

Moving from Main Street to Wall Street, we see growing recognition of the promise of blockchain technology to markedly improve the plumbing of financial flows that large institutions rely on.

Users have benefited from innovations like the ATM and mobile retail banking, but many elements of how financial assets are traded, cleared, and settled have not materially changed in decades. Blockchain networks and tokenization, the issuing of a digital representation of an asset on a network, may help reduce costs and risks, improve capital efficiency, and move closer to real-time instead of two days from the transaction date, also known as T+2 settlement.

Share of circulating stablecoin supply tied to USD<sup>59</sup>

US high-value payments and wholesale finance money flows (2021)

The share of all foreign exchange transactions involving USD<sup>60</sup>

The real-world usage of tokenized cash like USDC moving across blockchain networks demonstrates a model that is compelling to institutional actors. Why? Because unlike private “permissioned” networks, an open money architecture is constantly improving, diverse in design, time-tested, inherently programmable, and — critically — interoperable. With high-value payments and wholesale finance flows estimated at \$1,441 trillion in the US alone, the potential impact for even incremental improvement across these institutional systems is enormous.<sup>56</sup>

## stripe

Stripe is leveraging the power of the blockchain and USDC to advance its mission to increase the GDP of the internet.

Organizations of all sizes across more than 45 countries use the company’s products to facilitate global payments. Through Stripe’s Connect solution, platform customers have the ability to payout their ecosystem stakeholders — such as sellers, freelancers, creators, or service providers — in USDC. This allows platform companies to reach new global users with a cheaper, more efficient payment rail that also empowers recipients to secure their wealth with the safe and reliable digital dollar access afforded by USDC.

## Digital dollars need safety and assurance enshrined in rule of law

Finally, at a macro level, it must be acknowledged that the US has a unique opportunity to extend US dollars into the next commercial frontier made possible by Web3. While only 58% of disclosed global official foreign reserves are held in USD, a figure that is down from 71% in 2000, more than 99% of stablecoins in circulation are USD-denominated, albeit to varying degrees of trust and transparency.<sup>57</sup> Enabling US dollar access globally benefits US businesses, households, and public authorities by fostering lower borrowing costs and greater geostrategic influence.

Dollar primacy, of course, is not guaranteed.<sup>58</sup> Indeed, amid intensifying competitive pressure from US rivals and adversaries, there is growing bipartisan urgency to shore up the dollar for decades to come, recognizing the role that responsible private-sector innovations can serve.

## US and Canadian policymakers sharpen their quills

A convergence of undeniable utility and pragmatic self-interest has helped drive the need for regulatory clarity.



Solana Pay is an open, free-to-use payments framework on Solana.

Built for instant transactions and near-zero fees, Solana Pay uses USDC to offer businesses a faster, more cost-effective way to accept global payments and unlock new opportunities to reach and transact with a global audience. Solana Pay is currently available as an approved app integration on Shopify, enabling millions of merchants to settle transactions instantly by connecting merchant and consumer wallets directly. Beyond Shopify, ASICS — an apparel and footwear company — worked with Solana Pay to power retail transactions and loyalty program activations with customers in 62 countries. Together, Solana Pay and USDC are harnessing the power of blockchain-based payment networks to enable more direct channels for engagement between brands and their customers with a true peer-to-peer communication channel.

US public policy activity remains sustained and elevated at both the federal and state levels. In Washington, D.C., negotiations on prospective digital asset legislation are ongoing, with perhaps no topic garnering more consensus than the need for payment stablecoin rules. Meanwhile, a raft of legal contests are being considered by the courts that, once resolved, will give additional regulatory clarity. Biden Administration officials and other independent agency heads have made statements demonstrating that this technology is too important to ignore.

Several states, California most notably, have followed New York’s lead in delineating the contours of permissible activity with specific licenses for digital assets service providers. Rulemaking is also growing more pronounced in Canada, with the Canadian Securities Administrators (CSA), among others, having revealed important pronouncements.

All this suggests that 2024 will be an important turning point for public blockchains and digital dollars in North America. As legal and regulatory clarity is established, the region’s many builders and entrepreneurs will take the lead, catalyzing Web3 as a source of innovation and economic growth through the continent, and as a major export product around the world.

## Robinhood

As part of Robinhood, Robinhood Crypto is on a mission to democratize finance for all.

Through their partnership with Circle, Robinhood Crypto makes USDC accessible to its millions of customers with no commission fees and easy off-ramping to DeFi/Web3. Robinhood Crypto offers a user-friendly platform where people can access, store, and exchange USDC with a 1:1 match, as well as trade other supported cryptocurrencies. USDC is also an essential part of Robinhood Connect — Robinhood Crypto’s fiat on/off ramp that enables Web3 wallets and dapps to fund and sell using their Robinhood account.

As the internet financial system gains momentum, the US government must articulate clear rules that will allow digital dollars to circulate freely and widely for all lawful purposes.

# Money With a Mission

The emergence of the internet financial system offers a chance to make essential financial services — sending, spending, and saving money — as accessible, reliable, and seamless as digital communications.

## Traditional Aid Distribution

Can take weeks to transfer funds

Fees and administrative costs can significantly reduce aid impact

Logistical hurdles and other practical challenges can make aid distribution impossible in many countries in crisis

Vulnerable to misappropriation and delayed, inaccurate reporting

Physical assets can be prone to confiscation and theft

Hyperinflation can significantly reduce the value of aid delivered in local currencies

## SPEED

Seconds to minutes to transfer funds

## COST

Greater proportion of aid dollars go to recipients than traditional approaches due to fewer intermediaries

## AVAILABILITY

Can be used 24/7/365 anywhere people have mobile devices in a way that is compliant with applicable regulations

## FRAUD PROTECTION

Traceable digitally in real time

## THEFT PROTECTION

Digital assets can be carried safely and discreetly

## VALUE PROTECTION

Money can be stored as US dollars until the recipient wants to exchange it at any approved off-ramp fiat location

## Aid Distribution with Circle

At Circle, we are working to make this promise a reality for everyone. Our mission is to increase global economic prosperity by enabling the frictionless exchange of value. With only a mobile phone and USDC, we are reaching communities that have been left behind by traditional financial systems.

The benefits of these tools are particularly meaningful in the context of humanitarian aid delivery and disaster relief. In too many instances, existing solutions fall short, often involving flying physical pallets of cash to remote parts of the world or relying on limited, inefficient, and unreliable physical banking infrastructure. These options leave too much room for corruption and too many points for failure in situations where every dollar and every day can make all the difference. In terms of availability, speed, cost, transparency, and value preservation, secure digital dollars dramatically outperform traditional methods of aid delivery.

Circle has partnered with leading United Nations (UN) agencies and other NGOs, to reach the most vulnerable people in some of the hardest-to-reach corners of the world. For example, UNHCR successfully served over 1,500 individuals and disbursed more than \$1.1 million in USDC in a one-year period in support of persons impacted by war and dislocation as a result of Russia's invasion of Ukraine.<sup>61</sup> Core to Circle's mission is our commitment to help responsible humanitarian actors use our technology and other corruption-resistant tools to expand access to vital financial services for the people who need them most. In a recent pilot, UN agencies estimated that USDC enabled them to save 35% on cash transfers, compared to previous payment options – all while reducing settlement times from two weeks to one day.



UNHCR, the UN Refugee Agency, is a global relief organization that protects people forced to flee their homes due to conflict and persecution.

UNHCR delivered a pilot program utilizing blockchain technology to rapidly deliver aid assistance using USDC as transfer value to Ukrainians displaced by the Russian invasion. Recipients were able to safely store USDC in their digital wallets and exchange it for cash at MoneyGram locations to help cover basic necessities including rent. While aid recipient participation was completely voluntary and other payment modalities remain in use, this program is a powerful illustration of the potential for blockchain-based networks to deliver universally portable digital assets in cash assistance to forcibly displaced people and refugees. Plans to scale are underway and are being approached for contexts meeting the specific requirements for cash based interventions, with ongoing assessment and review.

USDC has also become an important tool for immediate, traceable, effective charitable giving, connecting purpose-driven communities globally. As the preferred digital currency for blockchain-based donation platforms, USDC has facilitated millions in charitable contributions in 2023. For recipient institutions, USDC offers significant savings, reducing fees by at least 80% on average per donation, compared to traditional methods.<sup>62</sup> Given the estimated \$550 billion global annual philanthropic value, these savings represent a substantial opportunity to enhance philanthropic engagement and effectiveness.<sup>63</sup>

Circle believes that everyone should be included in the future of money. Despite challenges, we are dedicated to advancing the use of digital dollars and public blockchains where they can have the most significant impact.



The International Rescue Committee (IRC) is a global non-profit organization that helps people whose lives have been shattered by conflict and disaster to survive, recover and rebuild.

Founded in 1933, the IRC — which currently works in over 50 countries — utilized USDC and technology-enabled solutions through a first-of-its-kind digital cash assistance pilot in Ukraine in partnership with Stellar Development Foundation. Using USDC issued by Circle, the program enabled cash assistance in the form of stabilized digital dollars to IRC clients. Additionally, the IRC has engaged in innovative initiatives with Circle, including a pitch competition and thought leadership panels, focused on highlighting and accelerating innovative solutions to the world's biggest challenges.

## Endaoment

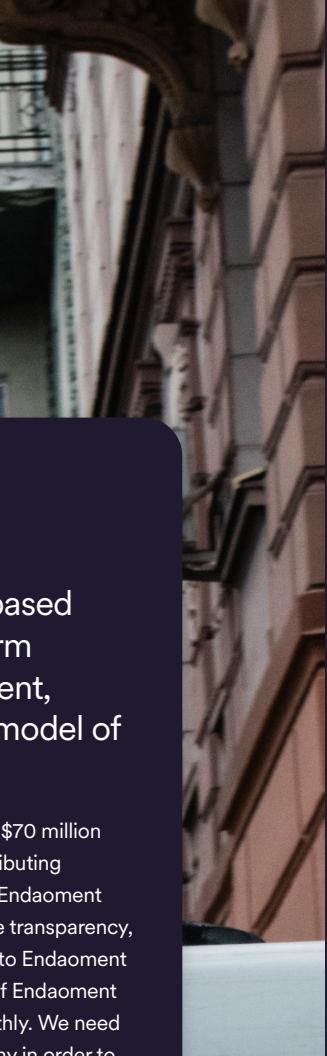
Endaoment is a blockchain-based philanthropic services platform that enables a more transparent, efficient, and cost-effective model of charitable giving.

To date, Endaoment has facilitated more than \$70 million in donations. In addition to receiving and distributing donations via USDC, Circle technology helps Endaoment reduce costs, simplify processes, and increase transparency, reducing administrative overhead. According to Endaoment CEO Robbie Heeger, “USDC is the life force of Endaoment that keeps the whole operation moving smoothly. We need robust stablecoin providers that are trustworthy in order to be able to operate a community foundation that's paying out to thousands of nonprofits across the country.”

## Secure, ready-to-use aid for first responders

Working in coordination with the US government, Airtm leveraged USDC to provide life-saving financial aid to health workers in Venezuela during the pandemic. Hear Ana, Betty, and José share how this program helped them meet key needs — for themselves and their community — during a period of severe distress in Venezuela.

[WATCH THE STORY](#)





# Global Regulatory Clarity Is Coming

Around the world, major jurisdictions are pulling stablecoins and the broader digital assets market into the regulatory light of day.

This includes some of the world's leading economies and financial centers, including in Asia, Europe, the Middle East, and Latin America. Some notable major market outliers, including the United States and United Kingdom, are also coalescing around a series of prudential regulatory frameworks for stablecoins.

In the US, landmark bipartisan legislation is advancing. The Clarity for Payment Stablecoins Act of 2023 passed a floor vote in the House Financial Services Committee in July. Full passage of this bill would address the essential role the US dollar plays as the currency of reference for the world's leading stablecoins. It would also set a standard of accountability, including combating illicit finance, for those operators that borrow trust from the dollar yet shun the basic rules that govern the financial system.

Just as the dot-com bubble bursting or the 2008 financial crisis were necessary preconditions for comprehensive market reforms, new rules and a straightened code of conduct among survivor firms, digital assets are broadly enjoying a cycle of maturation, accountability, and, ultimately, success.

In the UK, meanwhile, a comprehensive set of proposed rules have been issued from the Bank of England, Financial Conduct Authority, and His Majesty's Treasury. These rules would broadly enable digital asset activities in one of the world's most important financial centers.

While nations lay down common rules and frameworks for bringing digital assets into the regulatory perimeter, the regulation of the sector remains the domain of city states and financial centers. In this vein, it is hard to ignore the ongoing leading edge from the veritable capital of the capital markets, New York, whose Department of Financial Services employs a dedicated digital assets regulatory team of more than 60 professionals.

Despite another year of crypto correction in 2023, progress is advancing on a number of fronts.

Next year will see Europe's far-reaching MiCA regulations come into force. MiCA will create a pan-European framework for digital assets, including stablecoins, which will be regulated with equivalent frameworks to e-money. A critical provision in MiCA is passportability across European Union jurisdictions, which will ensure that Europe's population of nearly 750 million people can rely on digital assets offered with legal and regulatory certainty.

2024 may also mark the year that US federal legislation is passed not only for payment stablecoins, but also broader digital assets market structure. This would enact critical bookends in digital asset markets, clarifying regulatory swimlanes between markets and prudential regulators, along with state and federal interests.

In spite of often fierce internece political fighting between Democrats and Republicans in the US — set against the boundaries between state oversight of payments and money transmission and federal preemption — new US laws for digital assets would represent a national win. After all, it was under US leadership of the Financial Action Task Force that the world's first calls to regulate digital assets in a globally harmonized way were made.<sup>64</sup>

Rather than being defined by the worst actors in the crypto economy or the cascading series of interconnected risks, including a wave of bank failures, 2024 presents an opportunity for convergence and demonstrable market value.

Just as the dot-com bubble bursting or the 2008 financial crisis were necessary preconditions for comprehensive market reforms, new rules and a straightened code of conduct among survivor firms, digital assets are broadly enjoying a cycle of maturation, accountability, and, ultimately, success.

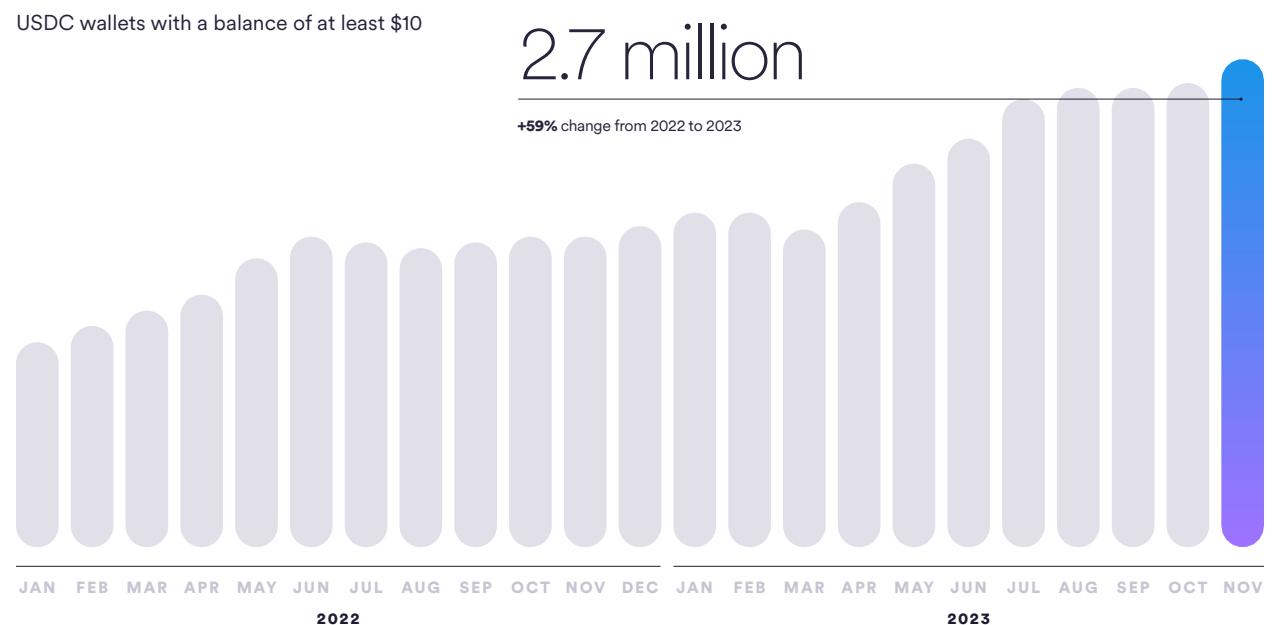
Against this backdrop, well-regulated and trusted payment stablecoins, like USDC and EURC, will see further integration in the global economy as essential forms of digital money. Public money is the trust anchor of these innovations. Their ultimate reach to billions of people who have remained persistently on the margins of the formal economy can only be achieved through a value chain that espouses responsible financial innovation, promotes financial inclusion and, critically, is responsive to global financial integrity norms that do not allow illicit activity to take root.

# USDC by the Numbers

Rising interest rates, regulatory crackdowns, bankruptcies, and outright fraud have played a major role in compressing the total digital asset economy over the past year.

USDC has not been immune to these forces. Total outstanding circulation dropped from about \$45 billion to about \$25 billion through the end of November 2023.<sup>65</sup> Higher interest rates in traditional markets increase the opportunity costs of holding USDC, because holders do not earn interest on their USDC.

## Recent USDC wallet growth<sup>66</sup>



We have also seen more widespread use of USDC for payments, store of value, and other purposes. Its use by technical audiences is on the rise, too, with various measures of developer adoption demonstrating the utility and demand for USDC and public blockchains. In short, the USDC ecosystem continues to expand all while Circle's compliance team leverages tools, expertise, and rigorous processes to ensure USDC stays in the hands of good actors.

## Network size metrics

One way to measure the size of the USDC network is to focus on individual wallets that are directly on a blockchain network. These wallets are the starting point for all USDC activity, whether it is a business connecting to a smart contract to send payroll, an investor using it to access a product or service, or friends splitting a check after dinner.

**USDC wallets** — The number of USDC wallets with a balance of at least \$10 has grown 59% in the last year alone to a total of about 2.7 million.

## Network activity and performance metrics

These are several measures Circle studies to determine activity driven by USDC in 2023.

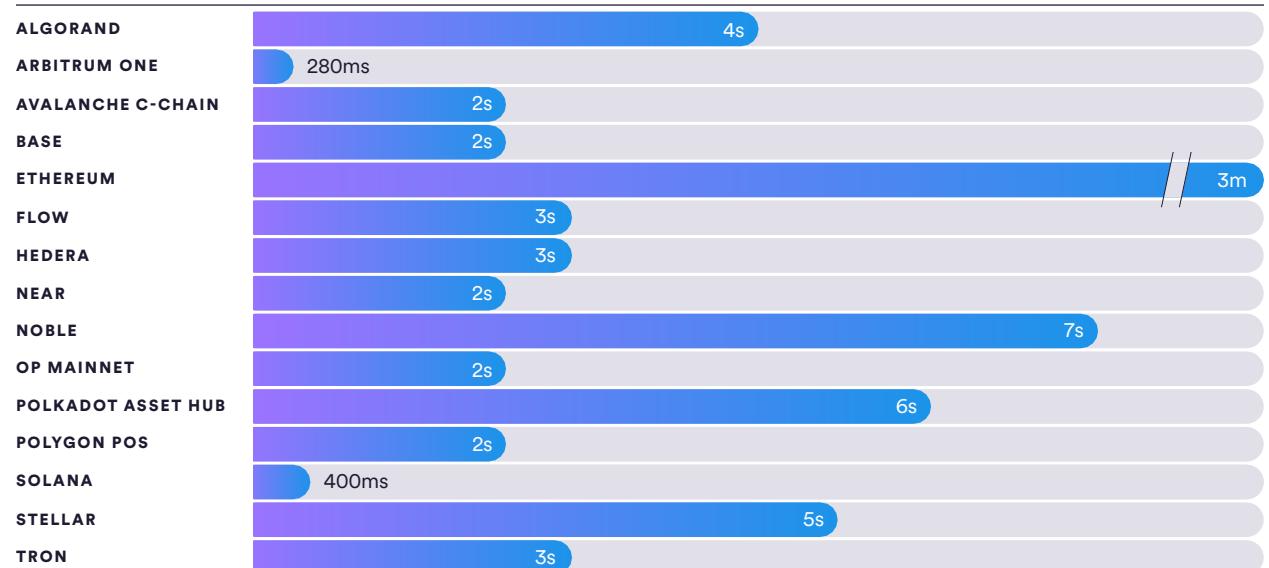
**Number of transactions** — 595 million through the end of November 2023.

**Cross-Chain Transfer Protocol (CCTP)** — 66,500 transactions since release in April 2023.

On performance, novel infrastructure is at the heart of what makes blockchain-based finance so innovative. To make USDC as ubiquitous as possible, it is available on 15 different blockchains.<sup>66</sup> This open technology architecture also combats two insidious trends in financial services. The first is the walled-garden problem, in which competitive payment systems are not technologically conversant with one another, exacting high fees or settlement delays for even basic financial transactions. The second, is the risk of technological obsolescence, which public blockchains mitigate by serving as constantly upgradable internet scale financial infrastructure.

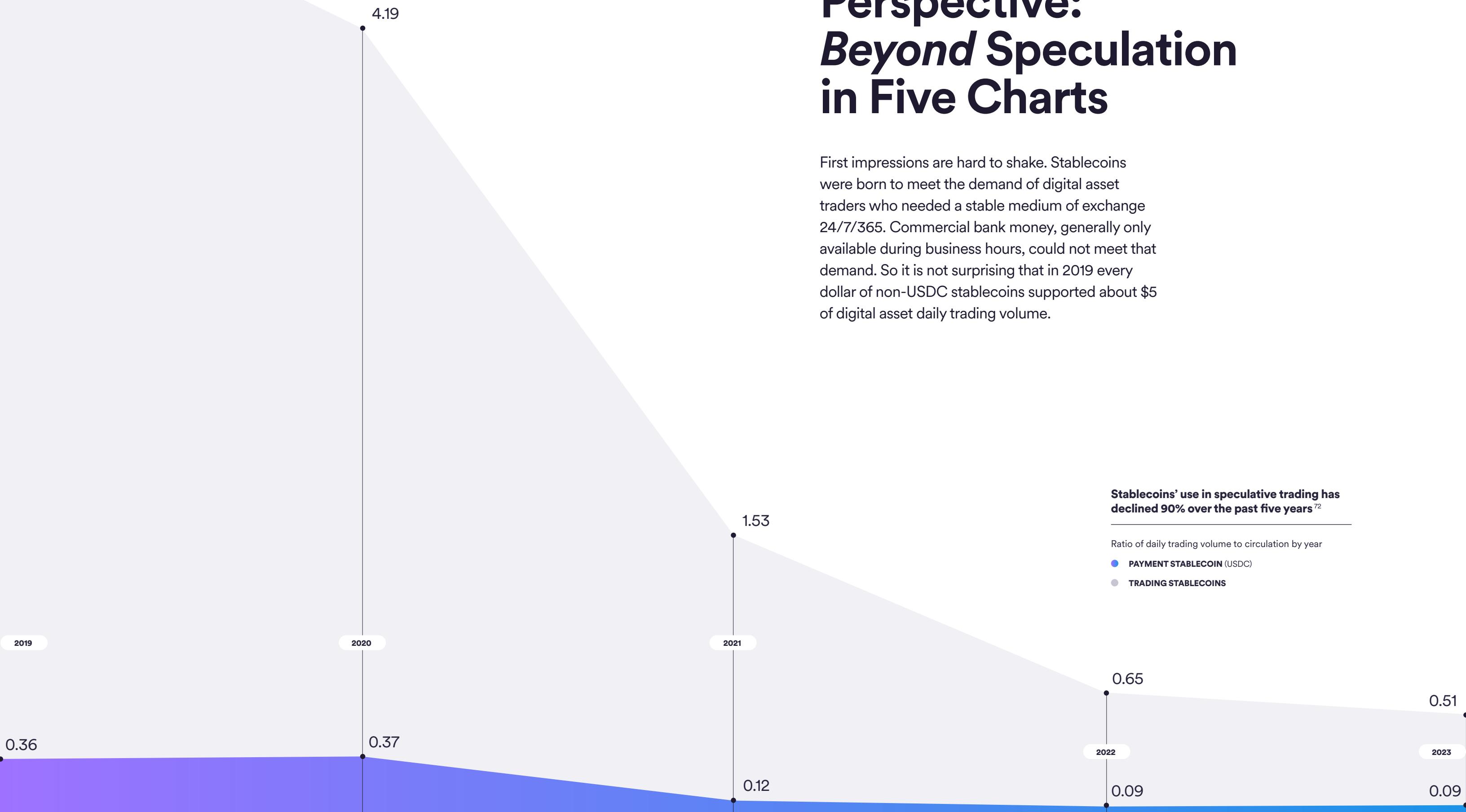
USDC not only settles faster than traditional forms of payments, it is also cheaper. Even on Ethereum, which is known for sometimes having high gas fees, the average cost per transaction with USDC in 2023 was less than 1%. On other blockchains, such as Solana, it was less than a tenth of a percent.<sup>67</sup>

## USDC settlement times per blockchain network<sup>65</sup>



# USDC Macro Perspective: *Beyond Speculation* in Five Charts

First impressions are hard to shake. Stablecoins were born to meet the demand of digital asset traders who needed a stable medium of exchange 24/7/365. Commercial bank money, generally only available during business hours, could not meet that demand. So it is not surprising that in 2019 every dollar of non-USDC stablecoins supported about \$5 of digital asset daily trading volume.



Each dollar worth of USDC, in contrast, supported less than 50 cents of daily trading volume in 2019. That is because we created USDC with the intention of serving as a medium of exchange for general payments and as a strong digital dollar store of value. When we first launched USDC in 2018, we said we envisioned many “use cases where USDC has the potential to be extremely useful, from all sorts of payments and commerce (P2P payments, merchant

payments, B2B payments, cross border payments, consuming virtual goods and other non-fungible tokens, Internet-of-Things payments)...to further applications within financial contracts.”<sup>69</sup>

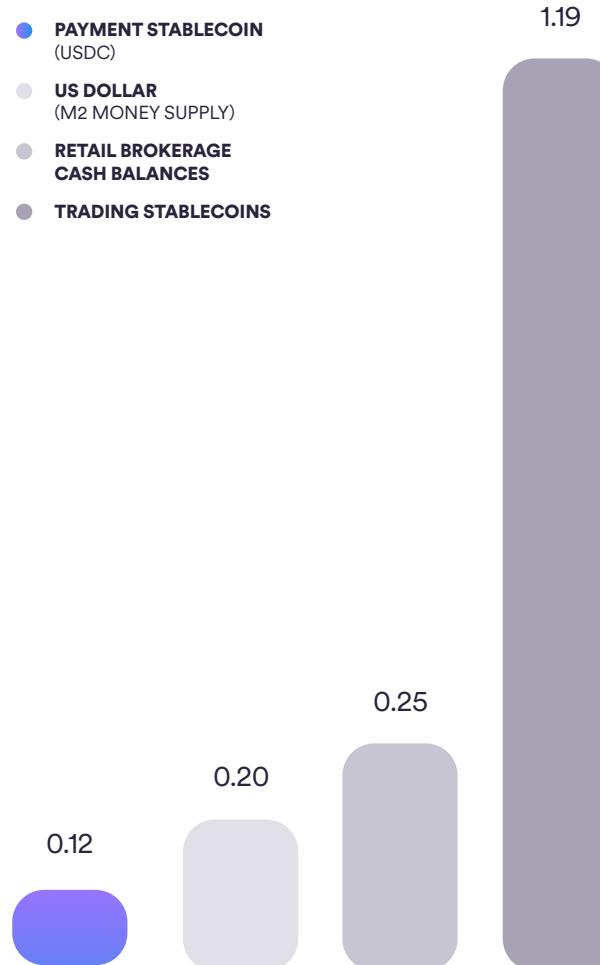
In fact, empirical and anecdotal evidence make clear USDC has evolved into a form of general-purpose money. Its ‘moneyness’ has also been recognized by the Federal Reserve — Chairman Jerome Powell testified in Congress that “We do see stablecoins as a form of money.”<sup>70</sup> Other parts

of this report detail the anecdotal evidence of USDC’s non-speculative use cases — whether it is enabling remittances and cross-border payments, reducing frictions in payroll flows, or as a store of value for people trying to fend off the negative effects of high inflation.

The five charts in this section empirically support the anecdotal evidence about the evolving use of USDC beyond speculative purposes.<sup>71</sup>

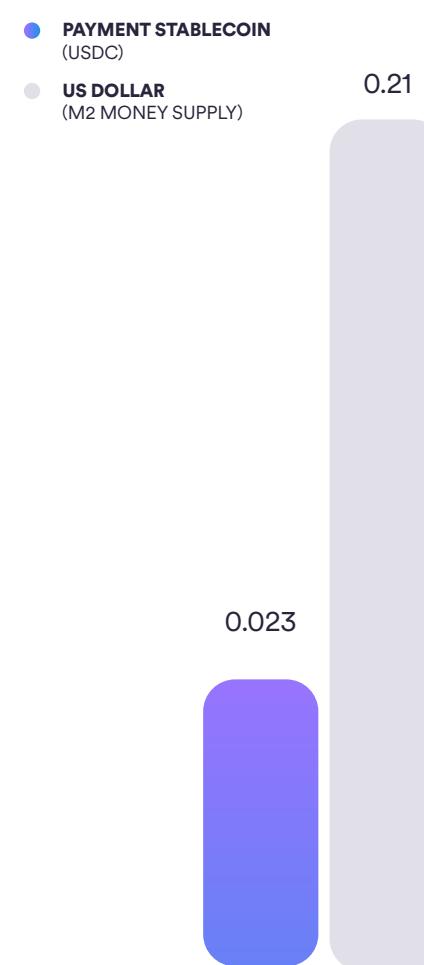
### Payment stablecoins are used less in crypto trading than fiat dollars are used in traditional asset trading<sup>72</sup>

Average ratio of collateralized borrowing to circulation per dollar (2021-2023)



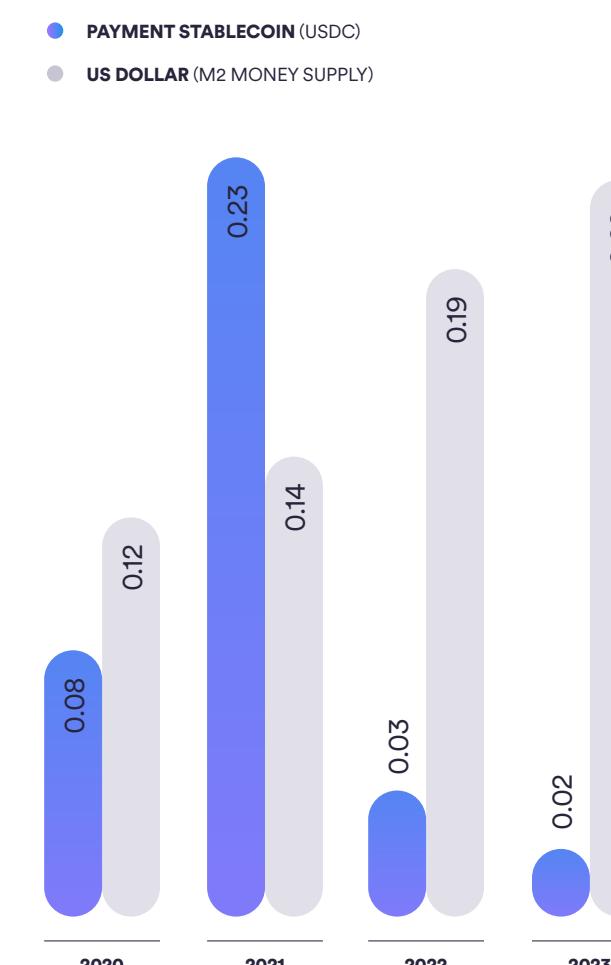
### There is less leverage based on payment stablecoins than fiat dollars<sup>72</sup>

Average ratio of collateralized borrowing to circulation per dollar (2022-2023)



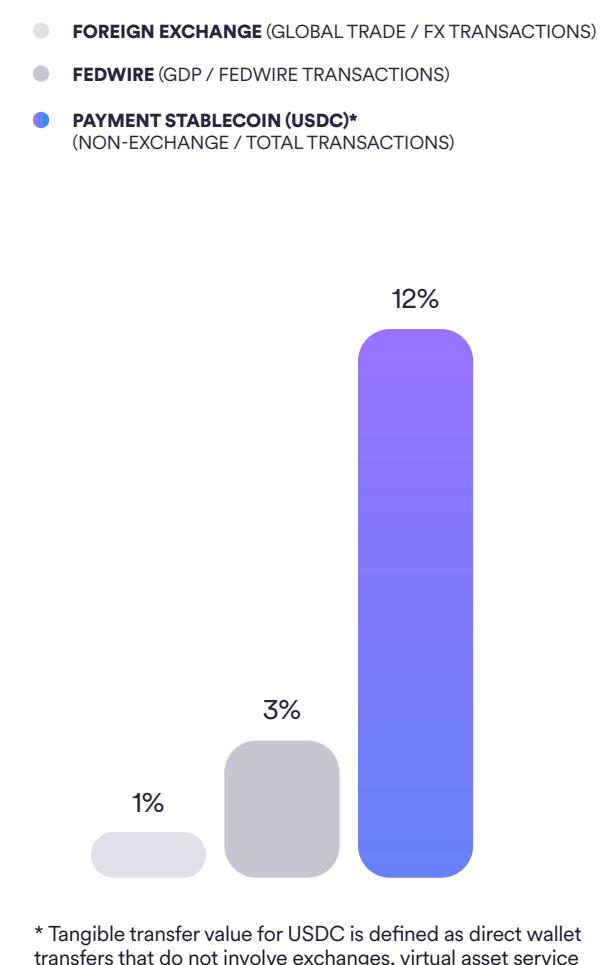
### Stablecoins' use for leverage has also declined over time<sup>72</sup>

Ratio of borrowing collateralized by financial instruments to circulation by year



### Payment stablecoins are used more for tangible economic value transfers than common fiat settlement rails<sup>72</sup>

Ratio of non-financial transaction relative to total transaction values (2020-2023)



\* Tangible transfer value for USDC is defined as direct wallet transfers that do not involve exchanges, virtual asset service providers, and decentralized finance smart contracts.

## About Circle

# Building a new internet financial system

Circle is delivering the largest and most widely used stablecoin network — for billions of people, millions of businesses, and developers everywhere. In doing so, we are building toward our mission to raise global economic prosperity through the frictionless exchange of value.

Circle is the issuer of USDC, a digital dollar that is secure, programmable, and globally available. Existing natively on the internet, USDC is a faster, safer, and more efficient way to send, spend, and exchange money around the globe at near-zero cost. Circle also offers powerful stablecoin infrastructure and Web3 services, such as Circle Mint, Programmable Wallets, and the Cross-Chain Transfer Protocol. Together with USDC, these solutions enable businesses, developers, and end users to move value globally and seamlessly, unlocking new opportunities for people everywhere.

Meet our leadership team, committed to holding Circle to the highest standard while building a more open financial system that supports global prosperity.



**Jeremy Allaire**  
Co-Founder, CEO & Chairman of the Board



**Elisabeth Carpenter**  
Chief Operating Officer



**Dante Disparte**  
Chief Strategy Officer & Head of Global Policy



**Heath Tarbert**  
Chief Legal Officer & Head of Corporate Affairs



**Li Fan**  
Chief Technology Officer



**Nikhil Chandok**  
Chief Product Officer



**Kash Razzaghi**  
Chief Business Officer



**Jeremy Fox-Geen**  
Chief Financial Officer



**Mandeep Walia**  
Chief Compliance & Risk Officer



**Brian Christman**  
Chief People Officer

# Appendix

- 1 "Technological Change." *Our World in Data*. Retrieved from: <https://ourworldindata.org/technology-adoption#internet-access-technology>
- 2 "The International Role of the U.S. Dollar." *U.S. Federal Reserve*. October 6, 2021. Retrieved from: <https://www.federalreserve.gov/econres/notes/feds-notes/the-international-role-of-the-u-s-dollar-20211006.html>
- 3 "The Innocent Greenbacks Abroad: U.S. Currency Held Internationally." *Federal Reserve Bank of St. Louis*. October 18, 2022. Retrieved from: <https://www.stlouisfed.org/on-the-economy/2022/oct/innocent-greenbacks-abroad-us-currency-held-internationally>
- 4 For a list of jurisdictions where Circle is licensed, see [www.circle.com/en/legal/licenses](http://www.circle.com/en/legal/licenses)
- 5 As of November 30, 2023, which is the cut off for all data in this report, unless otherwise noted
- 6 "34 amazing cloud computing stats (2023)." *Exploding Topics*. November 24, 2022. Retrieved from: <https://explodingtopics.com/blog/cloud-computing-stats#enterprise-cloud-computing-stats>
- 7 "Almost half of Asia Pacific prefers digital payments." *Techwire Asia*. February 11, 2021. Retrieved from: <https://techwireasia.com/2021/02/almost-half-of-asia-pacific-prefers-digital-payments/>
- 8 "Southeast Asian Consumers Are Driving a Digital Payment Revolution." *Boston Consulting Group*. May 20, 2020. Retrieved from: <https://www.bcg.com/publications/2020/southeast-asian-consumers-digital-payment-revolutions>
- 9 "The 2022 Geography of Cryptocurrency Report." *Chainalysis*. Retrieved from: <https://go.chainalysis.com/geography-of-crypto-2022-report.html>
- 10 "MAS Finalises Stablecoin Regulatory Framework." *Monetary Authority of Singapore*. August 15, 2023. Retrieved from: <https://www.mas.gov.sg/news/media-releases/2023/mas-finalises-stablecoin-regulatory-framework>
- 11 "FSA Weekly Review No.540." *Financial Services Authority of Japan*. June 8, 2023. Retrieved from: <https://www.fsa.go.jp/en/newsletter/weekly2023/540.html>
- 12 "Conclusion of discussion paper on crypto-assets and stablecoins." *Hong Kong Monetary Authority*. January 31, 2023. Retrieved from: <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2023/01/20230131-9/>
- 13 "Dante Disparte: How Web3 will level the playing field and unlock income equality." *The World Economic Forum*. May 25, 2022. Retrieved from: <https://www.weforum.org/agenda/2022/05/what-is-web3-why-care-future/>
- 14 "U.S. Share of Blockchain Developers is Shrinking." *Electric Capital*. March 2023. Retrieved from: <https://github.com/electric-capital/developer-reports/raw/master/Blockchain%20Developer%20Geography%20Analysis%202023.pdf>
- 15 "GDP (current US\$) - South Asia, East Asia & Pacific." *The World Bank*. Retrieved May 24, 2023. Retrieved from: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=8S-Z4>
- 16 "Toward Inclusive Access to Trade Finance." *Asia Development Bank*. August 2022. Retrieved from: <https://www.adb.org/sites/default/files/publication/819856/inclusive-access-trade-finance.pdf>
- 17 "Remittances Remain Resilient but Likely to Slow." *The World Bank*. June 13, 2023. Retrieved from: <https://www.worldbank.org/en/news/press-release/2023/06/13/remittances-remain-resilient-likely-to-slow>
- 18 "Personal Remittances Reach a New Record High in December 2022; Full-Year Level of US\$36.1 Billion Highest to Date." *Bangko Sentral ng Pilipinas*. February 15, 2023. Retrieved from: <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemID=6617>
- 19 "Latin America – Statistics & Facts." *Statista*. November 22, 2022. Retrieved from: <https://www.statista.com/topics/3287/latin-america/#topicOverview>
- 20 Ibid.
- 21 "Number of software developers involved in offshore development in Latin America in 2022, by country." *Statista*. June 26, 2023. Retrieved from: <https://www.statista.com/statistics/1290785/software-developers-involved-in-offshore-development-latin-america/#:~:text=Software%20developers%20involved%20in%20offshore%20development%20Latin%20America%202021%2C%20by%20country&text=In%202021%2C%20there%20were%20approximately,Argentina%20totaled%20over%201000%20thousand>
- 22 "Why Latin American Developers are 400% more popular than 5 years ago." *CodersLink*. February 24, 2021. Retrieved from: <https://coderslink.com/employers/blog/why-latin-american-developers-are-400-more-popular-than-5-years-ago/>
- 23 "The Rise and Impact of Fintech in Latin America." *The International Monetary Fund*. March 29, 2023. Retrieved from: <https://www.imf.org/en/Publications/fintech-notes/Issues/2023/03/28/The-Rise-and-Impact-of-Fintech-in-Latin-America-531055>
- 24 "How big is Fintech Market in Latin America? The surprising truth." *Newtopia VC*. January 6, 2023. Retrieved from: <https://newtopia.vc/vc-blog/latam-fintech/how-big-is-fintech-market-in-latin-america/>
- 25 Ibid.
- 26 Ibid.
- 27 "Latin America's Key Crypto Adoption Drivers: Storing Value, Sending Remittances, and Seeking Alpha." *Chainalysis*. October 30, 2022. Retrieved from: <https://blog.chainalysis.com/reports/latin-america-cryptocurrency-geography-report-2022-preview/>
- 28 "Latin America's crypto conquest is driven by consumers' needs." *Mastercard*. June 21, 2022. Retrieved from: <https://www.prnewswire.com/news-releases/latin-america-s-crypto-conquest-is-driven-by-consumers-needs-819718066.html>
- 29 Ibid.
- 30 "Latin America – Statistics & Facts." *Statista*. November 22, 2022. Retrieved from: <https://www.statista.com/topics/3287/latin-america/#topicOverview>
- 31 "Brazil's Central Bank Selects 14 Participants for CBDC Pilot." *CoinDesk*. May 25, 2023. Retrieved from: <https://www.coindesk.com/policy/2023/05/25/brazils-central-bank-selects-14-participants-for-cbdc-pilot/>
- 32 "Latin America's crypto conquest is driven by consumers' needs." *Mastercard*. June 21, 2022. Retrieved from: <https://www.prnewswire.com/news-releases/latin-america-s-crypto-conquest-is-driven-by-consumers-needs-819718066.html>
- 33 "Digital Banking in Sub-Saharan Africa." *BPC and Fincog*. Retrieved from: [https://www.bpcbt.com/hubs/2022\\_campaigns/DGB%20report%20Africa/BPC\\_Digital%20banking%20in%20Africa.pdf](https://www.bpcbt.com/hubs/2022_campaigns/DGB%20report%20Africa/BPC_Digital%20banking%20in%20Africa.pdf)
- 34 "Millions in the Middle East are unbanked. Can fintech platforms change that?" *Fast Company*. August 4, 2022. Retrieved from: <https://fastcompany.com/technology/millions-in-the-middle-east-are-unbanked-can-fintech-platforms-change-that/>
- 35 "Mobile money transactions value by region from 2020 to 2022." *Statista*. 2023. Retrieved from: <https://www.statista.com/statistics/1139947/mobile-money-accounts/>
- 36 "Africa's population will double by 2050." *The Economist*. March 26, 2020. Retrieved from: <https://www.economist.com/special-report/2020/03/26/africas-population-will-double-by-2050>
- 37 "Population of Africa in 2021, by age group." *Statista*. April 28, 2023. Retrieved from: <https://www.statista.com/statistics/1226211/population-of-africa-by-age-group/#:~:text=Africa%20is%20the%20continent%20with,low%20at%20around%2020%20years>
- 38 "Africa Developer Ecosystem, 2021." *Google and Accenture*. Retrieved from: <https://kstatic.googleusercontent.com/files/f219199e88543ce5ba3925e4ddbc6d104fe2e995c7f3338a6d88554890372ca442a6a23c9a17f94e06b143eba71d4652cbea529d4e2b6b5646da8f46736615#:~:text=In%202021%2C%20COVID%2D19%20continued,contraction%20of%20the%20global%20economy>
- 39 "Mobile money - six ways in which the ecosystem is evolving." *Ericsson*. December 13, 2022. Retrieved from: <https://www.ericsson.com/en/blog/2022/12/mobile-money-six-ways-in-which-the-ecosystem-is-evolving-part1>
- 40 "The 2023 Geography of Cryptocurrency Report." *Chainalysis*. October, 2023. Retrieved from: <https://go.chainalysis.com/rs/503-FAP-074/images/The%202023%20Geography%20of%20Cryptocurrency%20Report.pdf?version=0>
- 41 "Blockchain Jobs Report 2023." *Coincub*. June, 2023. Retrieved from: <https://coincub.com/ranking/blockchain-jobs-report-2023/>
- 42 "Developer Report." *Electric Capital*. Retrieved from: <https://www.developerreport.com/developer-report-geography>
- 43 "First EU-Wide Crypto Regulations Clear Final Parliament Vote." *Bloomberg*. April 20, 2023. Retrieved from: <https://www.bloomberg.com/news/articles/2023-04-20/eu-s-mica-crypto-regulations-clear-final-parliament-vote>
- 44 "Crypto Banking Report 2023." *Coincub*. Retrieved from: <https://coincub.com/ranking/report-crypto-friendly-banks-in-2023/>
- 45 "First EU-Wide Crypto Regulations Clear Final Parliament Vote." *Bloomberg*. April 20, 2023. Retrieved from: <https://www.bloomberg.com/news/articles/2023-04-20/eu-s-mica-crypto-regulations-clear-final-parliament-vote>
- 46 "Developer Report." *Electric Capital*. Retrieved from: <https://www.developerreport.com/developer-report-geography>
- 47 "MiCA's impact on the EU crypto industry and beyond." *Circle*. March 20, 2023. Retrieved from: <https://www.circle.com/blog/micas-impact-on-the-eu-crypto-industry-and-beyond>
- 48 "Circle Applies for Regulatory Approvals in France, Doubling Down on European Expansion." *Circle*. April 7, 2023. Retrieved from: <https://www.circle.com/en/pressroom/circle-applies-for-regulatory-approvals-in-france-doubling-down-on-european-expansion>
- 49 "Government sets out plan to make UK a global cryptoasset technology hub." *Gov.UK*. April 4, 2022. Retrieved from: <https://www.gov.uk/government/news/government-sets-out-plan-to-make-uk-a-global-cryptoasset-technology-hub>
- 50 "Dollar Usage in Global Payments in July Rises to Record, Swift Says." *Bloomberg*. August 23, 2023. Retrieved from: <https://www.bloomberg.com/news/articles/2023-08-24/dollar-usage-in-global-payments-in-july-rises-to-record-swift-says>
- 51 "SAP Digital Payments Platform Pilots Cross-Border Transactions." *Inside SAP*. June 28, 2023. Retrieved from: <https://insidesap.com/sap-digital-payments-platform-pilots-cross-border-transactions/>
- 52 "London is still World's Biggest FX Trading Hub But Grip Slipping." *Bloomberg*. October 27, 2022. Retrieved from: <https://www.bloomberg.com/news/articles/2022-10-27/london-is-still-world-s-biggest-fx-trading-hub-but-grip-slipping>
- 53 "On-chain Foreign Exchange and Cross-border Payments." *Uniswap*. January 18, 2023. Retrieved from: <https://uniswap.org/OnchainFX.pdf>
- 54 "Total Remittance Inflows and Outflows, 1980 - Present." *Migration Policy Institute*. Accessed December 5, 2023. Retrieved from: <https://www.migrationpolicy.org/programs/data-hub/charts/total-remittance-inflows-and-outflows-1980-present>
- 55 "GDP (current US\$)." *The World Bank*. Accessed December 5, 2023. Retrieved from: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>
- 56 "Inside The Competition for Big Money: How tokenization and digital money may transform high-value payments and wholesale finance." *Oliver Wyman Forum*. Accessed December 6, 2023. Retrieved from: <https://www.oliverwymanforum.com/content/dam/oliver-wyman/ow-forum/future-of-money/CompetingVisions/Inside-The-Competition-For-Big-Money.pdf>
- 57 "'The International Role of the U.S. Dollar' Post-COVID Edition." *U.S. Federal Reserve*. June 23, 2023. Retrieved from: <https://www.federalreserve.gov/econres/notes/the-international-role-of-the-us-dollar-post-covid-edition-20230623.html>
- 58 "Dollar Dominance Monitor." *The Atlantic Council*. Retrieved from: <https://www.atlanticcouncil.org/programs/geoeconomics-center/dollar-dominance-monitor/>
- 59 *Coinmarketcap.com*
- 60 "Dollar Dominance Monitor." *The Atlantic Council*. Retrieved from: <https://www.atlanticcouncil.org/programs/geoeconomics-center/dollar-dominance-monitor/>
- 61 "A Year of Impact and Innovation." *Stellar Development Foundation*. December 20, 2023. Retrieved from: <https://stellar.org/blog/thought-leadership/one-year-of-stellar-aid-assist>
- 62 Circle analysis
- 63 "Philanthropy and the Global Economy: Opportunities in a World of Transition." *Citi*. November 17, 2021. Retrieved from: <https://www.citigroup.com/global/insights/citigps/philanthropy>
- 64 "Outcomes FATF Plenary, 17-19 October 2018." *Financial Action Task Force*. October 17-19, 2018. Retrieved from: <https://www.fatf-gafi.org/en/publications/Fatfgeneral/Outcomes-plenary-october-2018.html>
- 65 As of 1/5/2024 at 11am ET  
<https://www.algorand.foundation/news/jump-into-web3-with-algorand>  
<https://docs.arbitrum.io/tx-lifecycle>  
<https://docs.avax.network/learn/avalanche/consensus>  
<https://basescan.org/blocks>  
<https://help.coinbase.com/en/coinbase/getting-started/crypto-education/glossary/confirmations>  
<https://developers.circle.com/circle-mint/docs/blockchain-confirmations#confirmations>  
<https://flow.com/primer>  
<https://hedera.com/>  
<https://docs.near.org/integrator/exchange-integration#blocks-and-finality>  
<https://www.mintscan.io/noble/block>  
<https://optimistic.etherscan.io/blocks>  
<https://wiki.polkadot.network/docs/learn-consensus>  
<https://polygonscan.com/blocks>  
<https://solana.com/>  
<https://stellar.org/use-cases/tokenization-platform>  
<https://developers.tron.network/docs/block#block-interval>
- Note: Circle Mint recognizes settlement times per blockchain based on a variety of factors that Circle has considered, including a given chain's historical performance, reorganizations, and overall architecture, and they do not reflect the blockchain networks' inherent requirements or limits.
- 66 The settlement times reflect what is possible with Circle Mint
- 67 Circle analysis
- 68 Circle analysis
- 69 "USD Coin launches with wide ecosystem support." *Circle*. September 26, 2018. Retrieved from: <https://www.circle.com/blog/usd-coin-launches-with-wide-ecosystem-support>
- 70 "Fed Powell Sees 'Stablecoins as Money'." *Yahoo! Finance*. June 21, 2023. Retrieved from: <https://finance.yahoo.com/news/fed-powell-sees-stablecoins-money-020258181.html>
- 71 "Beyond Speculation: Payment Stablecoins for Real-time Gross Settlements." *SSRN*. June 22, 2023. Retrieved from: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4476859](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4476859)