



# The Power of USDC

## EXCHANGES

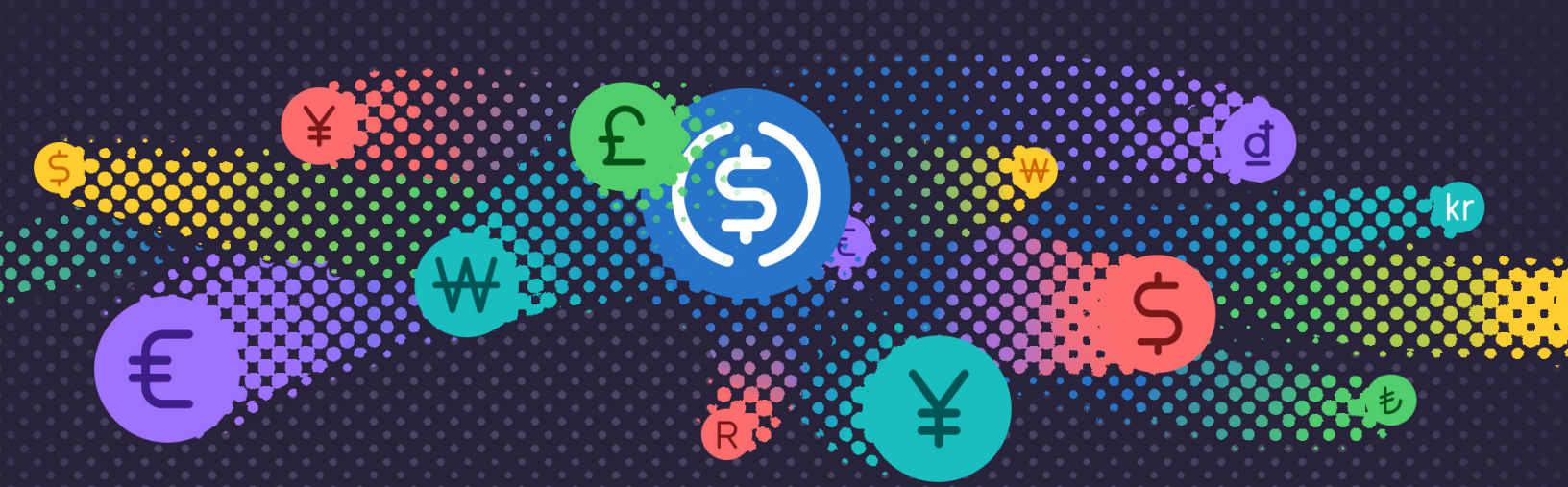
### Why Crypto Exchanges Love USDC

In a little over a year since the launch of **USD Coin** (USDC), it has become one of the most popular quote currencies on digital asset exchanges across the globe. Currently, 60+ exchanges—including Binance, Coinbase Pro, and Poloniex—support

the dollar-backed stablecoin. And that number is on the rise.

Why do so many exchanges choose to list USDC when, unlike bitcoin (BTC) and other cryptoassets, it doesn't grow in value? We'll answer that question and more in this article.





# What is a stablecoin? What is USDC?

Stablecoins are cryptoassets designed to maintain a stable value. Where cryptoassets like bitcoin (BTC) are known for their price volatility, stablecoins maintain a consistent and predictable level of buying power.

**USDC** is a stablecoin backed 1:1 by US dollars, meaning each USDC is always worth one US dollar—in fact, every month, Circle’s US dollar reserves for USDC are attested to by a top accounting firm, Grant Thornton LLC.

USDC makes it easy for people to seamlessly and quickly move value. So far, more than \$1 billion USDC has been issued since it was launched in September 2018. Because USDC was introduced by the CENTRE Consortium, a joint venture co-founded by Circle and Coinbase, it has a leg-up on other stablecoins: Customers can go to Circle or Coinbase to get or redeem USDC for US dollars. Circle doesn’t charge fees for **tokenizing or redeeming USDC**.

**Convert local currencies from 80+ countries to USDC**

If you want to try USDC, find out how at [circle.com/tokenizer](https://circle.com/tokenizer).

# 5 Reasons Exchanges Love USDC

## USDC Acts as a Fiat On-Ramp

Exchanges love USD-backed stablecoins, such as USDC, because they can act as replacements for fiat currency on-ramps. If an exchange accepts USDC, it does not necessarily need to provide fiat currency deposit and withdrawal options.

Instead, traders can tokenize USD to USDC and then transfer their USDC on-chain to any exchange with USDC trading pairs.

Stablecoins like USDC can, therefore, reduce the reliance on fiat on-ramps for crypto exchanges, which have historically struggled to enter into and maintain banking relationships.

## USDC Lets Exchanges Access New Markets

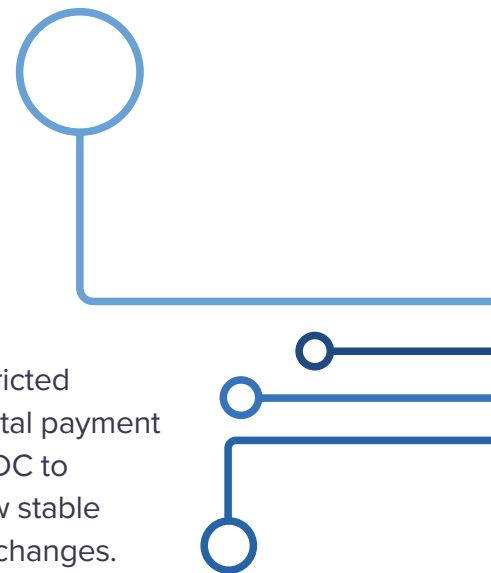
Exchanges that support USDC and other stablecoins are able to access more clients.

Traditional digital payment systems, such as PayPal and Stripe, only support a limited number of countries. Additionally, not all banks are happy to conduct wire transfers to and from digital asset exchanges. These challenges limit the number of markets that can be accessed by exchanges to those that only offer traditional fiat currency payment methods.

Conversely, crypto trading platforms that accept stablecoins have the ability to penetrate more

markets and open access to new customers globally.

Traders who are located in countries with limited banking penetration and restricted access to legacy digital payment systems can use USDC to deposit and withdraw stable value to and from exchanges.



## USDC is a Trusted Quote Currency

While cryptocurrencies and blockchains are built on trust-minimized technology, trust plays an essential role in the cryptoasset markets. Traders and exchanges need to know that their funds are secure when holding a particular digital asset.

USDC is backed 1:1 by US dollars held in a regulated financial institution. USDC is also issued by a regulated entity, while a leading accounting firm, Grant Thornton LLC, attests Circle's USDC dollar reserves every month. This provides an unprecedented level of trust and transparency for a stablecoin.

USDC allows exchanges to offer a regulated, fiat-backed stablecoin as a quote currency for

popular trading pairs. This enables traders to hold a stable asset that hedges against volatility and have funds ready to deploy on-exchange when the opportunity strikes.

## USDC Builds on Global Demand for US Dollars

What sets US dollar-pegged stablecoins, like USDC, apart from cryptocurrencies such as bitcoin, is that there is global demand for US dollars.

Individuals that live in countries that suffer from economic instability, hyperinflation and weakening local currencies have a natural tendency to move their funds into the US dollar. However, not everyone has access to USD bank accounts in these jurisdictions. And in many instances, there are capital restrictions that may discourage citizens from holding funds in foreign currencies.

As a result, more individuals and companies are looking to move capital into dollar-backed stablecoins to gain exposure to USD. The decentralized nature of stablecoins, such as USDC, means that users can store, send, and receive tokenized US dollars regardless of where in the world they are located.

## USDC is Easy to Set Up

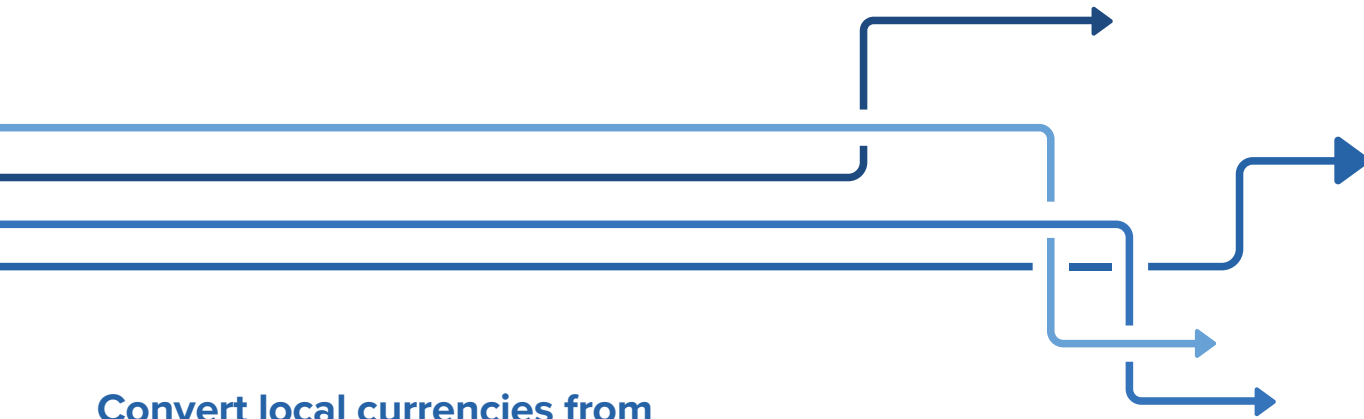
USDC is based on the ERC-20 Ethereum token standard. Thus, any exchange that already supports ETH and ERC-20 tokens can easily add USDC to its selection of supported assets.

There is no need to perform a code review on a new blockchain, vet the team behind the cryptocurrency, or worry about nuances between different token standards. For exchanges that support Ethereum tokens, USDC is effectively plug-and-play.

# More to come

Stablecoins have become the preferred digital asset for exchange traders on exchanges. They expedite settlement, move seamlessly across exchanges and are a solid on-exchange store of value. This allows traders to execute advanced trading strategies and quickly deploy capital in the markets without moving through the banking system.

USDC is a fast, flexible, easy-to-use digital currency that can help exchanges access more markets and acquire new customers that want a stable base currency for their trading capital. We expect the number of reputable digital asset exchanges that support USDC to continue to grow.



## Convert local currencies from 80+ countries to USDC

If you want to try USDC, find out how at [circle.com/tokenizer](https://circle.com/tokenizer)

## For further reading

[Get USDC](#)

[Report: Celebrating the First Anniversary of USDC, the World's Fastest Growing Stablecoin](#)

[A Deeper Look at Stablecoins and USDC](#)