

# Stablecoins

## Past / Present / Future



[b2broker.com](https://b2broker.com)



[b2binpay.com](https://b2binpay.com)

**Arthur Azizov, CEO**

# Stablecoins – overview

as of 21 February

## Stablecoins

Types of cryptocurrency aiming to deliver price stability by having their value pegged to another asset:

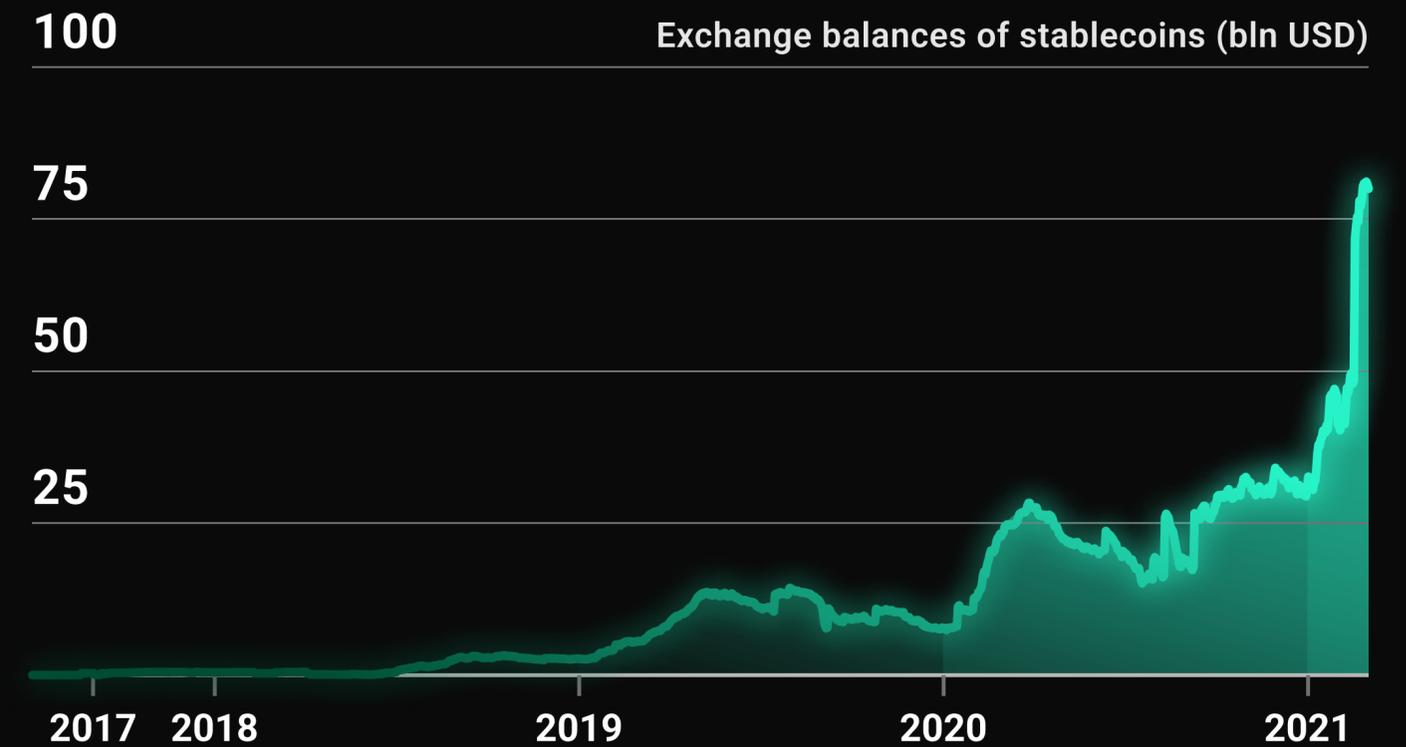
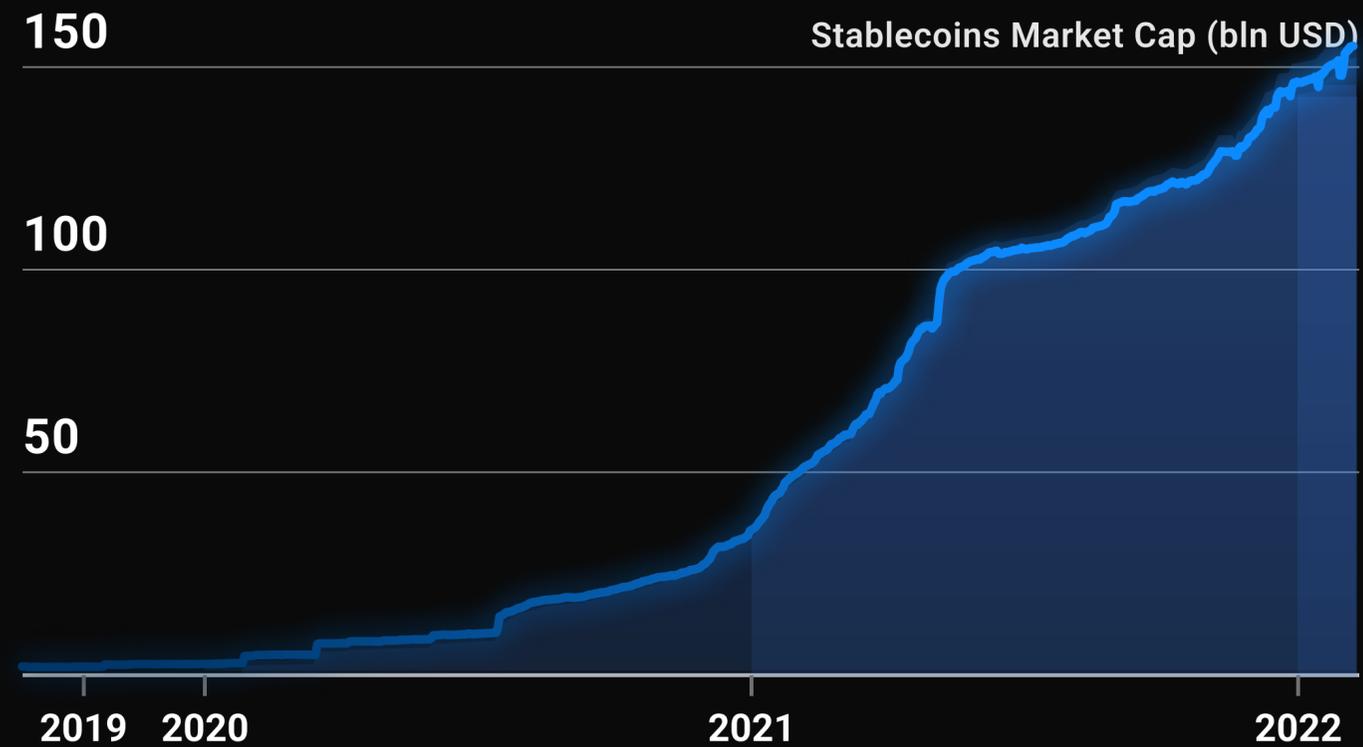
- Commodities
- Fiat Currencies
- Crypto Assets

Use cases	
<b>Financial Intermediaries (brokers)</b>	<ul style="list-style-type: none"> <li>Accepting payments</li> <li>Investment of clients funds (DeFi staking)</li> <li>Financial engineering</li> </ul>
<b>Banks</b>	<ul style="list-style-type: none"> <li>Providing Payments</li> <li>Widening types of account</li> <li>Custody collateral</li> <li>Management of collateral</li> </ul>
<b>Non-Financial business</b>	<ul style="list-style-type: none"> <li>Accepting payments</li> <li>Saving Account</li> <li>Investment</li> </ul>
<b>Exchanges</b>	<ul style="list-style-type: none"> <li>Payments</li> <li>Trading</li> </ul>
<b>Users</b>	<ul style="list-style-type: none"> <li>Use instead of Fiat</li> <li>Investment</li> <li>Deposits/staking</li> </ul>

Name	Market Cap, bln \$	24h volume, bln \$
 <b>Tether</b> USDT	<b>79.1</b>	<b>46.8</b>
 <b>USD Coin</b> USDC	<b>52.6</b>	<b>3.1</b>
 <b>Binance USD</b> BUSD	<b>18.1</b>	<b>3.7</b>
 <b>TerraUSD</b> UST	<b>12.1</b>	<b>0.3</b>
 <b>Dai</b> DAI	<b>10.2</b>	<b>0.3</b>

# Stablecoins in numbers (1/2)

Based on Coin Market Cap data (as of 21 February)



Stablecoins exceeded

**\$150 bln**

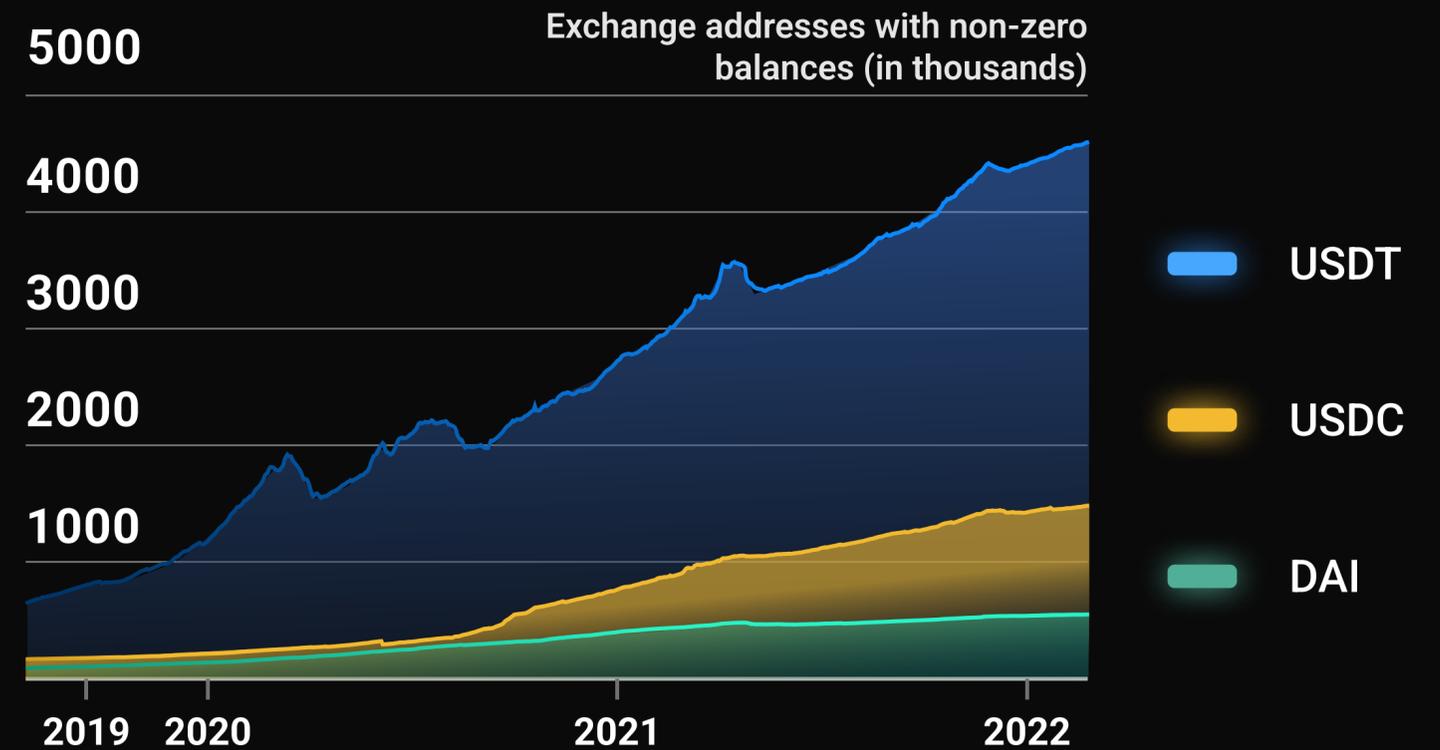
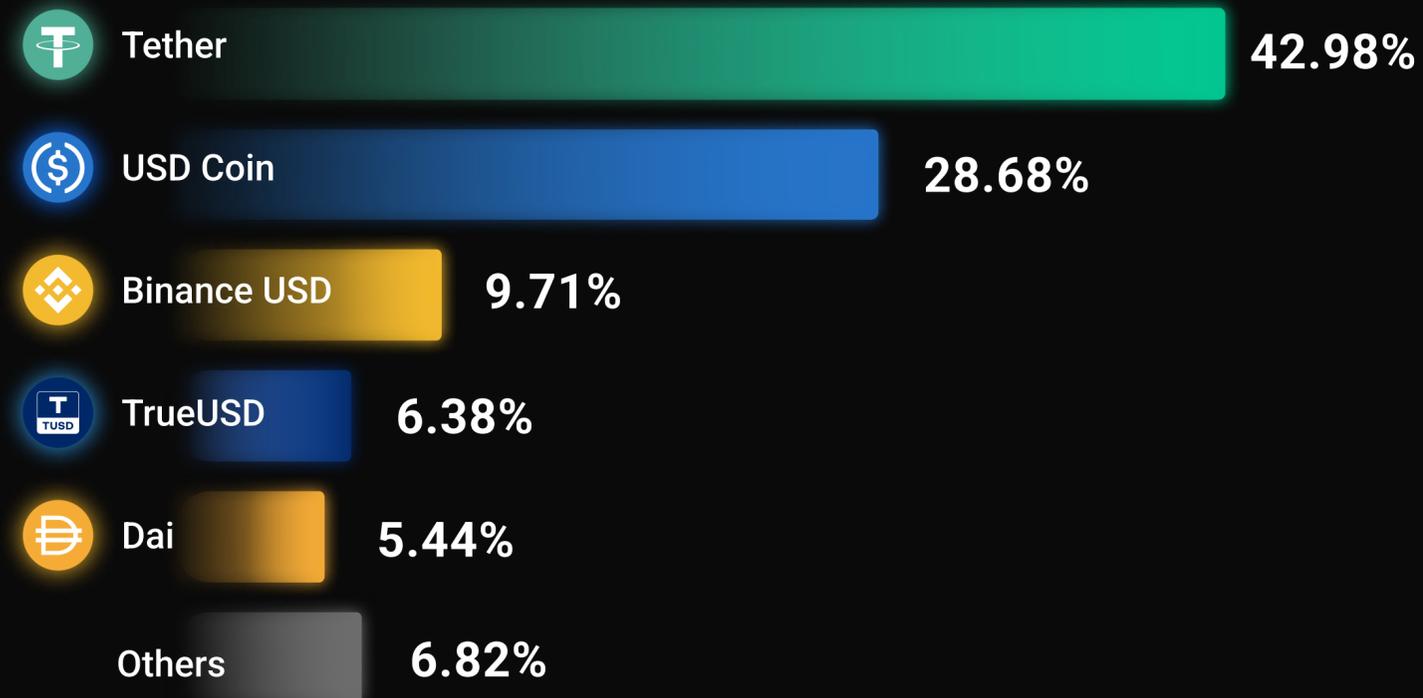
Over

**\$80 bln**

worth of stablecoins are kept on exchange balances

# Stablecoins in numbers (2/2)

Market Cap in %



USDT and USDC control over

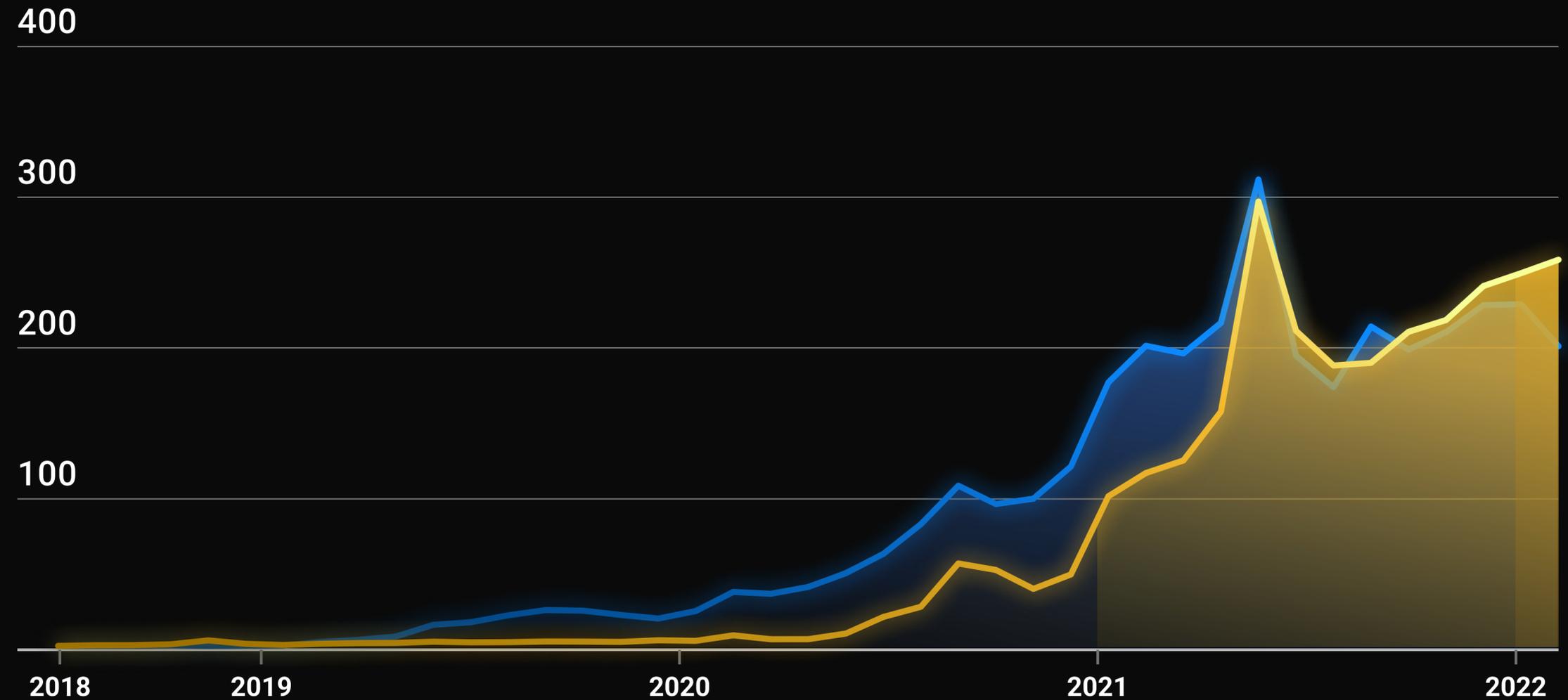
**70%** of total market share

Stablecoins support many blockchains including **ETH, BSC, TRX, OMNI**

# Turnover of on-chain transfers

**Total number of coins transferred on chain each month (in bln units)**

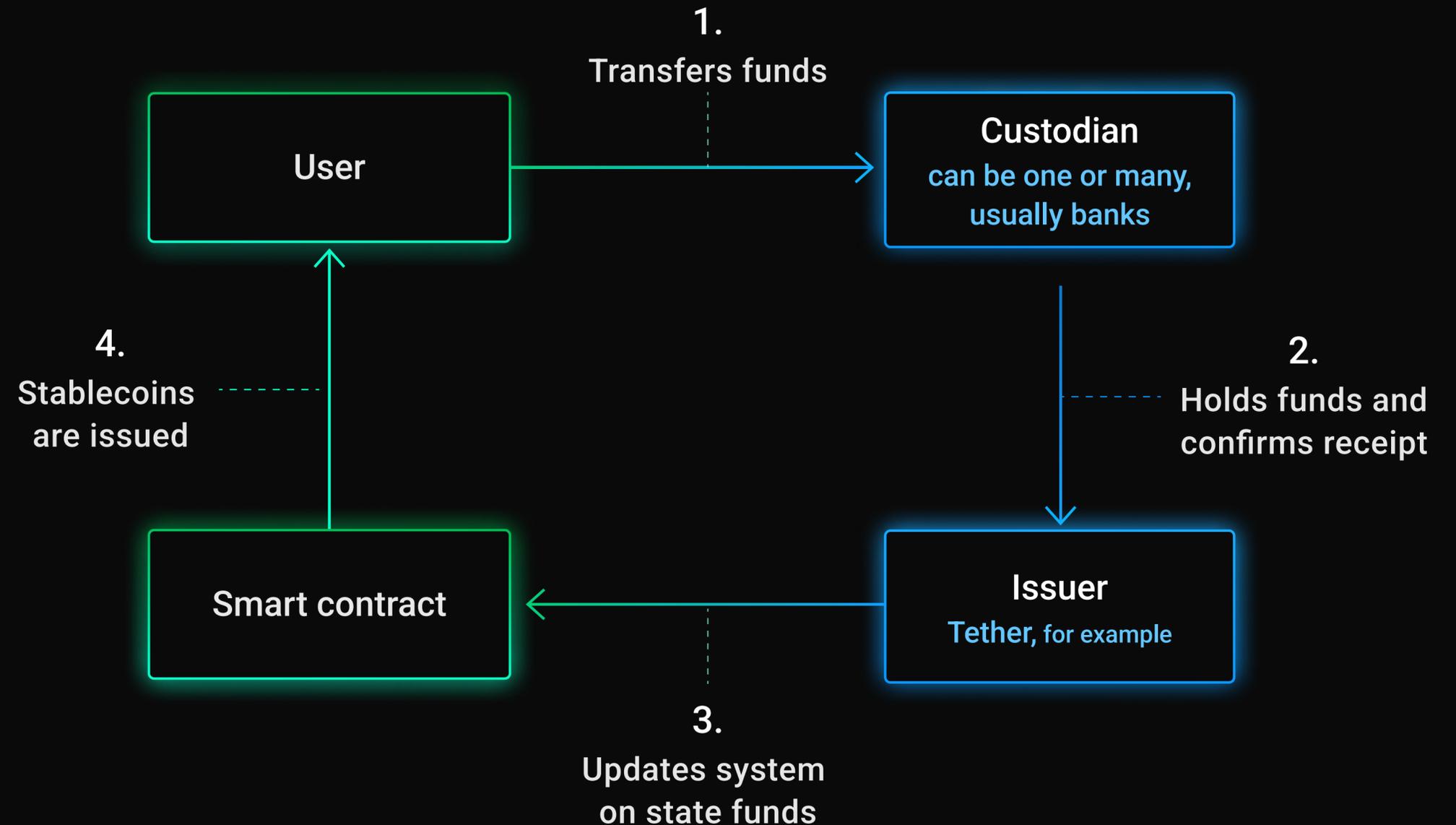
**USDT**  
**USDC**



# Basic structure of a stablecoin (issuance)

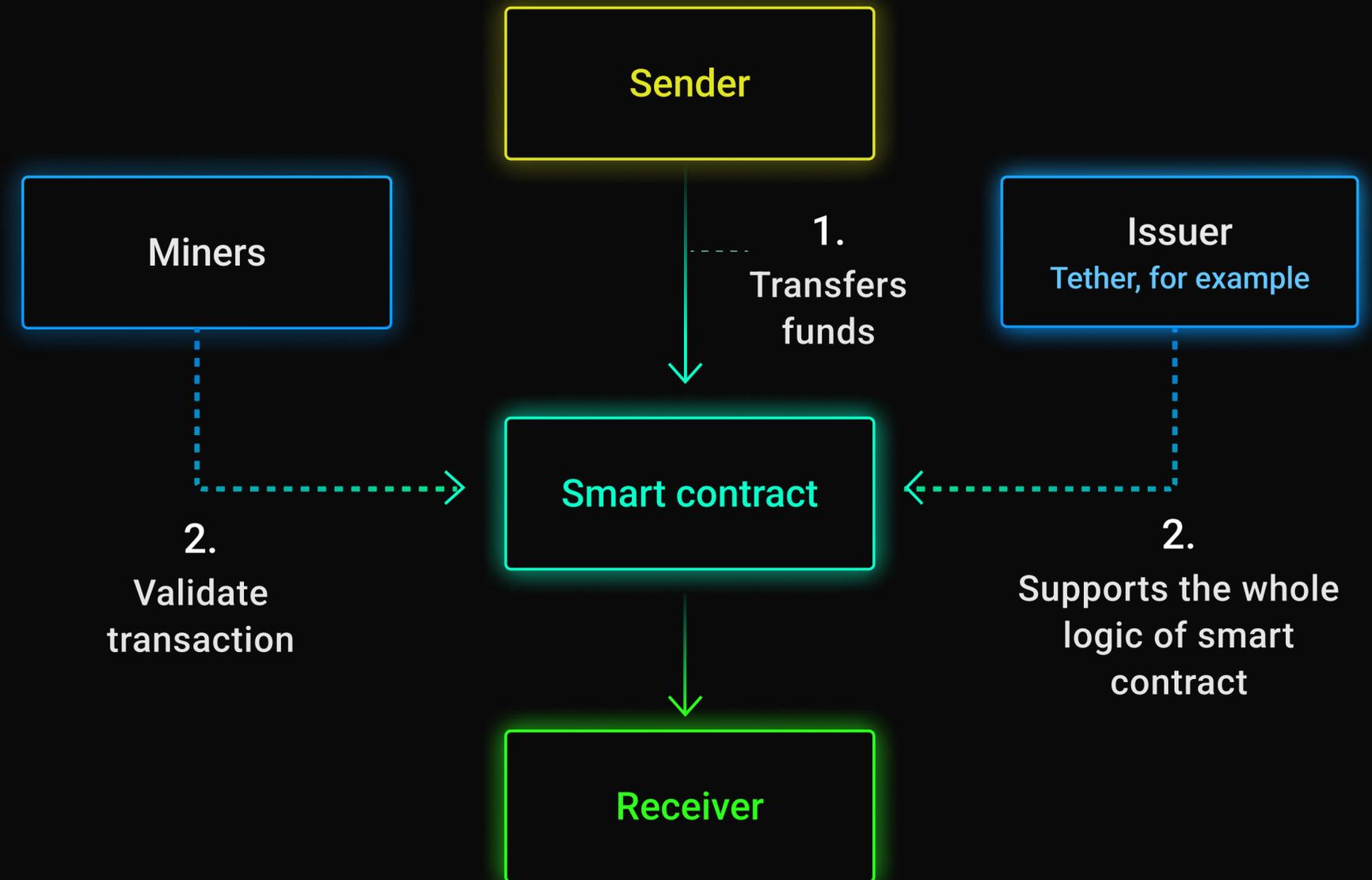
## Typical Smart contract functionality:

1. Receive and send funds
2. Miners validate execution that takes place in smart contract
3. Validation of funds' availability with Issuer
4. Burning coins when they are redeemed



# Basic structure of a stablecoin (transfer)

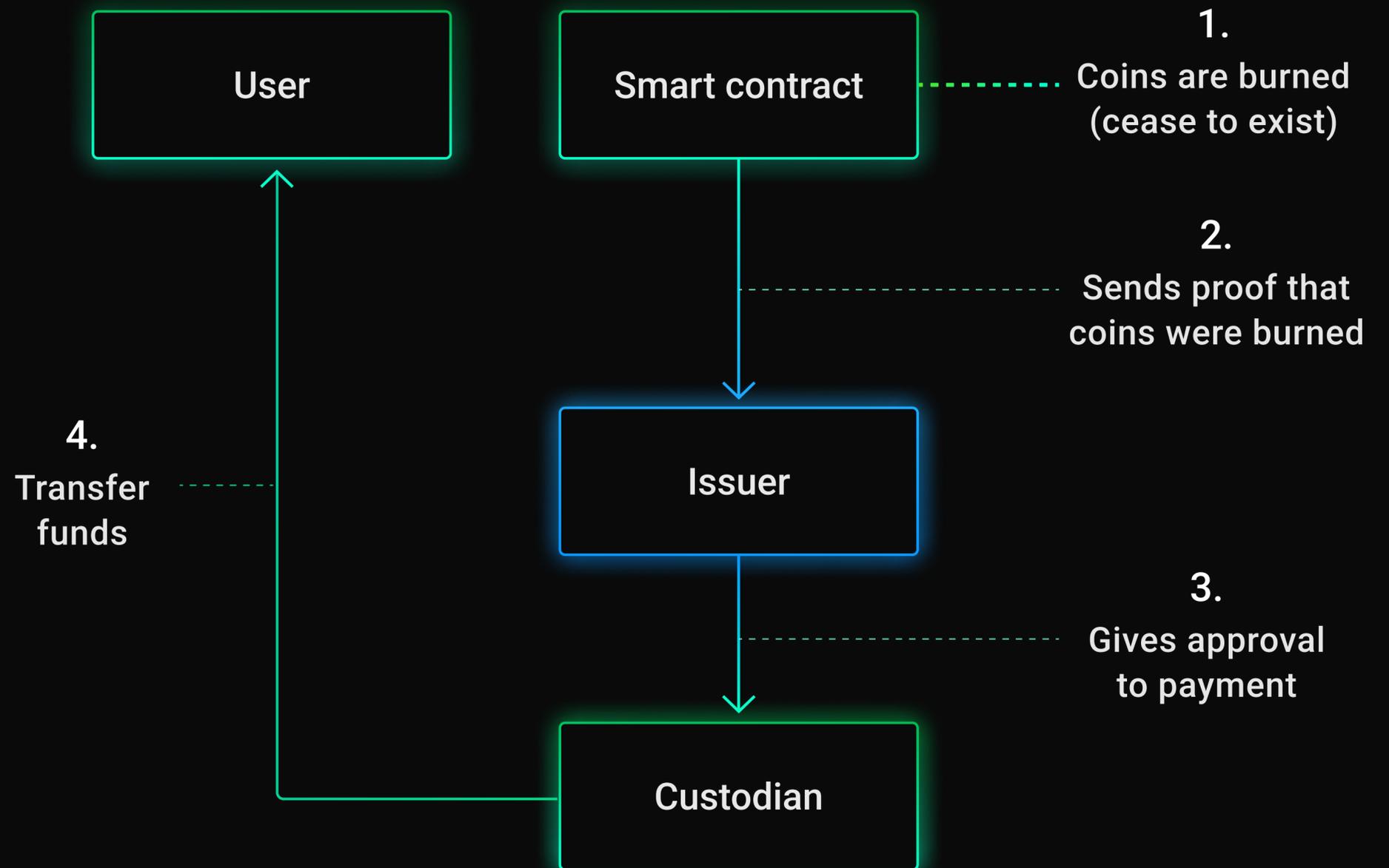
- Many stablecoins operate on **Ethereum** which currently uses Proof-of-work
- **Proof of Work (PoW):** a decentralized consensus mechanism that requires members of a network to expend effort solving an arbitrary mathematical puzzle to prevent anybody from cheating the system
- **Proof of Stake:** consensus algorithm where miners validate transactions based on amount of coins they stake
- **Proof of History** consensus ensures validity of transaction by using **unique mechanism** to prove that transaction took place at certain time



# Basic structure of a stablecoin (redemption)

## Coins are backed by real funds

- If funds are redeemed then coins have to be burned to make sure that backed value matches coins total value
- Some platforms apply minimum redemption amounts which can be quite substantial (over \$100,000)

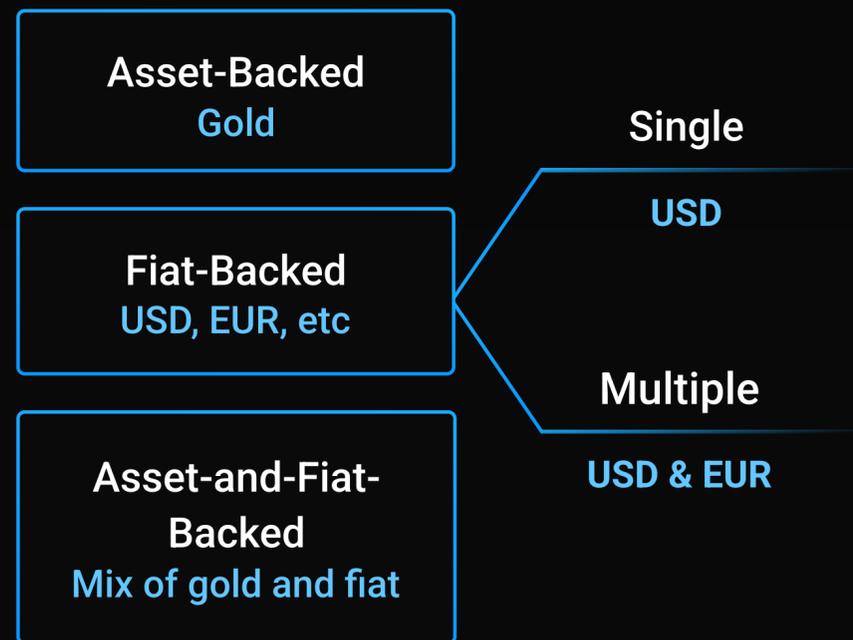


# Various designs of stablecoins

## Traditional collateral 70

Only traditional assets such as Fiat & Gold are used for backing (usually 1:1 FIAT)

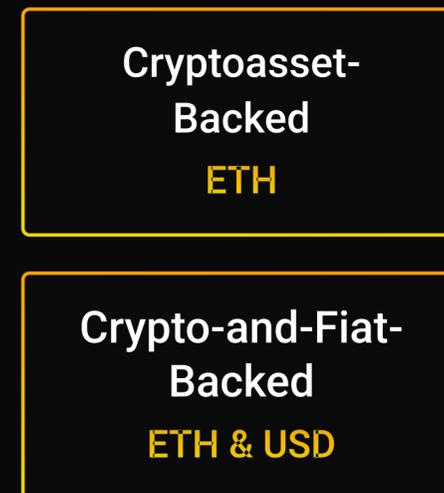
For example, USDC is fully backed by USD



## Crypto Collateral 94

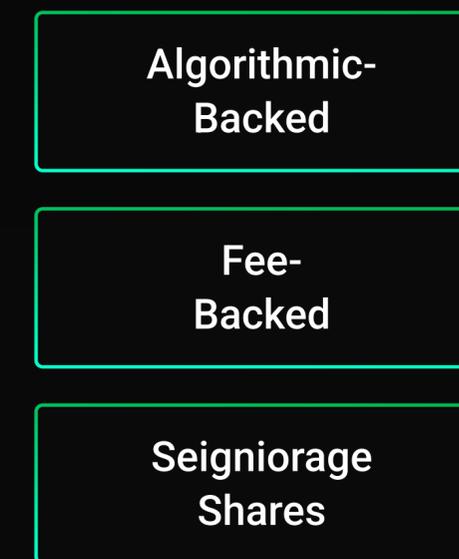
A basket of crypto and sometimes fiat. Easier to audit but harder to support price stability

For example, DAI is backed by ETH, WBTC and USDC



## Algorithmic 49

No real backing at all. Price stability is achieved mainly by issuance/burn of coin \*



\* Such projects have potential, but many are accused of running a variation of ponzi scheme this way

# Who confirms the fact of backing?

as of 21 February

## Centralised. Regulated

### Backing Mechanism

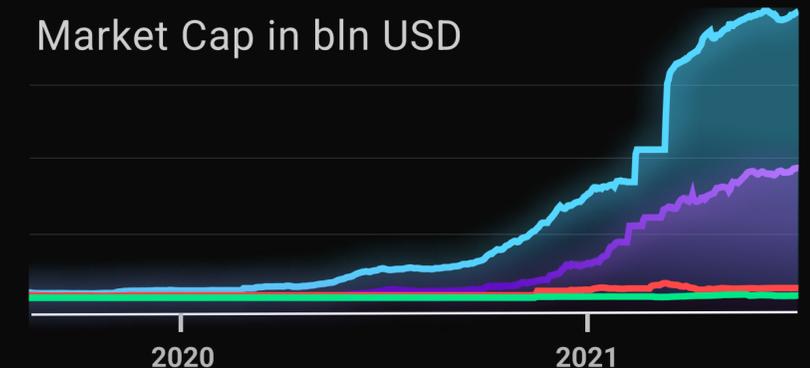
Funds are held with top tier bank. Regular audit is conducted by external party. As example, USDC is audited by Grant Thornton LLP. The company confirms that real USD is held on bank accounts.

### Custodian

Usually top tier bank or group of banks.

### Volatility

Low.



USDC \$ 52.6 bln PAX \$ 0.9 bln

BUSD \$ 18.1 bln GUSD \$ 0.3 bln

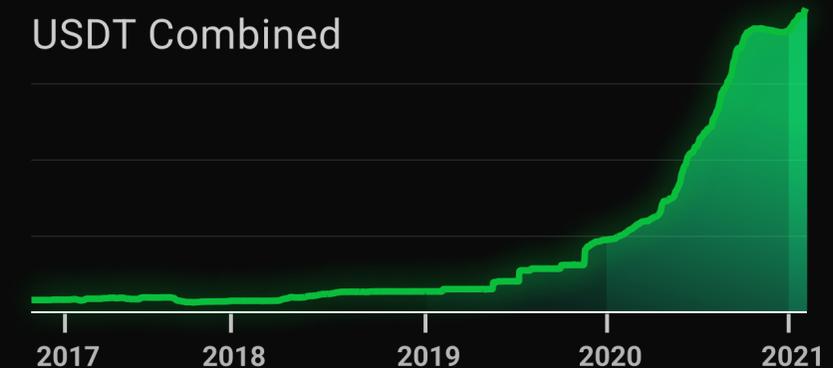
## Centralised. Unregulated

Funds are (presumably) held with top tier bank. No regular audit.

Users have to trust the issuer.

Banks or trust company or any commercial organisation.

Low.



\$ 79.1 bln

## Decentralised

Usually such stablecoins are backed by other assets. Crypto operations are recorded in ledger and so there is no need to deposit funds with custody.

No central party, backing assets are stored in wallets.

**Medium** (assets basket as backing is more difficult to maintain because coins in basket have to be sold and bought on the market to maintain the peg. Thus price is less stable)

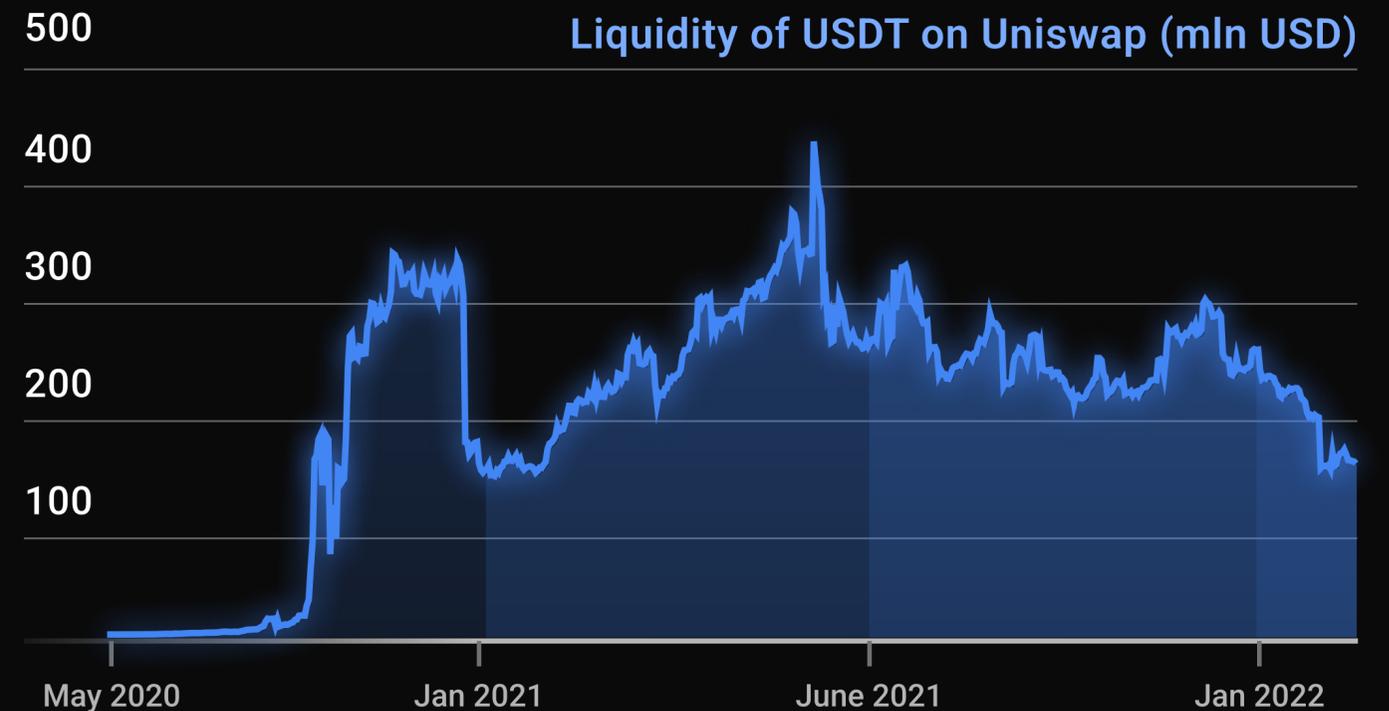
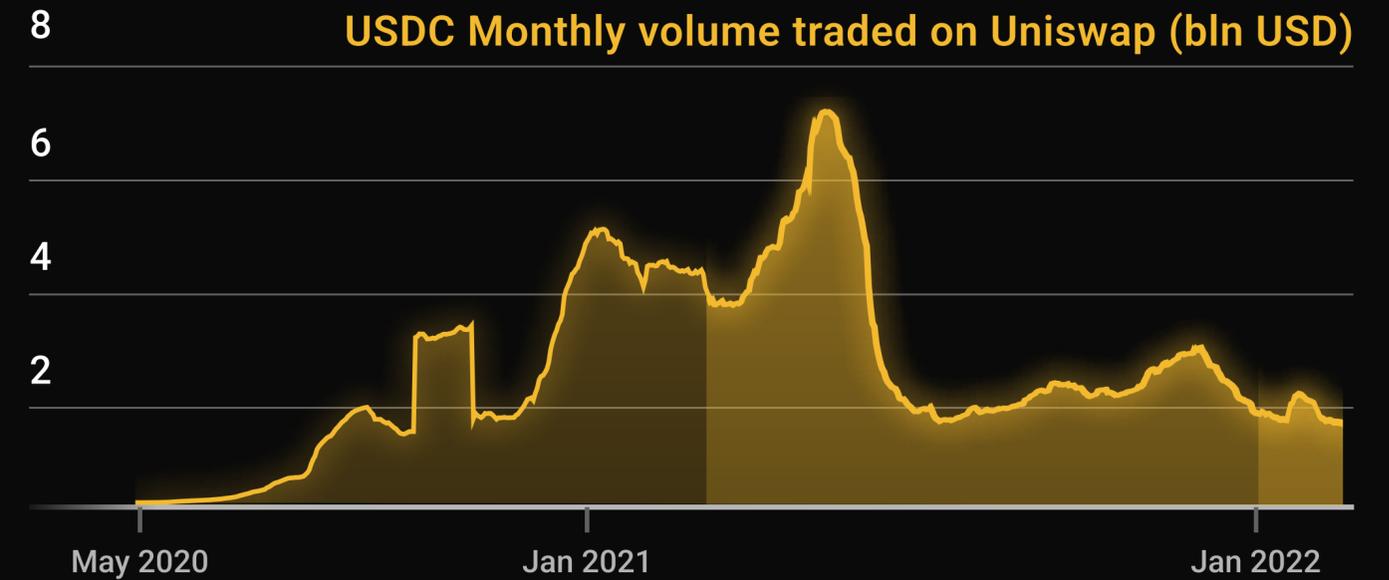


\$ 10.2 bln

# Stablecoins in DeFi

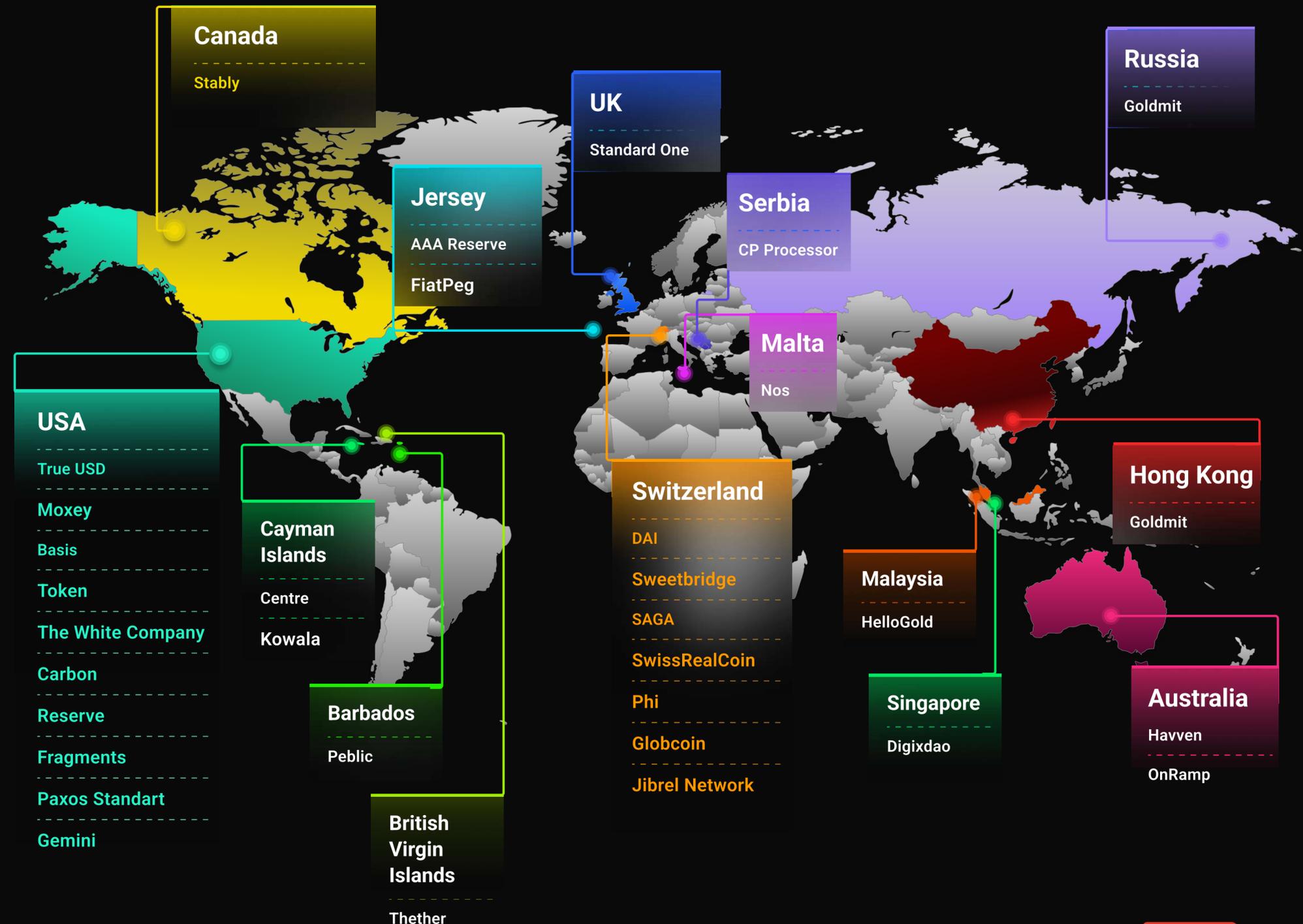
- USDT is the most borrowed asset on lending platforms
- Such DAPPs as Curve specializes in exchanging stablecoins
- Some DAPPs give high return on stablecoins

Platform	USDC Annual percentage yield
AAVE	3.51%
Compound	1.75%
dYdXs	3.70%
Venus	3.51%



# Stablecoins and Governments

- Stablecoins have legal domicile in **US and Switzerland**
  - G7 agreed that possible **stablecoin initiatives and their operators should** meet the highest standards and **be subject to prudential supervision and oversight** (at the meeting in Chantilly in July 2019)
  - In EU stablecoins will be qualified as **'financial instruments'** (under the MiFID II) or as **electronic money** (under the E-money Directive)
  - In US StableCoins may be qualified as **securities**.
- It is proposed that a stablecoin issuer would be required to be an insured depository institution (IDI)



	Regulated stablecoins	Unregulated stablecoins	Decentralized stablecoins	CBDC
Issuer	Private company	Private company	Private company	Government
Authorised by	Issuer	Issuer	Pool of coin holders	Government
Price stability	Very high	Very high	High	Very high
Backing mechanism	Yes	Yes	Yes	Yes
Blocking mechanism	Yes	Yes	No	Yes

# And finally

Alpha	Alias	Name	Blockchain
🔗 BUSD-BSC	BUSD	Binance USD	Binance Smart Chain
🔗 BUSD-ETH	BUSD	Binance USD	Ethereum
🏛️ DAI-BSC	DAI	Dai	Binance Smart Chain
🏛️ DAI-ETH	DAI	Dai	Ethereum
🌐 USDP-BSC	PAX	Pax Dollar	Binance Smart Chain
🌐 USDP-ETH	PAX	Pax Dollar	Ethereum
🇹 T BUSD-T-BSC	USDT	TetherUS	Binance Smart Chain
🇹 T USDT-ETH	USDT	TetherUS	Ethereum
🇹 T USDT-OMNI	USDT	TetherUS	Omni
🇹 T USDT-TRX	USDT	TetherUS	TRON
🇹 T TUSD-ETH	TUSD	TrueUSD	Ethereum
🇸 \$ USDC-BSC	USDC	USD Coin	Binance Smart Chain
🇸 \$ USDC-ETH	USDC	USD Coin	Ethereum
🇸 \$ USDC-TRX	USDC	USD Coin	TRON
🇺🇸 UST-BSC	UST	TerraUSD	Binance Smart Chain
🇺🇸 UST-ETH	UST	TerraUSD	Ethereum

## B2Bin **PAY** CRYPTOCURRENCY PROCESSING

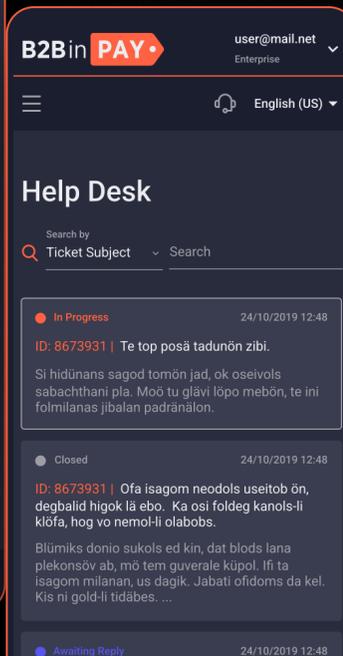
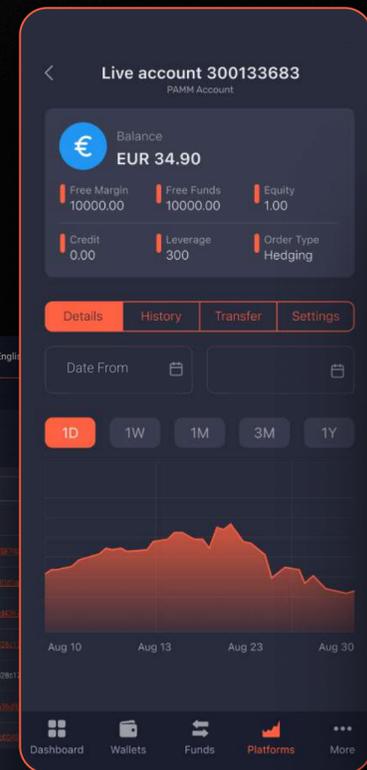
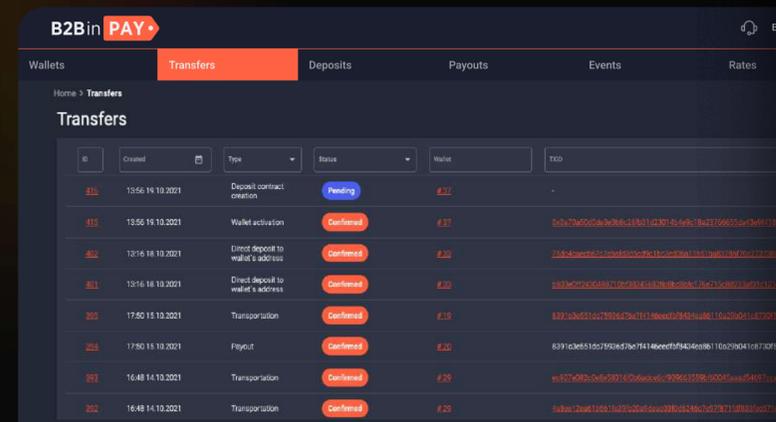
### Merchants

- accept **USDT on ETH, TRX, BSC** and soon on **SOLANA**
- create a wallet denominated in **USDT**

### Enterprise

- can create wallets and process stables on **ETH, TRX and BSC** blockchains. Also for enterprise clients are available **DAI, USDP, USDC, TUSD**.

## Significantly Low Processing Fee due to Smart Token Collection



# B2Broker Ecosystem

as of 21 February 2022



## Technology



Trader's Room, Back Office CRM, Client's Portal

[b2broker.com/products/b2core-traders-room](https://b2broker.com/products/b2core-traders-room)



An affiliate program system to attract new users and increase trading turnover

[b2broker.com/products/b2core-ib](https://b2broker.com/products/b2core-ib)



Mobile app working across the range of our products

[b2broker.com/products/mobile-app](https://b2broker.com/products/mobile-app)



Money Management Platform

[b2broker.com/products/copy-trading-platform](https://b2broker.com/products/copy-trading-platform)



Liquidity Aggregation Hub

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Matching Engine Platform for Crypto Exchanges

[b2broker.com/products/b2trader-cryptocurrency-exchange-software](https://b2broker.com/products/b2trader-cryptocurrency-exchange-software)



Turnkey Brokerage Infrastructure

[b2broker.com/products/mt4-white-label](https://b2broker.com/products/mt4-white-label)

[b2broker.com/products/mt5-white-label](https://b2broker.com/products/mt5-white-label)

## Liquidity



Global Multi Asset Prime of Prime Liquidity Provider

[B2Prime.com](https://B2Prime.com)



Digital Assets Exchange for professional and corporate clients

[b2bx.exchange](https://b2bx.exchange)



Prime Brokerage House for securities and derivatives

[PBSR.ru](https://PBSR.ru)

## Payment



Digital assets processing provider for merchant and enterprise clients

[B2BinPay.com](https://B2BinPay.com)



Digital banking services

[eqwire.com](https://eqwire.com)



Banking solutions

[b2bpaysolution.com](https://b2bpaysolution.com)

## BAAS



Liquidity. Technology.

Brokerage and exchange as a service

[B2Broker.com](https://B2Broker.com)

## M&A



Venture capital fund

[b2broker.com/products/b2broker-vc](https://b2broker.com/products/b2broker-vc)

## Marketing



Design agency and video production

[B2Broker.studio](https://B2Broker.studio)

## Licenses



Fully Authorised Investment Firm

Cyprus



Fully Authorised AEMI provider

UK



Fully Authorised Provider of a Virtual Currency Service

Estonia



Fully Authorised Prime Broker and Dealer

Russia



Fully Authorised Investment Dealer

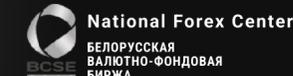
Mauritius



Fully Authorised Forex Broker

Belarus

## Membership



Belarus



Russia



Belarus



Russia



Russia



United Kingdom



Belarus

## 9 offices around the world

- London
- Hong-Kong
- Dubai
- Limassol
- Moscow
- Minsk
- St. Petersburg
- Kiev
- Tallin

Employees 260

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