



# Ripple USD:

The stablecoin for the Internet of Value



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## Executive Summary

For over a decade, Ripple has been an industry leader in providing enterprise blockchain solutions that enable global financial institutions, businesses, governments, and developers to move, manage, store, and tokenize value – helping to unlock greater economic opportunity for everyone, everywhere.

Our vision has always been to build the Internet of Value - the idea that value should be able to move in the way information moves today. Together with our customers and partners, Ripple is helping transform how people and businesses access financial services, with products in commercial use by hundreds of global customers. These businesses are able to expand into hard-to-reach markets, access alternative liquidity solutions, and develop new blockchain-based solutions. As a next step in Ripple's product evolution, we are excited to announce Ripple USD ("RLUSD"), a stablecoin designed to maintain a one-to-one value with the U.S. dollar ("USD").

RLUSD is natively issued on the XRP Ledger ("XRPL") and Ethereum networks using the XRPL Issued Currencies and Ethereum Request for Comment 20 ("ERC-20") token standards, respectively. RLUSD is issued by Standard Custody & Trust Company, LLC ("SCTC"). SCTC is a wholly-owned Ripple subsidiary that maintains a charter from the New York State Department of Financial Services ("NYDFS") to operate as a limited purpose trust company under the New York Banking Law.

Ripple aims to work within and improve existing financial systems, rather than disrupting them. We collaborate with our institutional customers to streamline their underlying infrastructure, and work with regulators, governments, and central banks to ensure our solutions are secure and compliant. Ripple holds licenses in the world's top financial markets, including a limited purpose trust charter and BitLicense issued by the NYDFS, money transmitter licenses, or the local equivalent, in 50+ U.S. states and territories, a Major Payments Institution license from the Monetary Authority of Singapore, a virtual asset service provider ("VASP") registration from the Central Bank of Ireland, and a VASP registration from the Cayman Island Monetary Authority.

Ripple's cross-border payments network is available in 80+ payout markets worldwide and has generated over \$50B in volume since its inception. The combination of RLUSD and the XRPL's native token, XRP, delivers an elevated experience for customers of Ripple's multi-billion dollar payments network.

RLUSD, built with a focus on regulatory compliance, brings with it an opportunity for customers and users to benefit from the stability and transparency Ripple is uniquely able to provide. The launch of RLUSD marks a significant milestone in Ripple's journey to build the next evolution of global financial services and support the Internet of Value.

## Problem Statement

Since the first Bitcoin block was mined in 2009, the value of the digital asset ecosystem has grown into trillions of dollars. With the creation of tokenized real-world assets and decentralized finance, the future of money is evolving before our eyes.

To enable further mass adoption of blockchain solutions, a reliable, liquid, and stable store of value on blockchains is needed. Stablecoins are specialized digital currencies intended to maintain a consistent value to that of another asset like fiat currencies, cryptocurrencies, or commodities. They come in various forms, such as fiat-backed, crypto-backed, algorithmic, and commodity-backed. While algorithmic stablecoins use supply adjustments to maintain stability, several have failed, resulting in significant losses. Fiat-backed stablecoins, which are backed by reserves of traditional fiat currency and usually subject to regulatory oversight, are considered among the most reliable and trusted in the market today. Nevertheless, some unregulated stablecoins continue to maintain a strong presence, despite ongoing debates over their backing and transparency.

The stablecoin market is worth well over \$100 billion today and, per some analyst estimates, is expected to reach the trillions in the next few years. Currently, the market is heavily concentrated between a couple of issuers that account for nearly 90% of the total stablecoin market capitalization. This creates considerable risk within the ecosystem and the need for a new stablecoin – built with compliance and longevity in mind – to diversify and add balance.

Given their stability and fungibility, stablecoins are a promising technology that can evolve traditional mediums of exchange. Cross-border payments are plagued by high costs, slow transaction times, and a lack of transparency, making it inefficient for both individuals and businesses. Traditional methods often involve multiple intermediaries, leading to increased complexity and higher fees. Additionally, the volatility of exchange rates and liquidity challenges further complicate cross-border transactions. Stablecoins can address these issues by offering faster, cost-effective, and transparent transactions, lessening the need for intermediaries and providing predictable, stable value transfers.

RLUSD is a fiat-backed stablecoin that is issued in accordance with the NYDFS stablecoin guidance. It is specifically designed with institutional and cross-border payment customers in mind, yet is available for wider use in the rapidly growing digital asset economy.

## Introduction to Ripple USD

With innovative solutions in cross-border payments and digital asset custody, Ripple has played a key role in bridging the divide between blockchain & traditional finance for over a decade. During this time, Ripple has tirelessly built trust & credibility with enterprises and financial institutions. Ripple USD, Ripple's entry into the stablecoin market, further builds on this legacy.

RLUSD is issued on the XRPL and Ethereum networks. By utilizing the XRPL, RLUSD takes advantage of high speed and economical transaction costs. Concurrently, Ethereum offers smart contract functionality and flexible programmability of onchain use cases for RLUSD to grow.

SCTC and other regulated Ripple subsidiaries will issue and distribute RLUSD in compliance with applicable regulations and industry best practices. Direct customers are limited to enterprise institutions that meet bank-level Know Your Customer ("KYC") and Anti-Money Laundering ("AML") requirements with regular sanctions screening of both customers and wallets. SCTC, a New York limited purpose trust company and the issuer of RLUSD, is subject to requirements of the New York Banking Law and supervision of the NYDFS. Consistent with NYDFS stablecoin guidance, RLUSD is backed one-to-one by USD or permitted cash equivalents, with segregated reserve accounts, regular audits, clear redemption rights, and other regulatory standards that are designed to protect holders of RLUSD. In short, RLUSD brings together the stability of the USD with the efficiency and transparency of blockchain technology in a compliant manner. Addressing the vital need for a trustworthy, liquid, and regulated stablecoin, RLUSD aims to deliver a strong solution for a variety of use cases, from international payments to decentralized finance.

### 3 KEY TRAITS ATTRIBUTED TO RIPPLE

by a survey of 531 enterprises and financial institutions



**INNOVATIVE**



**WELL-RESPECTED**



**TRUSTWORTHY**

## Product Description

Built with enterprise-grade security and compliance in mind, RLUSD is issued on multiple blockchain networks, offering a reliable solution for business transactions.

RLUSD is a multi-chain stablecoin natively issued on both the XRPL and Ethereum networks. The XRPL is a high-performance blockchain that has reliably processed over 85M ledgers (blocks) since 2012. Built with payments in mind, the XRPL is an open-source blockchain offering:

- Speed - transactions are confirmed on average in three to five seconds
- Low-cost - transaction fees are nearly fixed at ~\$0.0002/tx
- Scalability - the XRPL has the ability to process 1,500+ transactions per second

RLUSD transactions on the XRPL are settled quickly, incur some of the lowest fees in the industry, and can scale for significant real-world use cases. RLUSD is a foundational asset for building additional blockchain-based solutions for enterprises on the XRPL, while the Ethereum network provides a diverse user base and programmability for RLUSD to deliver added utility.

The native issuance of RLUSD on the XRPL and Ethereum networks utilizes the XRPL Issued Currencies and ERC-20 token standard respectively. The XRPL Issued Currencies feature has been in production for 10+ years and is native to the XRPL. Issued Currencies on the XRPL supports Trust Lines, a security feature that enables a wallet to not accept an asset from an issuer without approval from the owner.

RLUSD on the Ethereum network utilizes the UUPSUpgradeable pattern, a proxy-based approach to upgrading smart contracts on Ethereum. It allows for the implementation (logic) contract to be updated while maintaining the same token address so that users of RLUSD can reliably track the currency via the stable token address. The ERC-20 and Proxy/Upgrader contracts have been audited by multiple independent third parties to ensure they meet the highest market standards.

SCTC, the issuer of RLUSD, retains exclusive control over RLUSD's key functionalities including minting and burning. These operations are governed by onchain roles assigned to SCTC's internal accounts and are secured by a custom MultiSign contract that requires multiple authorized signatures to validate transactions. The multi-signature model involves a committee of known signers, ensuring that no single SCTC employee can execute critical actions independently.

For wallet addresses on the Office of Foreign Assets Control's ("OFAC") Specially Designated Nationals ("SDN") list, SCTC's policy is to freeze RLUSD associated with those wallet owners or addresses. This policy also applies to addresses identified to have been used for fraudulent activity or money laundering. SCTC will also freeze RLUSD pursuant to a court order. On the XRP Ledger, freezing the trust line will result in the user's inability to transfer RLUSD to a wallet other than the Issuing Account, while on the Ethereum blockchain, the user will not be able to transfer or receive RLUSD. Further, SCTC will prevent the address from transacting in RLUSD in the future.

# Regulatory Framework and Reserve Description

## Limited Purpose Trust

RLUSD is issued in accordance with NYDFS stablecoin guidance, which sets forth requirements designed to protect stablecoin holders. Some of these requirements include:

- **Regulatory Compliance:** The NYDFS provides a framework for stablecoin issuers that establishes clear requirements related to the timely redemption of stablecoins, the safekeeping of stablecoin reserve assets, and independent third-party attestations to verify the reserve. SCTC is subject to oversight by the NYDFS for compliance with these requirements.
- **Reserve Protections:** The NYDFS requires stablecoins issued by a limited purpose trust to maintain one-to-one value with USD at all times, meaning that the market value of the reserves is at least equal to the nominal value of all outstanding units of the stablecoin as of the end of each business day. The reserve must be held in segregated accounts for the benefit of stablecoin holders, which is intended to protect the reserve from other creditors.
- **Transparency and Accountability:** The NYDFS establishes disclosure requirements and publication of monthly attestations by an independent Certified Public Accountant to verify the reserves backing the stablecoin. This ensures the stablecoin reserve is accurately reported, managed, and disclosed in a transparent manner and on a regular basis.

## RLUSD Reserve Management

The RLUSD Reserve is composed of a mixture of USD and permitted cash equivalents, including, but not limited to, government money market funds and short-term U.S. Treasury Bills, held at NYDFS-approved depository institutions and custodians. The RLUSD Reserve is managed in accordance with the standards approved by RLUSD's regulators and held in segregated accounts.

SCTC engages an independent Certified Public Accountant to conduct regular attestations to ensure full accountability of its issued stablecoin and underlying reserve assets. These attestation reports are made publicly available on a monthly basis and detail the reserve composition.

## OVERVIEW

# Potential Use Cases

RLUSD allows for various use cases to facilitate financial markets. Ripple will use RLUSD as a component of the company's multi-billion dollar cross-border payments platform. While built with cross-border payments and institutional adoption in mind, RLUSD is available for many other integrations as well. Described below are just a few of the immediate potential use cases RLUSD is able to serve.





## B2B Cross Border Payments

Ripple Payments has hundreds of institutional customers in over 50 countries and across 6 continents. To date, Ripple Payments has completed over 27M lifetime transactions worth nearly \$50B, and is available in 80+ payout markets.

RLUSD will be used as a means of payment on the Ripple Payments network. New and existing customers can take advantage of the benefits a stablecoin on the XRPL provides, such as near real-time settlement, network effects, and low transaction costs. The combination of RLUSD and XRP as bridge assets for Ripple Payments improves upon the efficiencies of the network and provides an improved customer experience. Over time, Ripple may launch or utilize other third-party stablecoins benchmarked to different fiat currencies found across the globe. This allows Ripple Payments to better serve its customers in different localities who wish to utilize digital assets within their local markets. Until that time, RLUSD serves as a core payment tool that Ripple Payment customers can utilize to facilitate their payments and better serve their users.

80<sup>+</sup>

PAYOUT MARKETS  
(CRYPTO AND FIAT)

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27<sub>M</sub>

LIFETIME TRANSACTIONS

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\$USD  
50<sub>B</sub>

ESTIMATED TRANSACTION VALUE

## Foreign Exchange Markets

The foreign exchange ("FX") market is the largest in the world, with daily trading volumes more than 10 times the combined volumes of the global bond and equities markets. In their current form, traditional FX markets penalize smaller traders and businesses by charging them high commissions, suboptimal exchange rates, and slow settlement times. These disadvantages are due in part to the lack of a global centralized clearinghouse, the involvement of multiple intermediaries, and high settlement risks. The inherent benefits that stablecoins provide over traditional fiat make them an optimal asset for addressing the inefficiencies of traditional FX markets. The ability to atomically settle trades onchain via stablecoins can significantly lower the spreads FX traders are charged, decrease settlement time to seconds versus days, and increase transparency, all while simultaneously removing multiple intermediaries who each extract a fee. RLUSD could be used as a major FX tool for institutions all over the world.

## Global Access to a Digital Dollar

Stablecoins have the potential to transform financial inclusion by offering an accessible and stable medium of exchange to businesses and individuals. Many economies across the globe deal with local currency volatility, making it difficult for businesses to succeed due to the resulting unpredictable business environment, increased costs, and challenges in financial planning. Access to USD, the dominant global currency for trade and settlement, can provide businesses in developing economies with a stable medium of exchange. By adopting a stablecoin that is designed to maintain one-to-one value with USD, such as RLUSD, businesses can reduce the uncertainty associated with local currency volatility.

RLUSD's international distribution and inclusion in Ripple's international payment flows allows the unbanked and underbanked a new pathway to better secure their money, pay for goods, and send money to family and friends—all without needing to pay the high fees many banks and payment processors charge in developing economies.

### TOP 3 REASONS PEOPLE PICK ONE STABLECOIN OVER ANOTHER:



#### Liquidity

Ripple excels at ensuring liquidity through our strong relationships with exchanges and market makers via our global payments network



#### Confidence

Ripple is an industry leader in the blockchain enterprise space with proven credibility built on over more than a decade of experience



#### Transparency

RLUSD is issued in accordance with the NYDFS stablecoin guidance and provides transparency of the reserves that back it

### Trade Settlement Asset for Banks and Fund Managers

Stablecoins offer a compelling solution for banks and fund managers seeking efficient trade settlement assets. Their ability to facilitate instant, real-time transactions can significantly enhance the speed and efficiency of settlements, which can take several days if market participants are intermediated by different banks and clearing systems. By leveraging stablecoins, such as RLUSD, financial institutions can minimize the delays and liquidity issues often associated with traditional fiat currency settlements. Additionally, stablecoins can reduce operational costs and optimize capital usage by providing a seamless, digital alternative to conventional settlement processes. The inherent transparency and security of blockchain technology further bolster trust and reliability, making stablecoins a valuable asset in modern financial ecosystems.

### Real-World Asset Tokenization

Real-world assets ("RWAs") are tangible assets such as real estate, commodities, and government bonds that are tokenized on a blockchain network to increase their liquidity and accessibility. The integration of stablecoins with RWAs addresses a critical barrier to adoption: RWA market volatility. RWA markets are best served by stablecoins to ensure the asset is properly priced and to facilitate efficient market operations worldwide by using a stable medium of exchange. This stability may attract more market participants who require predictable returns and can reduce the risks associated with holding tokenized assets. Regulated and transparent stablecoins, like RLUSD, can address this challenge by stabilizing RWA markets, allowing participants worldwide to engage with confidence.

### On- and Off-Ramps

Blockchain users often find it difficult and expensive to access digital assets with existing on-ramps. Given their ease-of-use and ubiquity across protocols, stablecoins provide on-ramps a simple and easy method to onboard more customers. RLUSD's ability to reduce volatility, offer faster processing times versus traditional fiat currency payment methods, and low transaction fees make it an ideal asset for on- and off-ramp integrations. Ripple Payments already has the ability to serve 80+ crypto and fiat payout markets. Ripple's existing institutional customers will be able to bring money on chain more easily by utilizing RLUSD as a secure and trusted on-ramp asset.

#### TOP 3 USE CASES OF STABLECOINS

A Ripple survey of 450 stablecoin users identified the following three use cases as the top ways users utilize their stablecoins.

**91%**

CRYPTO TRADING

**70%**

PEER TO PEER PAYMENTS

**63%**

SAVINGS

RLUSD is a step forward in the evolution of digital assets, combining the stability and ubiquity of the U.S. dollar with the efficiency and transparency of blockchain technology. By addressing the critical need for a reliable, liquid, and compliant stablecoin, RLUSD provides a robust solution for a variety of use cases, from cross-border payments to DeFi integration.

With Ripple's track record of building trusted onchain enterprise solutions, users can be confident in RLUSD's issuance and management. The combination of regulatory compliance required under SCTC's limited purpose trust, technological innovation, and market expertise makes RLUSD capable of meeting the demands of the growing digital economy.

Ripple is committed to maintaining the highest standards of transparency, security, and compliance so that RLUSD remains a trusted payments token worldwide. As the digital asset landscape continues to evolve, Ripple will continue to innovate and adapt, driving the adoption of blockchain solutions and contributing to the development of trusted payment rails for the Internet of Value.

## About Ripple

Ripple is a leading provider of digital asset infrastructure for financial institutions—delivering simple, compliant, reliable software that unlocks efficiencies, reduces friction, and enhances innovation in global finance. Ripple's solutions leverage the XRP Ledger and its native digital asset, XRP, which was purpose-built to enable fast, low-cost, highly scalable transactions across developer and financial use cases. With a proven track record working with regulators and policymakers around the world, Ripple's payments, custody and stablecoin solutions are pioneering the digital asset economy—building credibility and trust in enterprise blockchain. Together with customers, partners and the developer community, we are transforming the way the world creates, stores, manages and moves value.

Learn more at [ripple.com](https://ripple.com).

## Join the Conversation

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For further information on RLUSD, including compliance policies and potential risks, see [RLUSD user terms].