

Xapo Bank becomes the first fully licensed bank to enable USDC deposits and withdrawals

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Marking a watershed moment for digital asset innovation, it is enabling members to bypass costly and time-consuming SWIFT payments and instead deposit and withdraw via USDC.



Seamus Rocca

[Xapo Bank](#), a leading Bitcoin custodian and licensed private bank, has collaborated with [Circle](#), a global financial technology company helping money move at internet speed, to become the first licensed bank in the world to integrate USDC payment rails as an alternative to SWIFT.

USDC is a digital dollar, also known as a stablecoin, that is a faster and more efficient way to send and receive money around the globe, 24/7 including weekends, in under an hour. By adding outtrails to its existing USDC onramps, Xapo Bank is enabling members to bypass costly and time-consuming SWIFT payments and instead deposit and withdraw via the stablecoin with no fees charged by Xapo Bank.

The bank is offering a 1:1 conversion rate from USDC to USD. All USDC deposits at Xapo Bank are automatically converted to USD, meaning that members can benefit from a 4.1% annual interest rate return on deposits.

A fully licensed and regulated bank, Xapo Bank is a member of the Gibraltar Deposit Guarantee Scheme (GDGS), meaning that Xapo Bank guarantees its members' USD deposits up to *\$100,000 equivalent. Ensuring member protection, Xapo Bank does not engage in staking of any crypto deposits and it does not have any exposure to surrounding crypto markets as all deposits are automatically converted to USD held by the bank.

Unlike traditional banks, Xapo does not lend and therefore does not rely on fractional reserve banking to make money as its

core business model. Instead, Xapo has all its customers' funds in reserve and invested in short term liquid assets in order to pass the benefit of that interest earned, to its customers.

[Seamus Rocca](#), CEO of Xapo Bank said: *"Xapo Bank's USDC payment rails mark a watershed moment in financial history, combining the speed and cost efficiency of the digital dollar, with the security guarantees of a licensed private bank. Enabling auto converted USDC deposits and withdrawals at Xapo Bank gives crypto members a safe haven for their savings. Running 24/7 including weekends, we eliminate the anxiety of keeping your money in exchanges and the hassle of expensive off ramps into traditional banks."*

"Xapo Bank was built to protect members' savings. Unlike many traditional banks, we do not offer customer loans and therefore, all of our customers' money is held dollar for dollar on our balance sheet. It is invested in very short dated, highly credit rated, money market instruments and short-term bonds. We are passing that benefit to our customers in the form of a 4.1% interest rate, paid daily."

"We charge an honest membership fee of \$150 to our members that helps us recover our overheads and means we don't have to rely on paying almost no interest to our customers, or use hidden fees to make money. We give the benefit of more than 80% of the yield we generate back to our members."

Xapo Bank is constantly striving to grow its payment rails options, offering members additional currency choices managed with the security of a fully-regulated bank. Reflecting this, the USDC news comes after last week's announcement that Xapo Bank had integrated with the [Faster Payment System \(FPS\)](#) to activate support for GBP settlement for account deposits and withdrawals. The bank also announced an integration with Bitcoin's Lightning Network, in collaboration with Lightspark, earlier this month.

*Xapo offers 4.1% interest on US dollar deposits, which are protected by the GDGS up to €100,000 EUR (i.e. circa \$106,673 at current exchange rates).

To learn more about Xapo Bank visit: <https://www.xapo.com/>.

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Xapo Private Bank is a leading Bitcoin custodian and a fully licensed private bank. Founded in 2013, Xapo Private Bank is considered one of the most trusted Bitcoin custodians in the industry. Now a crypto-friendly bank, Xapo Private Bank is the first fully licensed bank to enable members to transact in both USD and USDC through one secure, simple and user-centric app. Both Xapo Private Bank and Xapo VASP are regulated by the Gibraltar Financial Services Commission.

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