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## DIGITAL CURRENCY COMING TO PAYMENTS

Digital currencies were once only accepted as payment by outlier businesses in the U.S. With the global rise in popularity of use of digital currency as payment for goods and services, common usage of digital currency for payments is becoming a reality. Uncertain economic times and global turmoil are moving businesses and consumers to use digital currency over fiat currencies because of its flexibility, security and resistance to inflation.

Stripe, Inc. ("Stripe"), a global payment processing platform, is leading the way in integrating digital currency as a common form of payment. Stripe now provides point of sale software for businesses to accept digital currencies as payment for goods and services that is converted into fiat currency. Digital currency accepted using Stripe's software is immediately converted into fiat currency before being provided to a business.

StellarVEND ("Stellar") is another example of point of sale software enabling businesses to accept digital currency. Stellar provides point of sale software for businesses to accept certain Stellar and Ripple tokens as payment for goods and services, including the COFFEE Token and BEER Token.

GreenBox POS ("GreenBox") also provides point of sale digital currency payment software that enables businesses to accept digital currency as payment. In addition to providing point of sale software, GreenBox uniquely allows the transfer of USDC, Ethereum or Bitcoin from an external digital currency wallet to a GreenBox digital currency wallet that can be exchanged for supported coins. Digital currency can then be transferred from a GreenBox digital currency wallet to a debit card or numerous different types of gift cards. GreenBox recently partnered with Cross River Bank to become a full financial services provider for its customers.

PayRange, Inc. ("PayRange") provides point of sale software for automated retail machines, including vending machines. PayRange announced that its point of sale software was updated to accept certain digital currencies, through the use of a Coinbase account, at over 500,000 automated retail machines in the U.S.

Governments are also integrating digital currency as a form of payment. El Salvador discontinued its fiat currency and now only accepts U.S. Dollars and Bitcoin. The El Salvadorian government has purchased over 1,120 Bitcoins, or over \$48,000,000, to replace

its money supply with Bitcoin. Amid the conflict in Ukraine, Russia announced that it will accept Bitcoin for oil and natural gas from friendly countries as the result of sanctions from western countries affecting Russia's banking system.

The U.S. federal government's response to digital currency becoming a more commonly used payment method has been limited. However, the FDIC recently released a letter stating that all FDIC-supervised institutions that intend to engage in, or that are currently engaged in activities involving crypto assets, should notify the FDIC. *Notification of Engaging In Crypto-related Activities*, FDIC FIL-16-22, 2022 WL 1057929, [FDIC: FIL-16-2022: Notification of Engaging in Crypto-Related Activities](#). By issuing this letter, the FDIC is anticipating that supervised institutions will play a major role in digital currency transactions in the future.

State governments have been more active in addressing digital currency as a form of payment. Virginia recently enacted a law allowing Virginia chartered banks to provide digital currency custody services if the bank maintains proper risk management protocols. The law also allows a bank to provide custody services in a non-fiduciary or fiduciary capacity.

These examples are only a few of the many examples of businesses and governments accepting digital currency as payment or facilitating digital currency payments. In the coming years, the use of digital currency as payment will likely continue to increase as transactional barriers are removed and more businesses accept digital currency payments.

We can advise on the process for and relevant considerations of accepting digital currency as payment for goods and services. We will continue to provide updates on digital currency payments as the area develops.

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