**BANKING CIRCLE RESEARCH SHOWS NOW IS THE TIME TO GET ON BOARD WITH DIGITAL CURRENCIES**

**Latest white paper suggests banks should prepare for crypto - or risk falling behind the competition**

[www.bankingcircle.com](http://www.bankingcircle.com)

London, 23rd June 2022 – Innovative tech-led Payments Bank, Banking Circle, has commissioned a report on what banks need to do to prepare for the widespread adoption of digital currencies. This latest research, published in a white paper: [‘*As crypto evolves, how should banks approach CBDCs and stablecoins?*’](https://www.bankingcircle.com/whitepapers/how-should-banks-should-approach-cbdcs-stablecoins), found that the acceptance network for web3 and cryptocurrency is widening, with a growing number of financial institutions handling such payments.

“It is time for banks to prepare to engage with web3 and crypto, or risk having to catch up later,” commented Mishal Ruparel of Banking Circle. “It may still seem like early days for virtual assets, but our research shows it is growing rapidly in popularity, and the next two to three years will be critical in the evolution.

“The industry has been working hard to reduce risk by improving fraud and money laundering defences. And we believe that acceptance, transaction and settlement of crypto will grow fastest when banks are fully engaged.”

In early 2022 [it was announced](https://complyadvantage.com/insights/cryptocurrency-transaction-volumes-grow-567-as-focus-turns-to-defi/#:~:text=Highlights%20from%20a%20new%20report,from%20%247.8bn%20in%202020.) that crypto transaction volumes are growing faster than ever before, increasing 567% from 2020 to 2021. This demonstrates the increasing opportunity for banks that play a role in the crypto revolution. The new Banking Circle white paper also reports that Central Banks around the world are developing digital versions of their national currencies, backed by government commitment, promising to bring many of the advantages of crypto, such as faster transactions, but with the reassurance of low volatility. Central Bank Digital Currencies (CBDCs) are in development in the Eurozone, Canada, Sweden, China, Brazil, the US and UK.

Whilst the landscape for digital and crypto currencies is improving, the Banking Circle research found there are still challenges that have the potential to stall the evolution. The high cost of transacting on the Ethereum network is one of the key considerations for banks looking to join the digital assets revolution, although costs should fall as new coding layers are introduced.

“Working with third parties as part of their ongoing digitalisation strategy will help banks prepare for the coming age of digital currencies”, added Mishal Ruparel. “At Banking Circle, we are already developing payment acceptance, processing and settlement solutions tailored to enable banks to get involved in digital currency as part of wider acceptance and transaction settlement systems.”

To download the full white paper, register [here](https://www.bankingcircle.com/whitepapers/how-should-banks-should-approach-cbdcs-stablecoins).

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**About Banking Circle S.A.**

Banking Circle S.A. is the Payments Bank for the new economy. As a fully licenced bank, free of legacy systems, Banking Circle enables payments companies and banks of any scale to seize opportunities in the new economy - quickly, at low cost.

Banking Circle S.A. is a modern correspondent bank committed to building a local clearing network for all major currencies, to deliver fast, low cost payments with no hidden fees for the beneficiary. It provides a suite of unique and award-winning banking solutions, including multi-currency banking accounts and Virtual IBANs, bank connections for local clearing and cross-border payments, all underpinned by market leading compliance and security.

Through bespoke, flexible, scalable and futureproof solutions Banking Circle S.A. is enabling financial institutions to help their customers transact across borders in a way that was previously not possible.

Headquartered in Luxembourg, Banking Circle S.A. has offices in London, Munich and Copenhagen.

Banking Circle S.A. is an affiliate company in the Banking Circle Group ecosystem which serves payment companies, banks, global marketplaces and online merchants through a rich set of complementary eCommerce solutions. These include global cross-border payments, accounts and liquidity management, revenue based financing, business payments & card issuing, B2B Buy Now Pay Later and account-to-account payment methods.

Banking Circle Group is owned by EQT VIII and EQT Ventures, in partnership with Banking Circle S.A.’s founders. The Group entities have offices in Amsterdam, Copenhagen, London, Luxemburg, Munich, Singapore and Stamford, Connecticut.

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