



Stellar
Development
Foundation

Q2 2022

Stellar Development Foundation Quarter in Review

July 2022

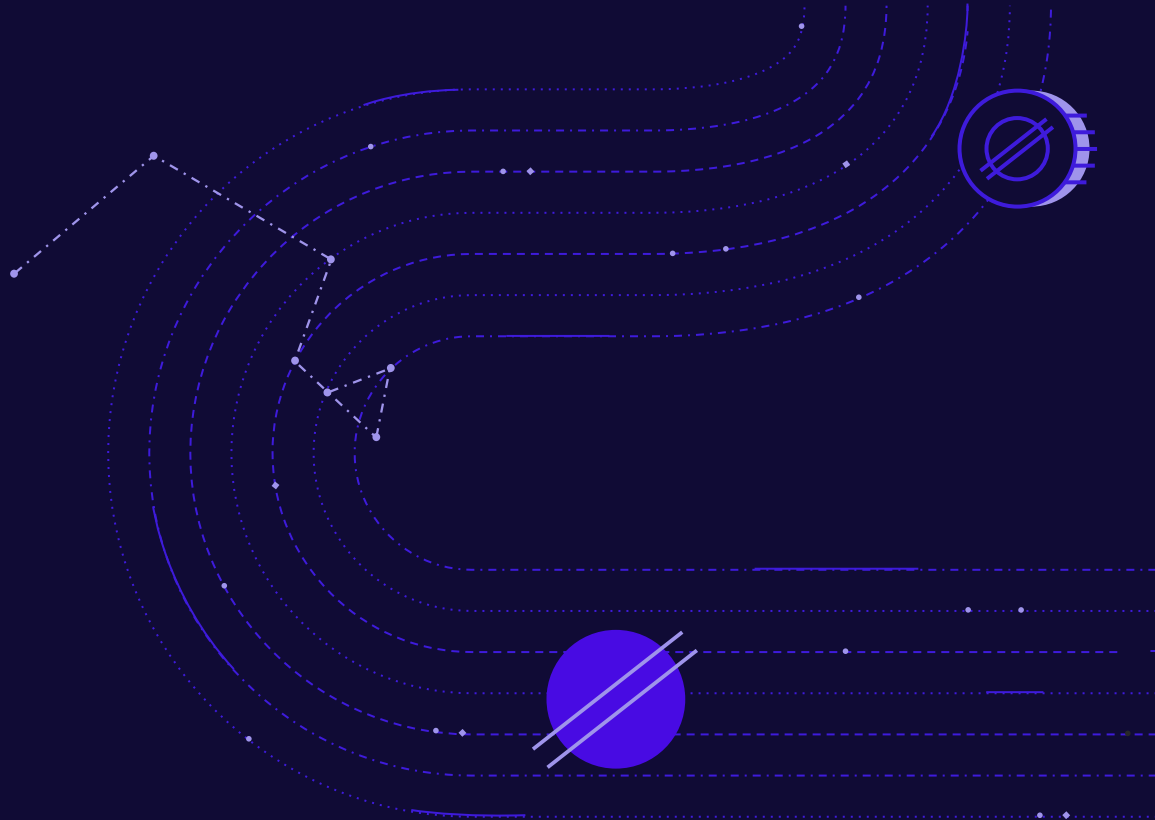


Table of Contents

01

Executive Summary

02

Network Stats

03

Network Development & Updates

04

Ecosystem & Partners

05

Visibility & Engagement

06

Mandate & Distribution

01 Executive Summary

Executive Summary

Freighter, Vibrant
2.0

Protocol 19

Upgrade

MoneyGram Access

Rollout began
in June

3 events

with significant SDF presence:
PBWS, WEF, and Consensus

152

Submissions for
SCF Round #10

Executive Summary

It's halfway through the year, and the Stellar Development Foundation is making steady progress on its 2022 [roadmap](#), delivering on the three building blocks:

01

**Increase
scalability
and network
innovation**

02

**Activate more
network
participation**

03

**Demand and
promote
inclusion**

Read the following pages to see what SDF has accomplished this past quarter against these building blocks.



Executive Summary

INCREASE SCALABILITY & NETWORK INNOVATION

Smart contracts continue to be a high priority for SDF, with VP of Tech Strategy Tomer Weller explaining in-depth [why **Project Jump Cannon** is being built on a WebAssembly \(WASM\) runtime](#). WASM checks off all the major boxes: providing a robust execution environment for smart contracts, possessing a thriving ecosystem, and can be used to build a system that is safe, scalable, and promotes equitable access.

Protocol 19 went live on June 6th after validators voted for the upgrade. Protocol 19 changes were designed to facilitate the creation of payment channels, which are Layer 2 protocols that support high-throughput use cases.

Prior to implementing Protocol 19 changes in production, SDF engineers used a sandbox devnet to build a working payment channel prototype called **Starlight**.

Executive Summary

ACTIVATE NETWORK PARTICIPATION

This quarter, MoneyGram International, in collaboration with SDF, rolled out **MoneyGram Access**, a first-of-its-kind global on/off-ramp service for digital wallets to increase the utility of digital assets by creating a bridge between cash and cryptocurrencies.

The importance of this moment should not be underestimated; with the launch of this service, digital wallet users can now move seamlessly from cash to cryptocurrency, to cash again — all without requiring a bank account or credit card. Consumers can now go into select MoneyGram locations to either load their digital wallets to access the digital economy, or cash-out their digital currencies to increase the utility of their holdings.

MoneyGram Access provides a developer platform that allows more businesses within the Stellar ecosystem and beyond, including wallets and service providers, to expand the functionality and reach of MoneyGram's integration with Stellar. For instance, Elliptic, a global leader in crypto asset risk management, can provide MoneyGram with robust blockchain analytics solutions, and Wyre, a leading provider of blockchain payments APIs, can help other wallets integrate with the MoneyGram service.

MoneyGram Access is now available in 12 markets for cash-in, including Canada, Kenya, Philippines, Argentina, Brazil, and the U.S., and global cash-out functionality went live at the end of June 2022.

Executive Summary

ACTIVATE NETWORK PARTICIPATION

To activate greater network participation, SDF engaged heavily on multiple fronts, including technical strategy, ecosystem engagement, policy advocacy, marketing, and investments. Highlights this past quarter include:

- SDF made a Matching Fund investment of \$300k in Canadian fintech [Stablecorp](#), in addition to a \$10 million Enterprise Fund investment in a fintech company. More details regarding this company will be shared soon.
- Ever-greater access to USDC on Stellar continues, with exchanges [WhiteBIT](#), [CoinMe](#), and [Mercado Bitcoin](#) now enabling deposit and withdrawal of the USD-backed stablecoin in the countries they operate in.
- Leading fintech [Novatti](#) announced it will launch an Australian Dollar (AUD) backed stablecoin leveraging Stellar. AUDC will be integrated into Novatti's existing suite of payment solutions, providing clients with even more choice in how they choose to pay and be paid, while creating new business use cases.
- SDF announced a new methodology co-developed with a global consultancy to measure the [environmental impact](#) of blockchain technology. Using this methodology, SDF was able to release its findings on how much electricity the Stellar network consumes.

Executive Summary

DEMAND AND PROMOTE INCLUSION

The final building block necessitates that SDF demand and promote inclusion – how SDF can leverage research, our mandate, and network effects to achieve its mission of greater equitable access to the global financial system.

The **Stellar Community Fund** – a program that offers anyone building on Stellar the chance to secure support and funding from SDF based on community input – has concluded its **10th** round, receiving a record number of **152** submissions across **47** countries. **44** projects were selected to participate as candidates. After 4 weeks of community discussion and deliberation, a panel of **52** judges drawn from both the SDF and the greater Stellar community and ecosystem voted to award **15** projects their requested budgets, and to give away a grand total of over **10.5M XLM**.

Executive Summary

DEMAND AND PROMOTE INCLUSION

Several initiatives have also been (re)launched to reach more diverse pools of developers, entrepreneurs, and people who want to learn about blockchain in general, including:

- Gamified coding experience Stellar Quest is being split into two main components: Stellar Quest Live and Stellar Quest Learn. Stellar Quest Learn is evergreen, and people can complete challenges at their own pace while facing increasing difficulty. With Stellar Quest Live, SDF will continue to host live events periodically as a separate and supplemental experience to learn.
- Stellar Campus Experts is a community-driven program for students looking to grow their blockchain knowledge and support blockchain technology in their campus communities. The goal is to help individuals become experts no matter where they live and provide them with the tools, resources, and structure needed to cultivate interest in innovative technologies on their campuses.
- SDF and DFS Lab conducted its second Blockchain Bootcamp, during which 9 fintechs in Africa built solutions on Stellar, with prizes ranging from \$5K to \$15K worth of XLM.
- SDF announced its partnership with Mercado Bitcoin in a pilot to help build Brazilian CBDC and was shortlisted together with eCurrency and ANZ to develop a prototype for the Bank of Indonesia.



STELLAR IN THE NEWS

General SDF News Coverage Updates

PROTOCOL

JUNE 10, 2022

Getting money into crypto is still too hard.
Stellar and MoneyGram have a fix



- [Nium and Stellar Development Foundation enable payouts in 190 countries](#) | Finextra
- [After the Collapse of Terra's UST, What's Next for Algorithmic Stablecoins?](#) | Decrypt
- [How Terra's collapse will impact future stablecoin regulations](#) | Cointelegraph
- [Markets, Broadcom, Crypto, And Freelance Work](#) | Bloomberg
- [A Second Stablecoin Wobbles, Further Undermining Crypto Markets](#) | CNET
- [MoneyGram's USDC transfer service launches in several countries](#) | Cointelegraph
- [Reducing crypto's carbon footprint needs to begin with transparent data, Davos panel says](#) | Fortune
- [California Unveils Crypto Executive Order as Competition for US Crypto Capital Builds](#) | Blockworks

1,192

total media mentions

996M

total media impressions

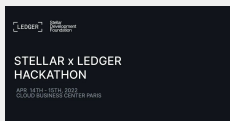


GENERAL EVENT UPDATES

Virtual and Live



[Paris Blockchain
Week Summit
\(PBWS\)](#)



[Hackathon @
PBWS with Ledger](#)



[LINKS: Chainalysis
annual conference](#)



[World Economic
Forum](#)



[DC Blockchain
Summit](#)



[Lendit Fintech](#)



[Blockchain
Bootcamp with
DFS Lab](#)



[Kinetic 2022](#)



[Techstars Startup
Weekend, Mexico](#)



[Consensus](#)



[Vivatech](#)



02 Network Stats

To measure and assess growth of the network over time, SDF has established a select group of metrics to track throughout 2022 and compare year-over-year to their 2021 equivalents: total accounts, total payments, average daily decentralized exchange (DEX) volume, and total operations processed.

These metrics serve as indicators of general usage of the network.

Total Accounts



+28.5%

Total accounts grew by **28.50% YoY**, nearing 7 million accounts in the second quarter of 2022.

5,432,917

Q2 2021

6,981,356

Q2 2022

Total Payments



+166%

The number of total payments grew by **166% YoY**, with 38 million payments made in Q2 2022 compared to 7.5 million in Q2 2021.

90,985,705

Q2 2022

34,201,874

Q2 2021

Average Daily DEX Volume (XLM)

+415%

Average daily volume on Stellar's decentralized exchange (DEX) surpassed **38 million XLM** per day.

7,522,502

Q2 2021

38,786,024

Q2 2022

Total Operations



+88%

Total operations processed on the network continues to be one of the largest growth areas, surpassing 823 million in Q2 2022 (**+88.12% YoY**), nearly 1 billion operations in the second quarter alone.

823,132,037

Q2 2022

437,553,703

Q2 2021

Relevant Assets

The following metrics look at relevant assets, which serve as indicators of how the network is being used. Usage of relevant assets answers the question of how well Stellar is moving towards connecting global financial systems. SDF defines a relevant asset as an asset tethered to a real financial instrument.

When SDF measured the number of relevant assets in Q2 of 2021, the total number of these assets stood at 82, with transaction volume for the quarter amounting to \$83 million (due to pricing discrepancies with assets, we initially overreported this number in Q2 2021 and issued a correction after the fact). As of Q2 2022, the total number of relevant assets has decreased YoY to **79** due to strengthening the reporting criteria determining what counts as a relevant asset, but the on-network transaction volume of relevant assets YoY grew by **212.20% YoY**.

Relevant Assets

RELEVANT ASSET TRANSACTION VOLUME

+212%

Q2 2021

\$82,656,448

Q2 2022

\$258,053,006

GROWTH OF
RELEVANT ASSETS YOY

0.97x

GROWTH OF RELEVANT
ASSET TRANSACTION
VOLUME YOY

3.1x

RELEVANT ASSETS

82 → 79

Decentralization Update

Given the important role decentralization plays in the health and success of the network, SDF will continue to include the total number of nodes and validator nodes, as well as the average ledger close times completed by the network, in its quarterly reports through 2022.

The decentralization of the network is consistent with last fiscal year — accounting for the same number of Tier 1 validator nodes and an increase in total nodes. Average ledger close time clocked a little over 6 seconds.

AVERAGE LEDGER CLOSE TIME

6.136s

190

Total
nodes

23

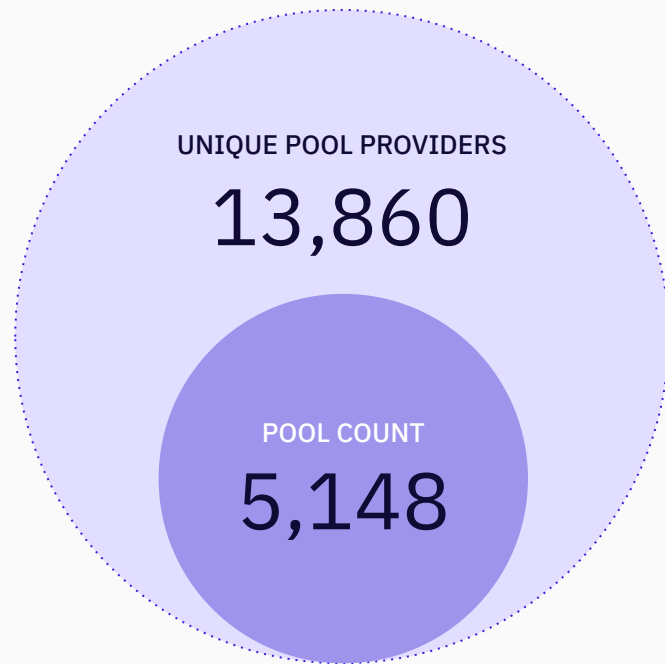
Tier 1
Validator
nodes

Automated Market Maker (AMM) Update

In FY21, AMM functionality was introduced to Stellar, enabling participants to create and deposit into liquidity pools on the network. SDF tracks these metrics in order to gauge performance and utility of this feature: **1. Unique Pool Providers**, **2. Pool Count**, and **3. Liquidity (Total Value Locked)**.

LIQUIDITY (TOTAL VALUE LOCKED)

\$16.6M



03 Network Development & Updates

General Engineering & Platform Updates

SDF's engineering team delivered updated tools, documentation, and infrastructure to support future releases. Among other things, they have:

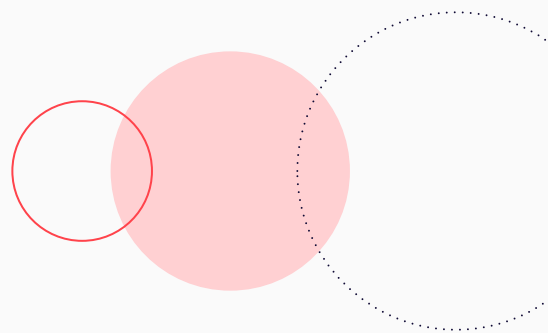


Made significant progress on developing the Smart Contracts toolkit and experience, having just completed a proof-of-concept simulation demo for Jump Cannon RPC node and DApp UI in addition to developing a plan for Smart Contract Client Side tooling, APIs, RPC Services for the next quarter.

Released Freightier 2.0, including a full redesign using the Stellar Design System. Features now include: send and path payments, trustline management and asset search, swap feature, feature where apps can request a specific key to sign, and security updates

Protocol 19 Upgrade

Creating payment channels is easier than ever



Protocol 19 went live on June 6th after validators voted for it.



Protocol 19 changes were designed to facilitate the creation of payment channels, which are Layer 2 protocols that support high-throughput use cases.



Prior to implementing the Protocol 19 changes in production, SDF engineers used a sandbox devnet to build a working payment channel prototype called Starlight.



The Design Rationale section of **CAP-21** also describes several other use cases, outlining how to create:

- One-way payment channels
- Hash Time Locked Contracts (HTLCs)
- And more...

Network Improvements

Stellar Core & Horizon

STELLAR CORE

- ✓ 1 major update (19.0.0) and 2 minor ones (19.1.0 and 19.2.0).
- ✓ 19.0.0 added support for protocol 19 that went live on June 06th after validators voted for it. Protocol 19 implements the following CAPs:
 - **CAP-0021:** Generalized transaction preconditions
 - **CAP-0040:** Signed-Payload: Ed25519 Signed Payload Signer for Atomic Transaction Signature Disclosure

HORIZON UPDATES

Delivered:

- ✓ Protocol 19 changes for core Horizon API Service and SDK's (JS, Java, GO) to support Starlight and Starbridge and other strategic initiatives
- ✓ Ingestion Filtering feature (v1 beta) to enable Horizon operators to ingest assets and accounts of interest and lower storage cost by >99%.

NETWORK IMPROVEMENTS

CAP & SEP Pipeline

CAPs and SEPs are good technical indicators of where Stellar is *now*, and also of where it's headed *next*. In Q2 2022, there was notable progress on both fronts.

On the CAP front, there was significant work on Project Jump Cannon, which will bring smart contracts to Stellar. Given the size and complexity of that project, the protocol team broke up key decisions into discrete components, each of which is addressed in its own proposal.

CAP: Core Advancement Proposal

Technical suggestions for changing the protocol itself to expand Stellar's functionality to meet ecosystem needs.

CAP-46

WebAssembly
Smart Contract
Runtime
Environment

CAP-47

Smart Contract
Lifecycle

CAP-51

Smart Contract
Host Functions

CAP-52

Smart Contract
Interactions
(Minimal)

CAP-53

Smart Contract
Data

CAP-54

Smart Contract
Standardized
Asset

CAP-55

Fee model in
smart contracts

NETWORK IMPROVEMENTS

CAP & SEP Pipeline

On the SEP front, there was continued iteration on the key standards for Stellar transactions — SEP-06, SEP-24, and SEP-31 spec — all of which [were updated](#) to allow anchors to communicate information about transaction expiration, which makes it simpler to incorporate an [Anchor RFO API](#) into those flows.

SEP: Stellar Ecosystem Proposal

Specifications allowing ecosystem participants to build extra-network infrastructure so they can interoperate easily to facilitate multi-party transactions.

SEP-06

Deposit and
Withdrawal API

SEP-24

Hosted Deposit and
Withdrawal

SEP-31

Cross-Border
Payments API

Additionally, the [Stellar Info File](#) was expanded to include NFTs, and a new informational SEP detailing [Interoperability Recommendations for NFTs](#) was drafted in collaboration with [Litemint](#), the premiere NFT marketplace built on Stellar. That SEP defines best practices for creating NFTs, and lays out interoperability guidelines that ensure compatibility throughout the space.

Vibrant 2.0 Launch



The new and improved version of the app, Vibrant 2.0, has been successfully tested and launched in Argentina and the US

HIGHLIGHTS

- ✓ Users will find all of the original features including the ability to send, store and swap USDC, XLM and ARST in a redesigned UI.
- ✓ Vibrant has also been adding additional anchors to on-ramp and off-ramp users more seamlessly and in more locations than ever. This has involved the addition of Moneygram locations for USDC cash pickup and dropoff in the US, expanding on the remittance use-case by allowing more users to send assets back to their home countries using Vibrant.

UPCOMING FEATURES

- Debit card purchases for USDC and XLM
- ACH deposits from users bank accounts into USDC
- E-gift cards purchases with USDC and XLM
- Ability to purchase flights and accommodation with XLM
- A marketplace section in the app for users to discover new ways to use their cryptocurrencies
- Chatbot integration to improve self-service within the app

04 Ecosystem & Partners

DRIVING ACCESS THROUGH ON/OFF-RAMPS

Nium and SDF partner to enable payouts in 190 Countries



Nium, a Singapore-based global payments unicorn, will expand the reach of the Stellar network in a number of ways

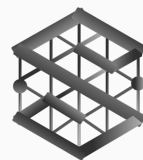
- In **Phase 1** of the partnership, Nium has added the ability to accept Stellar USDC as settlement, and has adopted the Stellar interoperability standard for cross-border payments, which means that any company can now leverage Stellar to send fast, cost-efficient payments worldwide via Nium's extensive payout network.
- Next, in **Phase 2**, SDF will work with Nium to extend its vast coverage to wallet partners looking for the ability to on/off-ramp users globally, at competitive rates and with high reliability. At the completion of this work, Nium's network will complement MoneyGram's cash rails for on/off-ramping with global bank rails, with the same speed, efficiency, and interoperability for which Stellar is known.

GENERAL FUNDING UPDATES

Q2 Matching Fund Investments

SDF has made a \$300k Matching Fund investment in Stablecorp, a stablecoin issuer and digital banking infrastructure provider building institutional-grade financial use cases around crypto assets.

Stablecorp will leverage its strategic relationship with VersaBank, Circle, and SDF to bring new retail and institutional users onto the Stellar network, in addition to introducing new asset flows and driving further usage of relevant assets on Stellar.

**STABLECORP**

TOTAL INVESTMENT**\$300K****Q2 2022**

GENERAL FUNDING UPDATES

Q2 Enterprise Fund Investments

There was one Enterprise Fund investment this part quarter, with the final amount being \$10M. Details will be announced at a later date.

TOTAL INVESTMENT

\$10M

Q2 2022

PARTNER SPOTLIGHT

MoneyGram Access launches with LOBSTR, Vibrant, & Wyre



→ On June 10th, SDF announced the official worldwide launch of MoneyGram Access together with an initial batch of wallets partners, including LOBSTR, Vibrant & Wyre. Users can turn physical cash in local currency into USDC on Stellar at any participating MoneyGram location worldwide, all through one simple integration. They can also redeem USDC on Stellar for physical cash.

→ MoneyGram Access is applicable for all sorts of use cases, like a gig platform that allows users in remote areas to accept payment in USDC and pick up cash at their local MoneyGram location, or, an investment app that offers users in the cash economy the ability to use physical cash to invest in fractional shares of US blue chip equities.

→ No other service offers such broad connectivity to the cash economy in such a powerful, simple way. To sweeten the deal even further, MoneyGram is waiving all transaction fees for the first year of the service.

Stellar Community Fund

Enabling developers, startups, and companies building on Stellar to receive support and funding based on input from the Stellar community.

THE [STELLAR COMMUNITY FUND](#) IN THIS 10TH ROUND:

152 record number of **submissions**
across **47 countries**

44 submissions **were selected to**
participate as candidates

A panel of **52 judges** drawn from both the SDF and the greater Stellar community and ecosystem voted to award **15 projects** their requested budgets, and to give away a grand total of over **10.5M XLM**.



DEVELOPER ACTIVATION

Stellar is home to a motivated community of startups, developers, and enthusiasts working together to build the future of finance. This quarter, SDF continued to grow, engage, and support that community through focused education and outreach, hackathons, and grant programs.

STELLAR QUEST

An evergreen Stellar learning experience

- Practice Stellar operations while completing modular quests leveraging Stellar's APIs and SDKs
- Unlock NFT Badges to mark your learning journey

LEARN AND BUILD

Bringing developers together all over the world

- Launched in April, Stellar Campus Experts is a community-driven program for students looking to grow their blockchain knowledge on campus
- The Stellar Blockchain Bootcamp hosted by DFS Lab saw 9 fintechs win prizes ranging from \$5K to \$15K worth of XLM.

PROTOCOL EVENTS

Discuss the Stellar Protocol

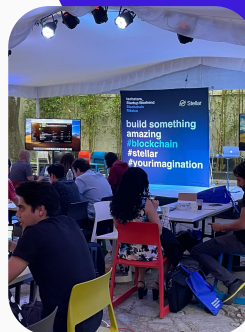
- Throughout the quarter, SDF hosted 8 public Open Protocol Sessions to openly discuss and plan for changes to upcoming versions of the Stellar Protocol, and 2 ecosystem panels where companies built on Stellar discuss interesting topics in the ecosystem.

DEVELOPER INITIATIVE UPDATE

Accelerator Programs

**techstars_
Startup Weekend**

During the weekend of May 20th, Techstars and SDF hosted the Techstars Startup Weekend Blockchain México that brought together the blockchain community in the region to build innovative ideas in finance and beyond with Stellar.





HACKATHONS

Stellar is home to a motivated community of startups, developers, and enthusiasts working together to build the future of finance. This quarter, SDF continued to grow, engage, and support that community through focused education and outreach, hackathons, and grant programs.

WEB3ATHON

A hyperlocal people-first crypto hackathon

- Beginning June 6th through September 15, SDF is sponsoring the Web3athon by CoinDesk and CRADL: a hackathon bringing creatives and developers together to solve some of the most pressing problems facing communities.

HACIENDO STELLAR

A LATAM community-run initiative

- Focused on highlighting Stellar and projects built on the network, Haciendo Stellar ran a hackathon this past quarter.

STELLAR X LEDGER HACKATHON

SDF and Ledger SAS collaborate at PBWS

- Following PBWS on April 14-15, SDF and Ledger SAS hosted a 20-hour Stellar x Ledger Hackathon to provide developers with an in-person opportunity to build solutions on both technologies.

05 Visibility & Engagement

GENERAL MARKETING UPDATES

Highlighting real-world use cases

This quarter, SDF marketing was focused on highlighting real-world use cases of the Stellar network — first and foremost, with the initial roll out of MoneyGram as an on/off ramp on the network.

SDF made the news public in a big way at Coindesk's Consensus 2022 conference, with Denelle Dixon on the mainstage for a fireside chat with Bennett Richardson, President of Protocol, addressing how impactful cash to crypto is in empowering the billions of people who work in the informal economy (highlighted by [this powerful video](#) SDF created to put the subject into context).

To support the launch, SDF activated top-tier sponsorship at Consensus, as well as published the [MoneyGram Access site](#), where developers and users can learn how the service allows them to convert their physical cash into digital dollars and back. News of the first-of-its-kind service was covered by top-tier news outlets, most notably Protocol's feature, "[Getting Money into Crypto is Still Too Hard. Stellar and MoneyGram have a fix.](#)"

GENERAL MARKETING UPDATES

Brand new thought leadership from SDF's executive team

It was a significant quarter for amplifying the voices of SDF executives because two new content platforms were launched in Q2.



In May, Justin Rice, VP of Ecosystem, put out his first monthly newsletter, [the Soft Fork Bulletin](#), on understanding the [dynamics around the collapse of Terra](#). His [second edition](#) hit at the end of June, covering his take as a former musician on the role of NFTs in the music industry.

SDF Marketing also supported the launch of Denelle Dixon's new podcast, [block by block](#). She's hosted two guests to date: [Laura Shin](#), host of the Unchained podcast and author of "The Cryptonians", and [Chad Cascarilla](#), CEO of Paxos. A new episode will be released every month.

This quarter also included three new episodes of Tech Talks with Tomer: [Torsten Stuber](#) (April), [Refugee Relief & Remittances with Tori Samples](#) (May), and [Jake Urban on SDF's MoneyGram Integration](#) (June).

GENERAL MARKETING UPDATES

Developing a first-of-its kind framework to assess the energy footprint of blockchain networks

SDF also launched a significant ESG initiative, led by a research collaboration with a major international consultancy. Applying a co-developed first-of-its kind framework to assess the energy footprint of Stellar, SDF found that the Stellar network's electricity use for 1 year generates the greenhouse gas emissions equivalent to those of 33.7 homes. This work will be further leveraged by SDF going forward, allowing us to measure the energy-use impact as the network grows and changes.

→
More information on this research and findings can be found [here](#).

Additional Marketing Highlights

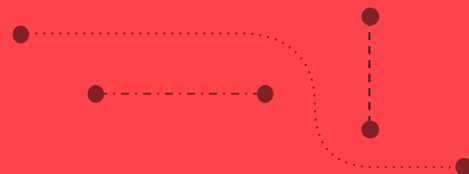
2 new case studies:

[Wyre](#) and [GetPaid](#)

21

blog posts

7 press releases



3 Features in FinTech
Female Friday of leaders
in the Stellar ecosystem

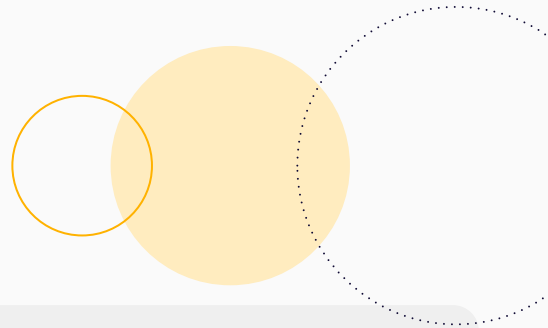
Featuring [Denelle Dixon](#), [Karen Chang](#), and [Tori Samples](#)

+72%

Increase to web traffic due
to paid digital media vs. Q1

GENERAL MARKETING UPDATES

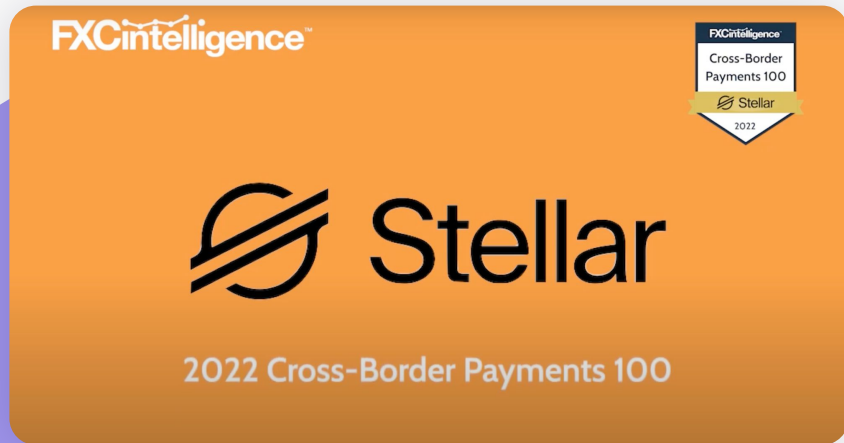
Additional Highlights



- SDF launched 2 new case studies of companies building on Stellar – Wyre (which debuted in May) and ClickPesa's GetPaid (released in June).
- SDF published 21 blog posts.
- SDF participated in a fintech series highlighting women leaders in the Stellar ecosystem: Denelle Dixon, Tori Samples, and Karen Chang.
- Our paid digital media during Q2 drove an overall +72% increase in visitors to stellar.org vs Q1. Twitter in particular continues to be an effective channel – both our ad targeting and our web content combined to drive a +150% increase vs Q1 in time spent on our landing pages from Twitter-originated traffic. LinkedIn paid media also continues to perform well, particularly for our marketing of long-form content such as our CBDC white papers and the jointly-created SDF-Wirex report, “Entering the Mainstream: Crypto-currency Adoption in 2022.”
- Denelle appeared on Bloomberg Radio in [May](#) and in [June](#) and was quoted in other news of the day articles like [SF Examiner](#), [CNET](#), [Bloomberg](#). She also penned an [op-ed piece for Protocol](#), covering sustainability in blockchain.
- SDF put out seven press releases highlighting integrations on Stellar, including [Novatti's launch of AUD](#), [Mercado Bitcoin's integration of sUSDC](#), [CoinMe's exclusive integration of sUSDC](#), [Nium's payout enablement in over 190 countries](#), and [WhiteBit's integration with sUSDC](#).
- Additionally, SDF spokespeople appeared at a range of industry events, including Chief Legal Officer Candace Kelly at [Chainalysis LINKS](#) in New York and [Vivatech](#) in Paris and VP of Ecosystem Justin Rice at [LendIt](#) in New York.



Stellar Awards & Recognitions



FXC Intelligence announced that Stellar made it to their top 100 cross border payments list. Every year, they track over 15,000+ players in the cross-border payments space and use the data to determine the Top 100 companies who move the needle.

FinTech Futures awarded Stellar in May as the Best Payments Solution Provider.



WORLD ECONOMIC FORUM

May 22-26, 2022

- SDF co-hosted the [Liquidity Lounge](#) with Securrency, and the SDF delegation attended 34 meetings and events.
- Denelle Dixon took the stage during the WEF's session, [Crypto's Carbon Footprint](#).
- Candace Kelly participated in the Financial Times' [Future of Humanitarian Aid Panel](#).
- SDF also co-hosted two events: [a roundtable with Protocol](#) to further the discussion on sustainability in crypto and a panel with Circle on the Inclusive Future of Web3: Financial Services Designed by and for Women.





April 13-14, 2022

- SDF was a platinum sponsor at Paris Blockchain Week Summit.
- SDF's COO [Jason Chlipala](#) spoke on the main stage about how CBDCs and stablecoins *both* will play a role in driving financial inclusion.
- Following PBWS on April 14-15, SDF and Ledger SAS hosted a 20-hour Stellar x Ledger Hackathon to provide developers with an in-person opportunity to build solutions on both technologies.





Meridian

October 11-13, 2022

- SDF announced the dates and location for [Meridian 2022](#), its annual marquee event: Rome, Italy from October 11 to 13, 2022.
- The theme of the conference is “The Urgency of Doing,” inspired by a quote from the famous philosopher and inventor Leonardo da Vinci.



Domestic Policy Highlights

Both domestically and internationally, SDF continues to engage with key policymakers, non-governmental organizations, central banks, and leading interest groups to shape digital asset policy across the globe.

REGULATORY CLARITY ON A FEDERAL LEVEL

- In the U.S, SDF engaged with Members of Congress and regulators across several fronts as scrutiny of the crypto sector increased. Federal agencies signaled their intent to enhance oversight of crypto-related activities, with both the SEC and CFPB announcing an increase in enforcement.
- Concurrently, the Department of Labor noted their “grave concerns” with a large asset manager’s decision to permit 401(k) plans to invest in certain cryptocurrencies. The collapse of Terra-Luna further increased scrutiny, with both regulatory agencies and Capitol Hill turning their focus to the sector.
- In response, lawmakers have floated or introduced various legislative measures to provide guardrails for stablecoin issuance. SDF continued its [advocacy for stablecoin regulatory clarity](#) as events unfolded.

THE RESPONSIBLE FINANCIAL INNOVATION ACT

- June brought further action, including Senators Lummis’ and Gillibrand’s introduction of [the most comprehensive cryptocurrency legislation](#) to date in the U.S., marking a step forward in congressional attention on the broad range of issues facing the sector.
- During Consensus in Austin, Texas, Deputy Secretary of Treasury Adeyemo announced that the Treasury Department would revisit the travel rule and the application of additional controls on personal wallets.

Domestic Policy Highlights

IN-PERSON AND VIRTUAL ADVOCACY

- Throughout Q2, SDF engaged extensively with lawmakers, the Biden administration, and regulators on these matters through in-person and virtual meetings, both unilaterally and with our trade associations and consultants.
- SDF also participated in various advocacy forums. These forums included speaking on stablecoin policy during the Digital Chamber's Blockchain Summit in Washington, DC, on illicit finance during a roundtable with federal agencies and roundtables focused on industry input for President Biden's Executive Order with White House officials.

STATE REGULATION IN CRYPTO

- State governments continued to lead in the crypto policy space as well, with California Governor Newsom announcing his own Crypto/Web3 Executive Order (EO) in May. Notably, the EO provided broad authority to the Department of Financial Protection and Innovation regarding crypto regulation and enforcement and placed a very strong emphasis on consumer protection.
- In May, SDF participated in a forum on California's approach to crypto regulation and is engaging with California policymakers as the EO process moves forward.

International Policy Highlights

Both domestically and internationally, SDF continues to engage with key policymakers, non-governmental organizations, central banks, and leading interest groups to shape digital asset policy across the globe.

MARKET IN CRYPTO-ASSETS (MiCA) PROPOSAL

- In Q2, SDF witnessed significant movement of crypto regulation in the EU with the passage of the Markets in Crypto-Assets (MiCA) proposal and Transfer of Funds regulation. The policy team contributed to shaping both legislative proposals by engaging with the European Parliament, Commission and Council, including participation in a workshop aimed to engage and educate European authorities working on the proposals.
- These are the most comprehensive regulations the industry has seen to date, and SDF will continue ongoing advocacy and engagement as details are finalized and implementation begins.

LATIN AMERICAN PILOT

- The SDF policy team's Latin American pilot to gather data on the cost and timeframe of using blockchain and stablecoins for cross-border payments and how to best integrate financial education continues.
- This quarter the findings of the pilot were shared with the [BIS CPMI cross-border schemes task force](#) showcasing how the use of blockchain can reduce the cost of remittances and B2B payments.

International Policy Highlights

WEF'S CRYPTO IMPACT AND SUSTAINABILITY ACCELERATOR

- The policy team's work with the World Economic Forum's Crypto Impact and Sustainability Accelerator, came to life both while attending the 2022 World Economic Forum in Davos and the WEF's Global Technology Governance Summit in San Francisco where the release of SDF's sustainability report was a topic of discussion with key industry leaders and relevant policymakers.

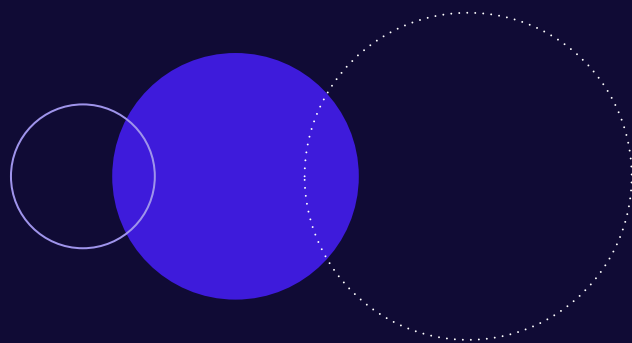
CBDC PILOTS

- SDF's engagement and support for the development of CBDC solutions was bolstered by participation in 2 new pilot projects.
- SDF announced its partnership with Mercado Bitcoin in a pilot to help build Brazilian CBDC and was shortlisted together with eCurrency and ANZ to develop a prototype for the Bank of Indonesia under the G20 TechSprint held by the BIS Innovation Hub.
- SDF also submitted formal comments to the U.S. Federal Reserve and the Central Bank of Kenya outlining our views on the potential positive impact of CBDCs on financial inclusion.

06 Mandate & Distribution

MANDATE & DISTRIBUTION

Overview



SDF is a non-profit organization whose mission is to create equitable access to the global financial system. SDF has no shareholders, no dividends, and no profit motive. The Foundation is funded by some of the lumens generated by the Stellar protocol at inception. Today, SDF holds roughly 30 billion lumens, and all of those lumens will eventually be used to enhance and promote Stellar.

Live accounting of the addresses with those lumens and funds are available on SDF's mandate page. SDF details exactly which ledger addresses hold those funds and exactly how those funds will contribute to Stellar's success. Anyone can observe progress towards SDF's stated goals, more or less in real time. The next two slides cover a summary of how lumens were allocated in Q2 of 2022.



Mandate & Distribution

Lumen Distribution

Table 1. Lumen Distribution April 2022 - June 2022¹

This table summarizes SDF's use of lumens in the quarter.

MANDATE CATEGORY	WALLET	AMOUNT	USES
Direct Development	Various	382,873,808	SDF Operations, Employee Grants
Ecosystem Support	Currency Support	14,583,832	ClickPesa, Finclusive, Settle, OKCoin, Mercado, United Texas Bank Inc, Nium Inc, CoinMe, Digtra, JST
	Developer Support	4,674,586	ElucidSoft, Contractor, Bug Bounty, Technica, Hackathon, Link.io, Pioneer, Tembo, Centiiv, Virtuality, Dev Community Inc, Vmware Inc. , The Trustees of Columbia University, HackerEarth Inc, CryptoAPI, Fin3 Technologies Inc, UCL Dev Office
User Acquisition	Enterprise Fund	91,814,278	StableCorp, Q2 EF Investment*
	Marketing Support	3,433,576	Tempo, Mobie, Inc, Junior Achievement Inc., Felix Technologies Inc., RealtyBits Inc., Elsa Care Technologies SL
Use-Case Investment	In-App Distribution	0	
	New Products	27,322,404	MoneyGram International Inc.

Mandate & Distribution

Ending Balance in SDF's Wallets

Table 2. SDF Account Balances as of July 1, 2022

This table reflects the ending balances in SDF's wallets as of July 1, 2022.

Direct Development	Direct Development	4,076,631,073
	Jan 1 2022 Escrow	0
	Jan 1 2022 Escrow	0
	Jan 1 2023 Escrow	3,000,000,003
	Direct Development Hot Wallets	110,325,025
Ecosystem Support	Developer Support	880,158,646
	Developer Support Hot Wallets	19,785,046
	Currency Support	962,706,324
Use-Case Investment	New Products	1,977,371,063
	Enterprise Fund	7,736,180,735
User Acquisition	In-App Distribution	3,906,599,179
	In-App Distribution (Hot)	44,003,148
	Marketing Support	1,998,633,427



Stellar
Development
Foundation

Next report: Q3 in October 2022

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