



Stellar
Development
Foundation

Q3 2022

Stellar Development Foundation Quarter in Review

October 2022

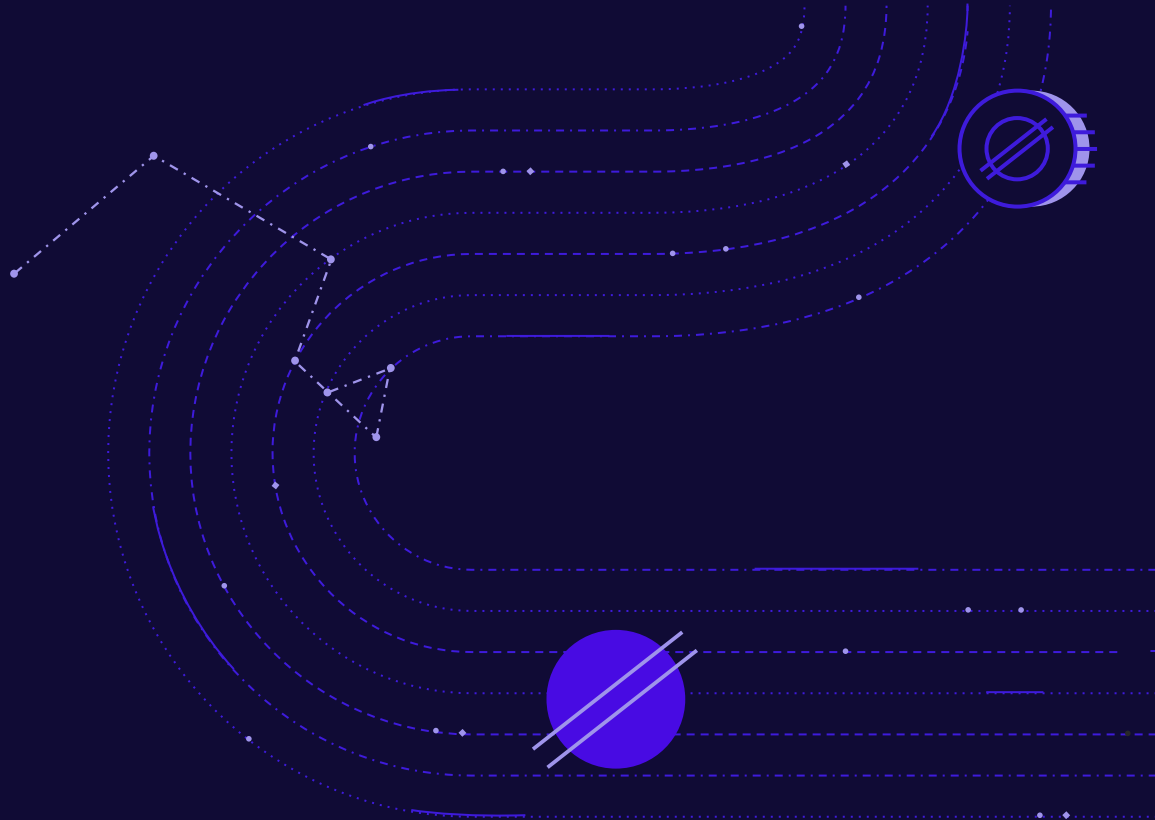


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01 Executive Summary

Executive Summary

Soroban Adoption Fund

\$100M

Blockchain Sustainability

Report Launch

Soroban

Live on Futurenet

Meridian

100+ speakers, **45+** sessions across 3 stages, **380+** total attendees

25

Events and conferences

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

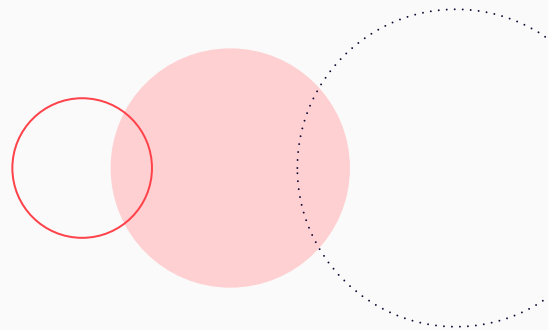
INCREASE SCALABILITY & NETWORK INNOVATION

Smart contracts continued to be a high priority for SDF, with Q3 largely focusing on getting **Soroban** ready to launch, which Tomer Weller (VP of Tech Strategy, SDF) announced is now live on futurenet at Meridian 2022.

In his latest [blog post](#), Tomer provides the rationale behind the design of Soroban, a new smart contracts standard, citing scalability, batteries-included functionality, and reliable access to financial rails as top priorities for the development of this new technology.

To encourage building on Soroban, SDF has also announced a **\$100M adoption fund**, with the first incentive program, [Sorobanathon: First Light](#), rewarding eligible devs for testing Soroban and sharing their feedback through content including code examples, tutorials, and Github issues.

Dive into this [blog post](#) to learn all about Sorobanathon and the importance of early-stage development.



Executive Summary

ACTIVATE NETWORK PARTICIPATION

In Q3, SDF planned for its annual marquee event, **Meridian 2022**, which took place in Rome, Italy from October 11 to 13.

Meridian 2022 was an interactive conference featuring industry thought leaders, developers, policymakers, and regulators alongside Stellar community and ecosystem members, academics, and journalists. Among these pioneers, executives from companies including MoneyGram, Circle, and Wyre were on hand to discuss real world use cases of blockchain technology.

Keynote speakers included Alexis Ohanian (Founder of Seven Seven Six), Caroline D. Pham (U.S. CTFC Commissioner), and more.

The theme for Meridian 2022 was the “Urgency of Doing,” inspired by a quote from Leonardo da Vinci. His wisdom proved to be prescient as SDF and the Stellar ecosystem and community all gathered together, considering a future fraught with problems that need to be solved sooner than later.

Perhaps it was the energy of finally seeing everyone all gathered under one roof or it was the stimulating conversations happening on stage, in private meeting rooms, or by the espresso bar, but one thing seemed clear – people left Meridian 2022 motivated to take action.

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:

- A total of \$12M was split across three Enterprise Fund investments in Q3, the recipients being [Wave](#), [Securrency](#), and an accelerator fund via [DFS Lab](#), in addition to \$500k for a Matching Fund investment in African fintech [Stax](#).
- Denelle Dixon (CEO, SDF) [testified](#) before the U.S. Senate Committee on Agriculture, Nutrition, and Forestry on the Digital Commodities Consumer Protection Act – bipartisan legislation created to empower the Commodity Futures Trading Commission (CFTC) as the authority to oversee digital commodities.
- Leading fintech [Novatti](#) announced its Australian Dollar (AUD) stablecoin on Stellar will go live Nov. 1. AUDD will be available for a direct 1:1 swap of fiat Australian Dollars via their onsite platform and app.
- SDF released a [longform report](#) expanding on the methodology co-developed with a global consultancy to measure the environmental impact of blockchain technology.
- In Q2, a \$10 million Enterprise Fund investment was made in [NetXD](#), a digital banking-as-a-service platform that provides a suite of financial APIs and a programmable ledger (“side chain”).

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.

Anke Liu (SCF Program Manager, SDF) wrote a [blog post](#) detailing the extensive history of the [Stellar Community Fund](#). Highlighting the lessons learned from past rounds, SCF strove to make the whole experience more inclusive and accessible for its 11th round.

Kicking the round off in August, SCF is running a startup [bootcamp](#) in conjunction with accelerator DFS Lab for a select group from the first wave of applicants.

SCF also released a newly redesigned [website](#), launching a [handbook](#) to serve as the source-of-truth for the program.

Executive Summary

DEMAND AND PROMOTE INCLUSION

SDF has doubled down on specific initiatives to reach more diverse pools of developers, entrepreneurs, and people who want to learn about blockchain in general, including:

- Gamified coding experience [Stellar Quest](#) recently came out with a newly redesigned website and several updates, including:
 - The final and most difficult level of its Learn content.
 - New XLM rewards for completing each level of Stellar Quest Learn.
 - Reduced onboarding friction, with an introductory Pioneer Quest to reduce drop-off at the very beginning.
- SDF has significantly increased its event presence, sharing the story of Stellar across several key markets and locations, including Singapore, Switzerland, and Turkey.
- The policy team continues supporting the prototyping of CBDC solutions in Brazil and Indonesia, together with a consortium of ecosystem partners and financial entities.

STELLAR IN THE NEWS

General SDF News Coverage Updates

FAST COMPANY

JULY 20, 2022

Will crypto winter go the way of the dotcom bust? The CEO of SDF explains:



- [Optimism fading? Regulatory discussion on stablecoins postponed until fall](#) | CoinTelegraph
- [US Senate Bill Will Give CFTC Crypto Market Oversight – but Doesn't Say How Much](#) | CoinDesk
- [NEAR Foundation and Forkast unveil shortlist for Women in Web3 Changemakers 2022](#) | GlobalNewsWire
- [Curious About The Crypto Scene? Here's What You Need To Know](#) | Refinery29
- [Stellar Development Foundation launches \\$100M fund to support native smart contract adoption](#) | Cointelegraph

1,187

total media mentions

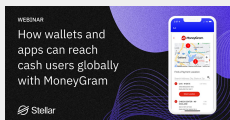
729M

total media impressions



GENERAL EVENT UPDATES

Virtual and Live



[How wallets and apps can reach cash users globally](#) →



[Futurist Conference](#) →



[VFF Fintech Forum](#) →



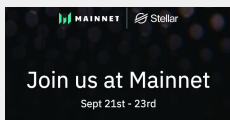
[How to Succeed in the Stellar Community Fund](#) →



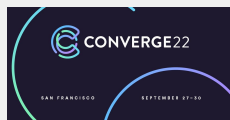
[Future Proof](#) →



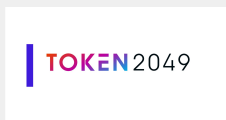
[Legislative Hearing to Review the Digital Commodities Consumer Protection Act](#) →



[Mainnet 2022](#) →



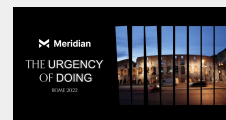
[Converge](#) →



[Token2049 Singapore](#) →



[A roadmap for digital assets](#) →



[Meridian 2022](#) →

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



+25.5%

Total accounts grew by **25.46% YoY**, surpassing 7 million accounts in the third quarter of 2022.

5,733,310

Q3 2021

7,193,074

Q3 2022

Total Payments



+114%

The number of total payments grew by **114.48% YoY**, with 64 million payments made in Q3 2022 compared to 30 million in Q3 2021.

64,042,131

Q3 2022

29,858,680

Q3 2021

Average Daily DEX Volume (XLM)

+85.2%

Average daily volume on Stellar's decentralized exchange (DEX) surpassed **24 million XLM** per day.

24,050,977

Q3 2022

12,987,228

Q3 2021

Total Operations



+49%

Total operations processed on the network continues to be one of the largest growth areas, surpassing 956 million in Q3 2022 (+48.59% YoY), nearly 1 billion operations in the third quarter alone.

643,868,783

Q3 2021

956,747,271

Q3 2022

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 Q3 of 2021, the total number of these assets stood at 89, with transaction volume for the quarter amounting to \$232 million. As of Q3 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 **11.9% YoY**.

Relevant Assets

RELEVANT ASSET TRANSACTION VOLUME

+11.9%

Q3 2021

\$232,312,882

Q3 2022

\$259,959,990

GROWTH OF
RELEVANT ASSETS YOY

-0.1x

GROWTH OF RELEVANT
ASSET TRANSACTION
VOLUME YOY

1.1x

RELEVANT ASSETS

89 → 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 under 6 seconds.

AVERAGE LEDGER CLOSE TIME

5.888s

173

Total
nodes

23

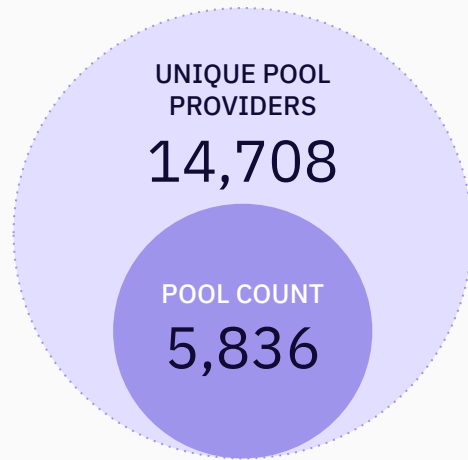
Tier 1
Validator
nodes



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).**

AMM VOLUME (\$)



LIQUIDITY (TOTAL VALUE LOCKED)

\$16.3M

03 Network Development & Updates



Now live on FutureNet

- A smart contracts platform in development by the Stellar Development Foundation
- Designed with purpose, Soroban was also designed for: scalability, batteries-included functionality, and reliable access to financial rails
- Built on WASM and Rust, Soroban was also built to perform
- Connects functionality and extensibility of smart contracts to Stellar's unparalleled on/off ramps
- Allows developers to reach new audiences, and allows those audiences to access a whole new world of financial products and services
- Currently includes an environment, an SDK, and a CLI. There are also [docs and examples](#)

SOROBAN.STELLAR.ORG

What's Happened So Far...

Q1 2022

Decision to build smart contracts



Q2 2022

WASM & Rust



Q3 2022

Soroban Preview
Releases #1 & #2



Q4 2022

Meridian:
Live Futurenet



\$100M Soroban
Adoption Fund

*Sorobanathon:
First Light*

What Comes Next...

Q1 2023

More Futurenets



Q2 2023

Mainnet

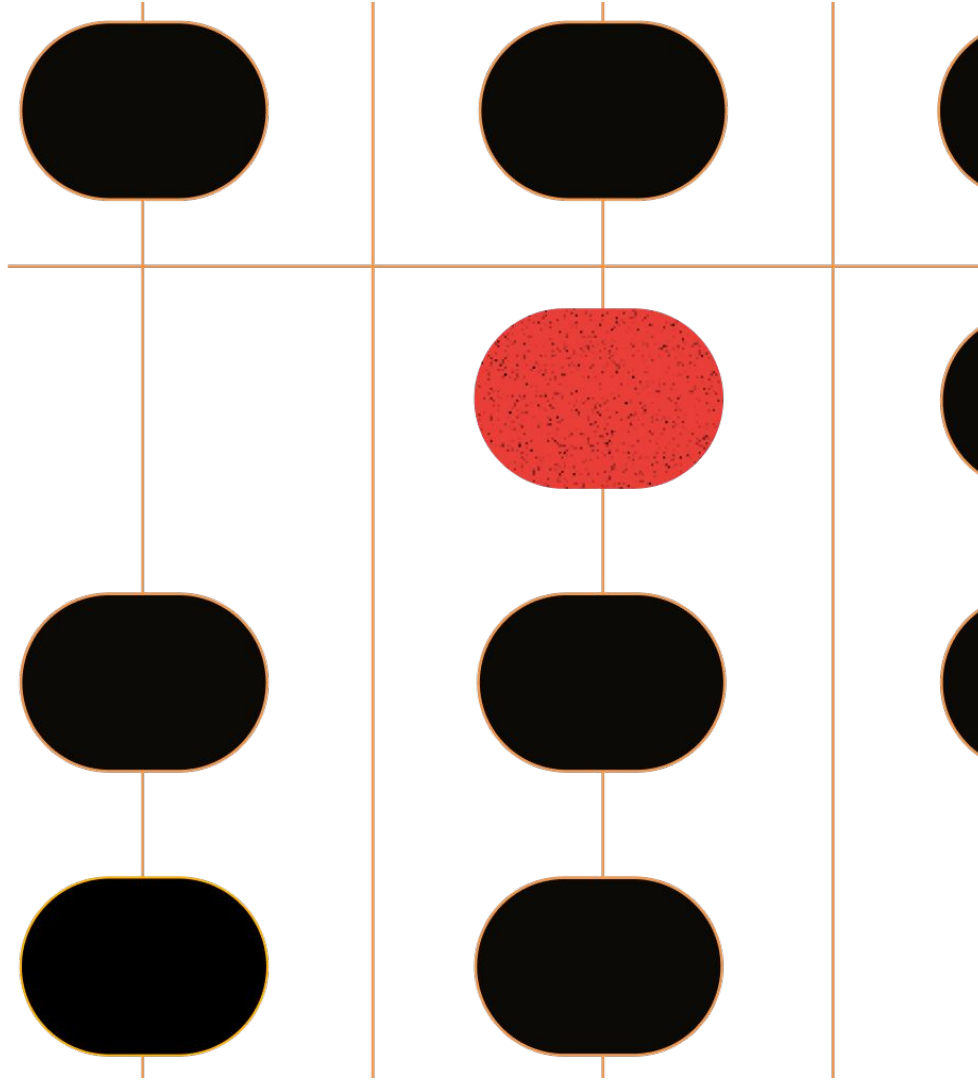


\$100M Soroban Adoption Fund

TYPES OF PROGRAMS TO EARN FUNDING

- **Current:** [Sorobanathon: First Light](#)
- **Future:** Bounties, Stellar Community Fund, Investments
- What do we want people to do with Soroban right now? Tinker, provide feedback, and help us iterate!

VISIT [SOROBAN.STELLAR.ORG](https://soroban.stellar.org) TO LEARN MORE



General Engineering & Platform Updates

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

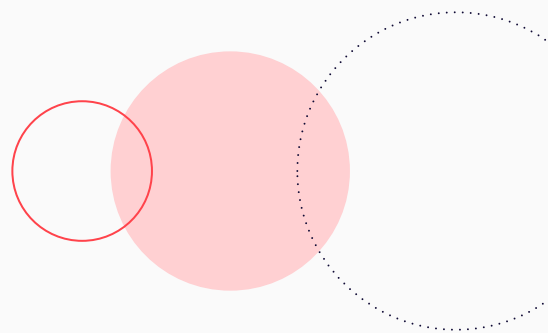


Released new features on Freightier, such as integration with Ledger hardware wallets, displaying assets balance details, supporting custom networks, basic support to displaying liquidity pools. Implemented a prevention to the known "demonic vulnerability" that could affect browser wallets. Ongoing work on supporting signing Soroban contracts.

Built an MVP for the Android native SDK, including features that will make the creation of wallets faster and easier for developers, such as account creation and recovery using SEP-30, account sponsorship and fee bumps, trustline management, authentication with SEP-10. Work on the deposits and withdrawals using SEP-24 has begun which will round out the initial release of the SDK.

Anchor Platform

Connecting to Stellar made simple



The Anchor Platform aims to help increase adoption by increasing the growth of the Stellar anchor network, both in terms of the number of anchors and number of integrations with those anchors.



The platform makes building anchor services and connecting payment networks simple by providing configurable packaged software that lets integration partners focus on their business logic.



It also provides partners the Stellar blockchain and SEP payment protocols (SEP-1, 10, 12, 24, 31, 38) integration.



The first version of the Anchor Platform has launched and is available for use. It is currently in final testing with 2 new Stellar anchors who participated in the early access program.

Network Improvements

Stellar Core & Horizon

STELLAR CORE

- ✓ A couple core releases were done (19.3.0 and 19.4.0), preparing the network for a major upgrade of the protocol used by peers to communicate that will increase the network capacity.
- ✓ This upgrade can be applied to Soroban at a later state, increase the network TPS, or simply reduce resource consumption in the interim.

HORIZON UPDATES

Delivered:

- ✓ New data ingestion features released to reduce operational costs:
 - [Captive Core “On Disk”](#) to offload RAM footprint to disk
 - [Ingestion Filtering](#) to enable reduction of DB storage footprint by 99%
- ✓ Prototype of Horizon “Lite”, a next generation Horizon service without a Postgres Database (to be available in first half of '23).

Network Improvements

Soroban & Data Platform

SOROBAN RPC

- ✓ First release of the Smart Contract RPC client with a full end-to-end example DApp, Freightier Wallet integration to be available for Meridian (10/22), supporting both CLI and HTTP interfaces.

DATA PLATFORM (HUBBLE)

- ✓ Hubble 2.0 migration in progress with a new data pipeline for faster updates (from 24 hrs to 15 min) and new schemas. Hubble 2.0 serves full history analytics, auditing, tracking use cases available on Google Query and will replace Hubble 1.0.

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 Q3 2022, there was progress on both fronts.

On the CAP front, there was significant work on Soroban, a new smart contracts standard on 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-56

Smart Contract Events

Along with several other Soroban-related CAPs that were drafted in Q1 2022, it's currently being tested in preview releases of Soroban. As the broader ecosystem of blockchain developers experiments with Soroban and provides feedback, these CAPs will be revised, and continue down the path to implementation.

NETWORK IMPROVEMENTS

CAP & SEP Pipeline

It was pretty quiet on the SEP front, as a lot of interoperability-related technical focus was devoted to the Anchor Platform. [SEP-24: Hosted Deposit and Withdrawal](#) and [SEP-12: KYC API](#) added callback signature requirements, so that wallets receiving callbacks from anchors can verify the provenance and integrity.

SEP: Stellar Ecosystem Proposal

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

SEP-12

KYC API

SEP-14

Dynamic Asset Metadata

SEP-24

Hosted Deposit and Withdrawal

Also, SEP-14: Dynamic Asset Metadata — which describes a standard way to query asset metadata, thereby allowing issuers to deal with an unlimited number of assets without defining each of them in Stellar Info file — was finally approved after 4 years in draft mode. Talk about tenacity!

Vibrant 2.0 Launch

As the Vibrant team finished off Q3 and heads into Q4 of 2022, they continued to optimize and add new product features to the latest version of the app.

HIGHLIGHTS

- ✓ In addition to Argentina and the US, Vibrant is also going live in Mexico. Migrant workers can stop by any US MoneyGram location to deposit their fiat USD and send that fund back in USDC to Mexico with no fees until June of 2022. Users can also choose to save their USDC and withdraw at a later date when FX rates are more favorable.
- ✓ Users will now be rewarded for referring new users and also completing tasks that are stated in Vibrant Quests. The current rewards are in USDC, but expect more reward types to come in the future!

UPCOMING FEATURES

- Send to Phone - allowing users to send their USDC or Stellar lumens balance to anyone's phone number and the receiver will be able to claim the funds anytime.
- Debit card purchases for USDC and Stellar lumens
- Bitwage integration, allowing remote workers in Argentina to be able to get paid in Stellar USDC.
- E-gift cards purchases with USDC and Stellar Lumens
- Additional chatbot and FAQ contents update
- Minor onboarding flow UI/UX updates

04 Ecosystem & Partners



PARTNER SPOTLIGHT

The Power of USDC on Stellar and Wallets

Much of our partnership efforts in Q3 were focused around driving Stellar adoption among promising wallets, with some help from USDC. Q3's progress looked like:

- **Wirex** added support for USDC on Stellar; users can transact with Stellar-based assets using the Wirex Mastercard and withdraw value in cash at ATMs.
- **Ledger** launched USDC on Stellar on Ledger Live, an open source app that connects directly to the Ledger hardware wallet.
- **AlfredPay**, a fintech building a LATAM-focused remittance platform leveraging USDC, began rolling out in the Dominican Republic and Haiti.
- Crypto payroll company **Bitwage** implemented support for USDC on Stellar, with users now able to receive any percentage of their salaries in USDC — including Argentinian UFC fighter Guido Cannetti who is receiving 100% of his salary in USDC via the Vibrant wallet.

The Wirex logo, featuring the word "wirex" in a bold, dark green, sans-serif font. A dotted line from the top left of the slide curves around the logo.The Ledger logo, consisting of the word "LEDGER" in a bold, black, sans-serif font, enclosed within a black square frame with rounded corners. A dotted line from the top left of the slide curves around the logo.The Alfred logo, featuring a dark blue circle and a light blue circle overlapping, followed by the word "alfred" in a bold, dark blue, sans-serif font.The Bitwage logo, featuring a stylized blue "b" icon followed by the word "bitWAGE" in a bold, blue, sans-serif font.



GENERAL FUNDING UPDATES

Q3 Enterprise Fund Investments

**This past quarter, the Enterprise Fund
deployed \$12M across three
investments, including:**

- Wave
- Securrency
- DFS Lab



DFS
LAB



Securrency



TOTAL INVESTMENT

\$12M

GENERAL FUNDING UPDATES

Q3 Enterprise Fund Investments

EF INVESTMENT IN WAVE



\$5M

In Q3, SDF has made a \$5M Enterprise Fund investment into Wave, the fastest-growing mobile money product in Africa which endeavors to make Africa the first cashless continent.

- Wave has set out to build a new financial network that addresses problems that currently exist with respect to mobile money, and currently serves over 10 million monthly users across Senegal, Côte d'Ivoire, Uganda, Mali, and Burkina Faso.
- With a network of over 30,000 agents, Wave is expanding access for users to deposit, withdraw, pay merchants and pay bills for free, and send money more affordably.

GENERAL FUNDING UPDATES

Q3 Enterprise Fund Investments

EF INVESTMENT IN SECURENCY



\$5M

SDF has made a \$5M Enterprise Fund investment into Securrency, a 150+ person UAE and US-based technology company providing infrastructure for issuing and managing regulated digital assets.

- Securrency has worked with SDF in the past on the World Bank Project and was integral to clawback of regulated asset functionality.
- Through Securrency, SDF and Stellar will enable Tier 1 financial institutions to digitize existing asset issuance and management infrastructure and create new digital assets accessible to institutional and retail clients.

GENERAL FUNDING UPDATES

Q3 Enterprise Fund Investments

EF INVESTMENT IN DFS LAB



\$2M

Through the Accelerator Fund, SDF has invested \$2M into DFS Lab, an early-stage fintech accelerator focused on founders building the future of digital commerce in Africa.

- Initially launched with support from the Bill & Melinda Gates Foundation, DFS Lab has unique and early access to African startups operating in-country.
- DFS Lab can support leading African startups in adopting and building on Stellar and facilitate the growth of businesses driving cross border payments.

GENERAL FUNDING UPDATES

*Q2 Enterprise Fund Investments

EF INVESTMENT IN NETSYS/NETXD

\$10M

*In the Q2 2022 Report, the announcement of a \$10M Enterprise Fund investment was made “with details forthcoming.” NetXD is a platform that enables businesses to manage their asset securitization and digital asset custody needs.

- This investment will support NetXD to build out their asset securitization capabilities on the Stellar network.
- Stellar will serve as the public blockchain for NetXD clients, providing greater transparency and auditability, lower costs, and ultimately expanded access to, and distribution of, digital assets. NetXD clients will also benefit from native features offered by Stellar, including speed of transactions, asset clawback and authorization features, and leverage a growing ecosystem.

GENERAL FUNDING UPDATES

Q3 Matching Fund Investments

Stax, a universal money app developed to enable users across Africa to access their bank accounts, and mobile wallets in one place without using mobile data, has received \$500,000 from SDF's Matching Fund to support Stax in building an affordable, borderless mobile wallet on the Stellar blockchain.

Seeing the challenges with borderless payments, Stax intends to make USD Coin (USDC), a fully-reserved dollar digital currency, on Stellar more accessible to users who want a secure place to hold their money, access global investment opportunities, and to participate in borderless commerce.



TOTAL INVESTMENT

\$500K

Q3 2022

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 11TH ROUND:

This round includes a built-in **Startup Bootcamp** for early applicants run in conjunction with DFS Lab.

A **history of SCF** was published, covering an extensive history of changes and improvements to the program.

A **new SCF website** was launched, complete with a **new SCF handbook**.



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

- Added Level 3, which covers advanced concepts and completes the Learn course
- Made onboarding easy with the introduction of a Pioneer quest to reduce # of dropouts
- Launched rewards for learning and [a new website!](#)

NEW DEV DOCS!

- Tons of [new content!](#)
- Added "Fundamentals and Concepts" section + Encyclopedia
- Made the Glossary a glossary, and consolidated sections for a more streamlined flow
- Also changed things on the backend for a more seamless user experience
- And supercharged search functionality

SOROBANATHON

Start experimenting now

- At Meridian, SDF announced the \$100M [Soroban](#) Adoption Fund.
- The first program to come out of that fund is [Sorobanathon: First Light](#).
- Early-adopter devs can experiment with Soroban, write code examples, Github issues, tutorials, and other content, and earn rewards

05 Visibility & Engagement

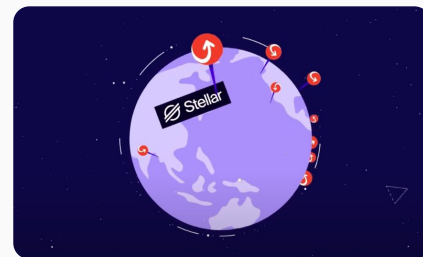
GENERAL MARKETING UPDATES

Connecting applications to a global network of on/off ramps

The SDF Marketing and Communications team leveraged a wide range of opportunities to drive awareness and engagement with Stellar.

SDF continued to expand and tell the story of how Stellar enables applications to connect to a global network of on and off ramps provided by Stellar anchors. SDF released this video, which encapsulates the power of [Stellar Ramps](#), such as those offered by Moneygram.

SDF also produced an [overview of Moneygram Access](#), hosted a [webinar](#) with SDF and Moneygram representatives and launched a dedicated Stellar On/Off Ramps [page](#) + [blog](#), highlighting the use case.



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 as the three thought leadership platforms continued to produce content throughout Q3.



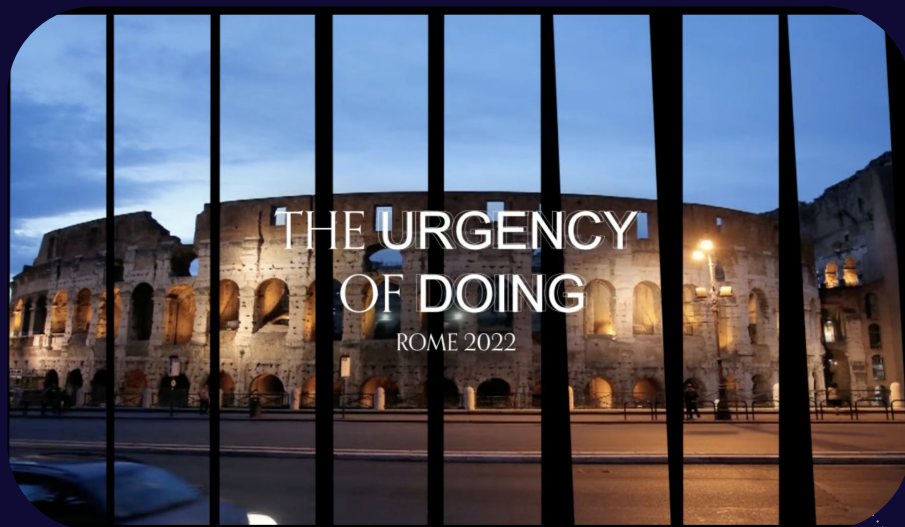
Justin Rice, VP of Ecosystem, put out another issue on his newsletter, [the Soft Fork Bulletin](#), regarding blockchain state growth and what challenges arise once it hits hardware capacity. In his words, it's akin to [screaming at a wall](#).

Denelle Dixon's podcast [block by block](#) continued to host a bevy of heavy hitters in the industry, including: Managing Partner of Electric Capital [Avichal Garg](#), General Partner of Ribbit Capital [Sigal Mandelker](#), and Executive Chair of the Board for Deloitte US [Janet Foutty](#).

This quarter also included two new episodes of Tech Talks with Tomer: Coinme's SVP of Strategy [Sung Choi](#), and Head of Developer Ecosystem at Ledger [Fabrice Dautriat](#).

GENERAL MARKETING UPDATES

Meridian 2022



SDF hosted its annual conference **Meridian 2022** in Rome, Italy from October 11 to 13.

Meridian 2022 was an interactive conference featuring industry thought leaders, developers, policymakers, and regulators alongside Stellar community and ecosystem members, academics, and journalists. Among these pioneers, executives from companies including MoneyGram, Circle, Wyre were on hand to discuss real world use cases of blockchain technology.

Keynote speakers included Alexis Ohanian (Founder of Seven Seven Six), Caroline D. Pham (U.S. CFTC Commissioner), and more.

Meridian

October 11-13, 2022

- The event featured over **100** speakers across more than **45** sessions and **3** stages.
- **380+** people attended in total.



SUSTAINABILITY UPDATE

Release of the Blockchain Sustainability Report

SDF released the Blockchain
Sustainability Report, developed
by PricewaterhouseCoopers US.

Learn more:

stellar.org/foundation/sustainability



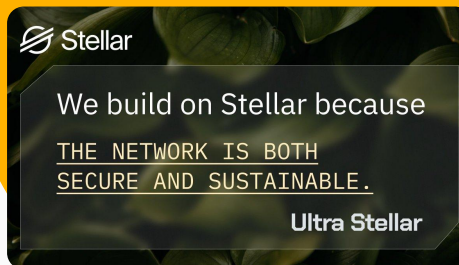
SUSTAINABILITY UPDATE

#SustainablewithStellar Ecosystem Campaign

SDF also engineered a social media campaign, joined by over 10 ecosystem companies, in addition to holding a live Twitter Spaces event with [Litement & Blue Marble](#) and a LinkedIn Live event with [Wyre](#).

Learn more:

stellar.org/foundation/sustainability



Additional Marketing Highlights

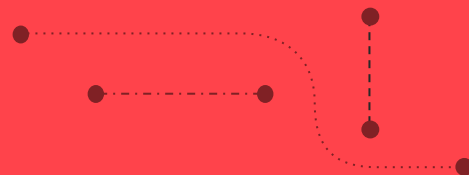
1 new case
study:

Fonbnk

25

blog posts

3 press
releases



\$1M+

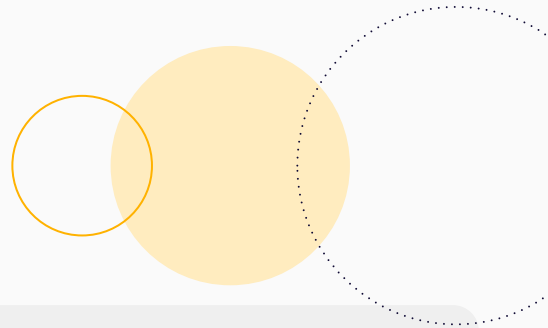
Distributed through
Marketing Grants

+114%

Increase to web traffic due
to paid digital media vs. Q2

GENERAL MARKETING UPDATES

Additional Highlights



- SDF launched 1 new case study of companies building on Stellar – [Fonbnk](#) (released in August).
 - SDF published 25 blog posts, including: [The Marketing Grant's First Million](#), [The History of the Stellar Community Fund](#), and [What's In a Name? Why Consumers Need Stablecoin Standards](#).
 - SDF has seen incredibly strong performance of its digital media, as it drove a +114% increase in site traffic vs Q2 2022 – a growth rate that far outpaced an increase in ad spend. This increase in quantity of traffic did not negatively impact the quality of traffic, as SDF maintained its 'time spent on the site' metrics. As SDF saw last quarter, Twitter continues to perform as a media channel – both in terms of quantity and quality of visitors.
- At the year's midpoint, Denelle wrote an [op-ed piece for](#) Fast Company explaining her reasons why she believes that crypto hasn't imploded.
 - SDF put out three press releases highlighting progress in CBDC innovation and integrations on Stellar, including: [SDF, eCurrency, and ANZ being shortlisted in the G20 TechSprint hosted by BIS and Bank of Indonesia](#), [Stax receiving funding from SDF to build an affordable borderless payment solution in Africa](#), and announcing the [keynote speakers of Meridian 2022](#).
 - Additionally, SDF spokespeople appeared at a range of industry events, including Candace Kelly (General Counsel, SDF) at the [Frankfurt Forum on US-European GeoEconomics](#) and David Mazieres at [Token2049](#) in Singapore.



UNITED STATES SENATE COMMITTEE ON
**AGRICULTURE, NUTRITION,
& FORESTRY**

Sep 15, 2022

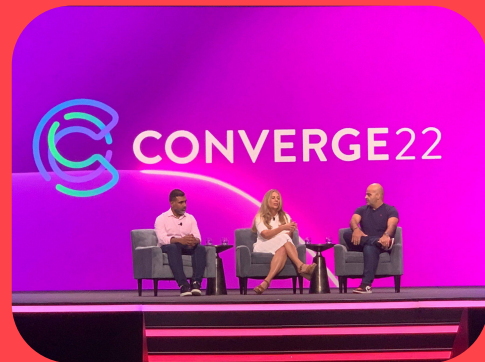
- Denelle Dixon (CEO, SDF) testified before the United States Senate Committee on Agriculture, Nutrition, and Forestry on the Digital Commodities Consumer Protection Act – bipartisan legislation created to empower the Commodity Futures Trading Commission (CFTC) as the authority to oversee digital commodities.
- Watch the [complete discussion](#).
- Read Denelle's [full testimony](#).





September 27-30, 2022

- Denelle Dixon (CEO, SDF) took the stage twice to discuss how blockchain and crypto can be used for social impact, in addition to how money can be transmitted globally without friction.
- Paul Wong (Director of Product, CBDCs, SDF) spoke on the regulatory and technical considerations CBDCs versus stablecoins.
- Jake Urban (Partner Engineering Tech Lead, SDF) participated in the session: Architecture and Application of USDC on Multiple Blockchains, where he spoke about how the Stellar ecosystem is currently leveraging USDC on Stellar.



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.

ENSURING RESPONSIBLE DEVELOPMENT OF DIGITAL ASSETS

- In the U.S., the Biden administration continued its work on carrying out the President's [Executive Order on Ensuring Responsible Development of Digital Assets \(EO\)](#).
- In August, SDF responded to the U.S. Treasury's request for comment (RFC) pursuant to the EO. The RFC covered a number of specific topics and invited general input on the use and regulation of digital assets. SDF's submission can be read [here](#).

TESTIFYING BEFORE CONGRESS

- In the U.S., Congress considered two main issues during the Q3: establishing a framework for stablecoins and providing clarity for how digital assets should be treated by regulators. In both areas, SDF was engaged with policymakers on Capitol Hill, the administration, and regulatory agencies.
- In September, CEO Denelle Dixon [testified](#) before the U.S. Senate Committee on Agriculture regarding digital assets legislation. On both fronts, SDF will continue to monitor developments and provide input to lawmakers in the U.S. House, Senate, and the Biden administration.

Domestic Policy Highlights

SDF has assessed the reports mentioned below and has engaged with policymakers on the Biden Administration's recommendations.

CTD. DEVELOPMENTS UNDER PRESIDENT BIDEN'S EO

- Also in September, the U.S. Treasury published three reports constituting under the aforementioned EO. These reports prioritized enhancing consumer protections through enforcement, continuing to assess risks, and studying the potential for a U.S.-issued Central Bank Digital Currency (CBDC) while not endorsing it.
- The White House Office of Science Technology and Policy (OSTP) published its report evaluating the environmental aspects of digital assets, while the Commerce Department's report addressed competitiveness more broadly. The Justice Department's report focussed on increasing the investigation and prosecution of crypto-related crimes.
- In addition, the Financial Stability Oversight Council (FSOC) released its report as required under the EO. The report identified three gaps in the regulatory regime for crypto assets: (1) spot markets for crypto assets that are not securities are subject to limited direct federal regulation; (2) crypto asset businesses do not have a consistent or comprehensive regulatory framework and can engage in regulatory arbitrage; and (3) crypto trading platforms have proposed offering direct retail access through virtually integrated platforms. The report recommends passing legislation to address the gaps in the spot market and to enhance the oversight of stablecoins and enhancing regulatory coordination and conducting a study on vertically integrated platforms.

International Policy Highlights

Globally, SDF continues to engage with central banks, international organizations, policymakers and the academia on financial regulation and policy.

MARKET IN CRYPTO-ASSETS (MiCA) PROPOSAL

- The policy team continues tracking legislative and regulatory developments and engaging with EU and UK policymakers and regulators, specifically in the implementation of the final text of the EU Markets in Crypto-Assets Regulation and the Transfer of Funds Regulation.

DATA COLLECTION ON CROSS-BORDER PAYMENTS

- Data collection continues to be a priority for the policy team through ongoing work with ecosystem partners FinClusive and Anclap to gather data on the cost of sending funds from the United States to Colombia.
- The policy team is also engaging with the BIS-CPMI cross-border schemes task force and UNCDF to provide further data of the cost of cross-border payments on the Stellar network.

International Policy Highlights

WEF'S ENERGY USAGE WORKING GROUP

- This quarter the policy team joined the WEF Energy Usage Working Group as part of the Crypto Sustainability Coalition in order to work together with the industry in order to develop a common methodology to measure the energy consumption of the blockchain industry.
- This work is relevant to ensure that energy consumption is measured appropriately and, ultimately, to promote the use of technology that is sustainable.

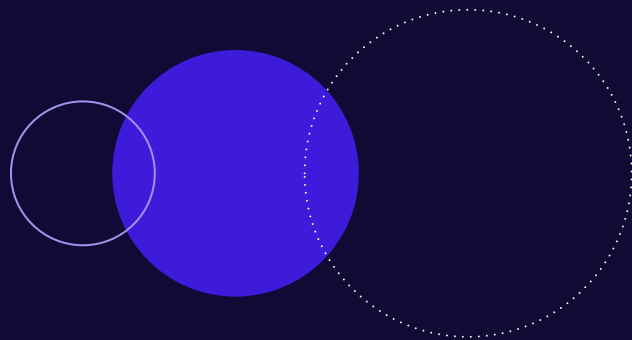
PROTOTYPING CBDC SOLUTIONS

- The policy team continues supporting the prototyping of CBDC solutions in Brazil and Indonesia, together with a consortium of ecosystem partners and financial entities.
- In addition, the policy team continues to work together supporting the research of the UCL, Centre for Blockchain Technologies (UCL CBT) which is working on a CBDC privacy-enhancing system built on the Stellar network. The policy team joined a workshop held by UCL CBT together with the UK public and private sector.

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 Q3 of 2022.



Mandate & Distribution

Lumen Distribution

Table 1. Lumen Distribution July 2022 - September 2022¹

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

MANDATE CATEGORY	WALLET	AMOUNT	USES
Direct Development	Various	362,726,959	SDF Operations, Employee Grants
Ecosystem Support	Currency Support	17,892,834	FonBnk, Settle, XanPool, Mercado, whitebit, Vottun, Dreamloppers, UTB, Merkle Sciences, MaxiTransfers, Tokenize, Fin3 Tech, Novatti
	Developer Support	23,848,234	Research Grants, Infrastructure grants, Hackathon, Vendor payments
User Acquisition	Enterprise Fund	94,693,950	Hover Bank, Wave Mobile, Securrency
	Marketing Support	5,893,032	Tempo, Cex.io, Fonbnk, Litemint, Alfred Technology
Use-Case Investment	In-App Distribution	0	
	New Products	18,844,813	MoneyGram International Inc.

Mandate & Distribution

Ending Balance in SDF's Wallets

Table 2. [SDF Account Balances as of October 1, 2022](#)

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

Direct Development	Direct Development	3,723,001,556
	Jan 1 2022 Escrow	0
	Jan 1 2022 Escrow	0
	Jan 1 2023 Escrow	3,000,000,003
	Direct Development Hot Wallets	156,014,117
Ecosystem Support	Developer Support	861,158,646
	Developer Support Hot Wallets	14,242,830
	Currency Support	943,175,292
Use-Case Investment	New Products	1,950,048,659
	Enterprise Fund	7,644,366,457
User Acquisition	In-App Distribution	3,906,599,179
	In-App Distribution (Hot)	44,003,148
	Marketing Support	1,991,793,333



Stellar
Development
Foundation

Next report: Q4 in January 2023

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