How Brale unlocked DeFi for Ethereum Classic with a native stablecoin

◆ Ethereum Classic   [Emerging Ecosystem]

14 days Time to launch   **2** Chains   **62%** Market dominance

($) **USC** Classic USD

Problem

The Ethereum Classic community needed a native stablecoin to support its growing DeFi ecosystem. The stablecoin needed blockchain interoperability, competitive fees, and regulatory compliance with the world's largest capital markets for global adoption.

Why Ethereum Classic?

Since Ethereum migrated to Proof of Stake (POS) through the Merge, Ethereum Classic has been the recipient of the largest cryptocurrency miner migration in blockchain history. Ethereum Classic has quickly become the largest and most secure proof-of-work blockchain with smart contract functionality.

The challenges

Ethereum Classic's efforts to build a decentralized finance stack originally focused on integrating Multichain.org bridge to bridge USDC, USDT, and DAI to Ethereum Classic, with wrapped stablecoins traded on a Uniswap v2 AMM. Ultimately the inherent security risks of wrapped stablecoins through third-party bridges and the capital inefficiencies of the Uniswap V2 protocol illustrated that Ethereum Classic needed a reliable stablecoin deployed natively to its network.

The situation

The EthereumClassic.com team needed a reliable stablecoin to function as the foundational quote asset in the on-chain ETC/USD market:

- The stablecoin needed blockchain interoperability with DeFi ecosystems on other networks like Ethereum, Solana, and Stellar.
- The stablecoin needed capital efficiency in collateralization and movement fees to competitively exist alongside the mature ETC/USD centralized exchange markets.
- The stablecoin needed regulatory compliance with the world's largest capital markets for global adoption by individuals, businesses, and governments.

This required either building a regulated entity to issue a new stablecoin or working with an existing partner who could implement Ethereum Classic quickly. After speaking with many issuers, it became clear that the Ethereum Classic development community would need to organize its own stablecoin effort.

Meeting together at EthDenver 2024, the EthereumClassic.com team identified Brale's regulated stablecoin issuance platform as the most desired solution in the marketplace. Brale recognized a unique opportunity to add material value by deploying the flagship stablecoin asset on a prominent open-source, decentralized blockchain.

> "Brale is streamlining the regulated stablecoin issuance space and we are excited to work with them in developing Classic USD (USC), Ethereum Classic's premiere regulated stablecoin. Brale facilitates the issuance, redemption, and treasury management of USC ensuring USC is redeemable 1:1 for U.S. dollars. This allows our team to focus on building composable DeFi protocols for the Ethereum Classic ecosystem."
>
> **Christopher Mercer**
> Founder, EthereumClassic.com

How Brale helped

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Regulated issuance stack

ETCswap, the leading decentralized exchange on Ethereum Classic, required a regulated partner with an experienced track record in financial services to issue and manage the anchor stablecoin on the network.

Solution

Brale's regulated issuance stack enabled the Ethereum Classic community to issue Classic USD, a native stablecoin with integrated on and offramps, reserves management, and reporting.

Outcome

Partnering with Brale, ETCswap successfully launched Classic USD (USC), which quickly became integrated into the largest protocols on Ethereum Classic.

Custom blockchain implementation

ETCswap, the leading decentralized exchange on Ethereum Classic, was initially unable to identify an issuance partner who could implement Ethereum Classic quickly. This prevented the launch of their V3 protocol.
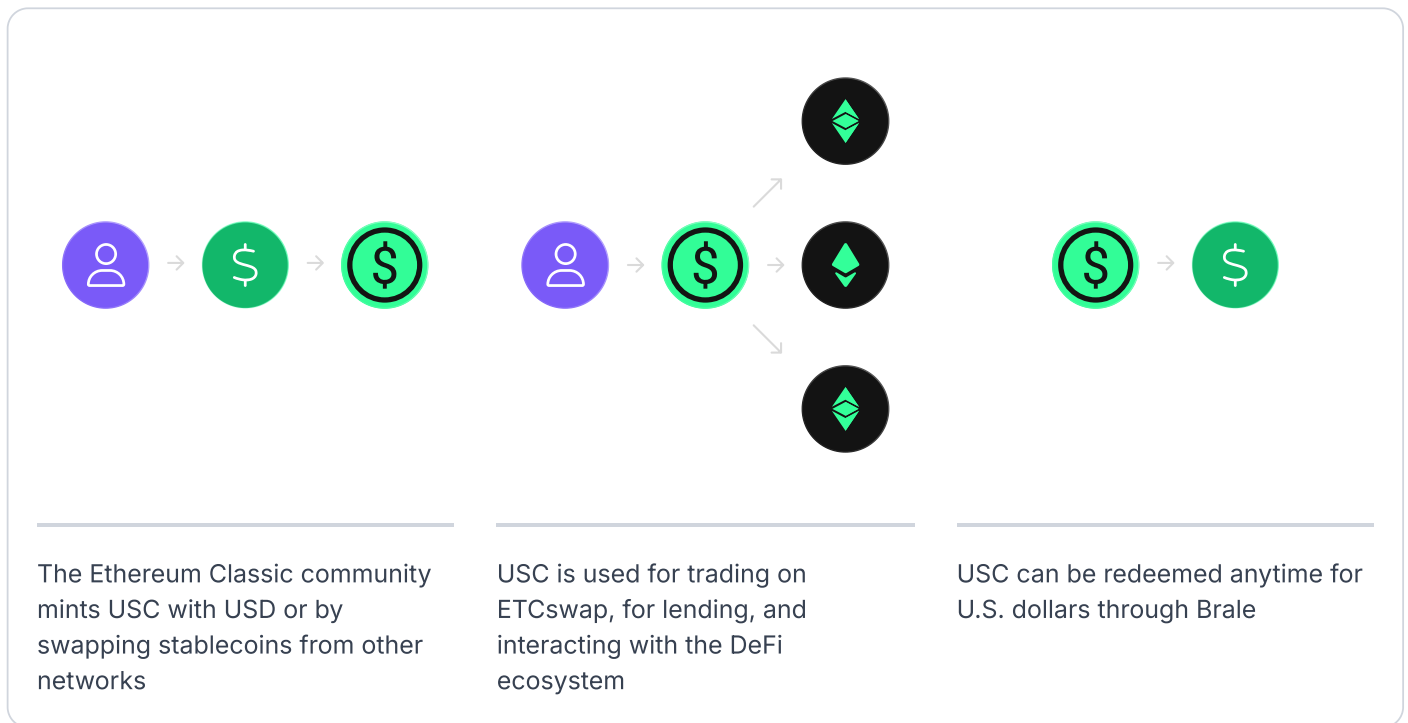
Solution

Brale integrated the Ethereum Classic blockchain into its issuance stack in under two weeks.

Outcome

After more than a year searching for a native stablecoin solution, ETCswap partnered with Brale to issue the first Ethereum Classic stablecoin, and Classic USD became the largest stablecoin on the network enabling the development community to build products around the ETC/USC on-chain market.

Classic USD, Ethereum Classic's native stablecoin

The Ethereum Classic community mints USC with USD or by swapping stablecoins from other networks

USC is used for trading on ETCswap, for lending, and interacting with the DeFi ecosystem

USC can be redeemed anytime for U.S. dollars through Brale

Features used

- Stablecoin issuance
- Onramp / offramp
- Program pages
- MPC signing
- Exchange listing
- Token management
- Multi-chain gateway
- Program monitor
- Partner onboarding
- Reserve management
- Teams