

Stripe dives back into digital currencies with FTX partnership and crypto tool kit

Article

The news: Stripe re-entered the digital currency space, launching a [crypto tool kit](#) of APIs and separately partnering with crypto exchange FTX, per a press release.

- The Irish-American firm will **cover onboarding and identity verification for consumers looking to buy cryptos** on FTX's platform. FTX will use Stripe's identity authentication [product Stripe Identity](#) and fraud prevention product **Radar**. Stripe will also power payments for users adding funds to their FTX accounts.
- Stripe's crypto tool kit lets crypto firms power their business with **scalable fiat payment APIs**. Businesses can launch NFTs and other crypto projects, and Stripe will help them comply with regulations and minimize fraud losses.

How we got here: Stripe was one of the first payments companies to support cryptos back in 2014, but the firm stopped four years later due to limited merchant and user adoption. It alluded to a return to crypto in October when it [posted](#) job openings for four engineers.

Its partner FTX has grown rapidly in recent years, helped by big money raises like a **\$400 million Series C** in February. Earlier this week, it [set](#) up a European headquarters and new division to focus on trading in Europe and the Middle East.

Why it could work: Stripe stands to gain from crypto payments as digital currency ownership edges toward the mainstream.

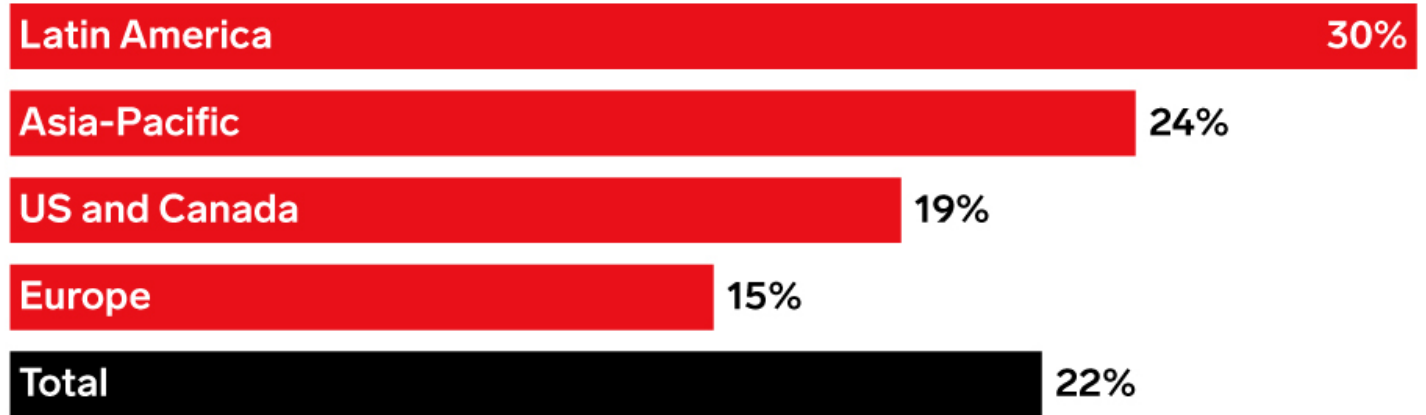
- Global **ownership of crypto rocketed 881%** in 2021, according to Chainalysis [data](#).
- Payments powerhouses like [PayPal](#), **Visa**, and **Block** have all also dipped their toes in the crypto space in 2021. Stripe's FTX deal and crypto service launch will help it keep pace with these competitors.
- Stripe can use FTX's crypto know-how to inform its own products, and powering FTX's crypto payments can boost Stripe's revenues as the Bahamas-based exchange expands globally.

The big takeaway: The timing of Stripe's re-entry into digital assets is fortunate. The Biden administration [signed](#) an executive order on cryptocurrencies last week that signaled broader future oversight of the industry.

Stripe's deal with FTX will help it diversify its business while capitalizing on FTX's success and industry prowess. And its API tool kit opens the door for other companies looking to build or improve their digital asset-related products to create similar tie-ins.

Adults Worldwide Who Own Cryptocurrency, by Region, Aug 2021

% of respondents



Note: n=17,401

Source: Morning Consult, "The State of Consumer Banking," Oct 19, 2021

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