



USDC

USDC is a dollar token issued by Circle Internet Financial, LLC, and runs on many blockchains.

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AT A GLANCE

- 1** USDC is a dollar token issued by Circle Internet Financial, LLC, that runs on many blockchains and that Circle says can be redeemed 1:1 for US dollars [\[1\]](#)[\[2\]](#)[\[3\]](#).
- 2** Only businesses with a Circle Mint account can redeem directly with Circle; other holders depend on the exchange or app they use [\[1\]](#).
- 3** Circle controls every admin role on the EVM token contract, so it can pause transfers, block addresses and upgrade the code [\[4\]](#).
- 4** Circle's Cross-Chain Transfer Protocol (CCTP) moves USDC between chains by burning it on one and minting it on another, with Circle signing off on each burn [\[5\]](#)[\[6\]](#).

5 The GENIUS Act was signed on July 18, 2025, and as of October 6, 2026 Treasury expected it to take effect on January 18, 2027 ^[8]^[10].

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Changelog.

- v0.3.0 (2026-10-14; replaces v0.2.2, publish hash c8e3b41a131112fbe86eefdd47e3f75527e4a76d744e599c86ab302bb258bc5): plain-English rewrite for learners. Adds an "At a glance" block, definitions of USDC-specific terms at first use, labeled analogies, and "why it mattered" notes for each

change. Sources [1] to [15] unchanged. No claim changes.

- v0.2.2 (2026-10-14; replaces v0.2.1, publish hash 61ff5e2923b277bc9862b7b565c5953fa8ae08119569fb7693a1a03cc3b801bd): the page record now shows the published status, version, publish date and proof. Body wording: the policy line now names the Learning Hub. No claim changes.
- v0.2.1 (2026-10-06; replaces v0.2, sha256 4720a7483cd0a328639dbf9c89b96bda532ca828b811059169fb2d05e7b5a4f0): replaced an uncited sentence saying holders who cannot open a Circle Mint account must go through a third party to get dollars back with two sentences supported by the USDC Terms: Circle can refuse to open a Circle Mint account, and USDC is also supported on third-party platforms, such as cryptocurrency exchanges, that Circle does not control.
- v0.2 (2026-10-06; replaces v0.1, sha256 1432850c0e73959c371310bb1597a8e33da7a12d1d5714ac66b507045e1c67be): replaced an unsupported claim about how most holders get dollars back with the USDC Terms wording that a holder without a Circle Mint account "may not redeem USDC with Circle unless and until" they open one; corrected the CCTP V1 chain list using Circle's current supported-chains page, which lists Aptos and Sui among current CCTP chains and Noble as V1 (Legacy) only, and added that page as a source; dated the GENIUS Act status (not in effect as of October 6, 2026; Treasury expects January 18, 2027); dated both "still proposed" statements as of

October 6, 2026; renamed the learning hub section, now the Learning Hub.

1. What it is

The basics

USDC is a dollar token issued by Circle Internet Financial, LLC, and runs on many blockchains ^{[1][2]}. Circle says each USDC is backed by cash and cash-equivalent assets and can be redeemed 1:1 for US dollars ^{[2][3]}. Redeeming means handing USDC back to the issuer and getting dollars in return.

Analogy, not the mechanism itself: think of a casino chip that the cashier will swap back for exactly one dollar.

No interest for holders

Under its terms, USDC is "not designed to intrinsically create returns for holders" ^[1]. The reserves are the cash and similar assets that back the tokens. Circle may earn interest on the reserves, but holders are not entitled to it ^[1].

How it is regulated

In the United States, Circle's terms describe USDC as regulated as stored value or prepaid access under state money transmission laws ^[1]. Stored value works like a prepaid gift card balance: money paid in up front and

held for later use. Holders in the European Economic Area are covered by a separate document published for the EU's Markets in Crypto-Assets (MiCA) rules ^[1].

Federal law: the GENIUS Act

Federal stablecoin law, the GENIUS Act, was signed on July 18, 2025 ^[8]. As of October 6, 2026 it is not yet in effect; Treasury expects it to take effect on January 18, 2027 ^[10].

Why it shows up everywhere

USDC sits underneath a lot of other systems Le Coin covers. Circle's transfer protocol can deliver USDC to Hyperliquid's HyperCore ^[14], and Circle's own chain, Arc, uses USDC to pay network fees ^[12]. See the [Hyperliquid core](#) dive for the trading side.

2. How it works

Two kinds of holder

Not everyone can redeem directly with Circle. The terms split holders into two groups ^[1]:

- **"User Type A"**: businesses with a Circle Mint account ^{[1][2]}. They can turn dollars into USDC and redeem USDC for dollars directly with Circle ^{[1][2]}. Turning dollars into new USDC is called minting; redeeming removes USDC from circulation.
- **"User Type B"**: everyone without a Circle Mint account ^[1]. The terms say they "are not customers of Circle" ^[1].

Analogy, not the mechanism itself: it is like a wholesaler that deals only with stores. Shoppers buy and sell through the store, not the wholesaler.

Getting dollars back

A holder without a Circle Mint account "may not redeem USDC with Circle unless and until" they open one ^[1]. Circle can refuse to open a Circle Mint account ^[1]. USDC is also supported on third-party platforms, such as cryptocurrency exchanges, that Circle does not control ^[1].

Why it matters. Only Circle Mint customers redeem directly with Circle, so a retail holder's route back to dollars runs through the exchange or app they use ^[1].

Where the reserves sit

Circle says the reserves are held "in segregated accounts apart from Circle's corporate funds" at US regulated financial institutions ^[1]. Segregated means kept apart, so the backing is not mixed with the money Circle uses to run its business. The reserves are held for the benefit of USDC holders ^[1]. According to Circle's transparency page ^[3]:

- **Most of the reserve** is in the Circle Reserve Fund (USDXX) ^[3]. This is an SEC-registered government money market fund managed by BlackRock ^[3]. It can hold cash, short-dated Treasuries and overnight Treasury repurchase agreements ^[3].
- **The rest** is cash, mostly held at a small number of the world's largest banks ^[3].

How reserves are checked

Circle publishes reserve holdings and mint/burn flows every week [3]. Mint/burn flows show how much USDC was created and destroyed. A Big Four accounting firm provides monthly assurance that the reserves are greater than the USDC in circulation [3]. Assurance here means an outside accountant checks the numbers and reports on them. Daily reporting on the fund's portfolio is available from BlackRock [3].

Who controls the contract

On EVM chains, USDC runs on Circle's FiatToken contract [4]. Circle's design document lists the roles that control it, and says "Circle will control the address of all roles" [4]:

- **Minters** create and destroy tokens, each within an allowance that Circle sets and resets [4].
- **A pauser** can halt all transfers, minting and burning [4].
- **A blacklist** can stop any address from sending or receiving USDC [4].
- **An admin** can switch the contract's implementation, which means the code can be upgraded [4].

Analogy, not the mechanism itself: the roles are like a building manager's keys: one opens the supply room, one shuts the doors, one bars a tenant, and one lets in the renovators.

The legal backing for control

Circle's terms back this up legally ^[1]. Circle reserves the right to block addresses it believes, "in its sole discretion," are linked to illegal activity or to breaches of its terms ^[1]. It can also migrate USDC to another blockchain ^[1].

CCTP: moving between chains

Circle's Cross-Chain Transfer Protocol (CCTP) moves USDC between blockchains by burning it on one chain and minting it on another, without liquidity pools ^[5].

Circle's attestation service, called Iris, signs off on each burn before the mint can happen ^{[5][6]}. An attestation is Circle's signed confirmation that the burn really happened.

Analogy, not the mechanism itself: it is like tearing up a ticket in one city and having the head office confirm it before a new ticket is printed in another.

Standard and fast transfers

Transfers come in two speeds:

- **Standard Transfer** waits for the source chain to reach hard finality ^[6]. That takes about 15 to 19 minutes from Ethereum ^[6].
- **Fast Transfer** issues the attestation once the burn is in a block, in seconds ^[6]. To cover the risk that the source chain reorganizes, Circle caps the total of in-flight fast transfers across all chains with a "Fast

Transfer allowance" ^[7]. Each amount is credited back once its burn reaches hard finality ^[7].

Why it matters. Fast transfers trade waiting time for a limit on how much can be in flight at once, set by Circle ^[7].

3. What changed

Timeline

Date	Event	Source
Jun 30, 2025	Circle applies to OCC for national trust bank	^[11]
Jul 18, 2025	GENIUS Act signed (Public Law 119-27)	^{[8][10]}
Dec 2025	OCC conditional approval	^[11]
Mar 2, 2026	OCC proposes GENIUS Act rules for its issuers	^[9]
Jul 10, 2026	OCC final approval of Circle National Trust	^[11]
Aug 18, 2026	Treasury proposes GENIUS Act offer-and-sale rules	^[10]
Sep 16, 2026	Circle launches Arc mainnet	^[12]

What the GENIUS Act requires

What changed. The law sets federal rules for "payment stablecoin" issuers ^[8]. Among them:

- Reserves at least 1:1, in specified assets such as cash, deposits and short-term Treasuries ^[8].

- A monthly published breakdown of reserves ^[8].
- A ban on paying holders interest or yield ^[8].
- Priority for holders' claims if an issuer becomes insolvent ^[8].

Why it mattered. The law sets a federal baseline for payment stablecoin issuers, including priority for holders' claims if an issuer becomes insolvent, though as of October 6, 2026 it is not yet in effect ^{[8][10]}.

When the GENIUS Act starts

It takes effect on the earlier of 18 months after enactment or 120 days after regulators issue final rules ^[8]. Treasury's August 2026 proposal says the effective date "is expected to be January 18, 2027" ^[10]. The OCC proposal, published March 2, 2026, had not been finalized as of October 6, 2026 ^[9]. Comments on Treasury's proposal close October 19, 2026 ^[10].

Circle National Trust

What changed. On July 10, 2026, the OCC gave final approval for First National Digital Currency Bank, N.A., to operate as Circle National Trust ^[11]. Circle says it will start with digital-asset custody for Circle and its affiliates ^[11].

Why it mattered. Managing the USDC reserve is "planned as a future capability" ^[11], so the trust bank does not hold the reserve yet.

Arc, Circle's own chain

What changed. Circle launched Arc, its own public blockchain, on September 16, 2026 ^[12]. Fees are paid in USDC, and Circle says no "volatile native token" is required ^[12]. The validators are a permissioned set, rolled out in phases from a founding group of financial institutions ^[12]. Some features, including opt-in privacy, are still "in development" ^[12].

Why it mattered. On Arc, users pay network fees in the dollar token itself rather than in a separate token whose price moves ^[12].

4. What is open

Central control is the design

Circle holds every admin role on the EVM contract, including pausing, blacklisting and upgrading ^[4]. The GENIUS Act expects issuers to be able to comply with "lawful orders" to "seize, freeze, burn, or prevent the transfer" of stablecoins ^[8]. Anyone holding USDC accepts that an address can be frozen ^{[1][4]}.

Redemption runs through others

Only Circle Mint customers redeem directly ^[1]. For a retail holder, getting dollars back at 1:1 depends on the exchange or app they use ^[1].

Rules not final

As of October 6, 2026, the two GENIUS Act rulemakings cited here are proposals ^{[9][10]}. Until final rules are out, details such as which reserve assets

count, and how foreign issuers are treated, can still change ^{[9][10]}.

How much trust CCTP needs

CCTP depends on Circle's own attestation service signing each burn ^{[5][6]}. Fast transfers also depend on Circle's allowance ^[7]. Circle calls the original CCTP V1 "legacy" and tells developers to use V2 ^[13]. Circle's current CCTP supported-chains page lists Aptos and Sui among current CCTP chains, and lists Noble separately as "supported only by CCTP V1 (Legacy)" ^[15]. Transfers that use HyperCore leave a balance there that is a "protocol-level" credit, not Circle-issued USDC ^[14].

Arc's openness

Arc launched with a permissioned validator set and features still in development ^[12]. Whether and how the validator set opens up is not stated in the launch announcement we reviewed.

What this page leaves out

By Learning Hub policy, this dive carries no circulation, market value or flow figures, including those on Circle's own pages. Those go stale, and News covers them.

Sources

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- 14 Circle Developer Docs, "CCTP-enabled HyperCore transfers." <https://developers.circle.com/cctp/concepts/cctp-on-hypercore>

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