

e-Money Stablecoin Unwind

e-Money A/S has decided to cease issuance of its EEUR, ECHF, ENOK, ESEK & EDKK stablecoins



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Executive Summary: e-Money A/S has decided to cease issuance of its stablecoins

All stablecoins remain fully backed and can be redeemed as per below.

The issuance stop is effective as of January 9th, 2023. Under the terms and conditions (available at <https://e-money.com/legal>), e-Money will support redemption until March 6th, 2023, after which further redemption will be assessed case by case.

Deciding to unwind our stablecoin issuance was not an easy decision. e-Money was founded in 2017 with a vision to capture significant stablecoin market share and be a reliable and trusted building block for global financial inclusion. Given the current market conditions, that effort has unfortunately reached a stage where it is prudent and responsible to wind it down.

Below you will find information on how to redeem your stablecoins and the reasoning for this decision.

Note: The article has been updated on January 24th, 2023 to reflect all stablecoins issued by e-Money (EEUR, ECHF, ENOK, ESEK & EDKK)

Redemption Options for EEUR

These are the two recommended options for redeeming EEUR:

1. For smaller amounts, we recommend using the existing EEUR liquidity available on Osmosis. You can instantly swap EEUR for other crypto assets such as OSMO, ATOM or USDC. Use the Osmosis: <https://app.osmosis.zone/?from=EEUR&to=USDC>
2. For larger amounts (100k+), EEUR can be redeemed directly for EUR with e-Money A/S. This requires KYC/AML and you should expect around 5 business days for processing.
Please contact sales@e-money.com to redeem using this option.

EEUR markets on Osmosis will continue to operate during the redemption period. We recommend selling in smaller batches to reduce market impact and slippage. Our market making activities will continue to ensure that markets trade near the reference price.

Redemption Options for ECHF, ENOK, ESEK & EDKK

1. To redeem our stablecoins (ECHF, ENOK, ESEK & EDKK), they can be exchanged for the e-Money staking token (NGM) on the e-Money DEX, as they are not listed on other platforms like Osmosis. This only applies to small “dust” amounts that some individuals may have.

Scammers may try to take advantage of the unwinding, so be wary of any other redemption methods than the the ones described above.

Background

e-Money, founded in 2017 as part of the early Cosmos community, has achieved many milestones since its development. In early 2020, the company launched its *emoney-1* mainnet, which offered near-instant finality payments and a decentralized exchange. e-Money also worked closely with the Financial Services Authority and Ernst & Young to develop a transparent and compliant model for stablecoins that could accommodate negative interest rates in the Euro zone. The company began issuing stablecoins in 2020, initially using Ethereum bridging technology and later incorporating Cosmos IBC and Axelar.

e-Money had hoped to continue the success of its EEUR stablecoin in 2022, but the crypto industry faced many challenges in 2022, with both centralized and decentralized entities experiencing difficulties. While e-Money was not directly affected, the stablecoin business relies heavily on integration with traditional finance, and financial institutions' interest in cryptocurrency has waned following the events of 2022. As a result, the tumultuous events of 2022 have made it challenging for e-Money to integrate with traditional finance.

Additionally, the lack of real-world applications for blockchain has led to low demand for non-USD stablecoins, and the upcoming European MiCA legislation is expected to hinder the scalability of Euro-backed stablecoins and limit business opportunities in the sector. European MiCA legislation in its current form favours commercial banks as future issuers of Euro stablecoins, hurting innovation in the European Union. As a result, the e-Money team has decided to unwind the issuance of EEUR.

Future

The e-Money blockchain will continue to operate and the codebase will be made available under a permissive open source license.

The blockchain will continue to be secured by the NGM token. Similar to other Proof-of-Stake tokens, NGM can be used to pay transactions fees and to secure the chain through staking, thereby earning staking rewards.

At present, the chain offers advanced features such as:

- Instant payments, finalised in less than 500 milliseconds
- An on-chain limit order book (DEX) that ensures optimal order execution and routing

- Independent asset issuance
- High precision inflation module suitable that ties nicely into the asset issuance

We believe these features will continue to bring great value to the Cosmos ecosystem.

A chain upgrade is planned for Q1 2023 which will integrate the latest Cosmos SDK features and enable governance to control features such as inflation rate and issuers.



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