

## ARC Reserve Currency – the first asset-backed and regulated stablecoin

**London, 14 December 2017** – ARC Reserve Currency has today announced the launch of its Initial Coin Offering (ICO) – an asset-backed stablecoin. ARC provides a stable alternative for investors in an otherwise volatile and unpredictable cryptocurrency market.

With the value of bitcoin at an all-time high and as volatile as ever, ARC Reserve Currency is bitcoin's Alka Seltzer.

ARC has been co-founded by global cryptocurrency expert and University of Cambridge Research Fellow, Dr Garrick Hileman, and former-Fidelity executive, Stephen Findlay, in collaboration with many other experienced, financial market and investment experts.

ARC is less volatile than other utility tokens (such as bitcoin), growing with inflation over the long term. It is an ERC20 token as part of the Ethereum blockchain, with its value supported by traditionally stable assets such as loans and national currencies.

Proceeds from the sale of newly minted ARC coins will be placed into a ring-fenced, not-for-profit company – ARC Fiduciary Ltd – which is registered in Jersey. The proceeds are then held in cash reserves and invested into fixed income opportunities (such as US Treasury bonds, British gilts, real estate loans, etc.) to retain value for the holders of ARC coins:

- **Asset-backed:** in contrast to utility tokens such as bitcoin, ARC has intrinsic-value as it is backed by investments in fixed income (e.g., loans and gilts). These investments will target a return in line with inflation to protect the value of ARC in real terms over the long run.
- **Currency Diversification:** ARC will allocate capital across the six largest currencies as defined by the Bank of International Settlements, to reduce volatility in the value of ARC coins, such as the USD.
- **Price controls:** ARC has in-built protections against under- and over-valuation to maintain a stable and resilient price. This provides ARC coin holders with the confidence that the price of ARC coin is closely correlated to the value of the holdings of ARC Fiduciary Ltd.

### **Dr. Garrick Hileman commented on the ARC launch:**

“Many view the advent of a successful stablecoin as a potential tipping point to broader cryptocurrency adoption. Popularity of cryptocurrencies has sky-rocketed recently, yet the impact of bad actors and speculators has created a Wild West-type environment. The ARC stablecoin can compliment existing digital assets and represents an important addition to the cryptocurrency ecosystem, facilitating new uses for cryptocurrency and related technologies, such as smart contracts.”

**Commenting on the asset-backed nature of the ARC coin, Stephen Findlay said:**

“Blockchain technologies are well suited to the asset-management industry – providing immutable and distributed ledgers for the ownership and custody of assets. However, most asset-backed cryptocurrencies are likely to be defined as securities in many jurisdictions, and be subject to regulatory oversight.

“Working closely with the Jersey Regulator and Jersey Government, ARC is the first crypto-currency of its kind, and the first ICO out of Jersey. This is a new era for the crypto-ecosystem, and regulated cryptocurrencies – or *crypto-securities* – are likely to be a significant area of future growth for the cryptocurrency ecosystem.”

Beyond its attraction as a direct solution for the volatility of cryptocurrencies, ARC also has wider potential for positive social impact across the globe. There are over 2 billion people living in countries with high inflation or material instability in their financial and political systems. As a result, many people see their savings become less valuable over time; a direct result of matters outside of their control.

The ARC coin can empower individuals to save and plan for their futures – insulating themselves from local inflation and economic uncertainty.

**Stephen Findlay commented:**

“This aspect of ARC is very important to us. While it may seem an extreme example, imagine you’re working as a teacher in an unstable country such as Venezuela: if you have any savings at the end of the month, high inflation will destroy the value of these savings, or worse still, the bank holding your savings could collapse. A stable cryptocurrency such as ARC can be used as a store of value for savings – protecting ARC coin holders from local inflation and staying out of the local banking system. We are excited about the positive impact the ARC stablecoin can have on the crypto-ecosystem, and society in general.”

**The ARC ICO opens today, targeting an initial raise of up to \$5M.**

The development work behind the project is fully completed – as soon as the ICO closes, ARC coins will come into existence and be widely tradable amongst coin holders.

More information can be found at: <https://www.arccy.org>

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## Notes to Editors

### **About ARC**

ARC Reserve Currency is an asset-backed digital stablecoin. Proceeds from coin issues will be placed in a ring-fenced SPV and allocated to fixed income investments, across multiple currencies, to enable a stable-priced cryptocurrency.

### **ARC FAQs and Further Reading**

- **Economic description:** ARC is a digital currency with the primary purpose of acting as an effective store of value and unit of measure: stable in real terms, appreciating in nominal terms.
- **Purpose:**
  - ARC intends to be a safe-haven currency: a default store of value for investors and savers; and a benchmark currency: to enable the pricing of other digital currencies and tokens.
  - The need for a stablecoin is the missing piece in the world of cryptocurrencies, as even highlighted by Ethereum's creator, Vitalik Buterin, in his post: ["The Search for a Stable Cryptocurrency."](#)
- **Technology:** ARC is an ERC20 compliant token and will be freely tradable, either through exchanges or directly peer-to-peer.
- **Further reading:**
  - ARC in 1,000 words: <https://medium.com/arc-blog/q-a-introduction-to-arc-reserve-currency-in-1-000-words-49bea91c22eb>
  - White paper and supporting documentation available at: <https://www.arccy.org/>
- **Consumer Warning:** None of the ICO, the ARC Reserve Currency nor the ARC Coins are regulated in Arc Fiduciary Ltd's home jurisdiction of Jersey, and may result in substantial risks for investors. ICOs are highly speculative forms of investment. Investors should be prepared for the possibility of losing their investment completely. ICOs are not subject to existing capital markets regulations in Jersey.

## Co-founders

### **Dr. Garrick Hileman**

Dr. Garrick Hileman is a globally recognized cryptocurrency expert and Research Fellow at the University of Cambridge. He is the lead author on the 2017 Cambridge Global Cryptocurrency Benchmarking Study, the first comprehensive empirical examination of cryptocurrencies. Dr. Hileman was recently ranked as one of the [100 most influential economists](#) in the UK & Ireland. He has been regularly featured in [BBC](#), [CNN](#), [FT](#) and [Reuters](#).

### **Stephen Findlay**

Stephen Findlay is an experienced financial services executive, co-founder of BondMason, a leading

Direct Lending platform, and previously VP at Fidelity (and a founding team member of Fidelity Equity Partners' \$500M private equity technology investment fund). He is a qualified chartered accountant (FCA – ICAEW) and has 16 years of experience in investment management and finance.