ripple

Ripple USD Whitepaper

A stablecoin for the internet of value



2025

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We reserve the right to update the whitepaper periodically, in compliance with relevant regulation.
Non-material changes may not always be reflected immediately.

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Introduction

Ripple USD (RLUSD) is a stablecoin backed one-to-one with high quality liquid assets, cash and cash equivalents, built with stability, efficiency, and regulatory compliance at its core. RLUSD addresses the critical need for a liquid, trustworthy, and compliance-focused stablecoin, making it an ideal choice for a variety of applications and use cases, from cross-border payments to decentralized finance.

Issued natively on both the XRP Ledger and Ethereum networks, RLUSD leverages the strengths of these platforms to meet diverse user needs. Compliance is a cornerstone of RLUSD, reflecting Ripple Labs Inc.'s (“Ripple”) commitment to regulatory adherence. Ripple leverages its global portfolio of licenses to ensure RLUSD meets all applicable regulations and industry best practices.

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General Information

Issuer	Standard Custody & Trust Company, LLC (“SCTC”)
LEI	9845000BY41D5F191333
Issuing location	New York, United States
Issuing mechanism	Limited purpose trust company chartered and supervised by the New York Department of Financial Services (“NYDFS”)
Corporate Structure	RLUSD is issued by SCTC. SCTC is a wholly-owned subsidiary of Ripple Labs Inc.

Stablecoin Description

RLUSD

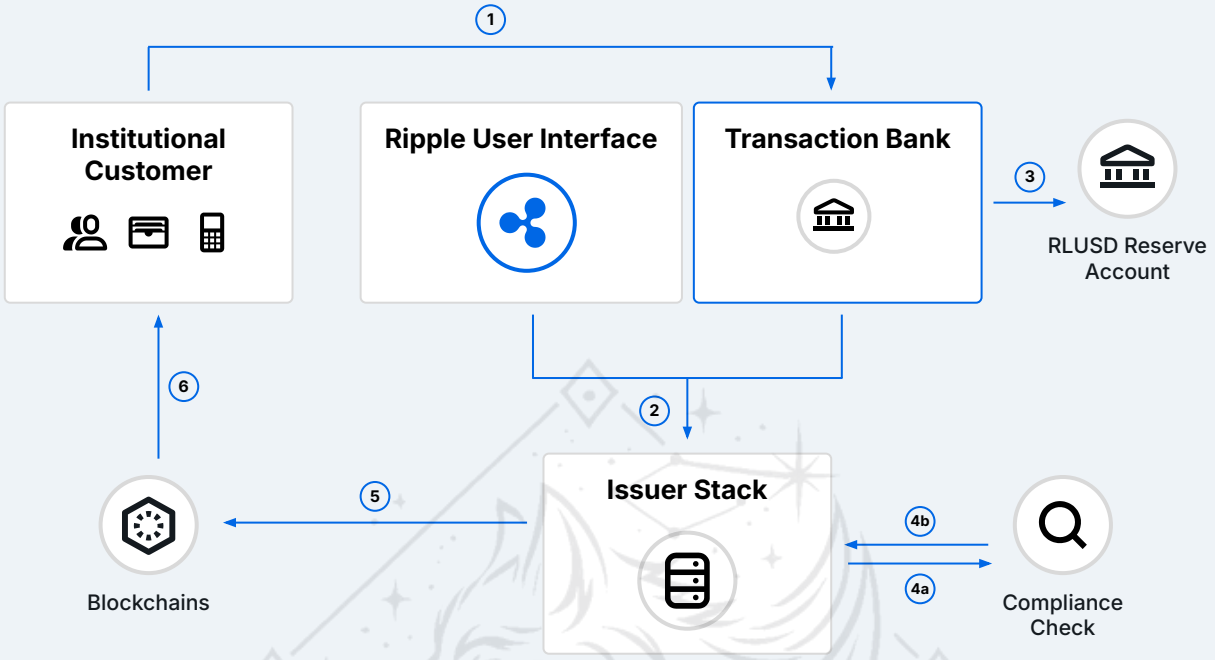
RLUSD institutional customers have undertaken an onboarding process with appropriate anti-money laundering (AML) and know your customer (KYC) due diligence. Only these pre-approved entities may interact directly with the issuance and redemption process. Other entities would need to onboard or transact in secondary markets, for example, with one of these institutional customers.

Reference Fiat Currency

RLUSD is a stablecoin backed one-to-one by high-quality and liquid U.S. dollar and U.S. dollar equivalent assets. It is purpose-built to offer a blend of stability, efficiency, and regulatory compliance.

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RLUSD Issuance Process



1
Institutional customers can initiate stablecoin issuance by depositing USD fiat into the transaction account.

2
SCTC initiates the issuance of RLUSD based on the customer's deposit.

3
SCTC moves the deposited funds into the RLUSD reserve account.

4a
SCTC performs a compliance check on the related customer wallet.

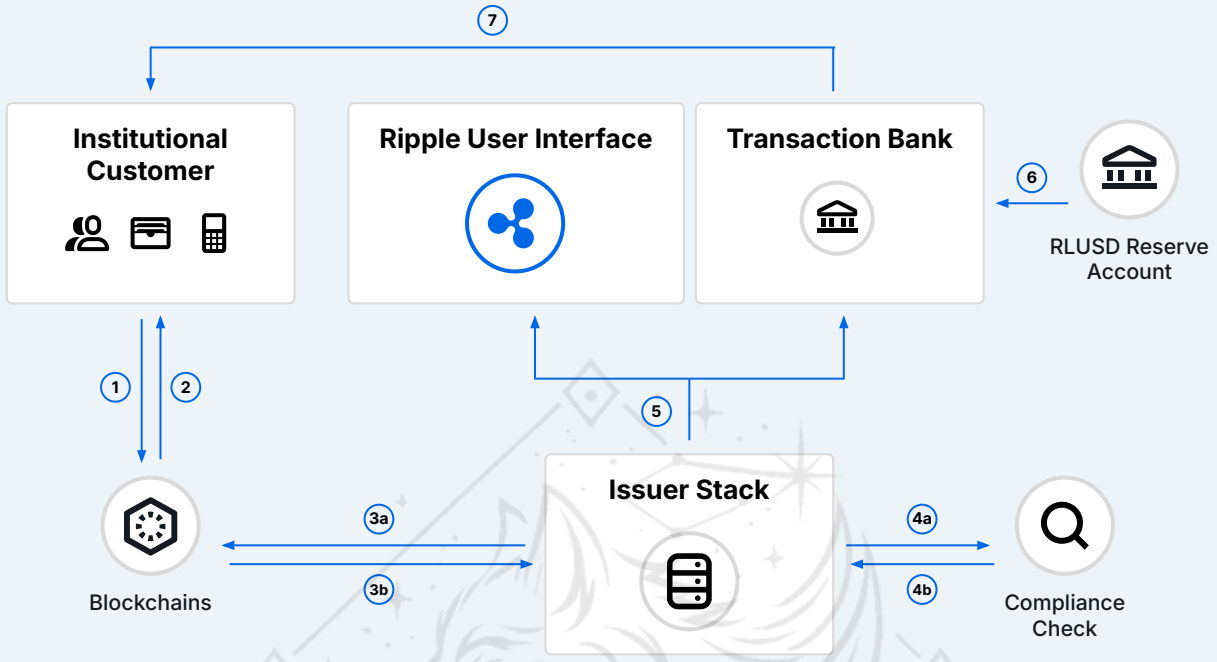
4b
SCTC issues RLUSD if the compliance check passes.

5
SCTC signs the blockchain transactions necessary to transfer RLUSD to the customer wallet.

6
The applicable blockchain updates customer's wallet to reflect issued RLUSD.

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RLUSD Redemption Process



1
Institutional customers can request stablecoin redemption by submitting an RLUSD transaction onchain to the SCTC redemption wallet.

2
The applicable blockchain updates SCTC's wallet to reflect redeemed RLUSD.

3a
SCTC monitors the redemption wallet.

3b
Upon identification of a redemption transaction, SCTC initiates a fiat redemption.

4a
SCTC performs a compliance check on the related customer wallet.

4b
SCTC proceeds with fiat redemption if the compliance check passes.

5
SCTC sends payment instructions for the redemption to partner banks (transaction and/or reserve account bank(s)).

6
SCTC moves funds out of the reserve account as needed.

7
Institutional customers can then check their bank account for USD fiat settlement.

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Risk Mitigation Measures

Liquidity Risk	SCTC conducts stress testing on a weekly basis. These tests include: • Value-at-Risk (VaR) simulations using historical price data and modeled asset allocations. • Confidence intervals and stress test horizons that are dynamically adjusted based on market conditions. • A high-level reverse stress test to validate the ability to meet customer redemptions under adverse market scenarios. These processes are designed to minimize potential losses and ensure robust liquidity management at all times.
Operational Risk	SCTC has business continuity and disaster recovery programs in place for critical systems. There are policies in place around the segregation of duties/roles and responsibilities for key and wallet management.
Cyber Risk	SCTC has Detection and Response, ProdSec and SecEng controls to mitigate against cyber-attacks. SCTC also performs penetration testing and threat-modeling for critical systems. The private/signing keys for SCTC's RLUSD XRPL and ETH Stablecoin accounts are either; 1. Stored on hardware wallets; or 2. Stored on a combination of Ripple's Custody offering and hardware wallets.

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Technology

General Technical Components	• SCTC issues RLUSD using proprietary technology. RLUSD is a fully scalable stablecoin issued and recorded on both the XRP Ledger and Ethereum network. RLUSD uses the Issued Currencies capability of the XRP Ledger and the ERC-20 token standard on the Ethereum network. • The RLUSD roadmap includes multi-chain native issuance, centralized bridging, and global accessibility of the reserve. These infrastructure tools will allow the Ripple B2B customer base to obtain, redeem, and move RLUSD to fit their specific use cases.
Code Review, Documentation, and Governance	• The underlying code for both blockchains is open source. The smart contracts associated with RLUSD have been reviewed by third parties and will be published onchain. • Code changes that could affect the behavior of RLUSD onchain will be properly communicated and outlined ahead of any onchain upgrades. Most often onchain upgrades will be based on L1/ L2 upgrades which SCTC wants to utilize or code upgrades such as solidity upgrades. • RLUSD will be included within standard Ripple audits such as SOC2 Type II and ISO 27001. SDLC and Change Management processes within our production environment will also support RLUSD. These processes are already audited in publicly available reports that are available to customers under non-disclosure agreement.
Security Vulnerability Procedures	• SCTC maintains a threat and vulnerability management program that is already in place for SCTC production services and audited as part of Ripple's SOC2 Type II and ISO 27001 audits.
Security Audits: General	• RLUSD will be included within standard Ripple audits such as SOC2 Type II and ISO 27001 post go-live. Security processes within SCTC's production environment will also support RLUSD. These processes are already audited in publicly available reports that are available to customers under non-disclosure agreement.
Native Chains	• XRP Ledger • Ethereum

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Technology

XRP Ledger address	XRPL account ID rMxCKbEDwqr76QuheSUMdEGf4B9xJ8m5De
Ethereum address	ERC-20 token address 0x8292Bb45bf1Ee4d140127049757C2E0fF06317eD
Audit results	OpenZeppelin audit results can be found on the public github page: https://github.com/ripple/RLUSD-Implementation/blob/main/doc/Ripple%20Stablecoin%20Contracts%20Audit.pdf

SCTC is responsible for RLUSD issuance and burning.

In some circumstances, SCTC may use shared services with its affiliates, including Ripple's finance teams, which help manage the RLUSD reserve, reconciliation, and operations of the product, with SCTC overseeing the process; Ripple's internal audit team, which may help manage RLUSD transparency and relationships with third party attestation partners; Ripple's compliance teams, which help manage monitoring and the onboarding of direct customers; and Ripple's engineering team, which may help manage enhancements to RLUSD.

SCTC takes steps to freeze all known OFAC sanctioned wallets on all blockchains on which RLUSD is natively issued to prevent sanctioned persons from using RLUSD. Compliance tools provide secondary market monitoring and information surrounding the trends of usage related to RLUSD. If any specific question arises, these compliance tools can help Ripple trace onchain activity.

All keypairs to wallets controlled by Ripple are custodied within the Ripple Custody platform (previously Metaco). This platform utilizes AWS and GCP hardware security models. Additionally, Ripple has backup keys stored offline which could be utilized in a disaster recovery scenario.

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Business Model

RLUSD	RLUSD is a stablecoin designed for payments and capital markets businesses, as well as the emerging ecosystem on the XRP Ledger. • Ripple will use both XRP and RLUSD in its payment solution. • Sustainable and active crypto ecosystems oftentimes rely on a trusted, transparent, and liquid stablecoin. • RLUSD provides a secure, 24/7 methodology for movement of 1:1 USD value. • RLUSD is also available on Ethereum, with more blockchains on the roadmap.
Target Market	RLUSD is distributed to enterprise partners only. Ripple will not conduct B2C transactions, instead relying on B2B transactions for RLUSD's distribution.

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Asset Reserve

The RLUSD reserve is composed of high quality liquid assets, cash and cash equivalents in accordance with the NYDFS Guidance on the Issuance of U.S. Dollar-Backed Stablecoins. Specifically, the reserve includes:

- **U.S. Treasury Bills (T-bills):** T-bills with a residual maturity of three months or less.
- **Government Money Market Funds ("MMFs").**
- **Overnight Reverse Repurchase Agreements ("Repos"):** Conducted using T-bills or Treasury notes with NYDFS-approved counterparties.
- **Deposits:** Held at U.S. state or federally chartered depository institutions.

These assets are selected to prioritize capital preservation, liquidity, and regulatory compliance.

Buffer and Valuation Policy

To further mitigate market and valuation risk, SCTC maintains a 3% reserve asset buffer, known as the initial buffer. This buffer is evaluated daily, and adjusted through a variation buffer mechanism to ensure the total value of RLUSD reserve assets always equals at least 103% of the total RLUSD in circulation.

Custody, Segregation, and Independent Attestation

All non-cash reserve assets are:

- Held at the Bank of New York Mellon under custody arrangements, providing legal separation from SCTC's proprietary assets.
- Examined and attested monthly by an independent Certified Public Accountant ("CPA") licensed in the United States and applying the attestation standards of the American Institute of Certified Public Accountants ("AICPA")

A required allocation of reserves in the form of cash deposits are placed only with FDIC-insured, NYDFS-approved banks and are held specifically for the benefit of RLUSD holders.

These practices ensure transparency, risk insulation, and accessibility of reserves for redemptions.

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Complaints and Redress Procedures

If an RLUSD enterprise customer has any questions, needs assistance, or wishes to contact SCTC with a complaint, they may contact complaints@standardcustody.com, or Standard Custody & Trust Company, LLC, 600 Battery Street, San Francisco, CA 94111, USA to the attention of the Legal Department.

If a customer has an unresolved complaint, they can also refer the matter to the NYDFS (mail: New York State Department of Financial Services, Consumer Services Division, One State Street, New York, NY 10004-1417; phone: 1 (800) 342-3736; email: consumers@dfs.ny.gov).

Anti-Money Laundering Compliance

Financial crime risk is the risk attributed to the use of SCTC for illicit purposes. As detailed in its compliance program and financial crime risk assessment, Ripple maintains robust controls to mitigate the risk of occurrence of financial crime. This includes a due diligence process that all prospective customers must undergo prior to carrying out activity, the ongoing monitoring of transactional activity, periodic employee training on anti-money laundering and counter terrorist financing best practices, and internal processes and channels developed to escalate any activity identified as potentially suspicious in nature.

Legal Disclaimers

Please refer to our RLUSD User Terms for our legal disclaimers at https://ripple.com/legal/stablecoin/

Environmental Factors

RLUSD is natively issued on the XRP Ledger (along with other blockchain(s)).

The XRP Ledger confirms transactions through a unique low energy “consensus” mechanism—rather than energy intensive mining like proof of work uses—and then leverages carbon offsets to be one of the first truly carbon neutral blockchains.

RLUSD is also available, on request, on other blockchain(s).

Note:

I. The offer to the public of RLUSD does not constitute an offer or solicitation to purchase financial instruments and that any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to applicable law.
II. This cryptoasset white paper does not constitute a prospectus.

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