**MARQETA**

# Coinbase

Leading cryptocurrency platform uses modern card issuing to unlock new financial opportunities for customers

**Industry:**
Digital banking

**Features:**
Card issuing, Gateway JIT Funding, program management, real-time data

# Background:

Coinbase, a cryptocurrency platform that enables access to the broader cryptoeconomy, was founded in 2012 by Brian Armstrong and Fred Ehrsam with the mission of enabling more economic freedom for the world. Coinbase began with the idea that anyone, anywhere, should be able to access Bitcoin in a secure way, and it launched with a service that enabled users to buy and sell Bitcoin by using a linked bank account as the payment method for purchases. Since then, it has expanded to provide end-to-end financial infrastructure and technology for the cryptoeconomy.

As of June 30, 2021, Coinbase reported that it has over 68 million verified users and 8.8 million monthly transacting users, and its quarterly trading volume was $462 billion. Coinbase has more than 160,000 ecosystem partners in over 100 countries who can participate in the cryptoeconomy via its platform.

Coinbase built a trusted platform that enables customers to access cryptocurrency. As customers experience the benefits of an open financial system, they seek to deepen their participation in the cryptoeconomy beyond just investing. Coinbase already offered safe, trusted, and easy-to-use ways to store, spend, earn, and use cryptocurrency. Now they've set their sights on offering a debit card with the same security and ease of use.
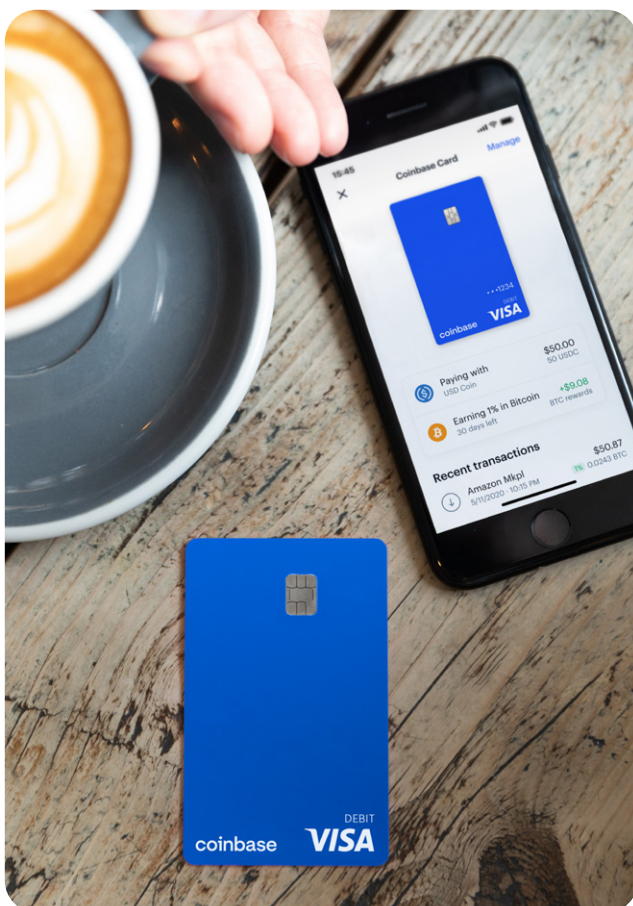
With the Coinbase Card powered by Marqeta, customers can choose which cryptocurrency from their Coinbase wallet they would like to use at the time of purchase, and the transaction will ultimately be completed in U.S. dollars, making it simple for Coinbase users to spend from their cryptocurrency balances wherever Visa® debit cards are accepted.

# The problem:

Coinbase learned that their customers were not just trading cryptocurrencies, but also using them to pay for life's expenses. To spend their cryptocurrency, customers needed to sell their cryptocurrency in exchange for U.S. dollars on the Coinbase platform, transfer the funds to an external bank account, and wait for the transfer to complete before making their purchases. This process was time-consuming and full of friction, so Coinbase decided to design a debit card that makes it easy to spend cryptocurrency and rewards customers with even more cryptocurrency. Coinbase needed to find an issuer processor who could help them provide Coinbase users with an easier and faster way to spend their balances across more than 100+ different cryptocurrencies. Coinbase partnered with Marqeta to launch a card program that would enable customers to make purchases in-store or online anywhere Visa® debit is accepted.

## Why Marqeta:

Coinbase chose Marqeta as their issuer processor for the Coinbase Card for a few key reasons:

### 1. Global presence

Marqeta's availability in key markets matches that of Coinbase.

### 2. Reputation

Coinbase had strong confidence in Marqeta's ability to launch and scale its Coinbase Card program given Marqeta's long history of supporting large and reputable clients.

### 3. Program management

Marqeta's full program management meant Coinbase could limit its overhead investment and entrust Marqeta with key pieces of their card program, including relationships with networks, card processing, and taking care of card fulfillment.
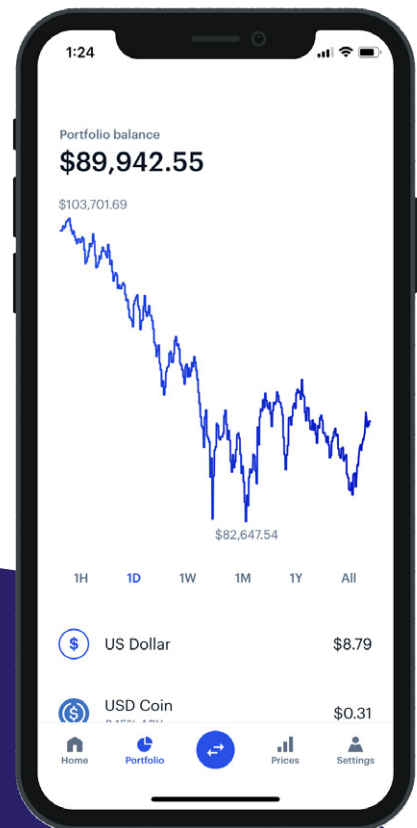
# The solution:

## Innovating to help Coinbase customers monetize their cryptocurrency holdings

### Coinbase partners with Marqeta to:

#### Enable transactions from cryptocurrencies to dollars in real time

Coinbase Card holders select which cryptocurrency they'd like to use for payment. When they use their Coinbase Card online or at a point of sale, a Gateway Just-in-Time (JIT) Funding call is made to Coinbase. Coinbase then checks the U.S. dollar equivalent of the cardholder's chosen cryptocurrency balance and decides whether the transaction should be funded and approved. Behind the scenes, Coinbase facilitates the sale of the cardholder's cryptocurrency and transfers U.S. dollars to their Coinbase Card account so that the transaction can be completed in U.S. dollars.

#### Use Marqeta webhooks

Marqeta's webhooks enable Coinbase to let cardholders see transaction confirmations, and alert its cardholders to how much cryptocurrency was spent from a wallet based on the prevailing U.S. dollar equivalent price at the time of the transaction, as determined by Coinbase, in addition to any applicable fees. Webhooks also enable Coinbase to notify cardholders in real time with card creation details, shipment status, and cardholder statements.

#### Generate physical and virtual cards for Coinbase users

Coinbase users have the ability to order physical Coinbase Cards, as well as generate a virtual card through the Coinbase app to start spending immediately online. Additionally, they will be able to add a tokenized version of the Coinbase Card to their digital wallets for instant spending and contactless payments in-store.

#### Take advantage of Marqeta's program management expertise

Coinbase relies on Marqeta to help handle Know Your Customer (KYC) and card fulfillment, thanks to Marqeta's 10+ years of payments expertise.

"Coinbase set out to make spending cryptocurrency as seamless as sending an email. With Marqeta's flexible APIs, we've been able to create a customizable debit card that simplifies how cryptocurrency holders can make purchases. Its Gateway JIT Funding feature allows us to easily oversee transaction approvals and fund cryptocurrencies at the prevailing dollar price in real time, ensuring our customers always have fast access to their money."

Muneeb Imtiaz, Product Manager

# Looking ahead

Coinbase cardholders will now be able to spend their cryptocurrency balances anywhere Visa® debit cards are accepted and earn additional crypto rewards on eligible purchases. By partnering with Marqeta to create an innovative debit card program for its users, Coinbase is creating a new way for cryptocurrency to truly become mainstream.

> *"Marqeta has enabled us to bring our vision of a crypto-backed debit card to reality. They worked closely with us to ensure the end result was the card product we desired and lent support and expertise every step of the way. They've been an excellent partner for us and we appreciate the value their team brings to the table."*

Muneeb Imtiaz, Product Manager

# About Marqeta

Marqeta is the modern card issuing platform empowering builders to bring the most innovative products to the world. Marqeta provides developers advanced infrastructure and tools for building highly configurable payment cards.

With its open APIs, the Marqeta platform is designed for businesses who want to easily build tailored payment solutions to create best-in-class experiences and power new modes of money movement.

Marqeta built its simple, trusted, and scalable platform from the ground up to help companies design seamless payment experiences, streamline purchase flows, and bring products to market faster, while minimizing fraud risk.

**Marqeta's payment APIs enable:**

• **Card issuing:** Instant issuance of physical, virtual, and tokenized cards with direct provisioning to digital wallets

• **Card processing:** Real-time funding using our Just-in-Time (JIT) Funding feature with dynamic spend controls to reduce fraud

• **Card applications:** A suite of applications and tools that help you build, manage, and run your card program

• **Modern architecture:** Developer-friendly, modern open APIs, cloud infrastructure and webhooks

Marqeta is headquartered in Oakland, California.
For more information, visit **www.marqeta.com**, **Twitter** and **LinkedIn**.

You see a card, we see endless possibilities

## » Additional resources

› Get started with our sandbox and explore our developer guides

› Learn more about our work in digital banking

› Contact us to request a demo