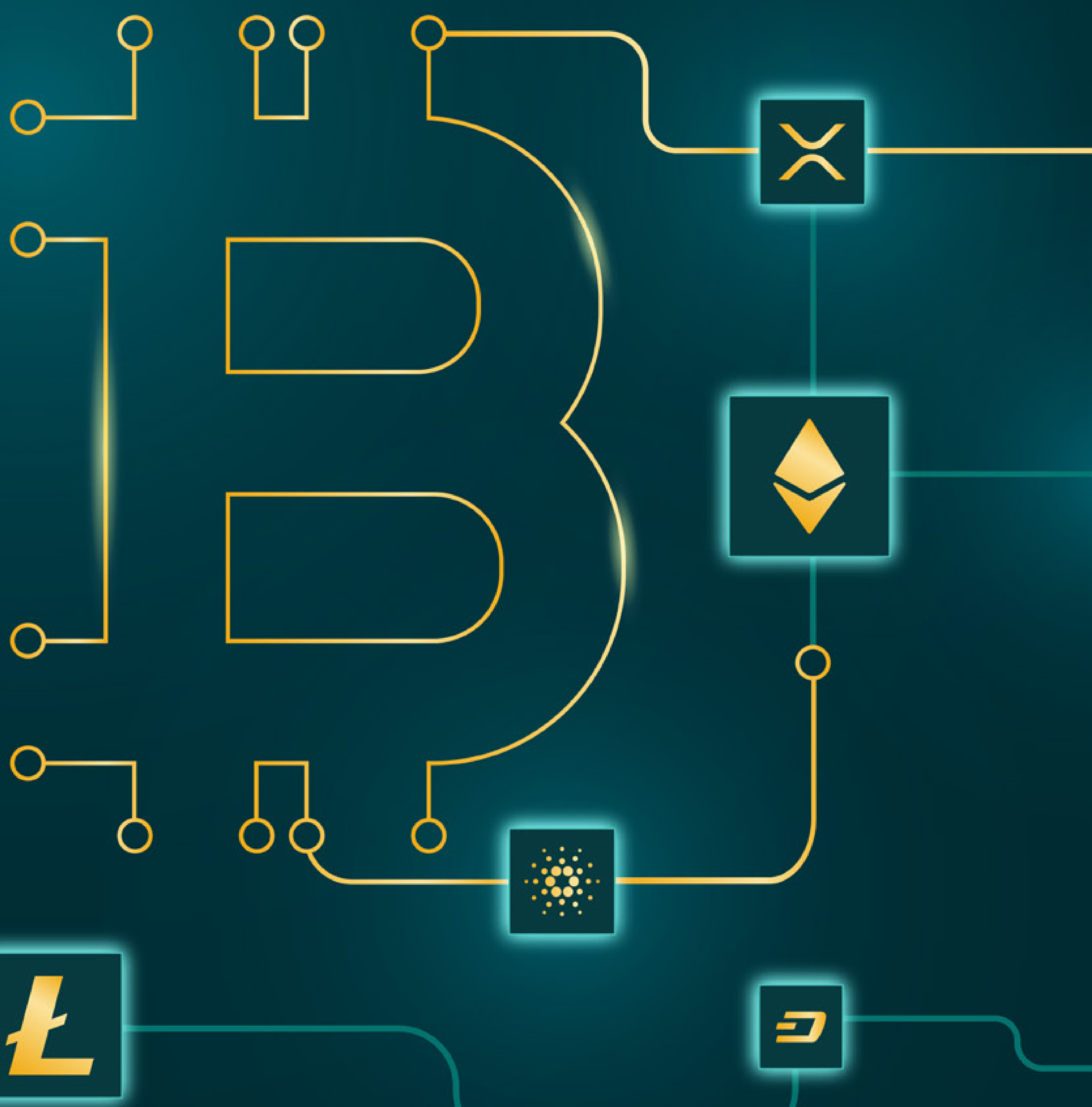
BLOCKCHAIN LATAM REPORT 2025

ECOSYSTEM AND REGULATORY UPDATES IN LATIN AMERICA



SHERLOCK COMMUNICATIONS

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LETTER FROM OUR MANAGING PARTNER

Dear readers,

I am thrilled to present the sixth edition of our Blockchain LATAM Report. This annual publication reinforces our goal of bringing Latin America closer to the rest of the world, highlighting the regional growth of and adherence to Web3 technologies.

Many major players in the global crypto industry have their eyes fixed on the United States, drawn by the current administration's promise to offer a friendly environment within a large consumer market. However, Latin America remains a strategic and unique space for blockchain and Web3 development. After all, this region offers a great diversity of markets, along with a multitude and an ever-growing number of initiatives from legal, business, and development perspectives.

Argentina, Brazil, Colombia, El Salvador, Mexico and Peru each stand out as nations that are active contributors to the growth of this ecosystem, albeit in different ways. Along with companies and users in the financial sector in these countries, the technology is being utilised in a range of areas such as agriculture and the nonprofit sector, with blockchain enabling new forms of donating to social causes.

In fact, Sherlock Communications recently launched Dominó do Bem, the first blockchain-based platform of its kind, designed to facilitate direct donations to non-governmental organisations and charities across Latin America, ensuring that 100% of the donated amount reaches the intended organization.

Across Latin America, there is evidence of blockchain technologies bearing fruit, despite a lack of official governmental support. This is evident in Paraguay, for example, where blockchain communities are active, executing projects and bringing the topic into the public domain. Examples like this show just how relevant this technology is in a world with increasingly interconnected, cross-cutting, and complex demands.

In 2025, Sherlock Communications once again contributes to this rich ecosystem, illustrating how Latin America, with its potential and challenges, is helping shape the future through diverse applications and developments of a technology that is both disruptive and essential.

The future of blockchain runs through Latin America. This is a reality that cannot be ignored.

Happy reading,
PATRICK O'NEILL

FOREWORD

Welcome to the sixth edition of the Blockchain Latam Report. The regulatory landscape has moved faster than even seasoned observers expected. In the United States, the GENIUS Act — a new stablecoin framework — and the rollout of a Bitcoin Strategic Reserve are already echoing through Latin America.

After the post-FTX clamp-down on exchanges and VASPs in 2022-23, I expect the next 18 months to bring a wave of crypto-friendly rules worldwide — and with even greater intensity in Latin America.

I see this moment as the opening sprint of a crypto race, not unlike the space and AI races. Cheaper AI-driven software development is accelerating Web3 innovation, and the convergence of AI and crypto — verifying supply-chain provenance, proving on-chain authorship — can radically reshape society.

We see huge opportunities with Web3 over the coming years in Latam — it offers a beacon of hope in times of hyperinflation, corruption, and eroded trust in governments and institutions. It also fosters social inclusion and new opportunities to change our reality.

Today, most Latin Americans use blockchain primarily for Bitcoin and stablecoins as a hedge against inflation and currency risk. DeFi, altcoins, and large-scale dApps still lack clear rules, but that clarity is coming. When it arrives, watch for:

- Stablecoin-based travel, remittances, and trade
- Supply-chain tracking in fashion, mining, and food
- On-chain election audits
- Tokenized real estate and government bonds
- Direct farmer-to-consumer marketplaces
- Mass-market DeFi, GameFi, and on-chain social networks

In this report, we analyse the current state of blockchain in eleven Latin American countries, examining ecosystems and emerging legal frameworks across the region. We also present onchain data illustrating growth activity among the most used blockchains in Latin America over the last 12 months.

Back in 2017 I read, “Blockchain will do to finance what the internet did to media.” Eight years later, the inflection point feels near. Enjoy the ride.

LUIZ EDUARDO ABREU HADAD
Sherlock Communications Researcher and Blockchain Advisor

ARGENTINA

ECOSYSTEM

Argentina is the leading Latin American country in terms of receiving values in crypto. Even though Chainalysis's *Global Crypto Adoption Index 2024* places the country **15th worldwide and 4th in Latam,** they also show that Argentines received **USD 91 billion** on-chain between July 2023 and June 2024, being the most active country receiving crypto, overtaking Brazil despite having 20% of its population.

Hyperinflation (211% in 2023 and still around 118% YoY by December 2024) plus a USD 200 monthly cap on official dollar purchases push savers toward "crypto dollars" (USDT, USDC, DAI) and, more recently, we're seeing a shift of preference towards Bitcoin.

In Argentina, banks are still not allowed to offer crypto products to their customers. This marks a big difference between how adoption is happening in Brazil and Argentina, the two largest and most relevant crypto markets in Latin America.

While Brazil's adoption is led by TradFi players, Argentina's growth is led by crypto exchanges, and a sign of that is the 93% growth in crypto-app downloads year-over-year.


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Four out of every ten Latam user sessions now originate in Argentina, which leads as the country with the most active wallets in Latam and fourth in the world in 2024. Binance and Lemon Cash together command 64% of active wallets in the country, confirming their market dispute for retail on-ramps.

Stablecoins remain the preferred crypto asset: 78% of the deposit volume for 2024 arrived in USDT or USDC, but user preference is shifting because of a new economic context.

On Argentine exchange Lemon, Bitcoin purchase volume grew 3 times faster than stablecoins, raising BTC's share of customer holdings to 36%, while USDT/USDC slipped to 27%. Lemon also published a report stating that Bitcoin and altcoin purchases jumped 126% and 159% respectively in 2024, versus a 44% rise for stablecoins.

Peaks in March and November happened during BTC price breakouts, proving Argentine demand is tightly correlated to global cycles, and that Argentines were buying the dip.

Here are some interesting cases happening in the country's ecosystem:

- More than 130 brick-and-mortar merchants in Buenos Aires now accept Bitcoin and stablecoins, from cafés to auto dealers, and Lemon's crypto-backed Visa card surpassed 1 million clients.
- Freelancers and SMEs convert overseas income straight into crypto to bypass government currency controls, with 45% of foreign currency deposits routed through Lemon originating from PayPal and another 17% via Wise.
- Users poured USD 30 million into Lemon Earn in 2024, up 59% from 2023 and average Aave V3 stable-coin yields doubled to 7.17%, peaking above 11% in bull-market months. Roughly 75% of Earning balances are in stablecoins, underscoring Argentines' appetite for dollar-denominated passive income.
- Ripio grew its exchange user base to two million users, raised USD 50 million in funding, and continued to build LaChain, an EVM Layer 1 aimed atLatin American tokenization.
- Koibanx, which provides blockchain rails for banks, recently announced a partnership with Algorand with the goal of reinventing financial infrastructure in Latin America.
- Exactly Protocol, founded by Argentine engineers, is one of Ethereum's fastest-growing fixed-rate lending markets, while OpenZeppelin continues to audit global smart-contract code from a Buenos Aires base.
- Infrastructure firm SenseiNode is deploying Proof of Stake nodes in Latin America, ensuring regional decentralisation.
- Other Argentine initiatives include Balmy, Belo, Boulder Tech, Decentraland, DeFiWonderland, Kleros, LambdaClass, Lemon, Mimic, Nomic Foundation, POAP, and Ripio.

Argentina is set to host the Ethereum Foundation's flagship builder week: Devconnect Buenos Aires, from 17–22 November, featuring the first-ever Ethereum World's Fair and a 100-slot Scholars Programme. Also in 2025, Crecimiento's "Aleph" Pop-Up City (5–28 Mar & 5 Aug–1 Sep) will turn downtown Buenos Aires into a month-long crypto-and-AI campus expected to draw 5,000+ builders, artists, and policymakers.

These events anchor an already dense calendar that also includes LaBitConf, weekly Espacio Bitcoin sessions, and grassroots movements such as Ethereum Argentina and Seed Latam, establishing Buenos Aires as the most active Web3 hub in Latin America.

Argentine wallets have embraced proof-of-reserve norms. Lemon publishes real-time solvency audits, and assets under custody surged +89% in 2024, with Bitcoin comprising 33% and stablecoins 27%. The platform's on-chain proofs have been accessed by 115,000+ users, illustrating unusually high retail engagement with custodial risk.

Argentina already behaves as a "shadily dollarised" crypto economy: stablecoins lubricate payroll, invoicing and daily spend; Bitcoin is becoming even more popular as a long-term store of value; and users actively look for yields on DeFi platforms.

The 2025 adoption wave, fuelled by probable new All-Time Highs and many events until the end of the year, will incentivise global builders and venture capital into Buenos Aires, a city with lower go-to-market costs for any Web3 solution looking for immediate traction in a crypto-enthusiast population.

REGULATION

Argentina has shifted from an unfriendly regulatory landscape to a much friendlier one. Law No. 27,739 (March 2024) amended the AML act, defined virtual assets, and created a mandatory PSAV (VASP) registry under the National Securities Commission (CNV).

Resolution No. 994/2024 sets capital, custody-segregation and audit standards; foreign platforms must

register by 1 September 2025. A July 2024 tax-amnesty window lets residents declare up to USD 100,000 in crypto at zero penalty, a move crafted to keep Argentina off the FATF (Financial Action Task Force) grey list.

Argentina's National Securities Commission (CNV) issued General Resolution 1069, creating a one-year sandbox that lets issuers tokenise financial trusts and closed-end funds backed by real-world assets, formally treating the resulting tokens as digital marketable securities under Law No. 27,739/2024.

Commercial banks still cannot run crypto spot desks, but CNV now approves peso-denominated deposit certificates in the US Bitcoin and Ether ETFs, signalling institutional openness and a shift in the regulatory stance.

President Milei's pro-Bitcoin rhetoric and the absence of mining or custody bans place Argentina in the friendly bracket: clear RWA regulation, licensing with KYC/AML rigour, yet full legal freedom to buy, sell, mine, and settle contracts in crypto. Investors that comply with CNV onboarding gain access to one of the world's most crypto-native customer bases and a regulatory playbook converging toward EU/US standards and with potential to lead Latin America in the upcoming years.

BRAZIL

ECOSYSTEM

Brazil is the largest crypto market in Latin America and ranks 10th in the world according to the Chainalysis Geography of Crypto Report 2024.

A nationally representative ANBIMA/Datafolha poll shows 4% of Brazilians — roughly 6.5 million people — currently hold crypto, whereas a Paradigma Education and Datafolha survey found that 16% (≈25 M) have invested at some point. The gap highlights a broad base of trial users but a much smaller cohort of persistent investors.

Adoption of crypto in Brazil was led by exchanges and ETFs until 2023. From there on, crypto-friendly regulations have been approved, and traditional banks have started offering crypto investments to their customers.

Banks such as Itaú, Nubank, BTG, Banco Inter, and Santander currently offer cryptocurrencies directly to their clients, and Banco C6, Banco Bradesco, and Banco do Brasil offer indirect crypto investments (such as ETFs). This marks a big change in the traditional finance players' stance towards crypto.

The Paradigma and Datafolha Brazilian National Survey reveals that, of the 16% of Brazilians who have invested in crypto, 9% held crypto only through banks, 2.8% in funds or ETFs, 2.3% in exchanges, and 2.2% in self-custody.

Itaú Unibanco, Brazil's largest bank, has been offering crypto to their customers since 2023 and is currently looking to launch its own stablecoin.

Bradesco, Brazil's second-largest private bank, advanced from pilot projects to concrete crypto projects. After launching Hashdex-branded crypto index funds for retail at Ágora Investimentos, Bradesco teamed with infrastructure firm Parfin to pilot USDC-settled cross-border trade payments; tests began in December 2024, and executives now say "there's no turning back" on stablecoins.

Nubank evolved from a custodial-only wallet into a full-service retail crypto brokerage, allowing on-chain transfers, adding swap tools, cutting spreads by up to 60%, and expanding its offerings to 18 tokens. Even after pausing its volatile Nucoin loyalty token, the neobank doubled down on the sector — introducing a 4% USDC yield and leveraging its 90 million-user base to compete with Brazilian exchanges on price and UX.

BTG Pactual's exchange Mynt became Brazil's top USDC on-ramp via a Circle deal, expanded to 28+ coins with on-chain transfers, and debuted a DeFi portfolio wallet. Combined with its own BTG Dol stablecoin and dollar cash accounts, BTG now runs three dollar rails — cementing itself as Brazil's institutional crypto gateway.

f11photo/iStock

One of the most emblematic corporate adoption cases is Méliuz — dubbed by some as the 'Brazilian MicroStrategy'. The cashback company, listed on B3 (Brazil's stock exchange), became the first publicly traded Brazilian firm to shift its business strategy and allocate part of its treasury into Bitcoin.

Mercado Livre reinforced its crypto strategy by increasing its Bitcoin holdings by 38%, purchasing USD 7.8 million in early 2025 and bringing its total BTC treasury to approximately USD 59 million. This move complements its ongoing fintech innovation, including the 2024 launch of "Meli Dólar", a dollar-pegged stablecoin available to Mercado Pago users in Brazil.

Brazil's Central Bank Digital Currency (CBDC) project DREX is at an advanced stage of development, having completed two pilot phases with over 500 successful transactions involving major financial institutions. The DREX project has encountered significant delays, primarily due to unresolved privacy challenges linked to safeguarding sensitive transaction data within its blockchain architecture.

DREX is designed for programmable financial operations and tokenised asset settlements, such as real estate and government bonds. It is supported by a growing national blockchain infrastructure, such as Núclea Chain, Rede Blockchain Brasil (RBB), and Parfin Rayls.

Rede Blockchain Brasil (RBB) has officially entered its pilot phase, aiming to establish a national blockchain infrastructure for secure, transparent public services. Coordinated by the Federal Court of Accounts (TCU) and the Brazilian Development Bank (BNDES), the initiative seeks to enhance data integrity across government operations.

Integrated with broader regulatory frameworks, including the 2023 National Crypto Law and Open Finance initiatives, DREX positions Brazil as a global leader in CBDC innovation focused on real-world asset tokenisation. The community is closely following DREX next steps.

Real-World Asset (RWA) tokenisation is gaining traction in Brazil, with platforms such as Liqi, Foxbit, Mannah, and Mercado Bitcoin launching tokens backed by *precatórios* — judicial public debt instruments used as alternative investment assets.

Chiliz, the Web3 infrastructure provider powering Socios.com, which partners with major Brazilian sports teams such as Flamengo, Palmeiras, Corinthians, Fluminense, and Bahia, continues to expand its ecosystem by launching new Fan Tokens, integrating gasless wallet technology via Biconomy, and enhancing reward mechanisms — reinforcing its position as a leader in the tokenisation of sports fandom.

Ripple, the leading provider of virtual asset infrastructure for financial institutions, also has Brazil among its priorities. The global company chose the Brazilian exchange Mercado Bitcoin to launch Ripple Payments in the country, a solution designed to leverage faster international payments. On a more institutional front, it also promoted a seminar in 2024 at the Chamber of Deputies in Brasilia to discuss the situation of digital asset regulation in the country.

Fairfashion.io has partnered with Riachuelo to leverage AI and blockchain for greater transparency in the clothing supply chain. This initiative marks a significant milestone for the fashion industry, providing a powerful tool to support ESG compliance and supply chain traceability.

Regenerative Finance is one area in which Brazil leads with innovative solutions. Initiatives such as social currency Muda Outras Economias and projects such as Ekonavi, AgroforestDAO, Green Pill Brasil, Carrot Network, Blockchain na Escola, and One.percent are growing organically, gaining momentum with participation on Gitcoin Rounds, and creating grassroots impact.

Brazil hosted several crypto events in 2024 and will have a big agenda for 2025: highlights include Eth Latam, Eth Brasil, and the Blockchain.RIO. Pop up cities such as Ipe. City in Florianópolis and [Re] City in Recife are emerging trends, following the steps of Crescimiento in Argentina.

REGULATION

Brazil's Virtual Assets Act (Law No. 14,478/22) entered force in June 2023, handing oversight to the Central Bank (BCB) and CVM, criminalising crypto fraud and requiring licences for VASPs. CVM Circular 04/2023 classifies receivables-backed and fixed-income tokens as securities, and a follow-up consultation is drafting clear staking rules.

Taxation keeps tightening: from 2024 a 15% tax applies to crypto held on foreign exchanges, and a May 2025 bill ends the BRL 35,000 monthly tax exemption, replacing tiered brackets with a flat 17.5% rate on all gains.

Decree No. 12,466/2025 raised the IOF-FX rate to 3.5% on most outbound transfers and international card funding, but the tax hits only the foreign-exchange leg. On-shore crypto trades, including BRL-stablecoin swaps, remain IOF-free, a gap that has boosted domestic stablecoin activity.

Brazil's crypto regulation still has clear frameworks and allows blockchain solutions to enter the country. The recent changes increasing taxation are not a good sign and have the potential to drive the domestic market offshore — it only takes a mobile phone and internet connection to access the global crypto market, and the Brazilian government clearly does not understand how the crypto community thinks and acts. Despite being a regional leader, Brazil has lost ground to Argentina as the place with the best combo of regulation and adoption for new market entrants. All eyes are now on the *hermanos*.

CHILE

ECOSYSTEM

Chile's crypto adoption has grown moderately over the past year, although it remains a mid-level market globally. Approximately 18% of Chileans have used or owned crytocurrencies as of 2024, up from around 15% in 2023. This places Chile among the top crypto-adopting countries in Latin America by user share and ranks the country in 52nd place on the Chainalysis's 2024 Crypto Adoption Index.

Economic context has been a key factor in crypto adoption trends. After surging to 12.8% in 2022, Chile's inflation fell to about 4% in 2023–2024, nearing the central bank's 3% goal. The Central Bank cut interest rates to 7.25% in 2024 amid this disinflation. This economic stabilisation eased some urgency for inflation hedges, yet interest in cryptocurrencies persisted.

The Chilean crypto-fintech ecosystem expanded in the past year, driven by both local startups and foreign investment. The number of fintech and crypto startups in Chile reached 348 companies in early 2024, a 16% increase from the prior year. This includes exchanges, payment platforms, lending fintechs, and blockchain ventures, reflecting a robust environment for innovation.

Chile's OrionX received a major boost: after Bitfinex's 2023 investment, in June 2025 Tether (issuer of USDT) led a Series A round in OrionX to expand its operations from Chile into Peru, Colombia, and Mexico. This partnership focuses on bringing stablecoin-powered financial services to more users in the region, targeting the unbanked and providing low-cost digital payment and remittance options. The fact that Tether and Bitfinex (global crypto players) invested in a Chilean exchange signals confidence in the Chilean market's potential and regulatory clarity.

Several Chilean projects also gained traction with real-world use cases. For instance, Wbuild, a Santiago-based blockchain real estate platform, enabled the tokenization of a US real estate project in 2024. In a partnership with US firm Black Salmon, Wbuild helped sell a USD 1 million tokenised stake in a Florida property, lowering the minimum investment from USD 500,000 to USD 50,000 via blockchain. The tokenised share (10% of the project) sold out in one week, demonstrating how Chile's tech is opening up access to traditionally exclusive assets.

REGULATION

Chile has taken a proactive, yet cautious regulatory approach to fintech and crypto, resulting in a clearer framework since the Fintech Law came into force in 2024. The text created a formal licensing regime for crypto exchanges, digital wallets, crowdfunding platforms, and other fintech services, under the oversight of the Financial Market Commission (CMF).

In February 2024, new cryptocurrency regulations took effect as part of the law's rollout. The CMF's General Rule No. 502 (issued Jan 2024) set out registration and compliance requirements for Virtual Asset Service Providers. Chile became one of the first countries to legally recognise fiat-backed stablecoins: tokens fully backed by local or foreign currency are acknowledged as a form of "digital money" (not legal tender, but a permitted means of payment) under the Central Bank's domain.

This means non-bank companies can issue and operate stablecoins in Chile, provided they meet reserve and transparency standards: a framework intended to integrate stablecoins into the financial system rather than ban them.

Open Finance also advanced: the CMF introduced open banking rules (NCG 514) in July 2024 to mandate data-sharing APIs among banks and fintechs, aiming to increase competition and enable new crypto-financial services. Overall, these measures signal a crypto-friendly stance within a regulated framework. Chile is embracing innovation but under clear supervision.

Chile has recently introduced one of the most comprehensive crypto frameworks in Latin America: it is open to innovation, but tough on compliance. The country welcomes blockchain innovation and has put forward one of Latin America's most detailed fintech laws to integrate crypto into the formal financial system. Clear licensing, sandbox initiatives, and legal recognition of digital assets have given businesses confidence, evidenced by foreign investments and the growth of Chile's crypto sector under these rules.

COLOMBIA

ECOSYSTEM

Colombia's crypto market continued to expand, remaining in the top five crypto markets in Latin America, alongside Brazil, Mexico, Argentina, and Venezuela. Worldwide, Colombia fell to 36th place worldwide in the Chainalysis Global Crypto Adoption Index (down from 32nd in 2023).

An estimated 5 million Colombians — roughly 10% of the population — engage with cryptocurrencies, reflecting a 17% increase in users during 2024. This broad base of retail users is notable, though activity is concentrated on centralised exchanges (about 74% of volume), with relatively low DeFi usage.

A report by crypto exchange Bitso shows that Colombians have shown an appetite for altcoins, less reliance on Bitcoin, and a rising interest in memecoins in 2024

High inflation and remittances continue to drive crypto adoption. After inflation peaked at 13% in 2022, it cooled to about 5–6% by late 2024. Still, the peso's depreciation in prior years and high inflation rates (well above the central bank's target) sustain interest in crypto as a hedge against currency devaluation.

Remittance flows hit a record of over USD 10 billion in 2023, around 2.8% of GDP. These transfers have costly fees (5–6% on average) via traditional channels. This has made Colombia a prime market for crypto-powered cross-border payments.

Crypto remittances using stablecoins are growing, offering faster and cheaper transfers. In fact, along the Colombia–Venezuela corridor, crypto remittances are already making a direct impact on thousands of households by bypassing high fees.

Following its success in Mexico, exchange Bitso expanded its crypto remittance service to Colombia, enabling instant dollar stablecoin transfers that recipients can convert to pesos, thus saving on fees. This trend mirrors a broader regional move toward dollar-pegged stablecoins for both remittances and everyday transactions.

The Colombian ecosystem in 2024–25 saw greater integration with traditional finance and new local platforms. Notably, Bancolombia (the country's largest bank) launched "Wenia", a crypto exchange platform, in May 2024. Wenia allows Colombians to trade Bitcoin, Ether, USDC, and other assets, and introduced a peso-pegged stablecoin (COPW) fully backed 1:1 by the Colombian peso.

The COPW stablecoin serves as an on-ramp/off-ramp, and Wenia offers a crypto debit card so users can spend USDC or COPW via Mastercard for everyday purchases. This initiative, born after nearly a decade of research by Bancolombia, reflects increasing institutional confidence in crypto adoption. Interestingly, Wenia is operated under a Bermuda licence while serving Colombian customers, to navigate the lack of local regulation.

Colombia's startup scene and international exchanges have also grown. Global crypto firms such as Binance, OKX, and Coinbase expanded their presence, while regional exchange Buda.com (which partnered with Banco de Bogotá in a sandbox) remains a key player.

New homegrown platforms such as LuloX and Approbe emerged in 2024, focusing on blockchain-based fintech services. For example, LuloX, a Colombian digital wallet, partnered with the NEAR protocol to launch a Colombian stablecoin on NEAR, broadening Web3 financial access.

Decentralised finance projects are present too: Tropykus, a DeFi lending platform on Bitcoin's RSK network, reached USD 6.6 million in TVL and continues to target Latin American users for crypto loans and savings.

Colombian coffee producers are experimenting with agritech startup Farmsent in an initiative that can raise smallholder revenues by up to 45% while plugging them into a 160,000-farmer global network. This project is piloting Peaq's DePIN blockchain and on-farm IoT sensors to track coffee and avocado exports from Colombia and Indonesia to the UAE.

Colombia's crypto community is bolstered by education and events. Universities are incorporating blockchain into their curricula: Universidad de los Andes launched programs (in partnership with industry players such as Binance) to train students and onboard young Colombians into Web3. Many universities such as UNIR Colombia, Universidad Nacional de Colombia, UNIANDES, UC, and others are offering courses as well.

Online academies (e.g. Platzi) report strong enrolment in crypto courses as Colombians seek trading and blockchain skills.

On the community side, the country hosted major gatherings: Bogotá was the venue for Blockchain Summit Latam 2024, in August, attracting 2,000+ attendees from across the region. The annual Cripto Latin Fest returned in 2024, celebrating innovations and even a Bitcoin Pizza Day event. Such events, along with hackathons and meetups, have solidified Colombia's reputation for having one of Latin America's most vibrant grassroots crypto communities. Enthusiasts and developers regularly converge in hubs including Bogotá and Medellín, sharing knowledge that further propels adoption.

REGULATION

Colombia's regulatory approach to crypto over the last year has been proactive but cautious, trending toward a more crypto-friendly stance. While no comprehensive crypto law is in force yet, there have been significant moves to establish a framework. In March 2025, lawmakers reintroduced a major crypto regulation in Congress. The bill aims to license and oversee Virtual Asset Service Providers (VASPs), bringing exchanges and crypto companies under clear supervision.

The legislation explicitly seeks to align Colombia with global standards (echoing regimes in Brazil, Singapore, and the EU) and to prevent abuses — for example, it would ban crypto pyramid schemes and forbid exchanges from reselling users' assets without consent.

Colombia's government and regulators have generally been open to blockchain innovation. Crypto trading is legal in the country, and authorities have issued piecemeal guidance. The tax authority DIAN treats crypto assets as intangible assets for tax purposes, requiring that large crypto transactions be reported. The financial crimes unit UIAF implemented rules obliging exchanges and financial institutions to report suspicious crypto transactions as part of anti-money laundering efforts.

Meanwhile, the Financial Superintendence (SFC) has not yet authorised banks to directly broker crypto, but it ran a regulatory sandbox (la Arenera) that allowed banks to pilot crypto services in cooperation with exchanges.

The sandbox ran from 2021 until 2023 and had positive results. Participating banks (Banco de Bogotá, Davivienda, Bancolombia, etc.) successfully tested deposit and withdrawal integrations with exchanges such as Buda, Binance, and Gemini, while implementing safeguards for consumers and compliance.

The SFC noted the pilot helped prove that risks can be managed and set the stage for permanent regulations. Bancolombia's decision to launch Wenia via an offshore subsidiary underscores that, meanwhile, companies are finding creative ways to offer crypto services under the existing law.

The Colombian government's tone toward crypto is increasingly positive. Officials recognise the industry's growth and the need for clear rules to prevent scams and fraud.

Agencies such as the MinTIC have promoted blockchain for public projects since 2022, and the Central Bank is experimenting with distributed ledger technology.

Overall, regulators appear to seek a balance: protect consumers and prevent illicit use without stifling innovation. Industry groups such as Colombia Fintech association and Asoblockchain have been consulting on the new regulations, emphasising the importance of clear rules to form alliances with banks and to signal that Colombia is open for the crypto ecosystem. More info about the regulation can be found here.

COSTA RICA

ECOSYSTEM

Chainalysis still puts Costa Rica in the bottom half of its Global Crypto Adoption Index, but the country inched up two spots to 90th in 2024 and now boasts 40,000–60,000 active wallets (1% of the population), served by six Bitcoin ATMs and a growing set of blockchain initiatives.

Unlike inflation-hit neighbours, Costa Rica has enjoyed near-zero inflation rates (-0.4% in 2024) and 4.3% GDP growth. With no currency crisis to push people into crypto, adoption is driven by other factors: interest in financial innovation, remittances, tourism, and tech community initiatives.

For example, expatriates and remote workers in Costa Rica use crypto to avoid high bank fees and slow transfers, demonstrating how Bitcoin can solve issues such as friction in money transfers even given a stable banking system.

The Bitcoin Jungle project in the Dominical–Uvita area now connects 380 merchants. Market stalls and cafés can accept payments through a Lightning wallet that auto-converts to colones if so desired, eliminating 4–8% card fees and attracting crypto-tourists.

Local labour laws even allow parts of salaries to be paid in crypto (after the minimum wage). These indicators underscore a small but growing community of crypto users.

Community currencies and ReFi still have active communities and events, with ReFi Costa Rica Node gathering regenerative-finance initiatives like Bloom Network, Diamante Bridge Collective, Mycelium Learning, and CoFi Blocks.

CoFi Blocks established a partnership with Starknet Foundation to build communities and tokenise coffee harvests, including coffee producers and consumers, into the Web3 ecosystem.

In February 2025, Banco Nacional (BN) became the first Central American bank to sell a Bitcoin ETF feeder fund, giving retail clients regulated exposure without self-custody. Fintechs such as MultiMoney added in-app crypto trading, and traditional PSPs BAC and Visa trialled BTC payout rails. Nimiq is also growing its presence as a blockchain-based payments system.

Evergreen Sustainable Enterprises' hydro plant in Alajuela powers a low-cost Bitcoin mine and showcases how Costa Rica's 98% renewable grid can host low-footprint Web3 infrastructure.

Edenia is a blockchain development company that also runs validator nodes for Bitcoin, Ethereum, Polygon, and Libre, along with Bitcoin ATMs in Costa Rica.

After *Blockchain Jungle 2023*, the 5th TicoBlockchain happened in San José in March 2025 and drew more than 300 attendees from many countries and projects, such as Visa, Mastercard, Nimiq, Celestia, Cambiatus, Cofi Blocks, and regional regulators.

The main topics discussed were tokenisation, DePIN, ReFi, and open-finance links with SINPE. The conference, co-hosted by AsoBlockchain and AsoFintech, confirmed Costa Rica's reputation as a friendly, bilingual Web3 development hub for the Latin American ecosystem.

REGULATIONS

The Costa Rican regulatory framework is considered friendly. Crypto remains legal, but unregulated: the Central Bank reiterates that digital assets are *not* legal tender and users act *"at their own risk,"* yet there are no bans on trading, mining, or merchant acceptance. Banks may offer exposure (such as the Banco Nacional's ETF fund) under existing securities rules.

The Crypto Assets Market Law (Bill No. 23,415, "MECA"), which would exempt day-to-day payments and mined coins from income tax while leaving crypto acceptance voluntary, stalled in committee in 2024 and has not advanced since, leaving firms to operate under general commercial and AML statutes.

With MECA dormant, crypto profits are theoretically taxed as ordinary income, yet enforcement remains lax; VAT does not apply to crypto-for-goods transactions. Exchanges follow standard KYC/AML, and no special mining permits are required provided electricity contracts are legal.

Lawmakers continue a "wait-and-learn" strategy: engaging with AsoBlockchain but prioritising broader fiscal reforms. The absence of restrictive rules, plus low energy taxes and a tech-savvy workforce, all help to make Costa Rica attractive for Web3 pilots, though the lack of formal consumer protection means that scams are only policed after they happen.

Costa Rica is likely to keep the *pura vida* spirit and remain crypto-friendly through 2026: officials monitor Bitcoin Jungle, Banco Nacional's ETF uptake, and ReFi pilots before discussing and approving the MECA regulation or drafting a regulatory sandbox. For foreign teams and projects, the Costa Rican environment is effectively *open*, with low taxes, renewable power and an English-friendly environment. It's still short of the explicit incentives offered by hubs such as El Salvador or the UAE, but is an amazing place to build.


Margaret LN Brooks/iStock

ECUADOR

ECOSYSTEM

Triple A report estimates crypto ownership at 3.8% of Ecuadorians (730,000 people), one of the highest rates among dollarised Andean economies. In Chainalysis's 2024 Global Crypto Adoption Index, the country slipped to 67th worldwide (8th in Latam), down from the mid-40s a year earlier — signalling that other markets are growing faster at the grassroots level.

Unlike inflation-hit neighbours, Ecuador's inflation has been low (around 1–2% in 2024) due to its dollarised economy, so crypto uptake is driven less by currency hedging and more by investment opportunities and remittances. The most popular cryptocurrencies are Bitcoin, Ethereum, and Tether (USDT), with USDT stablecoin particularly used to move money internationally and for dollar-denominated savings.

Chainalysis shows that less than 60% of all on-chain volume is now in USDT/USDC, mirroring Colombia and Peru. Migrants in the US and Spain increasingly remit dollars via OTC desks that instant-settle in stablecoins.

Crypto ATMs grew from one machine in early 2024 to four by mid-2025, and real-world applications are maturing, such as The Sustainable Shrimp Partnership (SSP), a coalition of top Ecuadorian exporters that celebrated its 7-year anniversary in March 2025.

SSP's certification now covers full farm-to-fork traceability on IBM Food Trust and a new Scale-Up hatchery programme that in its first year trained 100 people across 17 hatcheries to adopt blockchain-verified sustainability practices. It's one of the most mature supply chain projects in Latin America and worth watching.

ETH Ecuador published a Yellow Paper on GitHub that details its Aragon OSX governance stack and explains why the DAO is launching on Arbitrum to secure Ethereum-level security while keeping transaction fees minimal.

REGULATION

Ecuador's stance on crypto is not friendly. Article 94 of the Organic Monetary and Financial Code and repeated Central Bank circulars affirm that the US dollar is the country's sole legal tender, and cryptocurrencies "are not authorised as a means of payment for goods and services." Nonetheless, the same statements clarify that buying and selling crypto online is lawful: exchanges and wallets operate under general e-commerce rules, provided they do not market tokens as money. Companies operate within this legal loophole.

Oleh_Slobodeniuk/iStock

A digital wallet framework was implemented by Resolution No. JPRM-2023-014-M, in force since Feb 2024. It obliges any custodial wallet to obtain a fintech permit, keep client funds fully liquid, and operate in a 12-month sandbox before scaling.

The 'Ley Antipillos', from Dec 2024, is an anti-money laundering reform that defined virtual asset service providers (VASPs) and subjected them to Financial Intelligence Unit supervision and Travel Rule reporting for transfers above USD 1,000. Secondary rules are in draft mode and will spell out sanctions screening and penalties. Government officials stress the goal is oversight, not prohibition.

Profits from trading or holding digital assets must be declared in the annual Impuesto a la Renta tax return and are taxed under the ordinary 2025 personal-income brackets: 0% up to USD 12,081; 5%–37% on higher bands, with the top marginal rate (37%) applying to income above USD 108,810.

Ecuador permits trading and holding crypto yet bars its use as currency, enforcing bank-grade AML on custodians while leaving peer-to-peer activity largely unregulated. The framework is clear enough for compliant exchanges and enterprise pilots, but everyday crypto payments remain off-limits, keeping the country in a regulatory posture that is not friendly.

EL SALVADOR

ECOSYSTEM

El Salvador's grassroots crypto adoption remains limited, despite pioneering Bitcoin as legal tender. Only about 1.7% of Salvadorans own Bitcoin, and a 2024 survey found 92% of citizens did not use BTC for transactions (up from 88% in 2023).

In Chainalysis's Global Crypto Adoption Index, El Salvador's rank fell to 106th in 2024, down from 95th in 2023. Low domestic adoption is attributed to a lack of trust and everyday utility, even as the government aggressively promotes crypto. Notably, inflation has been very low (just 1% in 2024, reducing Bitcoin's appeal as an inflation hedge compared to high-inflation countries. The fact that El Salvador already has a dollarised economy makes stablecoin adoption low in the country. Most Salvadorans still prefer traditional finance for now.

A paradox emerges in remittances. Overall remittance inflows hit a record USD 8.7 billion in 2024 (nearly 30% of GDP), yet crypto-based remittances have plummeted. In Q1 2025, crypto transfers were only USD 16 million (0.52% of total remittances), down 45% year-on-year. This is a sharp decline compared

to 2022–2023, when El Salvador saw almost USD 100 million in crypto remittances.

This data suggests most Salvadorans reverted *to cash and fintech channels* for remittances, given issues with the Chivo wallet and crypto volatility. In short, government crypto initiatives have yet to meaningfully penetrate daily financial life for the majority of households.

On the other hand, El Salvador's stance on Bitcoin is showing positive signs at the national level. Thanks to the 2024–2025 market rally, the government's Bitcoin holdings (≈6,216 BTC as of mid-2025) are in profit and valued around USD 620 million. President Nayib Bukele's administration continues its strategy of buying 1 BTC per day, signalling long-term confidence.

The 6,216 BTC are currently valued at around USD 620 million and account for roughly 15% of the country's reserves. This move is proving to be an interesting strategy and many other countries are implementing their BTC strategic reserves, with the most relevant being the US.

Foreign investor interest and "Bitcoin tourism" are also up. The country welcomed 3.9 million tourists in 2024, a 22% increase from 2023. Officials partly credit *"BTC novelty" travellers* and improved public security for this tourism boom, which outpaced regional peers, such as Costa Rica.

The surf town Bitcoin Beach remains a showcase, and new Bitcoin-friendly businesses (hotels, cafés) cater to crypto enthusiasts. This inflow of visitors and expats has had tangible economic benefits — tourism now contributes to 11% of the GDP.

El Salvador is positioning itself as a crypto business hub, but results have been mixed. The central bank reports 181 crypto companies registered, yet only 20 (11%) are actually operational under compliance rules.

Even fully licensed local exchanges report that local banks often refuse accounts to crypto businesses due to de-risking pressures from US correspondent banks. Due to the recent developments in regulatory frameworks, the US banking system will probably embrace crypto in the near future and solve this issue.

Still, major players have established a presence: for example, Bitfinex Securities obtained a licence and is working with the government on digital asset offerings. The government's headline project, "Volcano Bonds", a USD 1 billion Bitcoin-backed bond issue to fund Bitcoin City and mining, gained regulatory approval in late 2023 but has not yet been launched as of mid-2025, awaiting favourable market conditions.

Meanwhile, a smaller tokenised bond to fund a Hilton hotel failed to meet its target in 2024 (raising only 5% of the goal), underscoring investor caution.

On a more positive note, Bitcoin mining investments are ramping up: a public-private consortium launched Volcano Energy, a 241 MW renewable Bitcoin mining farm backed by foreign capital (including Tether, which will invest USD 250 million). The Volcano Energy Bitcoin mining project is delayed and still not active. The only Bitcoins reportedly mined in the country are the 474 BTC from the pilot project in the Tecapa Volcano.

In October 2023, El Salvador opened its first local Bitcoin mining pool "Lava Pool" in a partnership with Luxor, with 23% of mining profits pledged to the government.

These developments indicate an expanding crypto ecosystem beyond just payments, with El Salvador leveraging its pro-crypto brand to attract energy investment, blockchain startups, and digital nomads through initiatives such as the "Freedom" investment visa. The visa offers residency for a USD 1 million crypto donation to the government, but is failing to attract investors.

Overall, El Salvador's crypto ecosystem in 2024–25 is a study in contrasts: global enthusiasm, foreign capital, and state-led projects growing, even as grassroots adoption among citizens remains stubbornly low. The country's experiment is being closely watched across Latin America as a possible blueprint for using crypto to drive economic growth and enhance wellbeing.

timnewman/iStock

REGULATIONS

El Salvador has one of the friendliest crypto regulatory frameworks in the world. The landmark Bitcoin Law of 2021 made Bitcoin legal tender alongside the US dollar, with no capital gains tax on crypto and an initial mandate that businesses accept BTC.

In April 2023, the government passed a Law for the Promotion of Innovation and Technology Manufacturing, granting 15-year tax exemptions (on income, capital gains, municipal taxes, and import duties) fo tech investments.

In January 2023, a comprehensive Digital Assets Issuance Law was approved to regulate broader crypto markets. The intent was to provide legal certainty for issuing digital assets (including tokenised bonds), paving the way for initiatives such as the Volcano Bonds. Together, these initiatives positioned El Salvador as a pro-innovation jurisdiction: essentially a crypto sandbox nation encouraging blockchain projects, with the state even offering fast-track licensing and an official Bitcoin Office (ONBTC) to assist crypto entrepreneurs. In February 2024, Bukele won re-election, ensuring policy continuity.

However, facing fiscal pressures, his government struck a USD 1.4 billion loan agreement with the IMF in late 2024 that required adjustments to the Bitcoin policy. In January 2025, El Salvador's Legislative Assembly amended the Bitcoin Law to drop the mandate of acceptance: businesses are no longer obliged to accept Bitcoin as payment. Additionally, the government agreed to "gradually unwind" its involvement in the Chivo wallet and other public crypto activities.

There is ongoing dialogue with institutions: even the IMF has acknowledged that El Salvador's Bitcoin rollout did not create the systemic risks once feared, facilitating a more comprehensive stance.

El Salvador offers an attractive legal framework, with legal tender status, no crypto taxes, and special economic incentives, even with the government easing mandatory adoption and cooperating with international lenders.

The net effect is still a highly favourable environment for crypto innovation. Industry observers classify El Salvador as crypto-friendly, noting that the legal infrastructure is now in place for a potential influx of capital in the next bull market. The coming years will test how this pro-crypto regulatory regime translates into real adoption and sustainable economic gains.

MEXICO

ECOSYSTEM

Mexico continues to be one of the leading crypto markets in Latin America, driven by booming remittances and growing mainstream adoption. The country now ranks 13th globally in Chainalysis's 2024 Crypto Adoption Index (up from 16th in 2023 and 28th in 2022).

Surveys indicate that, as of 2024, around 14% of Mexicans have owned cryptocurrency — a sharp increase from a few years ago. This broadening user base suggests that crypto is no longer niche; millions of everyday users in Mexico are experimenting with digital assets for savings, payments, and investment.

Remittances remain the cornerstone of Mexico's crypto ecosystem. The country received a record USD 63.3 billion in remittances in 2023, second only to India globally. Crypto is capturing a growing slice of this market. Mexico's largest exchange, Bitso, processed over USD 6.5 billion in the US–Mexico crypto remittances in 2024 (up from USD 4.3 billion in 2023 and USD 3.3 billion in 2022), now more than 10% of the entire corridor in terms of volume.

Overall, the volume of remittances sent via cryptocurrency in Mexico grew about 40% in 2024, as senders and recipients embrace the speed and lower fees of crypto rails. This trend represents a structural shift in how families receive money, especially amid economic pressures. Notably, Mexico's inflation has eased to around 4.7% in 2024 (from 7.9% in 2022), but stablecoins pegged to the US dollar remain popular for preserving value and enabling dollar transfers, given persistent fears of peso volatility and a desire for dollar exposure. As a result, dollar-backed stablecoins (and even Tether's peso-pegged MXNT) have seen increased use in cross-border payments and everyday transactions.

Bitso continues to dominate the market, expanding its services and user base. In 2024, Bitso's business nearly doubled in volume, exceeding USD 12 billion in transactions and growing to about 8 million users across Latin America. The exchange launched a new Web3 wallet in 2024 to give customers access to DeFi apps, NFTs, and multiple blockchains (Ethereum, Polygon, Optimism, etc.), reflecting a push toward decentralised services.

Coinbase also maintains a presence in Mexico after its pilot crypto-remittance program (launched with cash-out at 37,000 retail locations) and zero-fee transfer wallet; these services target the US–Mexico corridor with fees reportedly up to 50% lower than traditional remittance methods.

The availability of such regulated platforms has lowered barriers to entry, leading to more first-time crypto users in Mexico.

Beyond exchanges, a range of projects are integrating blockchain into everyday life in Mexico:

Félix Pago — a startup enabling WhatsApp-based money transfers — uses stablecoins under the hood and has gained significant traction. In 2024, it processed over USD 1 billion in remittances via chat, allowing US-based users to send money instantly to Mexico (and other Latam countries) by text. The company raised USD 75 million (Series B) in early 2025 to expand its services and has partnered with major fintechs such as Mercado Pago and Nubank to reach more users. This demonstrates how crypto is improving financial inclusion: users can send or receive funds with just a messaging app, no bank account needed.

Telecom giant *Telefónica (Movistar)* teamed up with Nova Labs to deploy blockchain-based mobile hotspots in Mexico. Starting in Mexico City and Oaxaca, Telefónica began offloading mobile data to the decentralised Helium Network, allowing regular people to host hotspots that extend coverage and earn tokens. Launched in January 2024, this pilot allows 2.3 million Movistar customers to automatically roam through Helium's crypto-incentivised network via their normal SIM cards. It's an innovative example of decentralised infrastructure (DePIN) improving real-world services such as rural connectivity.

Mexico-based XMAQUINA is tokenising revenue-generating robots: starting with live "robot café" pilots on the Peaq DePIN chain, allowing retail investors to buy DEUS tokens and earn a slice of each machine's income. CEO Mauricio Zolliker says co-ownership via Peaq's Machine Pools turns automation from a job threat into a community dividend.

Large domestic conglomerates have started accepting crypto. In 2023, *Grupo Salinas* (Mexico's third-largest business group, owned by Bitcoin proponent Ricardo Salinas) announced it would accept Bitcoin via Lightning Network across its businesses. This is now being implemented: through a partnership with Lightning provider IBEX, over 4 million customers of Salinas's companies can pay their Total Play cable and phone bills in Bitcoin. Plans are underway to extend BTC payments to Elektra retail stores and other Salinas-owned outlets, effectively bringing crypto into everyday shopping. This corporate adoption is significant given Salinas's influence (Grupo Salinas owns Banco Azteca, TV Azteca, Elektra, etc.) and showcases confidence in crypto as a payment method.

Etherfuse is bridging traditional finance and DeFi. In late 2023 it introduced "Stablebond" tokenised bonds, allowing retail investors to buy tokens backed 1:1 by Mexican government treasury bills (Cetes), for as low as one Mexican peso. Built on Solana, these on-chain bonds offer yields up to 11% and can be traded or integrated into DeFi protocols. Etherfuse raised USD 3 million in mid-2024 to scale this model of bringing real-world debt on-chain. The project, which operates under a unique regulatory sandbox, is an early example of tokenising sovereign debt in Latin America, democratising access to investment products via crypto platforms.

Cryptocurrencies are increasingly used in day-to-day transactions and by unbanked populations. According to a May 2025 report, Mexico now leads Latin America in daily crypto usage, concentrating 84% of the region's crypto activity alongside Brazil and Argentina. Use cases include remittance receivers immediately converting crypto to pesos for spending, and freelancers or gig workers accepting crypto payments from abroad. Many younger users (18–35) are using crypto for e-commerce and even travel bookings. This reflects a broader trend: digital assets are enabling people without traditional bank access to store and transfer value in multiple currencies easily. In short, crypto is steadily embedding itself in Mexico's financial fabric, from cross-border payments to internet bills, more as a complement to fiat money than a replacement.

REGULATION

Mexico's regulatory stance in crypto has been one of cautious acceptance with incremental oversight. The core framework is still the 2018 "Fintech Law", which officially recognises cryptocurrencies as "virtual assets" — legally valid for payments and electronic transactions.

Under this law, crypto exchanges and companies (VASPs) can operate as regulated financial institutions, provided they register with authorities and comply with anti-money laundering (AML) rules. For example, exchanges must report any crypto transactions above certain thresholds (USD 2,500) under Mexico's AML regulations. This regulatory sandbox approach has allowed innovation (several crypto startups operate under Fintech Law licences) while enforcing baseline compliance. Crucially, regulators mandate that crypto businesses disclose risks to consumers — making it clear that crypto is not legal tender in Mexico, nor is it backed by the government or central bank. In practice, this means users are free to buy, sell, and use crypto, but at their own risk and without legal protections if things go wrong.

No major new crypto-specific laws or reforms were passed until mid-2025. Authorities have maintained a conservative tone. Banxico (the Mexican Central Bank) oversees digital asset policy and has repeatedly stated that cryptocurrencies are "unsupported" assets that should not be considered currency. Banxico's focus instead has been on developing a central bank digital currency — the digital peso (CBDC) — aimed at boosting financial inclusion. Originally planned to launch by the end of 2024, the CBDC project has faced delays and remains in an early development stage; as of mid-2025, there is no clear launch date for Mexico's digital peso.

This delay underscores the careful, slow approach Mexican regulators are taking toward digital money. Other regulatory bodies, such as the financial markets regulator CNBV, have issued cautionary notices about cryptocurrency usage (highlighting volatility and fraud risks) but have not introduced new binding rules. Notably, Mexican lawmakers and tax authorities have not yet updated tax codes to explicitly address crypto — there is still no dedicated crypto tax law. Instead, general tax principles apply: crypto trading profits are treated as capital gains or income (subject to income tax up to 30% for individuals), and 16% VAT applies to crypto sales if both parties are in Mexico (0% if the crypto is exported to a foreign buyer). In practice, enforcement of crypto taxation is nascent, though Mexico's tax authority (SAT) has signalled interest in formalising these obligations in the future.

Overall, Mexico can be viewed as neutral to crypto — neither too friendly nor hostile. The government permits crypto activities under the Fintech Law and has not imposed bans or heavy-handed restrictions. This has allowed a robust ecosystem (exchanges such as Bitso, fintech startups, tokenisation projects) to flourish within a legal framework. Policymakers, however, remain wary of crypto's risks. The official stance emphasises caution: no legal tender status, strict AML compliance, and "user beware" warnings, while the central bank prioritises its own digital currency initiative. This means that while Mexico is open to crypto business, it is not proactively incentivising crypto adoption as some countries do. In summary, the regulatory climate in 2025 is stable but cautious: crypto entrepreneurs can operate (and even collaborate with banks and corporations), yet the pace of new pro-crypto legislation is slow.

As it stands, Mexico's environment allows the crypto industry to grow under supervision, but further breakthroughs (such as comprehensive laws or tax clarity) are needed for it to be considered a truly crypto-friendly country.

PARAGUAY

ECOSYSTEM

Paraguay's crypto market remains small and mining-centric. Chainalysis data shows Paraguay ranked 93rd globally in 2023 and moved up to 88th in 2024. Inflation is low (3.8% in 2024), so unlike high-inflation neighbours, Paraguay's crypto use is not driven by currency devaluation.

Economic growth has been modest and tech adoption slow, so most crypto activity centers on mining rather than retail investment, due to the Itaipú Dam, which provides cheap energy in Paraguay.

Cheap hydroelectric power has incentivised many initiatives from the crypto mining sector. Over 60 crypto-mining sites have opened since 2021, attracting USD 1.1 billion in investment.

Major projects include Marathon Digital's Penguin-powered 27 MW facility (launched late 2023) and new ventures by Hive Digital. In July 2024, Hive signed agreements to develop 100 MW of hydro-powered mining, and in March 2025 it acquired Bitfarms' 200 MW Paraguayan site for USD 85 million.

Other miners active in 2024–25 include Pow.re (12 MW) and Sazmining (5 MW, though Sazmining reports ≈60% uptime due to seasonal curtailments). These investments underline Paraguay's role as an "energy haven" in Latin America for Bitcoin mining.

Beyond mining, crypto usage is nascent. Penguin Academy offers software development courses, and the community recently launched the Paraguayan Blockchain Chamber, with members from different backgrounds, such as Real-World Assets, Cybersecurity, Digital Assets, Infrastructure, Cyberdefense, and others.

An annual blockchain conference, Crypto Summit del Sur, held its 3rd edition in February 2024 in Ciudad del Este, reflecting growth in the local industry engagement.

Startups are emerging: Signatura.co offers blockchain-based e-signatures and certification, and X4T operates a hybrid (centralised/decentralised) crypto exchange. However, stablecoins, DeFi protocols, NFTs or other crypto use cases have little traction reported. Traditional banks have not launched significant crypto services in Paraguay.

In summary, the ecosystem is developing around mining and awareness; broader consumer or business crypto adoption remains low.

Julio Ricco/iStock

REGULATIONS

Paraguay still has no comprehensive crypto law. A long-stalled bill (vetoed by the prior president in 2022) has not been revived under President Peña.

In 2024–25, Congress discussed several proposals, mostly aimed at mining. Notably, in April 2024, lawmakers introduced a draft law to temporarily ban Bitcoin mining for 6 months (citing illegal power theft).

This drew industry protest (miners warned a ban could cost USD 200 million/year). The Senate instead focused on enforcement: it passed a law increasing penalties for electricity theft to 10 years in jail.

Aside from mining, a general "crypto assets" bill introduced in 2022 remains pending; if enacted, it would require providers (exchanges, miners) to register with the Ministry of Industry and Commerce and follow AML rules.

To date (mid-2025), no new crypto law has been approved. The Central Bank and financial regulators explicitly warn that only the guaraní is legal tender.

The false "legal tender" tweet in June 2025 (quickly retracted by officials) highlights the absence of any adoption.

In practice, Paraguay's stance is neutral but cautious: the government is neither promoting crypto nor banning it. Proposed measures have targeted electricity and mining (concerns about grid strain) rather than consumer use.

Miners who seek "legal security" are looking at Brazil, as Paraguay offers little regulatory clarity. In summary, Paraguay's crypto regulation remains underdeveloped: the environment is uncertain, with the state effectively neutral to slightly unfriendly (crypto is tolerated for now, but without clear rules or support).

PERU

ECOSYSTEM

Peru's crypto user base expanded significantly during 2024–25. As of early 2025, an estimated 1.28 million Peruvians, about 3.7% of the population, own cryptocurrency. This reflects an increase from prior years; survey data in 2024 indicated 17% of Peruvians had invested in crypto, roughly double the rate in 2023. In fact, the number of Peruvian crypto users nearly doubled between 2023 and 2024.

Peru ranks among Latin America's top 10 crypto markets. Chainalysis's 2024 Global Crypto Adoption Index ranked Peru 42nd worldwide (up from 49th in 2023), reflecting notable growth. Chainalysis also reported that Peru was the 7th-largest crypto market in Latin America by transaction volume and in the top 3 for regional growth for 2024.

Indicators of public interest in crypto climbed through 2024. Downloads of crypto apps in Peru surged — doubling in the second half of 2024 compared to the first half. This jump followed new interoperability measures that allowed fintech wallets to connect with the banking system, making it easier for Peruvians to buy crypto with local currency (PEN) instantly.


Christian Vinces/iStock

By late 2024, retail adoption accelerated: when Bitcoin's price hit record highs in Nov–Dec 2024, Peru saw record numbers of new users and trading volumes, as many citizens rushed to capitalise on Bitcoin's rally. Local crypto platforms such as Lemon (launched mid-2024) reported all-time high unique active users and Bitcoin purchase volumes in December 2024, indicating a wave of first-time buyers entering during the bull run.

Unlike some neighbouring countries, Peru has maintained relatively low inflation recently. Annual inflation fell to 1.9% in 2024 (down from 3.4% in 2023 and a peak of 8.4% in 2022).

This means crypto adoption in Peru is *less* driven by hyperinflation concerns, in contrast to cases such as Argentina. However, economic uncertainty and currency

preferences still play a role in adoption. Many Peruvians see crypto — especially dollar-pegged stablecoins — as a hedge or investment. Notably, dollar stablecoins ("crypto dólares") make up about 12% of crypto assets held by Peruvian users on at least one major platform, reflecting demand for dollar-denominated value storage despite low domestic inflation.

Beyond trading, Peru's blockchain ecosystem is finding practical, on-the-ground use cases in both public and private sectors:

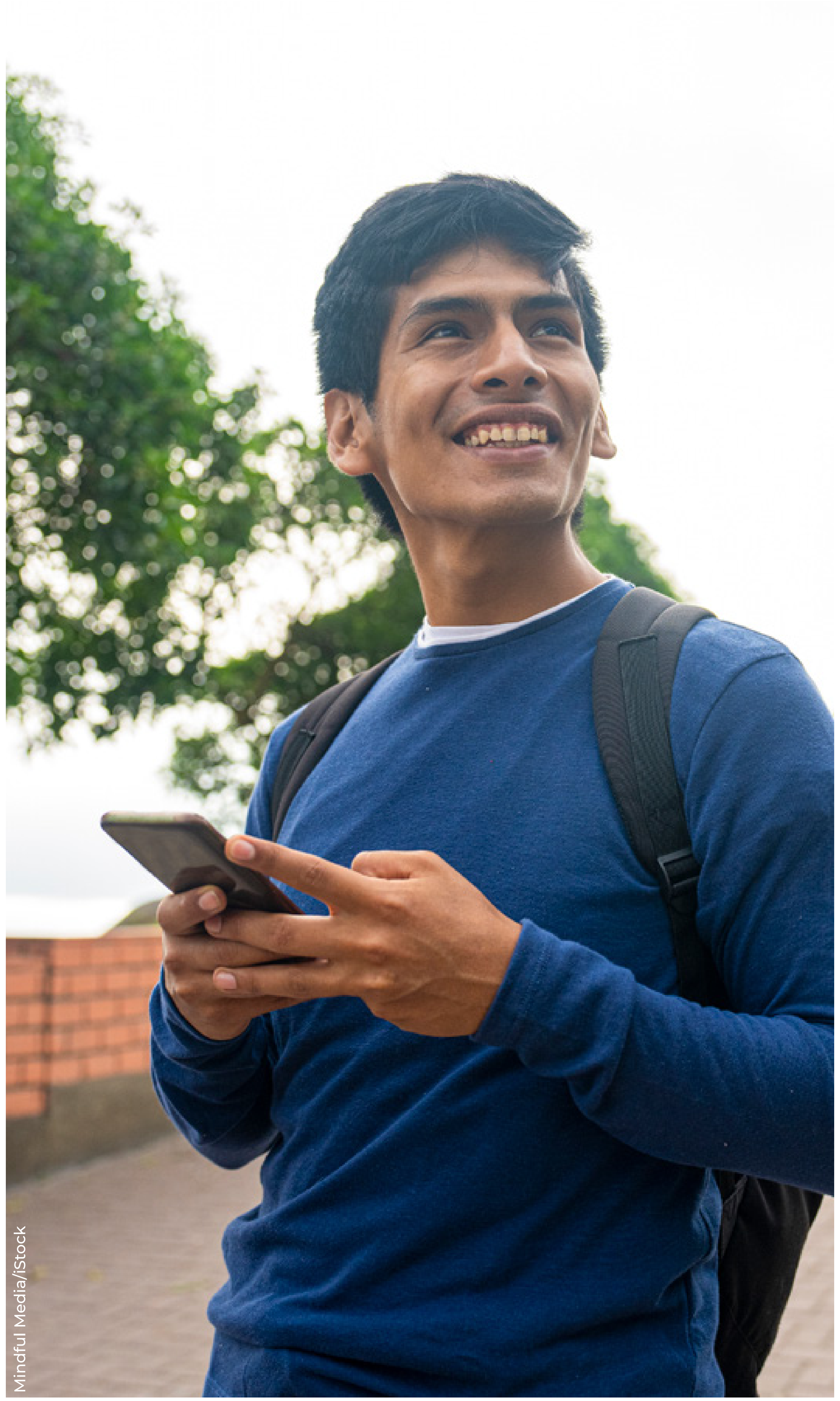
Central Bank Digital Currency (CBDC) Pilot — "BiPay": The Central Bank of Peru (BCRP) began experimenting with a digital currency. In 2024, BCRP launched a pilot for a digital sol (CBDC) in partnership with telecom operator Bitel. This pilot uses Bitel's "BiPay" digital wallet to distribute central bank-issued digital money to end-users. The focus is on unbanked rural areas — users can load the BiPay wallet with cash (through Bitel agents) and transact in digital soles even with limited internet, via mobile networks. BiPay is an early step toward a potential Peruvian CBDC, facilitating low-value transactions with the safety of central-bank money in digital form.

Motiv's Bitcoin Circular Economies: A notable grassroots project is led by the NGO Motiv, which is building "circular economies" based on Bitcoin in underserved communities. By 2023, Motiv had established 16 Bitcoin-centric community economies ("ciudadelas") across Peru, including villages in Lima's outskirts, Cusco, and the Amazon. In these communities, residents and local businesses are educated on using Bitcoin for everyday transactions. Motiv reported that it has taught over 60,000 Peruvians about Bitcoin's basics and given at least 3,000 people access to BTC through this program. Motiv's initiative — inspired by El Salvador's Bitcoin Beach — demonstrates how blockchain can empower Peru's underbanked citizens at a grassroots level.

Peru's mining industry has embraced blockchain for supply chain transparency. In 2023, Minsur, Peru's largest tin mining company, became the world's first tin miner to fully trace its production via blockchain. Minsur announced that 100% of its tin output is now tracked on a blockchain-based platform. Over 29,000 tonnes of tin per year are being traced with blockchain. This innovation strengthens transparency in Minsur's supply chain and assures global buyers of the metal's provenance. It's significant that a Peruvian company is leading this "blockchain for sustainability" effort in mining, a move likely to be followed by others in the industry.

Efforts to grow Peru's blockchain ecosystem also include industry associations and academia. The Asociación Blockchain & DLT Perú (ABPE) is a local non-profit association that has been active in knowledge-sharing. Composed of entrepreneurs, academics, and professionals, ABPE offers free training and advisory programs to promote the use of blockchain and crypto in businesses and government. It regularly hosts talks (TechTalks) and has partnered as an institutional ally for major events such as the *Perú Blockchain Conference 2025*. On the academic front, universities are increasingly embracing blockchain: for example, the University of Lima and others have hosted webinars on enterprise blockchain adoption.

Peru's market is dominated by a handful of Latin American platforms. Binance has 27% of active users thanks to deep liquidity, even without a local office. Regional players Buda.com (Chile) and Buenbit (Argentina) focus on stable-coin rails; Buda added USDT trading across PER/CHI/COL in late-2023. Lemon launched in mid-2024 with PEN on-ramps and a Visa card and, by early-2025, topped retail charts at 33% of monthly activities and



one-third of new downloads. Bitso has signalled an upcoming entry, adding to intensifying competition that gives Peruvians more fiat-to-crypto choices.

Banco de Crédito del Perú (BCP) won sandbox approval to pilot in-app Bitcoin purchase for 5,000 clients, with external custody and full government oversight — the first Peruvian bank to sell crypto directly. Rivals are watching: BBVA Peru has tested internal blockchains and co-hosted hackathons, while a new multi-ministry task-force is drafting public-sector blockchain policy. Together, these moves show traditional finance and government now weaving crypto into Peru's mainstream infrastructure.

REGULATION

Peru's regulatory stance remains crypto-permissive, but increasingly supervised. Four recent measures set the tone:

AML rule for exchanges: Resolution No. 02648-2024 by the SBS (Superintendencia de Banca, Seguros y AFP) requires all virtual asset service providers (VASPs) to follow the same KYC/transaction-monitoring rules as banks and forces them to register with the UIF (Financial Intelligence Unit). It targets money laundering risk only and does not restrict trading or custody.

Planned income tax reform: SUNAT (Peru's Tax Authority) proposed adding crypto gains to the Income Tax Law so individuals would declare them as "second-category" capital gains and companies as "third-category" profits. The bill is still in drafting, but signals that the days of untaxed trading are counted.

Blockchain voting law (Ley 32,270, Dec 2024). Congress approved digital voting for Peruvians abroad beginning in the 2026 general elections, with ballots recorded on a permissioned blockchain to guarantee immutability and auditability. The ONPE (Electoral Office) and JNE (National Jury of Elections) are now designing the system.

CBDC sandbox (Circular 011-2024-BCRP). The central bank launched a "Digital Money Innovation Pilot" that lets partners such as Bitel test a sol-backed token ("BiPay") in rural zones. Results will guide a possible national CBDC; no retail launch date is set.

The Peruvian regulatory framework in summary is friendly-neutral, with no bans, but clear AML safeguards. It proposes a gradual integration, with a tax plan and bank sandbox (BCP's limited Bitcoin pilot) to incorporate crypto into mainstream finance. Pro-innovation public use cases (voting, CBDC) show the state is willing to deploy blockchain where it solves real problems.

Overall, Peru is moving from a legal gray zone to a structured, innovation-oriented framework, incentivising legitimate crypto activity.

VENEZUELA


apomares/iStock

ECOSYSTEM

Cryptocurrency adoption in Venezuela has evolved against a backdrop of economic turbulence and political uncertainty. With minimum wages equivalent to USD 3 per month, an estimated 3 million Venezuelans (roughly 10% of the population) owned crypto assets in 2024, using them less for speculation and more as a financial lifeline for daily transactions, remittances, and savings preservation.

In Chainalysis's 2024 Global Crypto Adoption Index, Venezuela ranks 14th worldwide, a notable rise from its absence in the top 20 the previous year. In fact, crypto transaction volume in Venezuela jumped 110% year-on-year in Q2 2024, the fastest growth in Latin America, reflecting how deeply crypto has become embedded in Venezuelans' financial context, reflecting an adoption fuelled by necessity.

A chief driver of this adoption is inflation. After enduring hyperinflation peaking at 10,000,000% in 2018, Venezuela managed to tame inflation to about 50% in 2023 — still one of the world's highest rates.

The bolívar's ongoing devaluation has led citizens to seek refuge in US dollar-pegged stablecoins as a hedge. Nearly half (47%) of all recorded transactions under USD 10,000 in Venezuela from July 2023 to July 2024 were conducted in stablecoins (e.g. USDT, USDC).

Chainalysis confirms a strong inverse correlation between the bolívar's value and crypto activity: as the bolívar falls, Venezuelans rapidly increase crypto (especially stablecoin) purchases. Stablecoins function as digital dollars, protecting purchasing power and enabling everyday commerce and savings in a way local currency cannot.

With an estimated 20% of Venezuelans living abroad due to the political and economic crisis, cross-border money flows are huge: about USD 5.4 billion in remittances entered the country in 2023. Roughly 9% of these remittances (USD 461 million) came via cryptocurrencies, a record high share that has grown each year since 2018.

High fees and hurdles in traditional channels (sending USD 200 to Venezuela incurs around 6% in fees via banks) make crypto an attractive alternative. Venezuelan migrants commonly send USDT or BTC to family back home, who can quickly convert it to local currency or spend it directly. In fact, about 50% of Venezuelan expats who remit now rely on digital finance platforms (fintech and crypto) to send money. This trend speaks to crypto's efficiency for fast, low-cost international transfers, sidestepping both banking delays and Venezuela's strict currency controls.

Many freelancers and remote workers in Venezuela get paid in crypto by foreign clients and then use P2P marketplaces to swap it for bolívars when needed.

For example, professionals commonly accept payment in dollars via overseas platforms, buy USDT on Binance P2P, and cash out to local bank accounts within minutes.

Such gray-market crypto trading is tacitly *tolerated* by Maduro's government because it injects much-needed foreign currency into the economy. Major global exchanges have no official operations in Venezuela, but Binance (especially its P2P platform) and Kraken are popular avenues for trading and saving in crypto.

Venezuelans tend to trust peer-to-peer and informal networks over local exchanges, often using crypto wallets like a bank for storing value and transacting directly with one another.

Beyond trading, a growing subset of users is exploring DeFi services — Chainalysis noted rising decentralised exchange and lending activity in late 2023 as people seek yield and alternative credit outside the government's reach.

Venezuela's startup and project landscape reflects its unique challenges. Key crypto initiatives include platforms such as Criptobuyer, which helped retailers (such as the Traki department stores) process crypto payments, and AirTM, a digital wallet frequently used to swap between bolívars, crypto, and dollars in the peer market.

Community-driven initiatives also emerged: the Hive blockchain's social network became a source of income for Venezuelan content creators earning crypto rewards, and the country was once a hotspot for play-to-earn gaming via Axie Infinity, where thousands earned tokens to survive hyperinflation. However, these earlier booms (e.g. Dash digital cash being accepted by merchants, or EOS-based projects) have largely *cooled off* by 2024 as users gravitate to more liquid and stable assets.

Stablecoins and Bitcoin now dominate everyday usage, overshadowing niche altcoins. Still, crypto's social impact endures: activists and NGOs have leveraged it for humanitarian aid, exemplified when Venezuelan healthcare workers received pandemic relief in stablecoins to bypass state controls.

REGULATION

Venezuela's regulatory environment for crypto has been in flux from January 2024 through June 2025, marked by enforcement crackdowns and institutional upheaval.

The nation's dedicated crypto regulator, SUNACRIP (Superintendency of Cryptoassets), has been effectively paralysed since March 2023 when its head was arrested amid a major oil-for-crypto corruption scandal.

In 2024, authorities initiated a sweeping reorganisation of SUNACRIP. President Maduro extended the agency's "restructuring" period multiple times, turning an initially six-month audit into a two-year overhaul that now stretches into 2025. During this period, SUNACRIP's normal functions (such as issuing licences or new regulations) have been largely suspended. Notably, in March 2024, the government signalled plans to revive crypto oversight by involving the private sector: it announced a revamped SUNACRIP board and formally recognised a new industry association (CAVEMCRIP) to advise on crypto regulations. However, concrete regulatory policies from this shake-up remain scant as of mid-2025, leaving the rules of the road uncertain for businesses and users.


urf/iStock

In practice, the government's stance has tilted toward punitive enforcement rather than crypto-friendly innovation. By early 2024, Venezuela escalated its crackdown on cryptocurrency mining and trading. Citing strain on the electrical grid, officials imposed a nationwide ban on crypto mining in May 2024, ordering even licensed miners to shut down operations. This was not an isolated move — it followed the closure of numerous mining farms in 2023 during the corruption probe involving SUNACRIP's former head, Joselit Ramírez.

On the exchange front, Venezuela technically requires all crypto exchanges and remittance platforms to be licensed by SUNACRIP. But with the regulator in limbo, legitimate licensing has stalled, and the government instead targeted unregulated activity. There were reports of authorities blocking access to certain foreign crypto exchanges' websites and arresting individuals for operating illegal trading desks. In 2022, a law was passed to levy a steep tax (up to 20%) on transactions in foreign currency or crypto, signalling the state's wariness of dollarisation via digital assets. Enforcement of these taxes and anti-money laundering rules has been uneven, but the legal framework makes clear that crypto is *not* officially encouraged as an alternative currency.

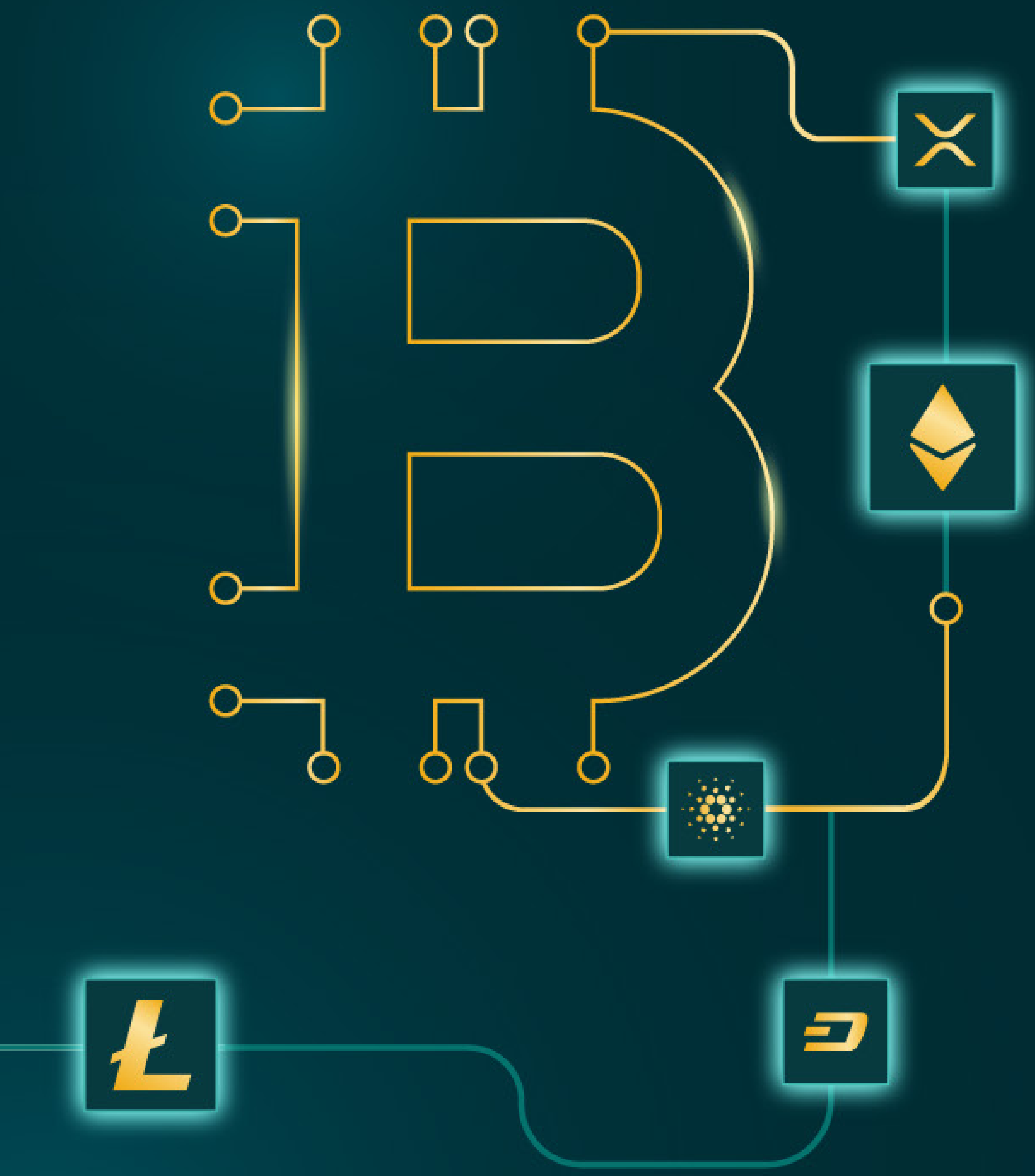
International sanctions also heavily influence Venezuela's crypto regulation. The Maduro administration has at times tried to use crypto to evade US sanctions — the now-defunct state-issued Petro token was one such attempt.

US authorities responded by targeting illicit crypto flows: in 2023 the US Justice Department indicted Venezuelan officials and collaborators for using crypto in corruption and sanction-evasion schemes. And in early 2024, when reports emerged that Venezuela explored crypto-based oil sales, Tether froze millions in USDT linked to Venezuelan entities to comply with US sanctions. Major global exchanges likewise have to follow sanctions compliance, leading some to restrict or scrutinise Venezuelan user accounts. These external pressures have reinforced a *cautious or even hostile* regulatory posture in Caracas, as the government seeks to control crypto's use without outright banning it.


GabrielaNavarro/iStock

Overall, Venezuela's current regulatory climate can be characterised as hostile toward crypto. On paper, cryptocurrencies are legal — Bitcoin and other crypto can be held and used by individuals — but they operate in a gray zone. The government tolerates crypto activity only to the extent it might benefit macroeconomic stability (e.g. via remittances) yet simultaneously clamps down when it perceives threats to its control (such as capital flight or untaxed mining). Businesses face a maze of unclear rules: any formal crypto enterprise (exchange, payment service, mining operation) technically requires government authorisation that has been nearly impossible to obtain since SUNACRIP's shake-up. Regulatory consistency is lacking — rules have changed repeatedly in a short span, and enforcement has been arbitrary, creating high operational risks for investors. In sum, Venezuela is not a *crypto-friendly* jurisdiction at present. The regime appears to view cryptocurrency more as a tool to be controlled or "weaponised" for its own ends than as a sector to openly foster. Until a stable regulatory authority is re-established and clear legislation is enacted, foreign businesses will find Venezuela's crypto landscape fraught with uncertainty. The prudent stance for now is to regard the environment as relatively hostile to formal crypto investment — even as grassroots adoption by citizens continues out of sheer economic necessity.

WHAT DO BLOCKCHAIN DEVELOPERS SAY?



The interest of large companies in Latin American developers is transforming the region into a prominent digital hub. According to Statista, Argentina, Brazil and Mexico currently account for more than 800,000 software developers.

Although most still work with traditional technologies, early data on Web3 indicates that the region is also beginning to gain relevance in this new phase of the internet, even though the participation of professionals in the field represents a small portion of the total. According to Electric Capital, South America accounts for about 5% of the world's crypto developers.

We conducted an online survey with blockchain developers that serves as an exploratory lens on nuances that are still poorly mapped specifically for the Latin American blockchain ecosystem.

With the advancement of remote work on a global scale, geographical location is no longer a decisive factor in hiring professionals. This has led many developers in Latin America to adapt early to good remote work practices and master technical English.

Everything indicates that the insertion of tech professionals from the region into the global web development market should also continue in the Web3 era, which is driven by decentralised infrastructures, native payments in stablecoins, and even more flexible remote work opportunities.

Half of respondents have already received proposals for international work.

One third already work in positions outside their countries.

Another point mentioned by professionals was the use of some autonomous learning tool when learning how to code smart contracts.

Online courses, hackathons, and boot camps were the most frequently mentioned.

15% say they have never participated in events, hackathons, or meetups.

Types of projects in progress:

Compliance and DeFi solutions lead the way.

Security tools, stablecoins, tokenisation, and scalability experiments with zero-knowledge proofs follow closely behind.

The current landscape reveals a more selective and mature sector: the blockchain solutions that are gaining traction today make it clear that the technology is being adopted to solve real problems of trust, transparency or coordination between multiple parties. The growing emphasis on governance products shows that the ecosystem values not only financial innovation driven by technological enthusiasm, but also the building of institutional credibility.

> “Not all use cases are suitable for blockchain, and we have seen the height of euphoria surrounding this new technology, where people think that blockchain or web3 is like a magic word that will solve everything. If there is no lack of trust between the entities accessing the same information, or if there is no exchange of value with many intermediaries, then it may not be worth using this technology.”
>
> **Edgar Fernandez, Director of Finance and Corporate Relations at Edenia**

Increasingly, the choice of blockchain is no longer dictated by promises of quick returns and now takes in account concrete factors that affect the daily work of developers. The development environment, combined with the team’s technical expertise, becomes a good filter for deciding where to build.

First criteria:
Intuitive development tools, ready-made examples, and objective documentation.

Second criteria:
Protocol maturity and stability.

This suggests that professionals prefer ‘tried and tested networks’ with a good track record, production performance, and the presence of live projects as signs that the chain will not bring them any surprises along the way.

Third criteria: tie between three:

Access to grants, hackathon prizes, or other financial incentives.

Technical architecture, understood as the ability to scale without overloading fees.

Actual or potential size of the user base.

This demonstrates that Latin American developers’ calculations combine economic pragmatism (‘who will pay for or subsidise my project?’) and strategic thinking (‘who will actually use what I build?’).

Freepik

ArthurHidden/Freepik

But when we broaden the focus to the mass adoption of blockchain technology by ordinary users, in the opinion of the developers who responded, familiar problems arise that form a triad that hinders progress beyond the crypto-native world:

- Insufficient support for end users.
- Technology reputation tarnished by scams.
- Unclear regulatory framework.

This scenario of technical and institutional impasses is reflected in face-to-face exchange spaces. The feeling of support is described as uneven: few report full access to mentoring and resources, while many oscillate between occasional help and almost no organised assistance.

In the field of tools, the presence of AI-based code assistants, such as Google Jules, Codium, Poolside, or Amazon Q, shows enthusiasm for the synergy between AI and blockchain, and they believe that blockchain and AI can complement each other in projects, products, and services, but this enthusiasm comes with caveats.

Respondents believe that:

- AI still does not fully understand blockchain security patterns and risks.
- The code that AI generates for smart contracts always needs to be completely rewritten.
- Most AI tools still produce insecure and inconsistent code.

As a final analysis, the opinion of the developers interviewed portrays a community that is expanding and moving towards solid technical maturity, disputed by external markets and in need of resolving bottlenecks in security, usability and institutional trust so that Latin America can once again take a prominent place on the global technology scene, as it did with web2.

ONCHAIN DATA ANALYSIS

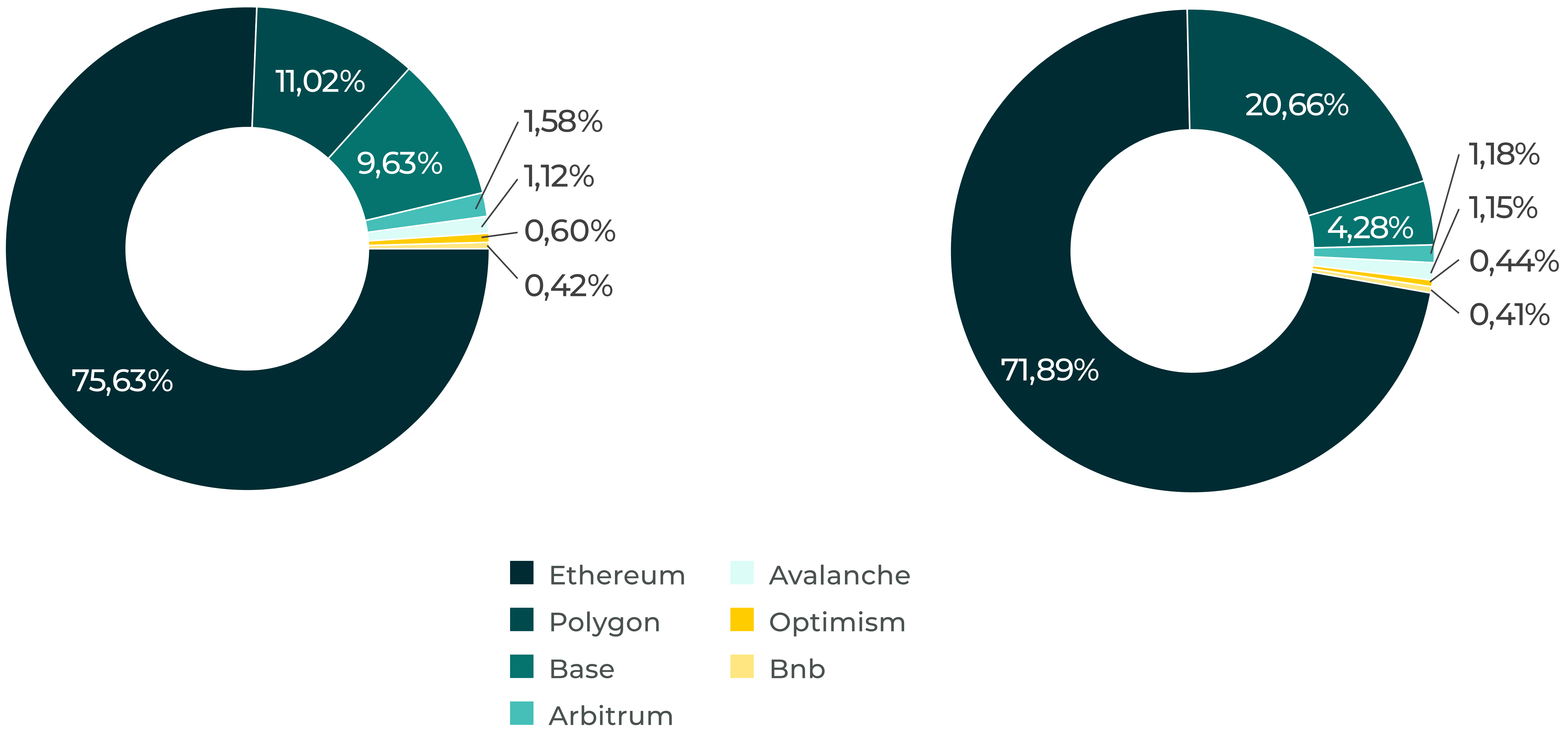
Over the past five years, we've tracked blockchain adoption in Latin America through ecosystem mapping, regulatory analysis, and qualitative research. Now, for the first time, we complement these insights with onchain data: transactions executed by wallets labeled as geographically located in Latin America.

We analyzed 697k labeled transactions across major EVM chains over the past 12 months, plus the month of June 2025 as a recent snapshot. We also analysed the past 18 months and made a comparison between the first half of 2024 with the first half of 2025.

This allows us to measure growth trends, market share shifts, and good practices by the leading networks.

Labeled Transactions in Latin America
(June 2024 - June 2025)

Labeled Transactions in Latin America
(June 2025)



METHODOLOGY & LIMITATIONS

As the first regional research of its kind, it comes with methodology challenges. Collecting geo-located data on blockchains is tricky because cryptography makes these networks pseudonymous by design. Unlike web logs, where an IP can be tied to a place, blockchain users appear only as cryptographic addresses with no built-in geography, so pinpointing a wallet's location is slow and often imprecise.

We tested several analytics tools but none delivered the country-level detail we needed for Latin America. The best balance of coverage and transparency came from Dune Analytics' public labeling system, which tags addresses with metadata supplied by the community or imported lists.

Our method queried Dune's open "label" tables to map wallet addresses to geography, then queried transaction counts per chain. This bypasses IP-based heuristics, but inherits two well-known disclaimers:

- Coverage bias: only publicly labelled wallets appear in the sample.
- Chain bias: label coverage is deeper on EVM chains; Solana, XRP-Ledger, Chilliz and other chains are still under-labelled, so their LATAM footprint is almost invisible here.

Although this method provides useful insights, it has clear limits: many wallets remain un-labelled, some transactions are missing from our tables, and tag coverage is thinner on certain chains. Those factors that can compromise some results.

Treat the figures as a well-grounded approximation, a reliable snapshot of regional trends. We'll keep testing new data sources and refining the process to deliver ever more accurate views of Latin America's blockchain activity.

If any community members from other blockchains have consistent data to provide us and complement the research, we will analyse it and consider adding to our report. This is an ongoing process and we're open to receive feedback.

ONCHAIN DATA: KEY INSIGHTS

In the past 12 months, we can see the dominance of Ethereum, with 75% of the blockchain activity in Latin America.

Polygon and Base make the top 3, each of those with approximately 10% of activity, making the second tier, and on the third tier we have Arbitrum, Avalanche, Optimism and BNB, each of them with tagged activity ranging from 0.5% to 1%.

Looking at the month of June 2025, Ethereum dominance is still there, with 72% of activity. The biggest change was on the second tier, where we noted a sharp rise in Polygon's activity, from 11% in the last 12 months to 20% of the transactions in June 2025. Base had a decline from around 10% to 4.2% of the tagged activity, comparing the same period.

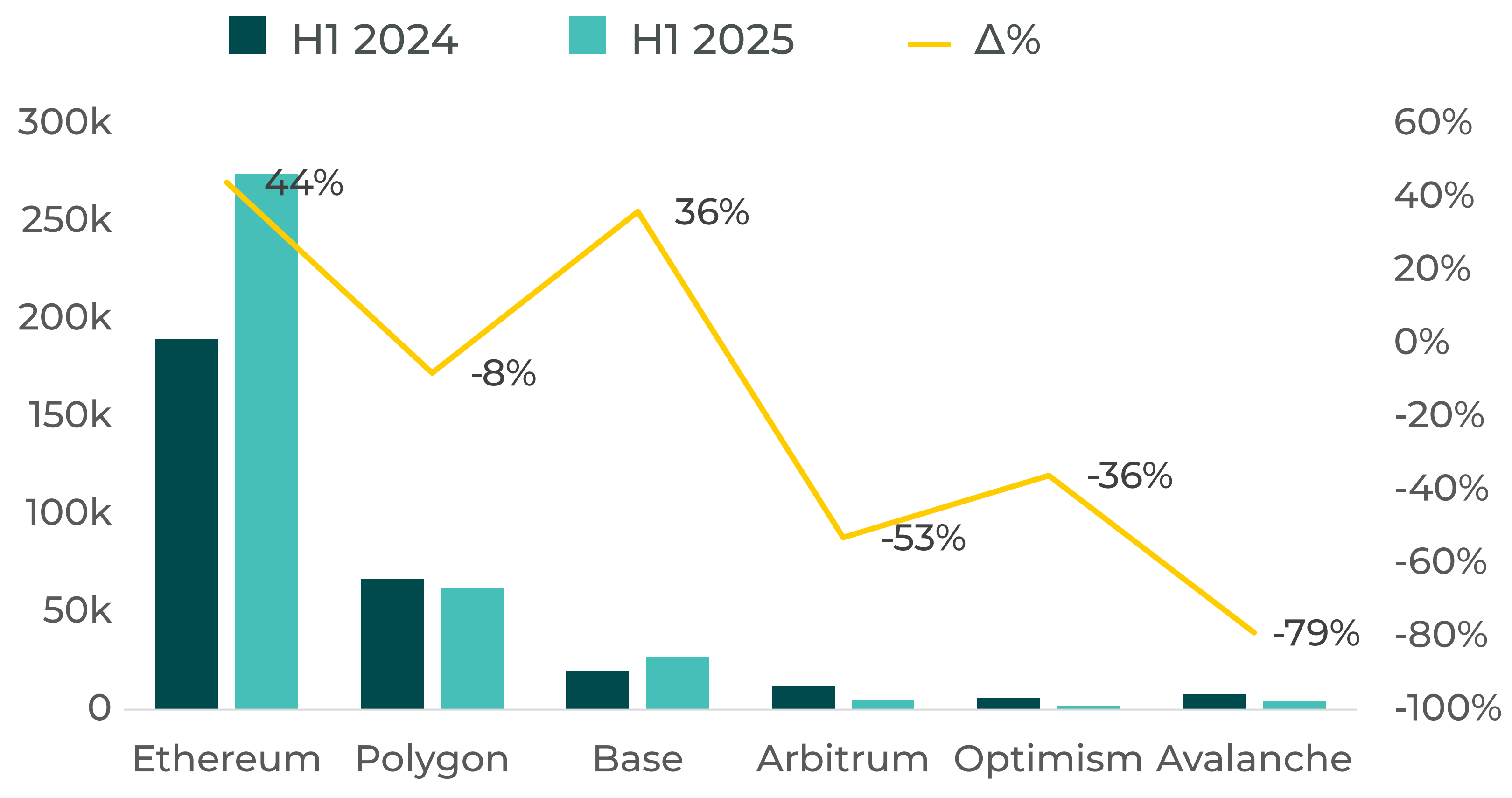
_ COMPARING H1 2024 AND H1 2025

When analyzing the past 18 months and comparing the first half of 2024 (H1 2024) with the first half of 2025 (H1 2025), we're able to see growth or decline in activity, and try to understand what happened in the ecosystem to affect the numbers.

Ethereum and Base lead in terms of activity growth, with Ethereum rising their activity in 44% and Base 36% Year over Year (YoY).

During the same period, Polygon's activity declined 8%. Arbitrum (-53%), Avalanche (-36%) and Optimism (-79%) had relevant activity declines and the results suggest they should look at Latin America with attention.

Growth (H1 2024 - H1 2025)



blockchain	H1 2024	H1 2025	Δ%
Ethereum	190k	274k	+44%
Polygon	67k	62k	-8%
Base	20k	27k	+36%
Arbitrum	12k	5k	-53%
Avalanche	6k	4k	-36%
Optimism	8k	2k	-79%
total	**303k**	**374k**	**+23%**

_ FUNDAMENTALS BEHIND THE DATA

What are the key factors that explain the market share from the top 3 most used blockchains in Latin America?

Ethereum: Ecosystem and Community (75.6% share, +44% YoY)

Ethereum leads activity in Latin America, and we believe this has to do with three main factors:

- Stablecoin gravity: USDC, USDT, and local fiat-backed tokens flow primarily through Ethereum and its L2s - which suggests that the Ethereum Ecosystem drives activity back to the L1.
- Institutional confidence: 10 years of history and track record, regulated on/off ramps and qualified custody options attract banks, fintechs, and enterprises.
- Community flywheel: Dozens of grassroots and flagship events: Devcon Bogotá in 2022, Ethereum Rio, ETHLatam, ETHSamba, plenty of meetups, solidity bootcamps and the upcoming Devconnect in Argentina help Ethereum build trust, retain top developer and liquidity mindshare in the region.

Polygon: Business Development Focus (11% share)

Polygon is the enterprise chain in Latam thanks to an aggressive partnership strategy:

- Companies like Mercado Libre, Nubank, Itaú Unibanco, Mercado Bitcoin, Coca-Cola have partnerships with Polygon, creating corporate use cases and positioning Polygon as the go-to network for corporate pilots and tokenization in Brazil, Mexico, and Colombia, explaining why its 12-month activity (77k) remains resilient despite L2 competition.

Base: The Coinbase Factor (9.6% share, +36% YoY)

Base has become the fastest-rising L2 in Latam, propelled by Coinbase and their integrations.

- CeFi <> DeFi bridge: Coinbase's native integration gives Base unmatched retail accessibility.
- Circle & USDC: zero-fee bridging and native minting make remittance corridors cost-competitive.
- Community buzz: Farcaster, social apps, NFT communities and last year's meme-season drove mass awareness, seeding tens of thousands of wallets.
- Even after incentives faded, stickiness remained: 27k tx in H1 2025 (+36% YoY) proves Base converted a chunk of hype into recurring activity.

The absence of Solana, XRP Ledger, Chiliz and others reflects labelling gaps, not necessarily weak adoption. For non-EVM ecosystems, public labelling (or an equivalent system) is becoming essential infrastructure if they want independent analysts to measure regional traction.

Another disclaimer: we took BNB Chain numbers out from the H1 2024 because they were 242k, and the activity declined sharply to 1.8k in H1 2025. We believe this is some sort of tagging / label issue on the chain and left those numbers out of this comparison, otherwise it could lead us to misleading analysis.

D-Keine/iStock

_ CLOSING REMARKS

The single biggest crypto use case in Latin America is still the transfer and custody of stablecoins.

According to Chainalysis' estimate for the period from July 2023 to June 2024, Latin America showed the biggest global jump in stablecoin transactions of up to USD 1 million, growing by around 40% year on year. This pace slightly surpassed that of Sub-Saharan Africa and was well above the advances recorded in East Asia and Eastern Europe. The other regions showed more modest growth, reinforcing Latin America's prominence as one of the markets that has been adopting stablecoins the most for payments and value preservation.

Stablecoins help Latin Americans protect their assets from inflation, overcome currency controls and make remittances paying a fraction of the usual costs. Those use cases have been the major adoption trigger in the continent.

We can see in the qualitative report how important stablecoins are all across the continent, but specifically for Argentina, Mexico, Colombia, Venezuela and Brazil.

The Brazilian Central bank's own data show stablecoins already represent "almost 70% of all crypto transactions" tracked in the country, a trend strong enough to push Brazilian Congress to draft a dedicated regulatory sandbox for such instruments.

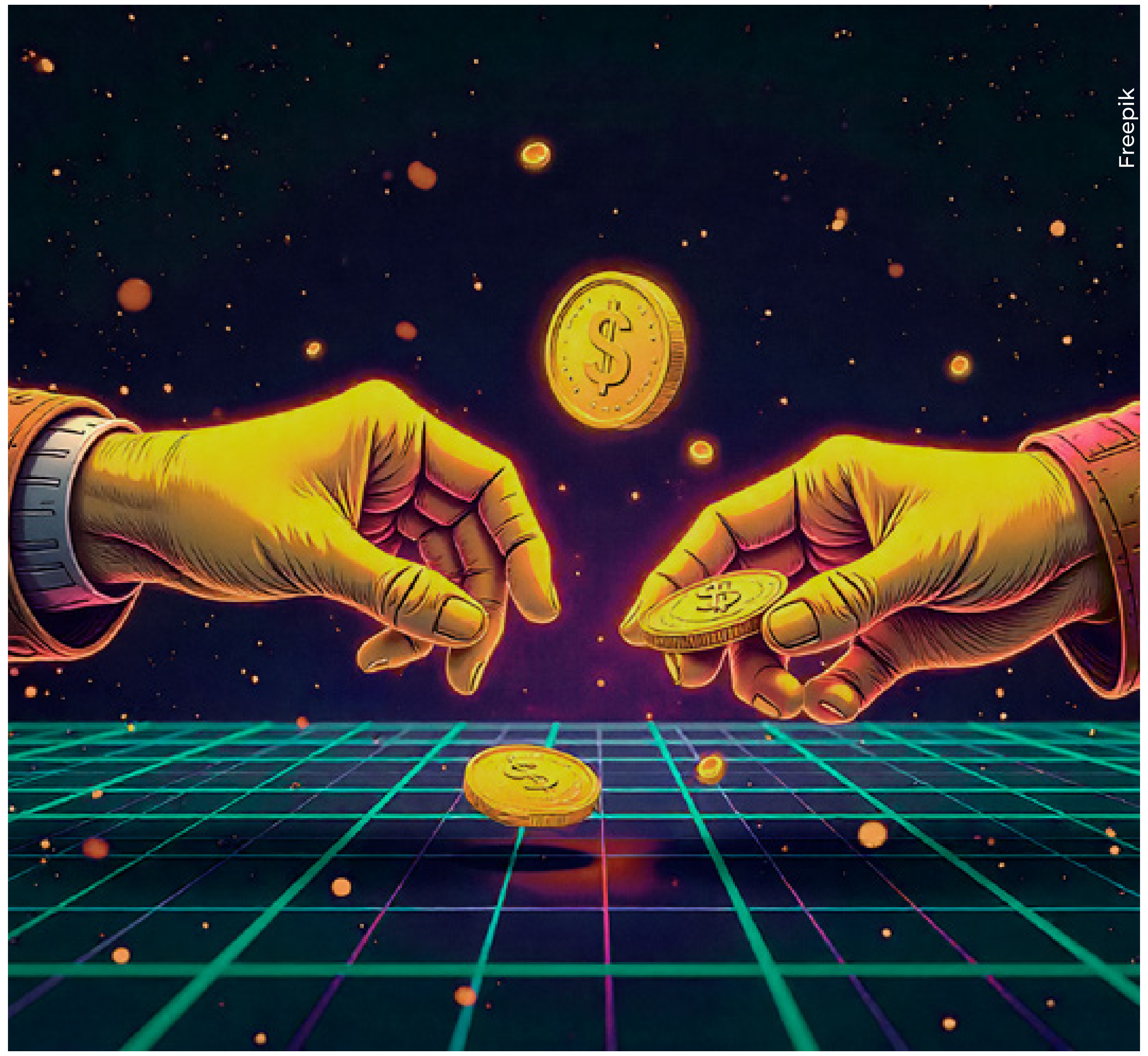
EVM chains like Ethereum, Polygon and now Base offer the deepest pools of USDC, USDT and local fiat-backed tokens, plus the rails (on-ramps, off-ramps, compliant custody) that consumer apps need. Until rival networks can match that combination, they will remain peripheral in Latin-American traffic counts.

From a market-strategy angle the data suggest three things. First, Ethereum's gravitational pull is strengthening, but activity is fragmenting inside its own universe: the narrative is moving from "mainnet vs. alternatives" to a multi-hub L2 topology where Base, Polygon, Arbitrum and Optimism compete for wallets and block space. Let's see how the Ethereum Ecosystem will evolve.

Second, any chain that wants to scale in Latin America during the current context, must lead with a stablecoin story and only then layer on DeFi, gaming or social primitives.

Third, transparent analytics matter: Other chains could increase their share of mind simply by expanding public labelling so that analysts can see what is already happening onchain.

Finally, a methodology reminder: the transactions we count are not the totality of crypto activity in the region: far from it. Custodial exchanges absorb a large share of



retail flows, and many self-custodied wallets remain untagged. Yet the like-for-like comparison across 2024 and 2025 captures genuine momentum and reveals a region that is still adding onchain users in a fast growing market.

As the regulatory picture matures and more addresses acquire country labels, future editions of this report should be able to zoom in on country-level patterns with higher fidelity and provide deeper insights. We hope this inaugural snapshot provides a few strategic insights for anyone building in Latin America.

Sherlock Communications is a multi-award-winning communications agency operating across Latin America. With offices in Brazil, Peru, Colombia, Chile, Mexico, Argentina, Panama, Costa Rica, and Guatemala, **we have a fully bilingual, multidisciplinary team**. Our mission is to help companies overcome commercial and cultural barriers between Latin American and international markets.

The agency was named **Best International Agency 2024** and **Best Agency in LATAM 2025** by **PRWeek Global Awards**. Sherlock Communications has won and been highly recommended for more than 55 global awards over the past two years, and was named the **second most creative agency** in the world and the **most creative in Latin America** by The Holmes Report's Creative Index.

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