

Brief

LATAM Impact Brief

Stable Value, Real Inclusion: The Economic Impact of Programmable Payments in Latin America

1. Executive Overview

Across Latin America, financial behavior has outpaced financial infrastructure. Two-thirds of Latin Americans now use mobile internet*, and consumers are paying, saving, and trading digitally long before banks can catch up. In El Salvador, where more than half of adults* remain unbanked, people are already moving money through mobile rails and wallets every day.

Behind this surge in digital activity lies a long history of economic volatility. Decades of inflation and dollarization have set the region's monetary foundations. Across Latin America, the US dollar remains the trusted unit of account*, and as non-cash transactions now represent more than half of* all consumer payments, the region is fusing two forces: a preference for digital convenience and a demand for dollar stability.

Today, over \$27 billion* in value moves through regional exchanges each year, and more than 90% of that activity* runs on stablecoins like USDT and USDC. From Buenos Aires to Mexico City, millions now treat crypto as salary, savings, and settlement. Stable digital value has quietly become the financial backbone of daily life.

This fusion of dollarization, mobile adoption, and digital payment growth has created ideal conditions for the successful deployment of the NAKA + Visa Platinum Card, a solution built on decentralized rails that merges global reach with local usability. It enables businesses to launch their own branded cards, expand into Web3 financial services, and improve settlement efficiency across borders.

The model strengthens liquidity, opens new revenue channels, and brings practical innovation to everyday transactions. It is also part of a broader vision, extending reliable financial access to communities where traditional systems remain limited.

As businesses and consumers adapt to this new model, NAKA provides the bridge between digital liquidity and everyday utility by partnering with LATAM businesses to modernize operations and replace slow, legacy systems. The result is a financial layer built for Latin America's realities; inflation resistance, mobile-first users, and a demand for custody the user controls.

2. Market Context

Latin America's economy, with a combined GDP of \$7 trillion*, is being reshaped by a young, digital-native population and an expanding cross-border trade network. Yet the region's payment infrastructure hasn't kept pace. Bank deposits cover just 55% of GDP*, and private-sector credit sits near 50%*, well below OECD averages.

Since 2021, non-cash payments have more than doubled while cash use has fallen by half. The result is a market with high transaction demand but fragmented rails, an environment ready for scalable, interoperable payment systems that connect across borders.

Consumers are already living in a mobile-first, dollar-centric economy:

- **Digital wallet / mobile wallet usage:** Over 60% of Latin Americans* reportedly use mobile wallets or payment apps regularly for everyday transactions.
- **Cash decline / digital payments share:** The share of cash in in-store payments has fallen to ~25%* in Latin America. Digital and electronic payments are estimated to represent ~60%* of all consumer spending in the region.
- **Emerging payments / openness to QR / alternative methods:** According to the Mastercard New Payments Index, 66% of respondents* in Latin America and the Caribbean expected to use more QR and related payment technologies.

In parallel, **stablecoins have become the region's new savings standard**. In Argentina, Brazil, and Mexico, USDT and USDC are already used as day-to-day hedges against inflation and currency volatility. Tether's decision to relocate its global headquarters to El Salvador signals how Latin America is evolving from a test market into a production-grade stablecoin economy, one where digital dollars and local-currency tokens circulate side-by-side.

This noticeable and steady shift toward programmable, asset-backed money defines the next stage of inclusion: value that holds, moves, and settles instantly, built for the realities of Latin America's connected, inflation-sensitive economies.

3. Infrastructure Evolution

Traditional financial infrastructure in Latin America remains burdened by:

- **Slow settlement cycles** (often up to 5 days).
- **High transaction fees**, particularly for cross-border or micro-value transfers.
- **Heavy dependency** on correspondent banks and intermediaries.
- **Fragmented regulatory harmonization**, varying across countries.

Modern, decentralized payment rails eliminate these inefficiencies by design. They enable:

- **Instant settlement** between issuers, merchants, and users.
- **Stable value transfer** via USDT-denominated accounts, reducing FX volatility.
- **Full EMV compatibility with Visa**, allowing merchants to accept payments through existing POS infrastructure.

- **Programmable logic**, enabling on-chain accounting, compliance automation, and value-added services.

For local businesses, this translates into faster liquidity, fewer middlemen, and USD-equivalent stability, all within the region's regulatory perimeter. It's not just modernization; it's an upgrade to real-time finance built for how Latin America actually trades.

4. Inclusion as Growth Strategy

Financial inclusion in LATAM is one of the strongest levers for economic growth. Expanding access to digital financial tools increases consumer spending, improves credit visibility, and strengthens local merchant ecosystems. NAKA enables partners already serving underbanked segments to extend digital payment access. When underbanked populations connect to decentralized value systems with global acceptance, the benefits extend across communities and markets.

4.1 The Scale of the Opportunity

- 42% of the population* across the region lack access to formal financial products.
- Over 60% of employment* in countries like Bolivia, Peru, and Honduras comes from the informal economy.
- Banking inefficiency is structural: overhead costs in Latin American banks average 3.7% of total assets*, compared to 1.4% in OECD markets.
- Digital payment transactions have more than doubled* since 2019, yet remain constrained by limited interoperability.

4.2 Turning Access into Action

The NAKA+ Visa Platinum Card provides a seamless entry point to this underserved market. It offers a self-custodial store of value and operates within a Visa-compliant framework, connecting individuals and businesses, from micro-entrepreneurs to established issuers, to the global payments ecosystem. By combining decentralized infrastructure with Visa's acceptance network, it brings to the table the best of both worlds and extends inclusion into a framework that's already familiar, usable, and ready to scale.

5. Business and Merchant Impact

Financial inclusion only matters when it becomes circulation, when the newly connected actually spend, earn, and reinvest inside the digital economy.

When a business issues its own self-custodial card, money begins to circulate faster across the ecosystem. Distributors, merchants, and consumers connect through the same digital layer. Liquidity improves, costs decrease, and transparency builds trust across the market.

For Card Issuers

- Launch branded, stablecoin-backed cards compatible with existing EMV acceptance rails.

- Tap into high-yield segments such as microfinance, gig economy, remittances, and payroll.
- Benefit from interchange, data, and loyalty economics without building new infrastructure.
- Strengthen brand trust and customer retention through on-chain transparency and programmability.

For Merchants

- Accept payments from new customer segments who own stablecoins.
- Reduce settlement delays and operational costs.
- Integrate loyalty, cashback, or tokenized rewards directly into the payment flow.
- Benefit from faster liquidity and recurring transactions within the same digital ecosystem.

For Consumers

- Keep full control of funds through a self-custodial model.
- Transact globally with local merchant compatibility and familiar UX.
- Enjoy stable, instant liquidity without reliance on legacy banking intermediaries.

By launching branded payment cards, local businesses strengthen their role within LATAM's financial system. The shift to decentralized rails supports stronger liquidity cycles, wider market participation, and more resilient economic growth, a framework that aligns regional innovation with real financial access.

6. Why LATAM Is Ready Now

Three converging factors make LATAM the most receptive region globally for self-custodial card payments:

- 1. Digital adoption without legacy drag** - Businesses and consumers are mobile-native, yet underserved by banks.
- 2. Inflation-driven demand for USD value** - USDT acts as the region's stable currency of choice.
- 3. Merchant acceptance infrastructure is already in place** - New rails can repurpose existing ~285 million POS terminals* worldwide, over 150 million Visa-accepting merchants*, and millions across LATAM are ready to accept payments.

Together, these conditions make Latin America uniquely primed for scale. Self-custodial card issuance no longer requires new rails or consumer retraining, just a smarter connection to the infrastructure already in everyone's hands.

7. The Macro Impact

The transition from centrally managed custodial systems to self-custodial solutions, from slow processes to instant transactions, and from fragmented methods to programmable payments is revolutionizing the way economies operate.

Latin America's financial systems have always been built on intermediaries such as banks, correspondent networks, and clearing houses that slow the circulation of value. Each step adds friction, cost, and delay. In such an environment, liquidity is trapped, and small businesses, the backbone of the

highest burden.

Stablecoin-backed payment rails rewrite these fundamentals. They enable value to move directly between users, merchants, and institutions.

Key Economic Effects

- **Reduced foreign exchange friction**

Cross-border businesses can now settle in USDT or other stable assets instantly, avoiding the volatility and administrative cost of multi-currency settlements. This allows regional trade and e-commerce to expand without the traditional limits of currency controls and high FX spreads.

- **Preserved value in high-inflation environments**

With inflation topping 50%* annually in Argentina and double digits across multiple LATAM markets, stablecoins serve as a lifeline, storing value in a neutral, globally accepted currency (USD) while remaining accessible through local networks.

- **Accelerated money velocity**

Instant settlement means capital circulates faster. Suppliers are paid sooner, merchants reinvest quicker, and consumers spend without delay. This increased velocity drives GDP growth and formalizes parts of the economy that traditionally operate in cash or informally.

- **SME-Driven Expansion**

Small and medium enterprises account for over 99% of registered businesses* and 60% of regional employment*, yet face the highest barriers to credit, liquidity, and payment access. Programmable rails let them transact, borrow, and pay without banking dependencies.

Structural Efficiency Through Transparency

By converting digital value into instant, spendable liquidity, decentralized payment rails eliminate settlement bottlenecks and introduce traceable, auditable flows of capital. This improves compliance, reduces corruption risk, and makes macroeconomic data more visible to regulators and institutions, a foundation for smarter fiscal policy and capital allocation.

NAKA extends this infrastructure into everyday commerce with its Visa-integrated payment network. The NAKA+ Visa Platinum Card connects blockchain liquidity with spending, giving businesses the ability to issue white-labeled virtual payment cards, manage stablecoin-backed balances, and settle transactions within minutes. Funds received from customers are available quickly, improving cash flow and allowing faster reinvestment into inventory, payroll, or operations.

As governments and enterprises explore digital currency adoption and on-chain settlement, these same rails evolve into the infrastructure of record: linking public programs, social disbursements, and private-sector activity into a single interoperable financial layer.

A More Resilient Economic Core

Yes, faster payments are a big part of the result. But the real outcome is a more resilient, inclusive, and efficient financial system. One where:

- **Inflation resistance is built into daily life, not reserved for the privileged few.**

- **Liquidity flows freely, unblocked by legacy intermediaries.**
- **Transparency and programmability replace manual oversight.**
- **Economic participation expands, especially in the informal and unbanked segments.**

For Latin America, this shift represents a structural redefinition of how value is created, stored, and shared. It's the foundation for a digital economy that belongs to everyone, not just those with a bank account.

Let's turn every phone into
a USD account that taps anywhere.

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