

# Harbor reimagines trade finance using open blockchains, USD Coin (USDC) and Circle Account infrastructure



Harbor is creating a new ecosystem for international trade, allowing buyers and suppliers around the world to access financial services historically reserved for large corporations. The HarborTrade customer platform streamlines the historically messy and paper-heavy processes of trading and finance by providing a system for digitizing purchase orders, invoices and capital.

## HOW CIRCLE HELPED

- PAYMENTS
- PAYOUTS
- ACCOUNTS
- USDC

## THE OPPORTUNITY

Since the onset of the COVID-19 pandemic, global supply chain constraints have affected nearly everyone around the world. Import and export businesses can be especially vulnerable to shipping slowdowns and supply disruptions, and a \$1.7 trillion shortfall in trade-finance availability<sup>1</sup> is making matters even more difficult for importers and exporters who are too small to get served by global banks.

Harbor is a fintech startup that has set out to change all of this. They are using open blockchains and dollar digital currency to make trade finance accessible to mid-market players with \$10 million to \$250 million in annual revenue and ultimately get rid of paperwork that can mire legacy trade finance processes in unnecessary delays and human errors. Harbor creates these groundbreaking efficiencies by using USDC — the leading dollar digital currency — along with Circle's Payments and Payouts APIs, which they have configured to help drive their unique business model. Here's a look at how they're putting it all to work to keep goods and funds flowing globally.

## THE SOLUTION

Harbor provides receivables finance, which enables suppliers to get paid early for goods they provide and eliminate the risk that a buyer fails to pay. They also manage the reverse flow by providing supply chain finance, which gives buyers up to 120 days to pay for shipments from suppliers, so they can potentially sell the goods to their own customers before the payment to the supplier comes due.

While major trade-finance banks have long considered digitizing these processes and moving them to blockchains, Harbor is a first-mover that has already done it successfully. All payments are denominated in USDC — which bypasses the costs and disjointed nature of traditional banking systems — and Harbor turns the invoices into NFTs that live on the Ethereum blockchain. They led their first transaction on-chain on August 27, 2020 (see the Etherscan), and on November 18, 2021 they completed a transaction totaling more than \$2 million, their largest transaction to-date (see the Etherscan).



Harbor reimagines trade finance with Circle

Further blockchain development is on Harbor's roadmap, both to track flows of funds and goods and to distribute assets to investors. USDC's interoperability will greatly help that initiative, since it's designed to work across multiple blockchains. USDC is currently live on Ethereum, Solana, Algorand, Stellar, TRON and Avalanche, with additional integrations planned.

*"Circle is the way to go for payment solutions where large volumes of payments can be processed 24/7 at minimal transaction cost. We've already realized cost and operational efficiency with 50 percent of our transactions. Most importantly, Circle's API-first approach and their seamless integration with blockchains will help Harbor achieve our growth targets as our transaction volume is expected to reach an annual run rate of \$300 million by the end of 2022."*

— Andy Suen, Harbor, COO



At Circle, we're helping banks and financial firms make the move to digital dollars by removing the complexity, managing the risks, and accelerating the speed to market. For banks that want to join the "money movement" from traditional to digital, it's the right time to get started.

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