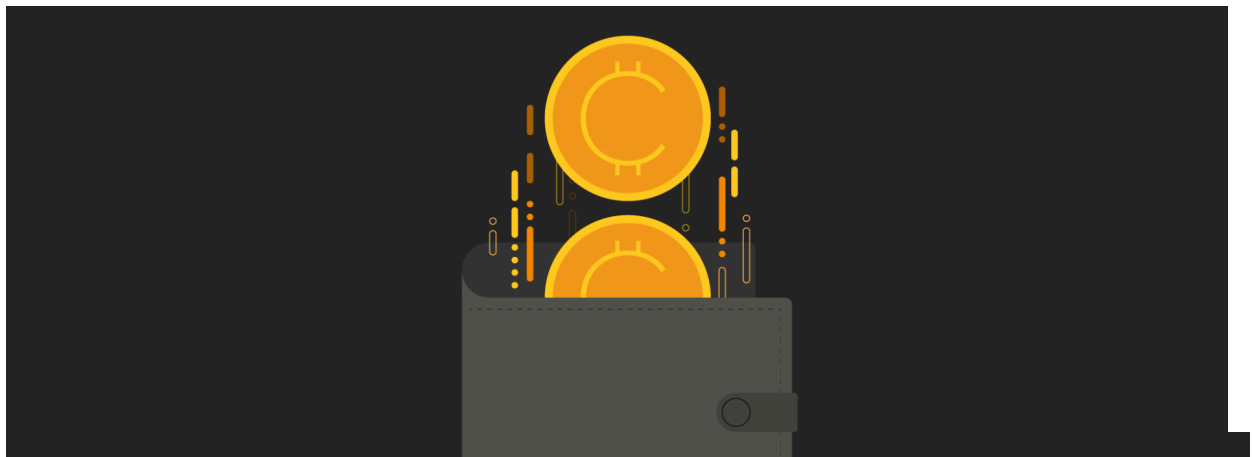




BLOCKCHAIN

Inside the making of a self-custody Web3 card for a Web2 world

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crackdown on bad actors and increased regulatory clarity in key markets. Investor confidence has returned, mainstream financial institutions are jumping in, and crypto companies are finding innovative new ways to serve an increasingly educated consumer base.

This coincides with the rise of self-custody wallets, also referred to as non-custodial wallets. They're different from the crypto wallets offered by centralized exchanges in that the owner of a self-custody wallet has full control, a.k.a. custody, over their digital assets.

It's like having cash in your wallet instead of your bank account, explains Lorenzo Santos, the senior product manager for blockchain company **Consensys**, whose offerings include the **MetaMask** self-custody wallet. You're responsible for safeguarding that cash, and you can access it anytime.

While people appreciate the peace of mind that self-custody wallets offer — you're holding your own assets — historically it has been hard for them to easily spend funds on anything beyond the crypto world. For example, if you wanted to spend your crypto assets, you would first need to move them to an exchange — the kind of exposure you're trying to avoid in the first place — and convert them to traditional currency before transferring them to your traditional bank account. These complexities hurt both consumers and merchants by inhibiting access to the purchasing power of stored crypto.

choice and the purchasing power of stored crypto, according to Raj Dhamodharan, who leads Mastercard's blockchain and digital assets efforts globally.

Some regulated, centralized crypto exchanges have addressed the problem by working with issuing banks, payment networks like Mastercard and other technology enablers to launch bespoke payment cards, with the same safeguards required by local regulators. But launching a card for self-custody wallets is a different animal.

That's why Mastercard has been working for the last year with a coalition of industry leaders, including MetaMask, across regions, issuers, card program managers and technology enablers, to bring the best of the mainstream and decentralized financial worlds together for users worldwide. The result is a new Web3 card program that allows users of self-custody wallets to make card purchases everywhere Mastercard is accepted — while retaining custody of the funds until the moment of purchase and with greater security thanks to Mastercard's dispute management process and chargeback protections.

The standards created by Mastercard in collaboration with its partners also include know-your-customer and anti-money-laundering protocols, the ability to view transaction history and to reverse transactions.

"If I want self-custody wallet users to be able to spend their money, there needs to be a common understanding of how to make that happen,"

Dhamodharan says. "We're in the business of

consistent way, wherever in the world you are, and however you want to spend it."

The MetaMask Card is being launched as a pilot with a select group of users in the U.K. and Europe.

"We're removing the friction that has traditionally existed between blockchain and traditional payments," Consensys' Santos says. "This is a paradigm shift that offers the best of both worlds."

The Web3 card features build trust and choice and improve the user experience, and it could even expand financial inclusion.

"I think we're building toward this vision of enabling non-custodial neobanking," says Simon Jones, chief commercial officer for crypto payments company Baanx, which is working with Mastercard on the Web3 card initiative via its **Crypto Life platform**.

"Anybody who has access to a mobile phone should be able to get access to a basic range of financial services by default. This would have huge implications in countries with large numbers of unbanked or underbanked individuals."

"We're having that moment of convergence where these technologies are coming into everyone's daily lives. We will see this trend catalyze over the next few years, where more and more products embed these technologies, more and more consumers will come toward them, and you'll see this kind of seamless marriage of worlds."

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"This is another major step towards onboarding large volumes of users to DeFi," says Sergej Kunz, co-founder of **1inch**. "With the 1inch Card, the user gets the advantages of both DeFi and traditional finance."

"The launch of Mastercard's Web3 Card initiative highlights the importance of trust and transparency across transactions, whether TradFi or DeFi, and showcases the power of blockchain," says Pascal Gauthier, CEO of **Ledger**, the leader in critical digital asset security. "While crypto's popularity has notably increased, especially with the implementation of Bitcoin exchange-traded funds, there is still work to be done to fully embed crypto within the mainstream day to day. Ledger is honored and excited to partner with an industry titan for payment technology to bring secure transaction options for self-custody."

"Monavate is proud to support the MetaMask Mastercard Web3 card program," says Scott Lucas, co-founder and president, **Monavate**. "To launch the world's first on-chain self-custody wallet debit card is a moment that will be etched into the history books of payments. In the future it is entirely conceivable that all accounts will work this way."

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