

Polymarket Considers Launching Its Own Stablecoin to Tap Yield from Betting Activity

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Polymarket, the blockchain-based prediction market platform, is weighing whether to launch its own stablecoin, a move that would allow it to capture more of the financial upside from the large volume of dollar-pegged tokens circulating within its ecosystem. According to a source familiar with the discussions, the company is exploring this option as an alternative to striking a revenue-sharing agreement with existing stablecoin issuer Circle.

The motivation is straightforward: Polymarket currently locks up significant reserves of USD Coin (USDC), a widely used digital stablecoin issued by Circle to settle user bets. By creating its own stablecoin, Polymarket would gain control of the interest-generating reserves typically held in U.S. Treasury instruments or money market funds, rather than leaving that yield on the table for Circle or other third parties.

No final decision has been made, and a Polymarket representative confirmed the company is still assessing both options. However, recent developments in U.S. stablecoin regulation are making it more attractive for platforms like Polymarket to issue their own digital dollar equivalents. Last week, legislation was passed in the United States providing clearer rules for stablecoin issuers, potentially opening the door for more competition in a market currently dominated by Circle and Tether (USDT).

While building a stablecoin from scratch can be a regulatory and technical challenge for many firms, sources say Polymarket's situation is relatively straightforward. Because the company operates a closed ecosystem where stablecoins are primarily used for betting pools there is less need to manage complex cash in/outflows or build banking relationships to bridge fiat and crypto. "They don't have to worry about the last mile on- and off-ramp," the source explained. "It's simple, secure, and gives them a yield stream that currently benefits someone else."

Polymarket has grown rapidly in recent years, reaching a \$1 billion valuation and gaining attention for its ability to reflect public sentiment and real-time predictions on everything from politics to sports. In May alone, the platform logged over 15.9 million site visits, and during the last U.S. election cycle, it processed more than \$8 billion in bets. These figures highlight the significant volume of stablecoins moving through the platform funds that could be yielding interest elsewhere if properly structured.

As it charts its next phase of growth, Polymarket is also preparing to reenter the U.S. market more formally. The company has reportedly acquired U.S.-based exchange QCEX to comply with regulatory requirements after resolving prior legal challenges. Those included both civil and criminal inquiries into whether the platform unlawfully allowed Americans to place bets, an issue Polymarket has worked to put behind it.

Meanwhile, Circle is known to be offering revenue-sharing deals to major exchanges and fintech companies to defend its market position. These arrangements allow partners to receive a portion of the yield generated by the U.S. dollar reserves backing USDC, a

competitive tactic that has become increasingly common as stablecoins gain traction in everyday financial applications.

Spokespeople for Circle did not return requests for comment.

As prediction markets continue to evolve, Polymarket's potential stablecoin launch reflects a broader trend: crypto-native firms are looking for ways to capture more value from within their platforms and reduce dependency on outside issuers. While regulation remains a key factor, the groundwork is being laid for a new wave of stablecoin competition this time, driven by platforms that already have massive user bases and locked-in liquidity.