



Solana Jumps into the Payment Industry

Description

It's official: **Solana** ([CRYPTO:SOL](#)) is getting into the payments industry.

SOL was always a “payment solution” in the sense that it let users buy and sell goods. But now, with the launch of a new protocol, it has the infrastructure in place to facilitate transactions on its own — without intermediaries. This is an exciting new development in Solana's rise. In this article, I will explore the new payment protocol and what it means for SOL holders.

Solana Pay

Solana Pay is a new payment protocol that will purportedly allow merchants to accept payments in SOL, or in any stable coin SOL is compatible with. This will allow crypto transactions directly at storefronts. Until now, such functionality has been sorely wanting with crypto. For the most part, crypto transactions in the real world have been facilitated by intermediaries like exchanges. But now, with Solana Pay, vendors will be able to start accepting crypto transactions without the use of centralized payment companies.

As far as crypto transactions go, you can do much worse than SOL. Boasting 65,000 transactions per second, 400 millisecond payment settlement, and \$0.00025 transaction fees, it's a very fast, cheap cryptocurrency. Other cryptocurrencies are working on updates to take their networks up to speed with SOL's cutting edge features, but few have truly succeeded at it. The coming set of upgrades to **Ether** will arguably make that token faster than SOL, but it remains to be seen how ETH developers will handle their token's ballooning fees.

Will it support other cryptocurrencies?

Speaking of other cryptocurrencies, it looks like at least some of them will be compatible with Solana Pay. According to [ZDnet's coverage of Solana Pay](#), the new protocol will support payments with SOL-compatible stable coins. That includes:

- USD Coin
- USD Tether
- Terra luna

So, SOL holders will easily be able to make USD-denominated transactions using their cryptocurrency of choice. A huge win, assuming the new payment protocol takes off.

Foolish takeaway

The cryptocurrency world is in the midst of a burst of innovation, with new applications being built all the time. Solana Pay is one such application that promises to take crypto mainstream. Time will tell whether it succeeds or not.

In the meantime, if you're looking to invest in crypto, you can always [look into ETFs](#) like the **Purpose Ether ETH (TSX:ETHH)**. It's a regular ETF that trades on the stock market and holds an ultra-concentrated portfolio consisting of nothing but Ether. Because it trades on the stock market, you can easily hold ETHH in a TFSA and avoid capital gains tax on your holdings. You do have to pay the fund managers a 1% fee for holding ETH for you, but capital gains can go much higher than that if you realize a high return. There are similar funds for Solana as well, though they don't appear to be available to Canadians yet. When they do become available in Canada, they will be an excellent option for SOL investors looking for a tax-efficient way to hold their favourite crypto.

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Date

2025/08/18

Date Created

2022/02/09

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