Card Processing Economics & the Fulfillment Fee

Why every card sale currently loses money, the one legal rule that shapes the fix, and the fee that turns volume from a drain into margin.

THE BLEED

On a card purchase we receive **price minus Stripe minus gas** in cash, yet deliver **full-value tokens**. Each sale is cash-negative — and at today's demand, volume accelerates the drain.

ORDER (BUYER REGION)	STRIPE TAKES	GAS	NET TO TREASURY
$100 · US	$3.20	$1.50	-$4.70
$100 · International	$4.70	$1.50	-$6.20
$300 · International	$13.50	$1.50	-$15.00

Every card order is a loss before a single token appreciates. The fee below is not a markup — it is the difference between selling at a loss and selling at a margin.

THE ONE LEGAL CONSTRAINT

A "surcharge" can't work

- Cost-recovery only — **profit is prohibited**
- Capped at the lesser of cost or **3%**
- Excludes debit; needs 30-day card-network registration
- **Banned for consumer cards in the EU/UK** (PSD2) — much of our base

A service fee can

- Priced as part of the **fulfillment service** we render
- Applies to all cards, not contingent on card type
- Disclosed up front — and **may carry margin**
- Compliant US **and** EU/UK; the crypto path is fee-free (self-service)

Bottom line: to earn margin legally, this must be a uniform **Processing & Fulfillment Fee** — the price of fiat purchase and on-chain delivery — never a credit-card surcharge.

THE FEE

PROCESSING & FULFILLMENT FEE

9.9% · $2.00 minimum

On all card orders. ~5–6% is pass-through cost (Stripe + gas); ~3–4% is margin. Below crypto on-ramps (~5%) and far below ticketing (20–30%).

ORDER · REGION	FEE	CHARGED	STRIPE	OUR MARGIN
$100 · US	$9.90	$109.90	$3.49	+$4.91 (4.9%)
$100 · Intl	$9.90	$109.90	$5.14	+$3.26 (3.3%)
$300 · Intl	$29.70	$329.70	$14.81	+$13.39 (4.5%)
$500 · Intl	$49.50	$549.50	$24.48	+$23.52 (4.7%)

Every order flips from roughly –5% to **+3–6%** — a swing of ~8–10 points on volume we are already winning.

TWO MOVES THAT MATTER AS MUCH AS THE FEE

01

Raise the card minimum to $50

Mainnet gas + Stripe's fixed $0.30 make sub-$50 token orders unprofitable at any reasonable fee. Retire the $5 floor.

02

Deliver $LEDGER on Base (L2)

Cuts gas from ~$1.50 to ~$0.01 — recovers 1.5–6% per order on its own, and lets the minimum stay low. The larger structural win.

CHECKOUT DISCLOSURE — PRECISE & COMPLIANT

SHOWN BEFORE PAYMENT · ITEMIZED · NOT LABELED A TAX OR SURCHARGE

"Card orders include a **Processing & Fulfillment Fee of 9.9% (minimum $2.00)**, covering card-payment processing, on-chain network (gas) costs, and the custody and on-chain delivery of your tokens. It applies to all card orders regardless of card type and is not a tax. Buying on-chain yourself via Uniswap avoids this fee."

Before launch, counsel to confirm: the service-fee (not payment-instrument surcharge) characterization for EU/UK buyers; US FTC all-in "junk-fee" disclosure (show the total up front — already on the buy tile); and — unchanged by this fee but worth a blessing — money-transmission / securities posture of fiat token sales.

Sources · Stripe 2026 pricing (2.9%+$0.30 US; +1.5% intl; +~2% FX) · Visa/Mastercard surcharge rules (3% cap, cost-recovery only) · US state surcharge bans (CT, MA, ME) · EU/UK PSD2 consumer-card surcharge ban · US FTC unfair-fees rule (2025)

BULK-TIERED FEE — THE MORE YOU BUY, THE LOWER THE RATE

FIRST $150
9.9%
Min $2.00. Covers fixed costs; we beat DIY here.

$150 → $1,000
5.9%
Marginal rate on the portion above $150 — the bulk discount.

OVER $1,000
Crypto
Card disabled → "Buy on Uniswap." Cheaper for them; pulls from the pool, not treasury.

WHAT IT DOES TO THE EFFECTIVE RATE

ORDER	FLAT 9.9%	BULK-TIERED	OUR MARGIN (INTL)	DIY (FAST ROUTE)
$150	$14.85	**$14.85 · 9.9%**	+3.5%	$10.42 · 6.9%
$300	$29.70	**$23.70 · 7.9%**	+2.4%	$18.60 · 6.2%
$500	$49.50	**$35.50 · 7.1%**	+1.9%	$29.00 · 5.8%
$1,000	$99.00	**$65.00 · 6.5%**	+1.6%	$55.00 · 5.5%

$150+ buyers save 20–35% on the fee versus flat 9.9% — a real, marketable bulk discount — and **every tier stays margin-positive**. Whales route to the market, not our reserves.

WHY DIY ISN'T ACTUALLY CHEAPER FOR MOST

The DIY stack

On-ramp 4.5–5.5% + ~$4 min · swap gas $0–10 · Uniswap 0.3% · slippage · withdrawal. All-in ≈ **8–15% typical**, 20–28% on small tickets, ~3–6% only for large bank-transfer orders.

Plus the hidden cost

Exchange signup + KYC (1–3 days), a self-custody wallet, an approval tx, slippage settings — and one wrong address is a **total loss**. Our card path is one click, instant, reversible before it lands.

The honest limit: we don't undercut the cheapest bank-transfer crypto route on large tickets — no one can, because our card processor alone (~4.4% intl) ≈ their entire cost. So above $1,000 we send them to crypto: cheaper for them, and it protects the treasury by pulling from the pool instead of our reserves.