

TradeFinex: Why Family Offices and Alternative Asset Funds Should Stack Up \$XDC?



Singapore, Nov 27, 2020 ([Issuewire.com](https://www.issuewire.com)) - \$XDC, the utility settlement token in Trade finance that's native to the XinFin Network, continues to reach new heights. This week: yahoo finance started tracking prices of the [\\$XDC](#). At the same time, [Bitfinex announced](#) the listing of XinFin's native token on its platform.

With the **XinFin network** featuring speeds of **2000+ TPS**, running **KYC enforced master nodes**, and **offering near-zero [transaction costs](#)**, the \$XDC becomes highly enterprise-friendly, allows governance consensus, and permits instant transaction finality.

What's more, contract enforceability makes the token stand out. Working under the provisions of the Abu Dhabi Global markets and Market Authority of Singapore, **smart contracts on XinFin XDC network** have offline enforceability in digital courts within the respective jurisdictions. This aspect makes the XDC platform ideal for fiat-backed stable coins, CBDC, Trade Finance instruments, bonds, and stocks.

Being a hybrid network that's highly interoperable, the XDC network bridges with the R3 Corda network that's run by banks. Easy integration with R3 Corda networks ensures seamless transactions between banks and entities like family offices and alternative asset funds.

To understand how & why family offices and alternative funds can stack up on [\\$XDC](#), understanding what Tradefinex and aspects of XDC is key.

What is Tradefinex?

TradeFinex is a Distributed Finance (DeFi) protocol that's built upon the XinFin Network for \$100 trillion real-world assets. Being a peer to peer decentralized protocol between alternative asset investors and regulated originators, TradeFinex lets trade finance originators connect with each other unlocking liquidity for MSMEs.

Noting that Trade Finance is an over \$30 trillion market, TradeFinex offers interoperability with a wide range of Trade Finance Digitization Platforms. Interoperability will ease connecting any originator platform to a network of funders, giving access to the secondary market distribution marketplace.

With smart contracts between suppliers and buyers Fintech originators and Banks being recorded on the XinFin Network, transactions on the TRadeFinex protocol will be enforceable in different jurisdictions.

What's more, accredited investors on TradeFinex's protocol can generate dynamic yields. Pvt into perspective, safer banking grade origination yields 2% APY, while slightly riskier regulated Fintech originators can yield as high as 12% APY.

Who is working with TradeFinex?

Currently, TradeFinex is working with Validus Capital. At the same time, prospective integrations with the DeFi protocol may include entities like Enigio, Fineon exchange, Monimov, and funding societies.

To add, it's speculated that two of the largest trade finance banks most likely HSBC or Standard Chartered are discussing a pilot plan with TradeFinex.

Thanks to the soaring \$XDC network, it's highly likely that thousands of banks and non-bank originators will connect to TradeFinex via the \$XDC network, unlocking and syndicating liquidity from alternative investors.

How Can declaring your XDC net worth qualify you to be an accredited investor?

With an originator's net worth being verifiable by XDC value, investors can easily become accredited investors. Unlike illiquid offline assets like real estate XDC is a highly liquid asset that's traded on tier-1 exchanges like Bitfinex and Bittrue, making the XDC easy to value.

Given that the current standard of an individual accredited investor is a net worth exceeding \$1 million or [an income of more than \\$300,000 annually](#), your XDC net worth can make you an accredited investor. Note: the net worth excludes an investor's primary residence.

For corporations, [a net worth exceeding \\$10 million](#), or any other amount that the Singaporean authority prescribes, in place of \$10 Million, will suffice.

How one can invest after Accredited investor qualification & KYC/AML checks?

Investors have several routes to follow after qualifying as an accredited investor and meeting the KYC/AML requirements. These are:

- Through escrow deposits
- Through upcoming SGD, EUR fiat-backed stablecoins
- Some platforms may accept directly through XDC
- XDC collateralized stablecoin with liquidity pools linked to SGD, EUR.

How is interest payable?

Fiat backed stablecoins

Stablecoin holders can earn interest from legal finance via securitization and tokenization of assets. By converting illiquid assets into security and issuing tokens representing the value of a tradeable asset, legacy financial institutions can issue Security Tokens (STOs), representing a share of the organization. The tokens can be traded as interest-bearing assets

Since STOs can be exchanged at predetermined rates with fiat-based stable coins, holders can acquire STOs, earning interest therein.

Other routes include:

- Banking
- XDC

How is risk mitigated for originators?

The XDC protocol permits originators to hold securitized Trade Finance assets in fully tokenized forms, allowing easy transfer between financial institutions or peer-to-peer networks. In the event of a centralized failure in global trade, tokenized assets can be easily transferred and settled via a digital fiat currency of choice on the XinFin Network.

With numerous digital fiat currencies being acceptable, buyers, suppliers or financiers can mitigate counterparty risk by settling in any fiat currency through the XDC network.

Hedging against fiat currency inflation can also be adopted by buyers, suppliers, or financiers.

How big can TradeFinex's market get?

With the global trade finance market expected to reach \$56,065.7 million by 2026, TradeFinex's potential is monumental.

With significant opportunities in MSME Finance, trade finance, infrastructure finance, platforms for government bonds, tokenization, and securitization of other real-world assets, there's considerable room for growth.

At the same time, a comment made by Larry Fink BlackRock Inc's CEO indicating that the firm is a great student blockchain signals increased adoption of blockchain by key players in asset management. Given that the world's largest asset manager manages more than \$6.3 trillion in assets assembled a working group to study blockchain and cryptocurrency, there's a likelihood that the agency will invest in blockchain-based asset management platforms.

That would be a major institutional endorsement for the insurgent technology introducing more opportunities for TradeFinex.

How Can Investors Get started?

Investors can get started via two approaches:

- Buying XDC on leading platforms like bitfinex & bittrue.
- Storing XDC in institutional custody solutions such as copper.co.

XDC Liquidity?

Market making XDC, or providing XDC liquidity, by your own adds to network effects. To provide XDC liquidity, a party has to add liquidity on both sides in XDC and market pairs like USD, USDT, XRP, ETH, BTC.

As well, parties can also engage third party market makers like Altonomy, S9, and more to participate in market making XDC.

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