

# Digital Assets

IN FOCUS 2020

**INSTITUTIONAL GROWTH**

People moves and increasing demand drive market maturity

**MARKET INFRASTRUCTURE**

Eliminating exposure to credit risk from exchange venues

**OPERATIONAL SUPPORT**

Administrative burden grows as digital assets expand

Featuring Bitfinex | Copper | Koine | Market Synergy | Trustology

# Institutional calibre custody solutions and connectivity

Interview with Paolo Ardoino, Hugh Hughes & James Banister

**B**itfinex, a state-of-the-art digital asset exchange, is leading the way in driving mass institutional participation in the crypto trading market. Through strategic partnerships, Bitfinex has created an institutional calibre offering, providing hedge fund managers with a robust infrastructure to enable them to offer digital asset trading to clients.

Its partnership with Koine, a London-based digital asset custody provider and FCA authorised EMI, pushes boundaries in providing an institutionally oriented post-trade service, enabling investors to mitigate counterparty risk and use private keys in the clearing and settlement of cryptocurrencies.

Koine's secure, bank grade infrastructure and governance provide a true separation of duties for the custody and settlement of digital assets. Its unique security model, using Digital Airlocks™, replaces the cold store and hot wallet model which exposes private keys to humans and results in poor operational scalability. By combining this new digital asset security model with fiat custody and DvP settlement, Koine provides a post-trade solution that is suitable for traditional capital markets.

According to Paolo Ardoino, CTO at Bitfinex, the exchange's partnership



**Paolo Ardoino**  
CTO, Bitfinex



Paolo Ardoino joined Bitfinex in early 2015 and now serves as CTO, developing and managing core parts of the Bitfinex backend architecture. Paolo has been building valuable tools and infrastructure for financial innovation for the past 15 years.

with Koine "is critical in driving uptake of digital asset trading amongst hedge fund managers worldwide, mitigating counterparty, insolvency and credit risks of trading on exchanges."

Ardoino added that it is part of the exchange's ongoing strategy of building a service fit for institutional trading, which began around two years ago when it selected Market Synergy to build a bespoke network for the exchange to address a gap in the market. "We are now at the forefront of delivering robust, high performance connectivity for institutional clients," said Ardoino.

Market Synergy GmbH is a Swiss-based organisation which offers institutional standard cryptocurrency connectivity for hedge funds, banks and brokers through a highly secure, reliable network which is monitored and supported 24x7. Any institution wanting to trade cryptocurrencies can connect with Market Synergy via a FIX feed or ISP link and access Bitfinex's wide selection of digital assets. Market Synergy also offers colocation services to any Bitfinex institutional clients.

James Banister, CEO, Market Synergy adds, "Market Synergy is part of the FXecosystem group of companies and we have over a decade of experience in outstourced



**Hugh Hughes**  
Chairman & CEO, Koine



Hugh Hughes is an experienced CEO who has been responsible for brokering several large-scale mergers and acquisitions, including the sale of Fixnetix to CSC (now DXC Technology). Hugh was CEO of Societe Generale Securities for nearly 10 years.

connectivity for institutional clients. We have applied the same high standards to our digital asset infrastructure that we use in the FX market. Being secure, robust and reliable is a priority at all times but never more so than now. During recent periods of extreme volatility, our network was able to process digital asset volumes exceeding \$2 billion in a single day which is a significant achievement.

"Since launching our joint offering with Bitfinex, we have built an impressive worldwide client base including hedge funds, specialist crypto funds, professional traders and brokers. We are confident that Bitfinex's latest development, through its partnership with Koine, will result in a surge in clients as having access to a professional custody solution for handling digital assets provides financial institutions with increased confidence in the digital asset sector."

Hugh Hughes, Chairman and CEO at Koine concludes, "Since the early days of digital assets, it's been clear that, in order to attract algorithmic funds managers, a traditional market structure was essential. And this is what we have created; a post-trade environment that, alongside leading exchanges like Bitfinex, meets the custodial and settlement needs of institutional capital." ■



**James Banister**  
CEO, Market Synergy



James Banister founded Market Synergy GmbH in 2018 to complement the FXecosystem group of companies. Market Synergy provides institutional-grade connectivity to the digital asset market place. James has been involved in the FX industry for 25 years.