



Tokenize Xchange builds a foundation for market and regulator trust

Leading APAC exchange alleviates custody worries by partnering with BitGo.

The challenge

How can you build a regulated exchange when the regulations are still being written? That was the challenge facing Tokenize Xchange and its Founder and CEO, Hong Qi Yu.

Hong got into crypto while working on an Ethereum-related coding project for a fintech company where he was employed. As he became immersed in the world of digital assets, he quickly noticed a gap in the fiat onramp/offramp space; there was a distinct lack of currency pairs for the APAC region. He initially founded Tokenize in 2018 to address this need.

Over the past five years, Tokenize has become one of Asia's leading digital asset exchanges, with over 200,000 customers. Headquartered in Singapore, it has operations in Malaysia, Vietnam, and Taiwan, and supports crypto-to-fiat pairs with SGD and USD on the platform. Additionally, their OTC desk also offers additional pairings such as EUR, GBP, JPY, and HKD.

Another way they're unique from some exchanges in the region: They want to work with regulators.

"As a business, our objective is to be a regulated exchange. We move things more deliberately in general in order to stay compliant with regulations," explains Alson Chia, the Head of Operations at Tokenize.

The key challenge is that – in the jurisdictions where Tokenize does business – the regulations on digital assets are still being drafted. To counter regulatory uncertainty, Tokenize evaluates the lessons from traditional asset exchanges, stays in sync with regulators, and builds its products in a careful yet flexible manner. They are also choosing their partners wisely.

That deliberation was especially important when it came to finding a partner to protect their digital assets. They needed cold storage to safeguard the majority of their reserves, ensuring assets weren't exposed to the internet – and hackers. They also needed hot wallets and receive addresses as an infrastructure layer, so they could provide their own customers with a way to deposit funds safely.

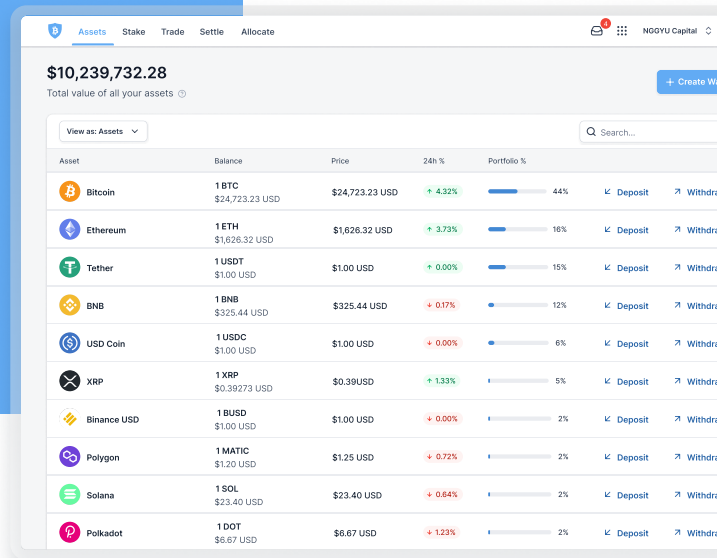
To address counterparty risk, they knew they needed a certain type of partner: a firm that would properly segregate assets, provide insurance, and would maintain a fiduciary responsibility to their business.

The solution

Tokenize chose BitGo as their custodian from inception. It has proven to be an enduring partnership.

Founded in 2013, BitGo was initially formed to provide superior technical security for digital wallets. As the digital asset market grew, however, it became evident that safeguarding customers' digital assets also required a fiduciary approach similar to traditional asset custody. BitGo worked with regulators to become one of the first independent, licensed, and regulated digital asset custodians in the world.

Tokenize stores the bulk of their treasury in BitGo cold storage, where they can make use of whitelisting, user roles, and other configurable policies for extra security. They can also automatically generate and manage receive addresses for end users using BitGo's wallets-as-a-service API.



ABOUT TOKENIZE XCHANGE

Tokenize is a digital trading platform that aspires to build the next-generation currency exchange that supports established and emerging digital currencies.



OBJECTIVES

- ✓ Provide the highest level of security and trust
- ✓ Become a regulated exchange in multiple jurisdictions

LOCATION



Singapore

“BitGo fills a much-needed vacuum in the crypto industry for a platform which mitigates customer risk and drives optimum capital efficiency,” says Hong.

The combination of superior technology combined with commitment to fiduciary duty is what drew Tokenize to BitGo. “In layman’s terms, BitGo is like a bank for digital assets, providing custody and storage with a very heavy lock that no one can penetrate,” adds Chia.

Qualified, regulated custody

Many digital asset firms claim to be custodians while only providing software security. As a qualified, regulated custodian with trust entities in four jurisdictions, BitGo adheres to much higher standards for security infrastructure.

“The fact that BitGo is a regulated, qualified custodian was definitely a factor for us,” says Chia. “Getting regulated means frequent audits, SOC1/SOC2, etc. It means the infrastructure is of a certain standard, which is a good thing compared to other, newer custodians.”

Although the rules for digital assets are still being written, they could include requirements for asset custody. While there are no guarantees about who would qualify in a particular jurisdiction, working with a regulated custodian now provides Tokenize with the highest currently available level of safety, and makes it less likely that they would have to find a new custodian if the rules were to change.

Brand reputation

As they searched the market, BitGo stood out for its long tenure in the industry and its reputation. “BitGo is one of the ‘OG’ names in crypto. Its track record speaks for itself. Newer custodians didn’t have that,” says Chia.

Broad coverage

BitGo’s pioneering multi-signature technology lets users quickly transact with all the major coins, without sacrificing security.

“BitGo’s infrastructure, top-notch tech, and security architecture are state-of-the-art, and embody their comprehensive commitment to building a trusted crypto platform,” says Hong. “They are dedicated to expanding further into different blockchains in order to cater to the ever-growing needs of the crypto industry,” he says.

The results

Partnering with BitGo gives Tokenize peace of mind as they expand. They don’t have to worry about custody. They can rest assured that client assets are protected with industry-leading technical security combined with fiduciary duty that passes muster with the world’s top digital asset regulators.

“Having BitGo as our custodian gives us a sense of security. Their reputation and insurance coverage provide peace of mind. If it’s stored in BitGo custody, it’s safe and we don’t have to worry,” says Chia.

They can also feel confident that they have partnered with a custodian that shares their vision of regulation as a path to trust in digital assets and is ready, willing, and able to meet future regulatory requirements as they take effect.

“Tokenize Xchange’s success is in part the result of our partnership with the trustworthy and versatile BitGo platform. Not only has BitGo established itself in recent years as a safe and reputable crypto platform, it has also been supportive of Tokenize Xchange’s vision from our very inception,” says Hong.

“ In layman’s terms, BitGo is like a bank for digital assets, providing custody and storage with a very heavy lock that no one can penetrate. ”

Alson Chia
Head of Operations



Contact us at sales@bitgo.com or visit www.bitgo.com.

LAST UPDATED: 2023 NOVEMBER