



INX Officially Announces Segregation of Customer Funds, Ensuring Enhanced Protection for INX Customers Trading Digital Assets

NEW YORK, June 6, 2023 /CNW/ -- [The INX Digital Company, Inc.](#) (NEO: INXD, INXATS: INX, OTCQB: INXDF) ("INX"), a FINRA registered broker-dealer offering registered security tokens and a trading platform for digital assets, officially made public today its proactive self-regulatory measure to fully segregate customer funds, reinforcing its commitment to the highest standards of customer protection in the rapidly growing world of digital asset trading. While INX has been segregating customer assets for years following well-established practices in the regulated trading industry, the company is making clear that it put in place legal segregation of customer funds for the trading of digital assets, making them bankruptcy remote and further demonstrating INX's dedication to providing a secure and transparent environment for its valued clients.

While stringent regulations exist for the custody of customer assets in traditional markets, the digital asset landscape currently lacks similar standardized practices. "The absence of specific regulations targeting digital assets should not deter us from applying common sense and best practices by leveraging existing regulations from the traditional capital markets," said Keren Avidar, Global General Counsel at INX.

Recognizing the importance of customer protection, INX has taken proactive steps to address this gap by utilizing the expertise of the legal team at [Foley & Lardner LLP](#), which specializes in digital assets, customer asset segregation rules, and U.S. bankruptcy law. Working with its legal, custody, and bank partners, INX has extended the protections already in place at the INX broker-dealer to customer funds held for trading digital assets by utilizing customer protection practices similar to those under the Commodity Futures Trading Commission (CFTC) customer asset segregation model.

"We believe that safeguarding our clients' assets is of utmost importance, especially for digital assets markets where standardized regulatory practices are yet to be fully established and where INX intends to be the model for other industry participants and intermediaries," said Renata Szkoda, CFO of INX. "By adopting the CFTC model for the protection of customer funds and engaging with the foremost experts in this area, we are providing our clients with an unparalleled level of assurance and protection while also solidifying INX as the standard-setting leader in the industry."

Additionally, as part of its commitment to maintaining the highest level of customer protection, INX has implemented a robust segregation calculation model. The platform securely holds client assets, including popular digital commodities such as Bitcoin and Ethereum, offering enhanced security and peace of mind to its valued clientele. The daily calculation model adopted by INX adheres to the standards set by the Commodity Futures Trading Commission (CFTC), ensuring that customer funds are accurately accounted for and segregated in specifically designated accounts at the end of each and every trading day.

The segregation of customer funds goes beyond merely separating accounts; it also entails proper customer disclosure as well as having adequate funds to cover liabilities, ensuring the utmost financial security for INX investors. As a responsible industry participant, INX acknowledges its obligation to protect client funds and cover any potential liabilities that may arise.

To reinforce this commitment, INX requires all custodians and banking partners to sign a segregation acknowledgment letter, underscoring that the funds held by INX are client funds and not the property of the company. This acknowledgment solidifies the understanding between INX and its custody and banking partners, affirming INX's role as a trusted business partner.

For more information about INX and its novel trading and capital-raising financial instruments for enterprises and companies worldwide, visit <https://www.inx.co/>.

About INX:

INX provides a regulated trading platform for digital securities and cryptocurrencies. With the combination of traditional markets expertise and a disruptive fintech approach, INX provides state-of-the-art solutions to modern financial problems. INX is led by an experienced and dedicated team of business, finance, and technology veterans with the shared vision of redefining the world of capital markets via blockchain technology and innovative regulatory approach.

About The INX Digital Company, Inc. INX is the holding company for the INX Group, which includes regulated trading platforms for digital securities and cryptocurrencies, combining traditional markets expertise and an innovative fintech approach. The INX Group's vision is to be the preferred global regulated hub for digital assets on the blockchain. The INX Group's overall mission is to bring communities together and empower them with financial innovation. Our journey started with our initial public token offering of the INX Token in which we raised US\$84 million. The INX Group is shaping the blockchain asset industry through its willingness to work in a regulated environment with oversight from regulators like the SEC and FINRA.

In addition to operating two regulated trading platforms for blockchain assets, INX's interdealer broker, I.L.S. Brokers, plans to offer non-deliverable cryptocurrency forwards to Tier-1 banks in the future. For more information, please visit the INX Group website [here](#).

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