

In Crisis of Confidence – Ink Finance Says Its Financial DAO Toolset Could Help Rebuild Trust in Crypto Industry



By Rachael Green, Benzinga

NEWS RELEASE BY INK FINANCE

Singapore | December 28, 2022 08:00 AM Eastern Standard Time

When crypto first emerged, it was envisioned as a way to achieve a trustless system where participants could transact with each other freely and confidently without the need for third-party intermediaries like centralized financial institutions. But a paradox has developed. As more people started investing in cryptocurrencies, crypto exchanges, along with other centralized agencies emerged to offer an easier way to do it than the DIY fashion championed by the “crypto native”s. That meant that, once again, individuals needed to trust in centralized entities. A series of large collapses of those centralized entities – including FTX in November – has led to widespread erosion of trust in the larger crypto space.

Amidst such high-profile cases with colossal financial damages, though, many in the crypto space remain confident that the real decentralization can rebuild trust and become a more transparent, reliable, and widely accepted way of establishing Web3 economies. **Ink Finance**, for example, has developed a modulated platform for financially minded decentralized autonomous organizations (DAOs), emphasizing security, transparency, risk management, and regulatory compliance. Here’s some background on why the crypto industry is facing a loss of trust and how Ink Finance’s platform is meant to solve those issues.

The FTX Collapse Is the Latest in a String of Serious Losses for Investors, Triggering Increased Pressure for Regulation

The collapse of FTX, a digital currency exchange, began in November after Binance, a rival exchange platform, announced that it was to sell off all of its holding of FTT tokens – FTX’s native token, amid concerns of the solvency and irregularities regarding its affiliated hedge fund Alameda Research. The news led to a sharp drop in FTT’s price, which then triggered many FTX customers to start withdrawing their assets from the platform en masse before FTX stopped allowing withdrawals in November. The subsequent unraveling of the entire FTX ecosystem revealed mass fraud and misappropriation in an opaque and horrifically managed financial empire. All told, the platform currently stands on \$8 billion unfulfilled liabilities to its users and investors.

FTX founder Sam Bankman-Fried now potentially faces multiple investigations to determine where the missing funds went, whether FTX violated laws in giving customer funds to Alameda Research and whether there's enough evidence to charge Bankman-Fried with **fraud and embezzlement**.

That heavy dependence on centralized intermediaries and the realization of just how vulnerable they are have triggered growing pressure for governments around the world to regulate the crypto industry. While this is a hard pill for the crypto industry to swallow since the initial vision was to create a fully decentralized network, regulation will likely benefit the industry in the long run, especially in terms of restoring trust.

Ink Finance Aims to Build Regulation Compliant Financial Governance

Regardless of how regulation ultimately happens, the reality is that it will probably take some time and experimentation to settle on a stable set of standards. In the meantime, organizations who want to enter the field of Web3 finance must set transparent and accountable financial management as their first priority. This can make setting up their blockchain infrastructure complicated and costly.

Alleviating such a burden is what **Ink Finance** hopes to achieve with its all-in-one toolset. Featuring a variety of plug-and-play financial operation and management modules, Ink Finance says its platform makes the control of internal fiscal and external finance simpler, more transparent, and regulatory compliant.

The Governance Module, for example, makes it easy to configure the DAO itself, complete with integrity measures that prevent abuses and Sybil attacks (when an attacker creates a large number of fake identities to gain disproportionate influence over the DAO and disrupt its mission). The module offers the ability to manage the financial decisions in an end-to-end fashion, closing loopholes and removing burdensome integration hassles that are introduced by attempts to thread together many independently developed products currently in the market.

Meanwhile, its Product Module allows DAOs to issue and launch bespoke financial products in transparent and enforceable risk management processes or procedures. Cross-chain and off-chain assets can be uniformly packaged and brought into the local network, with verifiable roles responsible for their settlement and clearing. That makes it possible to create on-chain managed ETFs, credit-based bonds and loans, NFT backed revenue streams, and more.

These operational components and financial products on Ink Finance are upgradeable within a well defined and integral governance framework, so that financial organizations can stay on top of the changing regulations without having to rebuild their organizational infrastructures.

Overall, the platform builds in comprehensive and rigorous measures that improve transparency, manage risk, and mitigate the kind of vulnerabilities that were behind the large-scale collapses across crypto this year – all while making it easy to continuously adapt to the regulations that are

sure to be imposed upon Web3 finance in the wake of those collapses. The immutable nature of blockchain can have a chance to show superiority in terms of regulations regarding transparency, traceability, and accountability.

Ink Finance is a DAO governance toolset, enabling all kinds of ecosystems to establish governance economy, manage internal finance, and connect with DeFi investors everywhere, through a no-code user experience. As a Financial SaaS built on blockchain, Ink Finance has the most comprehensive financial engineering tools to support on-chain issuance, settlement, clearing, and analysis of Non-Fungible Financial Products. Ink Finance is backed by heavy weight eco builders such as Republic Crypto and DeFi Alliance, partnered with cutting-edge solution providers such as Humanode, Astra, SolvFinance, Polytrade and deBridge, etc.

This post contains sponsored advertising content. This content is for informational purposes only and not intended to be investing advice.

Contact Details

Camille Zhang

camille.zhang@uft.live

Tags

INK FINANCE

CRYPTOCURRENCY

DAO