

# Crypto start-up aims to double funding for prime venture

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San Francisco-based start-up OTCXN is looking to raise “at least” another \$15 million (£12 million) from institutional investors as it readies the launch of crypto-currency trading infrastructure, the firm’s CEO told Global Investor.

“Our investors include hedge funds that invest on behalf of university endowments, to clients that are also users of the platforms that are some of the largest trading organisations in the world, to big asset managers,” said Rosario Ingargiola, who founded the firm in 2016.

He added: “And we’re now in the market raising a series C round also targeting strategic financial infrastructure investors that understand this kind of plumbing.”

OTCXN said investors in the series B round included veterans from buy-side giants Pimco, Soros and Clarium but declined to disclose further details on its fundraising efforts.

To date the firm has raised \$13.5 million from two funding rounds, according to Crunchbase data.

OTCXN says it is developing the “technology equivalent to prime brokerage” in the crypto space, eliminating trading counterparty and settlement risk.

The firm uses blockchain technology to enable the immediate exchange of digital assets and tokenised dollars in an effort to address deficiencies in over-the-counter crypto transactions, where there is a lack of DvP settlement options and counterparties must trust each other to honour the trade.

The model relies on independent custodians to hold private ledgers of investor assets so accounts can be pre-checked before transactions take place, ensuring delivery.

Regulated crypto-custodians Kingdom Trust and Prime Trust have signed up for OTCXN’s network.

The solution is expected to go live before the end of the year.

Ingargiola claimed that OTCXN will also support digitised securities and revealed that the firm is exploring how to accommodate repo.

“Traditional prime brokerage is a different model that’s based more around balance sheet and credit and less around technology. What we do is provide pure technology that solves the same problem,” he said.

In June, OTCXN wrapped up the acquisition of Ogg Trading, a trading technology provider.

Incumbent firms and high-net-worth investors have shown interest in start-ups that aim to institutionalise the nascent crypto space.

Crypto-custodian BitGo announced earlier in October that it had secured about \$16 million from Goldman Sachs and Michael Novogratz’s Galaxy Digital Ventures as part of its series B round.

[Swiss firm Seba said last month it had raised some CHF 100 million \(about 80 million\) to set up a regulated digital asset bank.](#)

[Zurich-based Crypto Finance AG told Global Investor it had pocketed CHF 17.5 million in its series A round and was seeking further funding.](#)

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