

XDC Network:

Powering Payments and
Trade Finance through
Asset Tokenization



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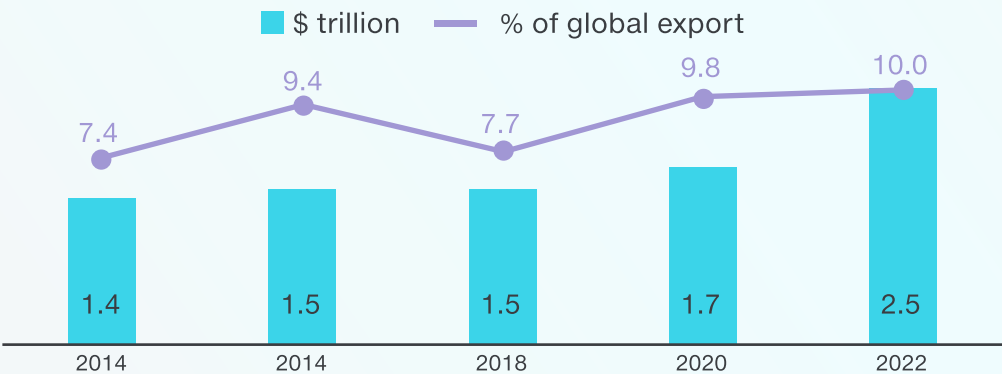
1. Trade Finance’s Global Challenge: Gaps and Inefficiencies

Global trade finance in 2025 stands at a critical juncture. Despite record trade volumes of an estimated \$33 trillion in global goods and services trade for 2024, the infrastructure that underpins it remains strained by paper-based processes and funding gaps.

Although trade finance supports roughly 20% of world trade flows, outdated practices mean transactions still involve up to 36 documents and 240 copies. This contributes to 4 billion physical trade documents being exchanged annually. A single paper-based letter of credit can take 10–15 days, which exacerbates a financing shortfall. In fact, the gap between supply and demand for trade finance hit \$2.5 trillion in 2022, a sharp rise from \$1.5 trillion in 2018 (Figure 1).

This gap reflects the unmet credit needs of exporters, especially Small and Medium Enterprises (SMEs), who struggle to obtain funding in today’s fragmented, risk-averse systems. While SMEs account for about 40% of trade finance requests, they face 52% of rejections. The persistence of such bottlenecks, despite clear demand for financing, signals that traditional financial instruments can no longer service demand.

FIGURE 1: GLOBAL TRADE FINANCE GAP



Source: Deutsche Bank

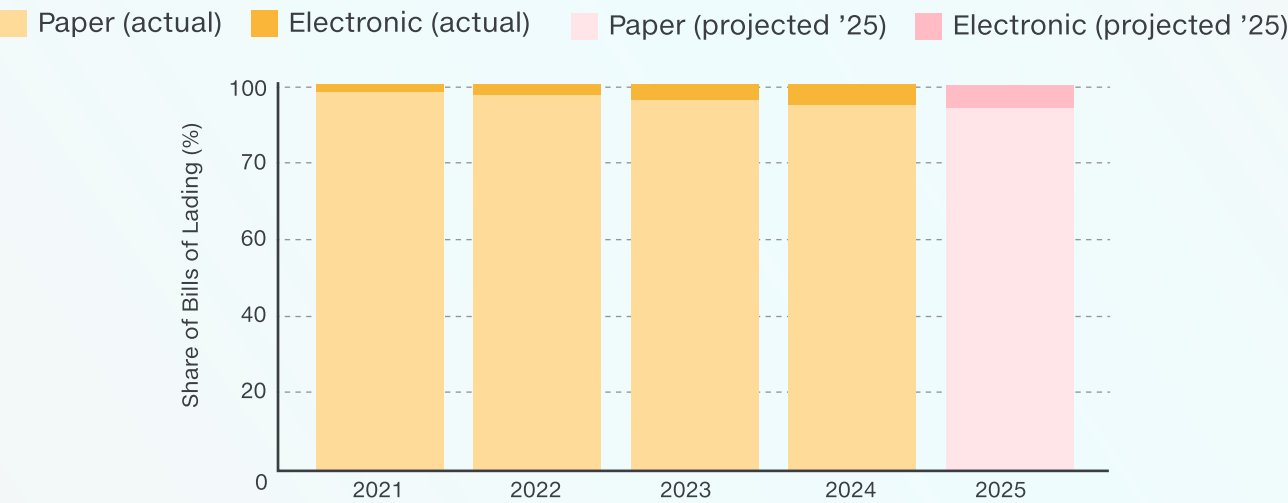
As of 2022, only about 2% of bills of lading were electronic, and paper still dominated 80% of cross-border trade documentation. Since then, the paper dominance has declined but at a very cautious pace of- only about 1-1,5% per year (Figure 2). There is broad recognition that trade finance requires more than incremental tweaks; it demands a digital overhaul.

The good news is that after years of discussion, trade finance digitization is finally gathering momentum. Legal reforms are rapidly unlocking the ability to handle negotiable trade instruments electronically, removing a major historical barrier.

For example, G7 economies and others have begun adopting the UNCITRAL Model Law on Electronic Transferable Records (MLETR) that gives electronic bills of lading, promissory notes, or warehouse receipts the same legal standing as their paper originals.

The UK enacted its Electronic Trade Documents Act in 2023, and France incorporated MLETR into law in 2024. At the same time, industry players have been setting ambitious goals. For example, a consortium of the world’s largest ocean shipping carriers has committed to 100% e-BL (electronic bill of lading) adoption by 2030.

FIGURE 2: **SHIFT FROM PAPER TO ELECTRONIC BILLS OF LADING**



Source: [Cointelegraph Research](#)

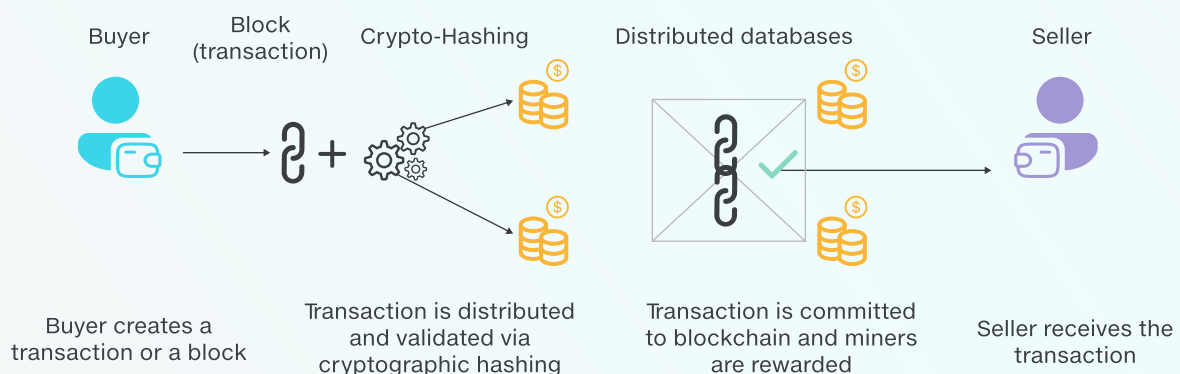
2. How Blockchain Can Transform Trade Finance

Among the array of emerging technologies, blockchain has taken center stage as a catalyst for the transformation of trade finance. The technology provides a secure, tamper-proof ledger shared by multiple parties.

In an industry notorious for fraud risks, opacity, and siloed records, an immutable distributed ledger offers a single source of truth that all participants can trust. Once a transaction or trade document is recorded on a blockchain, it cannot be altered without alerting the entire network. This greatly enhances the integrity of commerce.

Blockchains can reduce the pain points of traditional trade finance – cumbersome paperwork, lack of transparency, and long settlement times. By digitizing documents and automating workflows with smart contracts, blockchain platforms can replace slow, manual bank processes with real-time verification and execution (Figure 3). Early trials even showed dramatic improvements: In 2016, Barclays issued the world's first blockchain-based letter of credit and cut the processing time from up to 10 days to under 4 hours.

FIGURE 3: **BLOCKCHAIN IN TRADE FINANCE**



Source: [Appinventiv](#)

The anticipated efficiency gains are substantive: In 2018, the World Economic Forum projected that blockchain and distributed ledgers could boost global trade by up to \$1 trillion over the next decade by streamlining operations and reducing transaction frictions. Beyond speed, blockchain brings improved trust through end-to-end visibility.

All parties to a trade (exporters, importers, banks, insurers, regulators) can view a shared, auditable history of shipments and payments, while privacy features restrict access to sensitive data as needed.

This blend of transparency and controlled access is especially appealing in trade finance, where numerous intermediaries must collaborate but also uphold confidentiality. Not least, blockchain enables tokenization – the conversion of physical trade assets and legal instruments into digital tokens on a ledger.

2.1 From Bills of Lading to Tokens

Tokenization may become a game changer for trade finance: a wide range of traditionally illiquid assets, from invoices and bills of lading to insurance certificates, can be represented as transferable tokens.

These tokens can then be traded or used as collateral in a secure, standardized way. This can unlock the liquidity trapped in paper documents.

Concrete implementations of blockchain technology in trade finance are already demonstrating these benefits.

A notable example is the Global Shipping Business Network (GSBN), a consortium of major ocean carriers that launched a blockchain-based eBL (electronic Bill of Lading) platform.

GSBN's system replaces the traditionally paper-intensive bill of lading process with a digital equivalent, eliminates the need for couriers and reduces turnaround time for releasing goods. GSBN's eBL solution has been adopted by carriers such as COSCO and Hapag-Lloyd.

GSBN has piloted the tokenization of eBL data in partnership with Ant Group, enabling trade settlement using stablecoins, central bank digital currencies (CBDCs), or tokenized bank deposits. An electronic bill of lading on GSBN can directly trigger a transfer of digital cash (say, a USD stablecoin or a future digital euro) to the seller instantly upon proof of delivery.

This particularly benefits small and medium enterprises, which often suffer most from slow paper processes and lack of credit. As Hong Kong's central bank [noted](#) when recognizing GSBN's project, such innovations point toward a transformation of global trade settlement in the near future.

Another application of blockchains in trade finance lies in the digitization of negotiable trade documents. Companies such as [Enigio](#)

have used blockchains to ensure the integrity of digital original documents such as promissory notes or bills of exchange.

In one case, a multinational replaced its remaining paper documents with Enigio's "Trace:Original" solution, a digitally signed electronic document whose every transfer is recorded on the blockchain. This eliminates courier delays and enables the instant verification of a document's authenticity and ownership.

Enigio keeps the documents in human-readable form (e.g., PDF) but posts blockchain records as a backbone for audit trails and anti-tampering. The result is a future-proof trade document that can circulate as freely as an email yet carry the legal weight of paper.

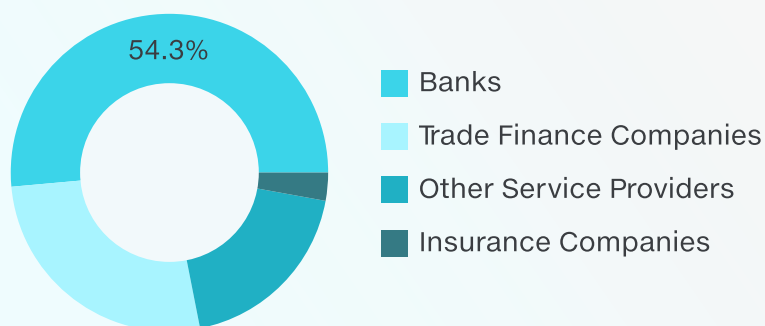
2.2 Tokenization and New Investor Capital

Historically, trade finance has been financed predominantly by banks. Even now, they hold [around 55%](#) of market share (Figure 4). However, through tokenization, trade assets are being turned into digital investment products that can more easily tap capital markets outside of traditional banking ledgers.

Trade finance consortia and fintech companies have been experimenting with securitized pools of invoices or trade loans that are issued as tokens on a blockchain. This way, they can receive funding from a broad cohort of institutional or even retail investors.

FIGURE 4: **TRADEFI MARKET SHARE BY PROVIDER**

Global Trade Finance Market: Market Share by Service Provider Segment (2024)



Source: [Mordor Intelligence](#)

The Trade Finance Distribution Initiative (TFDI) is a global consortium of banks and funds that has led this push. In 2021, TFDI welcomed its first blockchain member: the XDC Network, a hybrid blockchain platform optimized for trade finance.

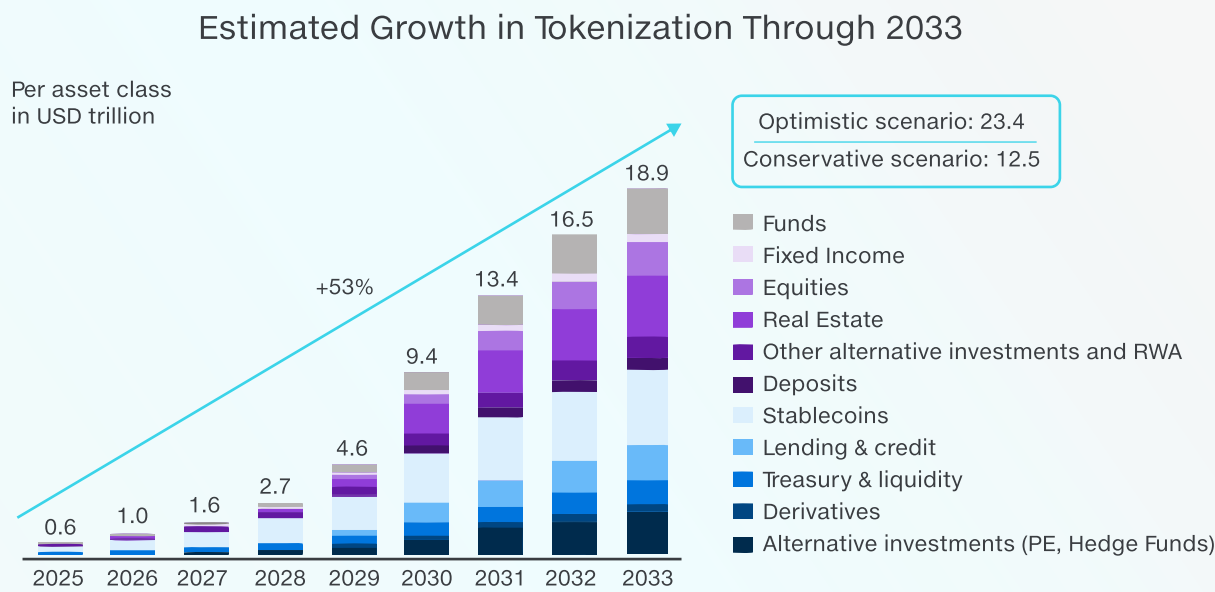
André Casterman, the chair of the ITFA fintech committee leading TFDI, explained the rationale that adding a blockchain network into the consortium allows them to connect the \$19 trillion trade finance asset class with any pool of capital. A small exporter's invoice that a local bank might reject could instead be tokenized and sold to a global investor who sees value in the asset.

There are \$19 trillion in trade finance assets globally that could be made accessible to investors through standard tokens and marketplaces. A hybrid blockchain such as XDC provides a way to mint digital tokens that represent fractions of trade finance instruments through smart contracts that enforce the same risk and payment terms as the original paper contracts.

In 2024, real-world asset (RWA) tokenization as a concept gained major traction in crypto circles. A report by Ripple and Boston Consulting Group (BCG) forecasts that RWA tokenization could grow from \$0.6 trillion in 2025 to \$18.9 trillion by 2033 at a 53% CAGR (Figure 5).

Trade finance may become one of the prime candidates for scalable RWA platforms. This is because trade finance assets historically have low default rates and short tenors. This makes them attractive, low-volatility investments if access is granted. Blockchain provides that access in a secure, automated manner.

FIGURE 5: RWA MARKET GROWTH POTENTIAL



Source: BCG, Ripple

3. The Evolving Landscape: Public-Private Hybrid Solutions

Currently, there is a shift from detached, merely technical blockchain projects toward more holistic, hybrid solutions that combine the strengths of public chains with enterprise needs and integrate with existing financial infrastructure.

This implies a greater focus on real-world asset tokenization and interoperability. Blockchains are not just to mirror old paper processes but to reimagine trade finance with new models, such as marketplace financing or linking traditional instruments to the broader world of decentralized finance.

3.1 XDC Network's Technical Architecture and Governance

One of the leading examples of this new breed of platforms is the [XDC Network](#). XDC is a layer-1 blockchain network launched in 2019 with trade finance and enterprise use cases in mind. Unlike the permissioned consortia of the past, XDC is a public-private hybrid blockchain.

It operates as a public network (anyone can join and view transactions) but is designed to easily interface with private systems and comply with institutional requirements. This hybrid architecture is underpinned by a novel consensus mechanism (called XDPOS 2.0) that gives XDC high performance (2,000+ TPS) and near-instant finality (about 2 seconds) while keeping fees at fractions of a cent.

Importantly, XDC is EVM-compatible, so it supports smart contracts written for Ethereum, making it developer-friendly and interoperable with a wide range of existing tools. Since going live, the XDC Network has proven remarkably reliable and has processed over 450 million transactions to date (Figure 6).

FIGURE 6: XDC NETWORK STATISTICS



Source: [XDC](#)

The XDPOS mechanism is extremely energy-efficient and consumes negligible power. An advanced feature of XDC's consensus is its built-in forensics and accountability. If a group of masternodes were ever to behave maliciously (e.g., > 33% colluding on false data), the protocol could detect and flag this through onchain forensic evidence. Every vote and signature by validators is cryptographically recorded, which lets the protocol use quorum intersection logic to trace and isolate conflicting signatures as proof of misbehavior.

These signed messages serve as immutable and irrefutable evidence that allows the system to identify the exact nodes at fault and automatically trigger slashing or penalties via smart contracts.

XDC Network provides a rich developer toolkit and ecosystem support, which makes it easier to build trade finance solutions. Because XDC is EVM-compatible, developers can use the standard Ethereum tech stack: Solidity for smart contracts, Remix or Truffle for development, and MetaMask or Web3 libraries to interact with the network.

This means existing decentralized applications can be ported to XDC with minimal changes, leveraging XDC's much lower gas fees and faster confirmation times.

For testing and deployment, [XDC uses the Apothem Testnet](#), a sandbox network where developers can experiment with new DApps and smart contracts using test XDC tokens from a faucet. An [XDC Developer Portal](#) and regular hackathons (such as the [XDC Global DeFi Hackathon](#)) provide documentation, tutorials, and funding opportunities to encourage innovation on the network.

The XDC community and its partners have also developed SDKs and integration tools in multiple programming languages. This lets businesses connect their systems, such as ERPs (Enterprise Resource Planning), to the XDC blockchain.

ERPs are centralized software that companies use to manage key operations such as finance, procurement, supply chain, HR, and inventory.

With the SDK integration, ERPs can be configured to initiate smart contract calls and trigger onchain trade payments.

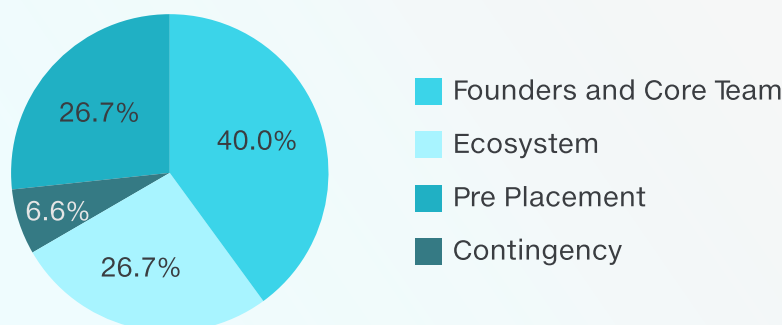
Network governance on XDC is designed to be inclusive yet compliant. Any entity that wishes to operate a masternode must lock at least [10 million XDC](#) and undergo KYC by uploading a KYC certificate from a recognized authority. This ensures validators are known and can be kept accountable. Once registered, master nodes can participate in proposing and voting on protocol upgrades.

XDC's roadmap sets out to streamline onchain governance so that tokenholders can actively influence decisions and improvements through the XDC DAO in the future. The objective is a decentralized and transparent governance process where the community of XDC holders and masternodes together guide the network's evolution.

3.2 XDC Tokenomics

The XDC token was pre-mined at a supply of 37.5 billion XDC in the genesis block. This initial allocation was distributed across founders, ecosystem development funds, treasury, and early backers to jumpstart the network (Figure 7).

FIGURE 7: **XDC TOKEN DISTRIBUTION**



Source: [CoinEx](#)

XDC introduces only a modest inflation through block rewards. Each new block mints 5.5 XDC for the validating masternode, which equates to roughly 86.7 million XDC per year in new issuance.

On a base of 37.5 billion, this is an annual inflation rate of only about 0.23%. In addition, XDC has a built-in deflationary mechanism: 20% of every transaction's gas fee is permanently burned (removed from circulation) by the smart contract execution. As network usage grows and more smart contracts execute these fee burns can offset or even outpace the small token emissions, which creates deflationary pressure over time.

As of 2025, XDC's circulating supply stands at 16 billion tokens, while the rest remain allocated to various ecosystem and development reserves that vest over time. The XDC Foundation has committed to capping the annual token release from its reserves at 1% of the total supply per year to ensure scarcity and price stability.

4. XDC's Role in Trade Finance Digitalization

XDC is not just a tech project but part of industry working groups: In 2021, it became the first blockchain company to join the global Trade Finance Distribution Initiative (TFD Initiative).

The TFD Initiative, led by ITFA (International Trade and Forfeiting Association), is a consortium of major banks, insurers, and fintechs that aim to standardize trade finance as an investable asset class.

By joining the TFD, XDC signaled its commitment to linking blockchain with the existing trade finance ecosystem rather than replacing it.

Soon after, a breakthrough real-world use case arrived. In 2021, fintech firm Tradeteq used XDC to execute the world's first trade finance NFT (non-fungible token) transaction, turning a package of trade finance receivables into an NFT that investors could purchase.

This was followed by plans to issue fully regulated trade finance security tokens ("Trada" tokens) on XDC. These are digitized notes backed by trade receivables.

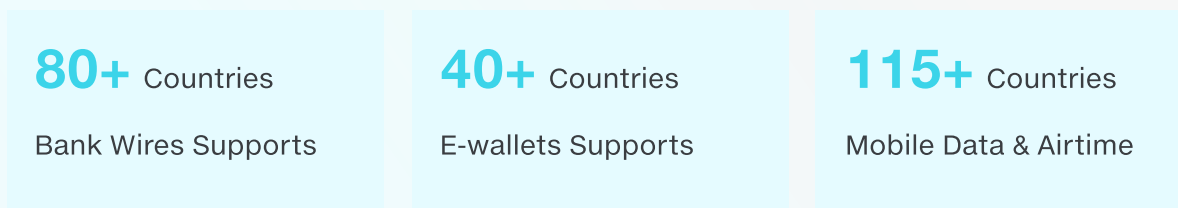
4.1 Payments and ISO 20022 Integration

Efficient payment and settlement processes remain critical challenges in trade finance. Delays and inefficiencies in settlement often significantly impact credit availability and overall trade liquidity.

Recognizing this, the XDC Network has prioritized these practical payment needs through initiatives such as XDC.Cash, a crypto-to-fiat off-ramp service developed in collaboration with fintech partner Encryptus.

XDC.Cash lets users seamlessly exchange XDC tokens into local fiat currencies across more than 100 countries and allows SMEs to swiftly convert trade finance proceeds into usable cash (Figure 8). An SME exporter could finance an invoice via XDC tokens and then quickly swap them for fiat currency to pay suppliers or employees, thus leveraging blockchain efficiency without being stuck in crypto assets.

FIGURE 8: **XDC CASH STATISTICS**



Source: [XDC](#)

The network is specifically designed in compliance with [ISO 20022](#), the international messaging standard adopted globally by banks and financial payment systems, including SWIFT. This integration ensures that transactions executed on the XDC blockchain are fully compatible

with existing banking communication infrastructure. This reduces the friction associated with integrating into traditional systems and provides a smoother pathway for institutional adoption.

4.2 Tradefi.Network and Why is it Significant

Another flagship application on XDC is [Tradefi.network](#), a decentralized platform for the origination and distribution of trade instruments. Via Tradefi.network (and its newer iteration, TradeFi/TradeX), companies can tokenize traditional instruments such as invoices, letters of credit, bills of lading, or bank guarantees on the XDC blockchain. Tradefi.network was even referenced as evidence in the Electronic Trade Documents Act in the UK Parliament as an example of how blockchains can modernize trade finance processes.

The bill passed in 2023 and provided a legal basis for electronic versions of trade documents to be used in place of paper. XDC's role in such regulatory-forward environments highlights how it is embedded within the legal reform movement for trade finance.

In Latin America, a fintech startup called Zoth conducted groundbreaking supply chain finance pilots on the XDC Network in partnership with Tradefi.network. [Completed in late 2023](#), these pilots involved tokenizing real invoices from SMEs in Colombia and Brazil and financing them via the XDC blockchain. The two test transactions, each worth about \$100,000, were funded using \$FXD, an XDC-based stablecoin soft-pegged to the US dollar and over-collateralized with XDC tokens.

Another milestone came in November 2024 with a pilot in the Asia-Pacific region where a Singapore-based platform called eTEU [leveraged](#) the XDC Network and the Singapore government's TradeTrust framework to issue an electronic Bill of Lading (eBL) for a live trade transaction.

A shipment of steel from Turkey to Ukraine was financed by a Swiss investor, and the eBL, digitally registered via eTEU on XDC, was used as collateral for this loan. The time to arrange financing was cut from the usual 1–2 weeks down to 3 hours, and the electronic document transfer took less than a minute, as opposed to several days for couriering paper.

4.3 XDC's Interoperability and Regulatory Acceptance

XDC Network's strategy also involves building bridges between different blockchain ecosystems. In 2023, the network [integrated with the LayerZero](#) protocol, which enabled interoperability with over 125 other blockchains. This crosschain capability means assets and data can move between XDC and, say, Ethereum or Solana. This is useful if trade finance tokens on XDC need to interact with liquidity on other networks.

In fact, XDC's native coin, XDC, has achieved something rare for a cryptocurrency. It has been recognized in jurisdictions such as [Panama](#) and [Indonesia](#) for use in payments and digital asset transactions, reflecting a degree of regulatory acceptance. In Australia, a fintech firm [is launching](#) an Australian dollar stablecoin (AUDD) on XDC that targets trade and payment use cases. The Government of Zanzibar (Tanzania) [is collaborating](#) on a national blockchain sandbox powered by XDC to foster fintech innovation.

XDC's progress is also backed by a growing ecosystem of partners and participants. The network boasts over 2 million active wallets and a community of more than 50 operational projects that solve real-world problems. It has attracted institutions such as [SBI of Japan](#), [Deutsche Telekom's T-Systems](#) and leading digital asset firms such as [Securitize](#).

These partnerships validate XDC's enterprise appeal.

This momentum has not gone unnoticed. In 2024, the XDC Network [was designated](#) as a "Leader in Hybrid Blockchain Solutions" at the ABC Summit, highlighting its pioneering approach in linking public blockchains and private sector finance.

4.4 Case Study: XDC and SME Trade Finance

Small and medium-sized enterprises (SMEs) have long been sidelined in trade finance due to high processing costs and strict collateral requirements. By leveraging a hybrid blockchain such as XDC, SMEs can present digitized trade documents, such as orders, invoices, and bills of lading, in a way that is traceable, verifiable, and tokenizable.

This drastically lowers the due diligence costs for financiers. XDC co-founder Ritesh Kakkad [explains that](#):

"by digitizing trade documents and making them easily transferable, XDC helps SMEs gain credibility, improve liquidity, and connect with global trade networks they were previously excluded from."

An SME could tokenize an invoice on the XDC Network and then use it as a digital asset to collateralize a loan or sell it to investors. Early pilots have shown promise. For instance, [XDC partnered](#) with Japan's SBI VC Trade to broaden access to its network in Asia. Several regional banks have begun to explore using XDC tokens or stablecoins to instantly settle trade transactions.

The global trade finance gap remains wide, but such blockchain-driven models are helping to close it by lowering barriers and providing SMEs quicker, more flexible access to capital. This is a realistic and much-needed step toward democratizing trade finance.



5. Competitive Landscape and Industry Challenges

A number of blockchain platforms are tackling pieces of the trade finance and payments puzzle (Table 1). Stellar, for example, has carved out a niche in cross-border payment infrastructure.

Known for its low-cost and fast transactions, the Stellar network has been used by remittance companies to bridge traditional finance with digital assets. In partnership with Stellar's Development Foundation, [MoneyGram](#) launched a service that lets users convert cash to USDC and back to cash through MoneyGram's global network. This effectively turns Stellar into a backbone for remittances.

Customers can deposit local currency and have it converted to a dollar-linked stablecoin on the Stellar blockchain, and the recipient can cash out in their local currency within minutes.

In the realm of supply chain provenance and logistics, VeChain has emerged as a prominent platform. VeChain's public blockchain [is optimized](#) to track and verify goods in real time. It has been adopted in industries from luxury goods to agriculture for anti-counterfeit and transparency solutions. While VeChain is not a trade finance platform per se, it often integrates with enterprise systems in a way that complements trade finance by bringing the physical supply chain's data into a digital, trustworthy ledger.

Another key player is Hedera Hashgraph (HBAR). Hedera’s enterprise-grade network has attracted experiments in areas such as central bank digital currencies and interbank transfers. As of 2025, multiple Hedera use cases are in motion, including supply chain track-and-trace as well as the verification of ESG metrics for traded commodities.

Hedera underscores the trend toward public-private hybrids. It is a public network, but access to node operation is permissioned to reputable organizations, including Google, Boeing, Standard Bank, and others on the governing council.

TABLE 1: COMPETITOR TABLE

Platform	Consensus & Finality	TPS / Cost	Architecture	Focus Area	Compliance	Adoption	Interoperability
XDC Network	DPoS (XDC 2.0), ~6s finality	~2,000+ TPS / ~\$0.0001	Hybrid (public + private)	Trade finance, payments	ISO 20022, MLETR-aligned	SBI, R3, TradeTrust, 1M+ wallets	Corda bridge, EVM, LayerZero
Stellar	SCP, ~2–5s finality	~1,000+ TPS / ~\$0.00001	Public	Cross-border payments	ISO 20022, fiat anchors	USDC, MoneyGram, 7M+ accounts	Polkadot (Pendulum), fiat bridges
VeChain	PoA 2.0, ~10s blocks	~100+ TPS / <\$0.01	Public w/ permissioned nodes	Supply chain, ESG traceability	ISO initiatives, enterprise-led	Walmart CN, DNV, 10M+ blocks	EVM, V3TR (planned bridges)
Hedera	Hashgraph, ~3–5s finality	10,000+ TPS / ~\$0.0001	Public w/ council governance	Tokenization, supply chain	ISO 20022-aligned	Google, Avery Dennison, 4M+ users	Hashport (ETH, Polygon, BSC)

Source: [Cointelegraph Research](#)

5.1 Challenges on the Road Ahead

While blockchain and tokenization are injecting much-needed innovation into trade finance, they are not a panacea and face their own hurdles. Regulatory uncertainty remains a primary concern as different jurisdictions have varying stances on crypto assets and digital signatures. A cross-border trade might involve countries that treat a blockchain record differently.

This patchwork can cause uncertainty, and legal disputes could arise if an electronic document is deemed invalid on one leg of a journey. Hence, a smart contract that executes a payment obligation is only as good as the legal system's recognition of that digital contract.

The push for the UNCITRAL Model Law on Electronic Transferable Records could smooth this path, but as of 2024, [only a handful](#) of countries have fully modernized their trade laws. Broader adoption of uniform rules will require the full harmonization of digital trade across borders.

Interoperability is another challenge. With many blockchain networks in play, some bank-run, some public, mutual integration, as well as compatibility with legacy systems, is vital. Industry groups such as the [ICC's Digital Standards Initiative](#) have been advocating for open, technology-agnostic systems.

There are early signs that this is materializing. For instance, SWIFT [has explored](#) building connections between CBDC and blockchain platforms and its existing infrastructure.

Many trade transactions involve sensitive data, such as commercial terms, pricing, and customer information, which companies are wary of exposing to a blockchain. Companies do not want competitors to glean insights from transactional data onchain. While permissioned networks can solve some privacy issues by restricting access, they only do so by sacrificing other network benefits.

This necessitates more work on privacy-preserving technology for blockchains. Until such technology is robustly implemented, companies may hold back on the information they will put onchain.

The encryption of document data, zero-knowledge proofs, and offchain data storage with onchain hashes are among the methods used. Platforms must convince participants that their data is secure to gain adoption.

While blockchains are very secure at a protocol level, the surrounding infrastructure, such as wallets and smart contracts, can be vulnerable. A bug in a smart contract handling millions in trade assets could be catastrophic.

Rigorous auditing, common standards for smart contracts, and insurance against smart contract failures might be necessary to build confidence. The ecosystem must ensure that using blockchain does not introduce new operational risks even as it reduces others.

Trade finance involves a complex web of banks, trading companies, freight forwarders, insurers, and customs authorities. The true benefits of blockchains emerge only when there is network effect. If only a few players use them and others insist on paper or emails, the efficiencies evaporate.

The setbacks of we.trade and others taught the industry that simply putting a process onchain changes little unless the process itself is re-engineered and widely embraced. This is why many in 2025 are focusing on ecosystem building.

Banks are partnering with fintechs and even with former competitors to agree on standards and share infrastructure.

The remaining trade consortia, such as Komgo, have survived by expanding membership and services, offering not just blockchain transactions but also digital KYC utilities and data analytics.



6. Future Outlook and Conclusion

Despite the challenges, the trajectory for blockchain in trade finance and payments is undeniably positive. The convergence of technological maturity, regulatory support, and urgent market need is accelerating the shift.

As one trade finance [CEO noted](#), “The question has long shifted from whether to digitalize to assessing our progress, identifying obstacles, and determining our path forward.” In 2025, we find ourselves in a landscape where blockchain-based trade platforms are evolving from proofs-of-concept to production use.

Hybrid networks such as XDC are moving beyond their pilot stage into real financing deals, connecting SMEs with funders on different continents. Major logistics players are committing to electronic documentation. This will feed directly into digital networks. Some workflows will run on permissioned bank blockchains for privacy, others on public chains for broader reach, and many will likely utilize a mix, e.g., a private chain for document storage anchored to a public chain for authenticity.

Rather than one chain to rule them all, the future of trade finance may resemble an internet of interconnected networks, all speaking common data standards.

In that future, an exporter in a developing country could have their inventory verified on a supply chain blockchain such as VeChain, obtain

financing from a decentralized platform on XDC by tokenizing their invoices, and receive payment in a digital currency via Stellar, XDC. Cash or a CBDC. This vision is coming into focus now.

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