Brokex Protocol Whitepaper

Market Analysis – CFD Industry & Web3 Opportunity

1. Why the CFD Market is Attractive

The Contracts for Difference (CFD) market is one of the most **established and widely adopted financial instruments** globally, with an estimated **$57 trillion annual trading volume**. Its success lies in its **flexibility and accessibility** for speculative trading without owning the underlying asset.

CFDs allow traders to:

- **Access a wide range of markets** including forex, equities, indices, and commodities from a single account.
- **Trade with leverage**, increasing capital efficiency and potential returns.
- **Benefit from deep market liquidity**, ensuring tight spreads and fast execution.
- **Speculate on both rising and falling prices** without physical delivery of the asset.
- **Hedge positions** effectively against market volatility.

Its infrastructure, centered around the FIX API and electronic trading platforms, has been refined over decades, making it **reliable and trusted by institutional players worldwide**. For millions of retail traders, CFDs are the go-to product for diversified and leveraged market exposure.

2. Limitations and Challenges of the Current CFD Market

Despite its popularity, the traditional CFD industry faces significant **structural and regulatory challenges**:

- **Regulatory barriers**: CFDs are banned in countries such as the USA and Brazil, heavily restricted in Europe, and subject to unclear legislation in several regions.
- **Complex onboarding**: Traders must undergo heavy KYC checks and fund accounts via traditional banking systems, leading to delays, high transfer fees, and reduced accessibility.
- **Opaque broker practices**: Many Book B brokers operate with limited transparency, sometimes restricting position closures or manipulating liquidity to their advantage.
- **Idle capital inefficiency**: Deposited funds that remain unused are locked, yielding no return.
- **High counterparty risk**: Traders rely on the broker's solvency and operational integrity.
- **Outdated technology**: FIX API infrastructure, while robust, originates from the 1990s and lacks integration with modern, decentralized systems.

These issues make the CFD market less accessible for retail traders in emerging markets and reduce trust, especially among those seeking fair and transparent execution.

3. The Web3 Opportunity – A New Frontier for CFDs

The emergence of **Web3 and blockchain technology** offers a unique opportunity to address these long-standing inefficiencies. By integrating **institutional-grade liquidity** into a **decentralized infrastructure**, CFDs can evolve into a truly global, transparent, and accessible product.

Blockchain enables:

- **On-chain transparency**: Every trade, position, and settlement is verifiable in real-time, eliminating opacity.
- **Global accessibility**: Traders worldwide can participate without traditional banking friction or restrictive onboarding.
- **Self-custody and security**: Funds remain under the trader's control within smart contracts, reducing counterparty risk.
- **Composability**: Integration with DeFi protocols for lending, borrowing, and yield generation.
- **Instant settlement**: Removing the delays and inefficiencies of legacy financial systems.

By bridging **the depth and efficiency of traditional CFD markets** with the **transparency and openness of Web3**, the industry can tap into an entirely new segment of traders—both retail and institutional—while creating a fairer and more competitive trading environment.

Brokex is positioned to lead this transition, delivering **a decentralized CFD protocol with real-world asset support**, deep liquidity, and the trustless execution that the next generation of traders demands.

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3. Problem Statement

3.1. Accessibility Barriers in the Current CFD Market

3.1.1. Regulatory restrictions by region

The global CFD market operates under a fragmented and restrictive regulatory landscape. In key jurisdictions such as the United States and Brazil, CFDs are outright banned. In Europe, they are heavily regulated, with strict leverage limits and marketing restrictions. Other regions operate in a grey legal area, creating uncertainty for both brokers and traders. This inconsistent regulatory framework prevents many potential market participants—especially retail traders in emerging markets—from accessing institutional-grade CFD products.

3.1.2. Heavy KYC & banking dependency

Accessing traditional CFD platforms requires extensive Know Your Customer (KYC) verification and dependency on legacy banking systems for deposits and withdrawals. This process is slow, costly, and exclusionary, often involving bank wire transfers with hidden fees, long settlement times, and limited local payment options. For traders in underbanked regions, these barriers are prohibitive.

3.1.3. Idle capital inefficiency

In conventional CFD trading, deposited funds that are not actively used for positions remain locked in broker accounts, generating no yield for the trader. This idle capital represents an opportunity cost and reduces overall trading efficiency. Capital allocation is further hindered by withdrawal delays and minimum balance requirements.

3.2. Lack of Transparency in Traditional Book B Models

Many retail-focused CFD brokers operate under a Book B model, where the broker acts as the counterparty to the trader's position. While this can increase broker profitability, it introduces significant conflicts of interest and operational opacity. Traders may face execution delays, requotes, restricted position closures, or artificial liquidity constraints. The inability to verify execution fairness erodes trust in the system.

3.3. Absence of RWA Liquidity in DeFi

Despite the growth of decentralized finance (DeFi), real-world assets (RWA) such as forex pairs, commodities, and indices remain largely absent. The primary reason is the lack of deep, reliable liquidity for these instruments on-chain. Without institutional-grade liquidity providers bridging to blockchain markets, traders have little incentive to transition from traditional platforms to decentralized alternatives.

3.4. Outdated Infrastructure (FIX API limitations and centralized execution risks)

The CFD industry's infrastructure relies heavily on the Financial Information eXchange (FIX) API, a protocol designed in the 1990s. While robust, it is inherently centralized, requiring direct

connections to specific brokers or liquidity providers. This creates single points of failure, limits scalability, and prevents integration with decentralized systems. As a result, the industry has yet to fully benefit from modern, transparent, and composable Web3 technologies.

4. The Brokex Solution

4.1. Bridging Institutional CFD Liquidity to Web3

Brokex initially operates in a **pure Book A model**, where Brokex itself holds trading accounts with institutional liquidity providers. This enables us to deliver deep, stable liquidity to traders on-chain from Day One. In the **long term**, our vision is to evolve this model, transitioning toward a **Book B approach**—similar to dYdX—where independent market makers (MMs) manage and provide liquidity directly. This pivot will not only open revenue streams for Brokex but also reduce dependency on external LPs and create a sustainable, real-world asset (RWA) market within the Web3 ecosystem.

4.2. Leveraging Decentralized Infrastructure for Transparency & Security

Powered by **Pharos Network**, Brokex gains access to an ultra-high-throughput, enterprise-grade blockchain optimized for RWA applications. Pharos delivers up to **50,000 transactions per second (TPS)** with sub-second finality, ensuring scalability and reliability for brokage-level trading volume. As a **dedicated, RWA-centered DeFi protocol within the Pharos ecosystem**, Brokex inherits all of its performance, modularity, and enterprise-grade features, offering unmatched execution transparency and security to both retail and institutional users.

4.3. Enabling Global Access Without Heavy Onboarding Friction

Unlike conventional CFD platforms, which rely on rigorous KYC and legacy banking rails, Brokex enables **seamless, borderless access** by connecting users via wallet-based onboarding. Users retain self-custody through smart contracts; they can fund trades instantly on-chain without unnecessary friction. This model significantly broadens access to global markets—especially for underbanked regions—while maintaining regulatory flexibility thanks to Pharos' modular infrastructure.

4.4. Unique Advantages of Brokex Protocol

Advantage	Description
4.4.1. Deep liquidity via institutional LPs	Immediate access to quality liquidity supports tight spreads and fast execution—critical for CFD traders.
4.4.2. Evolution toward hybrid Book	As Brokex matures, onboarding independent MMs will enable greater profitability, improved margin capture, and resilience while fostering a
4.4.3. On-chain proof of execution and	Every trade, order, and price is verifiable on-chain, restoring trust and auditability to what are currently opaque broker practices.
4.4.4. Self-custody via smart contracts	Traders maintain custody of funds within non-custodial contracts, dramatically reducing counterparty risk and aligning with Web3 principles.

5. Technical Architecture

Brokex bridges decentralized trading with institutional CFD liquidity by combining **FIX API order execution** and **on-chain verification** via Supra Oracle. The system is designed to preserve institutional-grade order flow while adding Web3-specific integrity and automation.

5.1. System Overview

When a trader submits an order (market, limit, SL, TP), it is transmitted securely from Brokex's front-end to a high-security VPS. This VPS acts as a FIX API client, forwarding standardized instructions to the institutional liquidity provider (LP).

Order confirmations and execution details from the LP are signed off-chain using **ECDSA (EIP-712)**, then verified on-chain via **Supra Oracle** to ensure price integrity before positions are updated.

5.2. FIX API & On-Chain Interaction

- **From Brokex to FIX:** On-chain events (e.g., "NewMarketOrder") are detected by an off-chain service, which sends the corresponding FIX command to the LP.
- **From FIX to Brokex:** When the LP confirms execution, an **ECDSA proof** is generated and sent to the blockchain for validation.
  This dual flow ensures that orders cannot be faked or replayed, as each proof includes a unique nonce.

5.3. Market Data & Price Security

- **Supra Oracle** is used to verify that execution prices from the LP are within an acceptable deviation threshold.
- **Heartbeat configuration** ensures the freshest possible price feed while keeping gas costs optimized.
- For Book B trades, execution can bypass FIX if internal risk analysis allows it, relying solely on Supra Oracle data for opening and closing.

5.4. Smart Contract Segmentation

1. **Core Contract** – Handles trading logic and position management.
2. **Storage Contract** – Keeps minimal on-chain state for open orders and positions.
3. **Vault Contract** – Settles profits/losses with the on-chain liquidity pool.
4. **Price Verifier** – Validates incoming ECDSA proofs.
5. **Asset Manager** – Maintains the list of supported RWA pairs.

5.5. Risk Management & Book B Logic

An **AI-powered off-chain engine** continuously monitors market trends, trader performance, and Brokex's net exposure.

- If a trader has a historically negative PnL and the market trend aligns with Brokex's interests, their trades can be executed in **Book B** (internalized).

- If exposure in Book B becomes unfavorable, Brokex can hedge via Book A execution on the LP.

5.6. Off-Chain Computations

- **Liquidation Price Updates:** Calculated daily when markets are closed, adjusting for **hourly overnight fees** (swap rate from LP ÷ trading hours/day). This ensures liquidation prices account for margin erosion due to financing costs.
- **Exposure Tracking:** Maintains global net exposure per asset to balance risk between Book A and Book B.
- **Batch Proof Submissions:** Groups multiple executions into a single on-chain transaction to save gas.

6. Economic Model

6.1. Revenue Streams

6.1.1. Spread Income

Brokex generates part of its revenue from the **bid–ask spread** applied to trades executed through institutional liquidity providers (LPs).

Access to **deep institutional liquidity** ensures competitive spreads for traders while maintaining sustainable margins for the protocol.

6.1.2. Commission Fees

In addition to spreads, Brokex charges a **fixed commission per trade**, aligned with institutional standards but **lower than traditional CFD brokers**, ensuring competitiveness and attracting high-volume traders.

6.1.3. Funding Rate & Overnight Swap Fees

For leveraged positions held **overnight or beyond a defined funding interval**, Brokex applies **swap fees**:

- Rates are based on the swap rate provided by the LP.
- The swap is **divided by the number of active trading hours** for the asset (e.g., 9h/day for equities).
- Fees are calculated **per hour** and **only charged upon position closure**.
- Liquidation prices are recalculated **each evening at market close**, deducting overnight fees from remaining margin.

This approach ensures precise risk calculation and prevents premature liquidations caused by small margin variations.

6.2. Liquidity Structure

6.2.1. LP Liquidity Pool (Book A)

In the **Book A** model, all positions are fully hedged with institutional LPs, ensuring:

- **Tight spreads**
- **Deep market depth**
- **High execution reliability** at an institutional standard

6.2.2. Internalized Liquidity (Book B)

The **Book B** model allows Brokex to **internalize certain trades** instead of routing them to LPs.

The decision is based on:

- **Off-chain AI analysis** of market trends, volatility, and available broker capital
- Trader performance history (cumulative PnL, trade count, historical win/loss profile)

If a trader has a poor overall performance record and market conditions are favorable, the position can be executed in **Book B**, maximizing broker profitability.

6.2.3. On-Chain Liquidity Vault for Instant PnL Payouts

An **on-chain vault** ensures instant payout of trader profits without waiting for LP settlement:

- In Book A → vault acts as an advance payment mechanism
- In Book B → vault directly absorbs or collects trader PnL

6.3. Hybrid Execution Strategy

6.3.1. Initial Pure Book A Model

At launch, Brokex operates fully under the **Book A** model, routing all trades directly to LPs.

This minimizes initial market risk and ensures optimal execution quality.

6.3.2. Dynamic Hybrid Model

As the platform grows, Brokex shifts to a **dynamic hybrid execution model**:

- **Book A** for high-risk or large-volume positions requiring full coverage
- **Book B** for positions deemed profitable to internalize

The **adaptive execution engine** determines the mode in real-time based on:

- Overall exposure per asset
- Current market conditions
- Trader risk profile

If market trends move unfavorably for the broker, **Book B positions can be partially or fully hedged in Book A** to limit losses.

6.4. Capital Efficiency & Risk Management

6.4.1. Netted Exposure Model

Brokex optimizes required margin via **netting**:

- Example: Trader A holds **+10** Apple lots, Trader B holds **–12** Apple lots → net exposure = **–2 lots** at the LP.
- Opposite trades are offset internally, reducing LP costs and freeing capital.

6.4.2. Dynamic Exposure Tracking

An **off-chain monitoring system** continuously tracks:

- Total exposure (Book A + Book B)
- Cumulative PnL by asset
- Long/short distribution

This data feeds into the Book A/B decision engine, enabling proactive hedging decisions.

6.5. Adapting LP Infrastructure to Crypto

Many institutional LPs now accept **crypto-based deposits and withdrawals**, reducing reliance on slow and costly banking channels.

However, their **core infrastructure still relies on FIX API**, a legacy protocol from the 1990s.

Brokex modernizes access by:

- Preserving **institutional-grade execution quality**
- Adding **on-chain settlement, cryptographic proof validation, and transparent order tracking**
- Integrating **decentralized oracles** for real-time price verification and trader protection

7. Integration with Spicenet.io

7.1. Multi-Chain Liquidity Access

Spicenet functions as a **composability middleware**, enabling applications to tap into liquidity and asset states across multiple blockchains via a unified layer. For Brokex, this means every supported RWA can access cross-chain capital and liquidity pools—without traditional bridging.

7.2. Simplified Cross-Chain Connectivity

Spicenet introduces an *omni-composable standard*, which enables developers to integrate multiple chains' liquidity into their app seamlessly. This removes the need to rebuild infrastructure separately for each chain like Solana or Sui, saving months of development and ensuring rapid scalability .

7.3. Bringing Off-Chain Liquidity to Pharos

By partnering with Spicenet, Brokex can pull liquidity from various blockchains into Pharos with minimal complexity. This helps consolidate global RWA liquidity onto a single high-performance platform—optimizing capital efficiency and unlocking broader access for traders.

7.4. Long-Term Benefits for Brokex Scalability

- **Network effects**: As more apps integrate Spicenet, Brokex inherits progressively deeper shared liquidity and execution efficiency .
- **Institutional leverage**: Large-scale investors already backing Spicenet help bring credibility and financial weight—providing Brokex with downstream confidence and strong alignment with enterprise-grade infrastructure.
- **Strategic infrastructure edge**: While Pharos is not a token, but a **foundational infrastructure layer** for RWA and Web3 interoperability, Brokex becomes a showcase application on this chain .
- **Defense against fragmentation**: Rather than isolating Brokex within one chain, Spicenet ensures cross-chain reach **without rewriting the app**, unlike stand-alone chains like Solana or Sui that would force complete redevelopments.

Why This Matters:

- **For Brokex**: Faster time-to-market, deeper liquidity, and lower engineering overhead when scaling across chains.
- **For Pharos Network**: Brokex becomes a tangible manifestation of their infrastructure's power —turning the chain into a live RWA bridge, not just another blockchain token.
- **For long-term resilience**: Brokex builds on top of modular infrastructure (blocksense, Pharos, Spicenet), avoiding platform lock-in, and strengthening its future viability in a rapidly evolving ecosystem.

8. Roadmap

8.1. Phase 1 – Public Testnet Launch (Completed)

- Brokex is live on the Pharos testnet, fully functional but operating without real liquidity.
- Users can interact with the platform's core trading features, test order execution, and experience the interface.
- This phase allowed us to validate our technical foundations, gather feedback, and prepare for full-scale deployment.

8.2. Phase 2 – Mainnet Launch (Pure Book A)

- Deploy Brokex on Pharos mainnet, operating entirely in a **Book A model** with institutional-grade liquidity from our LP partners.
- Integrate **BlockSense** to deliver high-frequency market data for price feeds.
- Implement **Supra Oracle** to verify and secure on-chain price proofs.
- Integrate **Spicenet.io** to enable future multi-chain liquidity and connectivity.

- Finalize and release the **Brand Kit v1** for consistent identity across marketing and community channels.
- Launch initial **community growth campaigns** to onboard early traders and ecosystem supporters.

8.3. Phase 3 – Transition to Hybrid Model

- Introduce **selective Book B execution** for improved broker margins, reduced trading fees for users, and decreased dependency on external LPs.
- Continue building trust and depth in the RWA markets on-chain.
- Expand supported asset list to include more high-volume RWAs (major equities, commodities, indices).

8.4. Phase 4 – Institutional Market Maker Onboarding

- Shift from Brokex-managed LP accounts to a model where **independent institutional market makers** provide liquidity directly, similar to the dYdX model.
- Open the platform for competitive MM participation to deepen liquidity and further decentralize execution.

8.5. Phase 5 – Desktop Trading Software

- Develop and launch a **dedicated desktop trading platform** to replace reliance on MetaMask, cTrader, and similar tools.
- Offer a professional-grade interface combining Web3 wallet functionality, advanced charting, and direct market integration in a single application.

8.6. Phase 6 – Token Launch (Utility-First, Non-Speculative)

- Issue a **Brokex utility token** designed for platform governance, fee reductions, and potential profit-sharing.
- Structure tokenomics to **minimize speculative volatility**, positioning the token more like an equity share in the Brokex ecosystem rather than a trading asset.
- Token launch will only occur once Brokex has a stable user base, deep liquidity, and proven market adoption.

9. Long-Term Vision & Sustainability

9.1. Avoiding the “One-Season Project” Trap

Many DeFi projects experience rapid initial hype but fail to sustain relevance after launch due to limited innovation, poor market fit, or lack of liquidity. Brokex is built from the ground up with a **long-term operational strategy**, avoiding overreliance on short-term speculative trends. By focusing on **real-world assets (RWAs)** and delivering genuine utility to traders, we ensure the protocol remains relevant and in demand regardless of market cycles.

9.2. Continuous Innovation (Tech + Market Expansion)

Brokex will remain competitive by constantly evolving in both technology and market reach:

- **Technology**: Iterative improvements to our trading engine, UI/UX, security framework, and on-chain execution model. Regular integration of new oracles, improved risk management algorithms, and performance optimizations.
- **Market Expansion**: Gradual inclusion of more RWA asset classes, regional liquidity partners, and multi-chain support via Spicenet.io. This ensures a broader trader base and increased capital inflows.

9.3. Strategic Partnerships with LPs, Oracles, and DeFi Protocols

Our growth strategy depends on building and maintaining **strong institutional and DeFi partnerships**:

- **Liquidity Providers (LPs)**: Expanding our network to include multiple top-tier institutional LPs, ensuring depth and redundancy in liquidity.
- **Oracles**: Leveraging both **BlockSense** and **Supra Oracle** for pricing security, reliability, and decentralization.
- **DeFi Protocols**: Collaborating with complementary platforms for staking, lending, and cross-chain liquidity aggregation to strengthen Brokex's market position.

9.4. 3–5 Year Growth Plan

- **Year 1**: Establish a fully operational Book A mainnet product with deep liquidity, a growing user base, and proven execution quality.
- **Year 2**: Transition to a hybrid Book A/Book B model, reducing dependency on external LPs and increasing Brokex's revenue margin. Expand asset listings and regional trader adoption.
- **Year 3**: Onboard institutional market makers to provide liquidity directly, decentralizing execution and deepening order books.
- **Years 4–5**: Launch Brokex's dedicated desktop trading software and utility-first token. Achieve multi-chain liquidity integration, becoming the leading decentralized CFD protocol for RWAs with a sustainable, self-reinforcing ecosystem.

10. Tokenomics

10.1. Token Utility

Brokex's token strategy is designed to create **real, sustainable utility** within the ecosystem, avoiding speculative-only dynamics. The long-term objective is to **reduce dependency on traditional finance liquidity pools** by fostering a robust on-chain liquidity market.

10.1.1. Governance

Token holders will have the ability to **vote on key protocol decisions**, such as new asset listings, fee structure adjustments, and major platform upgrades. This governance mechanism transforms token holders into **active stakeholders** in Brokex's long-term vision.

10.1.2. Fee Discounts & Exclusive Benefits

Holders of the **utility token** will benefit from reduced trading commissions, priority execution in high-volume markets, and **exclusive access** to certain advanced features or early product releases.

10.1.3. Staking Incentives (Stablecoin-Backed)

Rather than relying on inflationary staking rewards, Brokex will implement a **revenue-based staking model**. Users who stake the utility token will receive rewards in **stablecoins**, generated from a share of platform revenues (spreads, commissions, funding rates). This ensures that rewards are backed by actual protocol activity, not token minting.

10.2. Token Allocation & Vesting

Brokex will issue **two distinct tokens**:

1. **Liquidity Pool Token (LP Token)** – Represents a share in the on-chain liquidity pool. Users deposit stablecoins into this pool and receive LP Tokens in return, which entitle them to a proportional share of trading interest and fees generated by their contributed liquidity.
2. **Utility Token (Brokex Token)** – Grants governance rights, fee discounts, access to exclusive features, and eligibility for stablecoin-based staking rewards.

Allocation will be distributed among liquidity providers, long-term supporters, the development fund, and strategic partners. All team and strategic allocations will follow a **multi-year vesting schedule** to ensure alignment with the protocol's growth.

10.3. Liquidity Incentive Programs

To bootstrap a self-sustaining market, Brokex will establish an **on-chain liquidity pool** where users can deposit stablecoins. In return:

- They receive LP Tokens representing their proportional share of the pool.
- LP Tokens can be redeemed for the underlying stablecoins plus accrued interest generated by trades executed using that liquidity.
- As the ecosystem matures, reliance on external institutional liquidity will decrease, allowing Brokex to operate with a larger percentage of **community-provided liquidity**.

This dual-token system—**LP Token for capital contribution** and **Utility Token for platform benefits**—ensures that both liquidity providers and active traders are incentivized to participate long-term. The focus remains on **real utility, stablecoin-backed rewards, and governance**, not speculative token price movements.

11. Compliance & Legal Structure

11.1. Chosen Jurisdiction & Rationale (Seychelles with nominee)

Brokex will be incorporated in the **Seychelles** using a **nominee structure**, ensuring privacy, operational flexibility, and international credibility.

The Seychelles offers:

- **Business-friendly offshore legislation** with minimal bureaucratic constraints.
- **No capital gains tax** and competitive corporate tax rates.
- A clear framework for **offshore institutional trading operations**, including CFD execution through global liquidity providers.
- Flexibility to operate institutional liquidity provider (LP) accounts without the heavy regulatory overhead seen in the US or EU.

The Seychelles entity will be opened **under the name of an institutional trader** who will execute trades with their **own institutional account and funds**.

11.2. Licensing & Regulatory Approach

Brokex is built to operate **within legal parameters** while remaining globally accessible:

- The **protocol is non-custodial** — trader funds never leave the blockchain and remain entirely under smart contract control.
- The **institutional LP account** is funded exclusively with the Seychelles entity's capital, separate from user assets.
- At the liquidity provider level, funds are kept in **crypto**, not fiat. This separation ensures **no direct link** between user funds on-chain and the capital held off-chain for execution.
- This architecture minimizes licensing obligations in many jurisdictions, as Brokex is not acting as a traditional custodian or centralized broker.

11.3. Global Accessibility & Crypto Tax Advantages

In **most countries worldwide**, including the majority of European jurisdictions, **crypto-to-crypto transactions (buying, selling, transferring, or trading assets without converting to fiat)** are **not taxable events**. This means:

- As long as a trader's funds remain in crypto, **no capital gains tax or income tax** applies in many regions.
- The **State has no legal claim over on-chain funds** until a conversion to fiat occurs.
- Brokex enables global traders to speculate on **real-world assets (RWAs)** while remaining within this favorable tax framework, provided they respect local laws.

Global access strategy:

- **Wallet-based onboarding** eliminates the need for bank transfers, avoiding long delays, hidden fees, and heavy KYC processes.
- **Geo-restrictions** can be implemented for countries where CFDs are banned (e.g., USA, Brazil).
- Blockchain execution ensures **proof-of-trade**, full transparency, and **fund separation** between institutional execution capital and trader-owned on-chain assets.

This hybrid approach — **offshore incorporation, crypto-native LP funding, non-custodial execution, and tax efficiency** — positions Brokex as a **globally viable and legally robust CFD protocol**.

12. Team & Partners

12.1. Founding Vision

Brokex was founded by **Moustafa Khalil**, a 19-year-old Syrian entrepreneur currently based in France and studying pharmacy. Having grown up witnessing war, poverty, and economic instability, Moustafa developed a strong conviction early on: **wealth creation requires vision, discipline, and relentless work**.

Since 2020, he has been actively trading both **CFDs** and **Web3 assets**, gaining firsthand experience in the strengths and limitations of each market. This dual expertise gave him a clear understanding:

- The **traditional CFD market** offers access to real, valuable assets like Apple, NVIDIA, or Tesla stocks — but is restricted, opaque, and outdated in infrastructure.
- The **Web3 market** offers decentralization and transparency, but is dominated by speculative assets with little real-world value.

Brokex was born from the vision to merge these two worlds — **bringing institutional-grade CFD trading into Web3**, replacing legacy inefficiencies with blockchain transparency.

12.2. Strategic Partnerships & Backing

Brokex has already secured strong ecosystem support, including:

- **Pharos Network** – Recipient of a **grant** and a **direct investment**, leveraging Pharos' high-performance infrastructure (50,000 TPS) dedicated to Real-World Assets (RWA).
- **Spicenet.io** – Signed a Memorandum of Understanding to integrate multi-chain institutional liquidity, enabling seamless access to off-chain assets within Pharos.
- **Faroswap** – Strategic integration with Faroswap, developed by the same team behind **DODO Swap**, providing efficient liquidity routing within the Pharos ecosystem.

These partnerships position Brokex as a **core RWA protocol on Pharos**, with unique access to liquidity, infrastructure, and institutional networks.

12.3. Advisory & Development Support

Brokex collaborates with blockchain developers, oracle specialists, and institutional trading experts to ensure:

- **Secure smart contract architecture** with on-chain proof of execution.
- **Reliable price feeds** via Supra Oracle and BlockSense.
- **Optimized spreads and execution** through institutional LPs.

This hybrid model — **a visionary founder with lived market experience**, backed by **strategic partners and technical experts** — gives Brokex the agility of a startup and the credibility of an established trading platform.