

Entrex and IBM Partner on "Opportunity Zone" Trading Platform to Bring Capital to Developing Parts of US | Crowdfund Insider

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Entrex Capital Market has announced that it has created, “a nationwide capital market system that helps investors and advisors find, research, track, manage and trade securities of private companies and funds within opportunity zones.”

The release from Entrex states that their new program could help drive billions into low income communities struggling to access growth capital:

“Here’s the backstory: In 2017, the US Tax Cuts and Jobs Act (TCJA) introduced a community development program called Opportunity Zones. Designated by the government across 50 states, opportunity zones are low-income, economically distressed communities. The aim of the federal program is to spur development in these struggling areas by offering tax breaks to investors who reinvest their capital gains in private companies and funds in the designated zones.”

The company's LinkedIn page says Entrex previously managed, "a 'Capital Market System for Entrepreneurial Companies'..." that used a proprietary software system called, "TIGRcub Securities via the eChain- the trading ledger for TIGRcub Securities."

Entrex's new system uses securities ledger tech from IBM (Blockchain, Domino, Notes, XPages) and Hyperledger Fabric.

IBM/Entrex claim their platform:

- "Reduces (token) launch time by two-thirds, from months to days"
- "Delivers a complete audit trail of all transactions"

Entrex says it seeks to go where Wall Street has not:

"Wall Street struggles to efficiently invest in small local businesses with annual revenues of less than USD 200 million. Meanwhile the majority of opportunity zone investing is in funds or businesses of just this size."

Entrex Founder and CEO Stephen H. Watkins says there is a definite demand for Entrex services:

"Even though small and midsize businesses are among the nation's largest employers and generate steady profits year after year, it's often difficult for them to secure the investments they need to take their growth to the next level. This is a significant portion of the market that wasn't being served by Wall Street broker-dealers and financial advisors, and we wanted to address it."

The Entrex/IBM/Hyperledger system will, "simplify how investors and brokers offered capital to local entrepreneurial companies."

He states:

"We wanted to empower businesses to trade securities in a way similar to the public markets... Our goal was to offer an end-to-end solution, from the originating brokers at the start of the process to the placement deal brokers, investors and secondary traders further downstream. But because we operate in a highly regulated industry, it was also crucial that our new platform could deliver a complete audit trail of all transactions for regulatory and compliance purposes."

"So we set out to find a solution with the security and scalability we needed to meet our goals."

The Entrex Capital Market Program for Opportunity Zones appears to only be available to accredited investors at this time.

For more information, please consult the full release [here](#).