Product whitepaper

Programmatic receivables financing: solving Africa's $35B to $100B liquidity gap

Securitized cross-border payment receivables for PSPs, fintechs, and banks, built on the Eko v2.0 Open Settlement and Interoperability Core



Eko Securities Exchange Limited
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Abstract

Africa faces a structural cross-border liquidity gap of $35 billion to $100 billion, because its national clearing systems are fragmented and the continent doesn't have a real-time settlement network that covers every country. Every day, Africa's leading payment service providers (PSPs), fintechs, and commercial banks process large volumes of cross-border remittances and merchant payments. Yet billions of dollars are tied up in pre-funded nostro and vostro accounts and in correspondent settlement windows of 2 to 14 days.

Programmatic receivables financing on Eko Securities Exchange Limited turns these fast-moving settlement obligations into standardized on-chain securities that investors can buy and trade. Built on the Eko v2.0 Open Settlement and Interoperability Core, the product turns real payment flows into an institutional, yield-bearing asset class. Originators get continuous working capital, settled instantly at T+0. Global liquidity providers get short-duration, self-liquidating yield, protected by bankruptcy-remote legal structures.

01

Commercial case

Cross-border payment companies in Africa are growing quickly, but the working capital they have to lock up and slow post-trade processes limit what their balance sheets can do.

- **Less pre-funding:** To pay merchants and remittance recipients instantly, African PSPs pre-fund accounts in several corridors while they wait days for card networks, mobile money operators, or correspondent banks to settle. On Eko Securities Exchange, originators can sell verified settlement receivables immediately at a competitive discount rate. They can then reuse their working capital several times a week, instead of once a month.
- **Short-duration institutional yield that works with other protocols:** For global DeFi treasuries, credit funds, and stablecoin liquidity providers, cross-border receivables have very short maturities, at 1 to 14 days. Each pool is spread across thousands of underlying transactions, and repayment comes directly from creditworthy institutional counterparties. Through ERC-4626 vault wrappers, senior receivable tranches can be used as high-quality collateral in external money markets.
- **Advance rates priced on risk:** Bank credit lines are rigid and take months to negotiate. The exchange's Risk and Eligibility Layer prices advance rates and borrowing bases in real time, based on corridor performance, obligor credit history, and how quickly settlements have arrived in the past.

02

Economic value for Africa

Until Africa has a single real-time gross settlement system across the continent, programmatic receivables financing provides the liquidity that keeps trade between African countries moving.

- **Liquidity between markets:** Eko Securities Exchange turns pending cross-border settlement claims into on-chain liquidity that investors can trade immediately, with atomic delivery versus payment (DvP) at T+0. This covers the settlement delays between Africa's separate central banks and clearing houses.
- **Lower remittance and merchant foreign exchange costs:** PSPs no longer have to borrow through expensive overdrafts or tie up equity to fund settlement float. They can use on-chain stablecoin automated market maker (AMM) pools in place of correspondent bank spreads of 1.5% to 3.0%. They can then charge African merchants and consumers lower fees and offer tighter foreign exchange spreads.
- **A long-term credit data record for the continent:** Every receivable originated, serviced, and extinguished on Eko Securities Exchange is recorded permanently in the Data and Analytics Layer, which tracks real-time portfolio analytics, historical cohorts, and the exchange's transparent risk score. Over time, this record lowers the risk that global capital markets see in African credit, and improves how they rate it.

03

End-to-end architecture and asset lifecycle

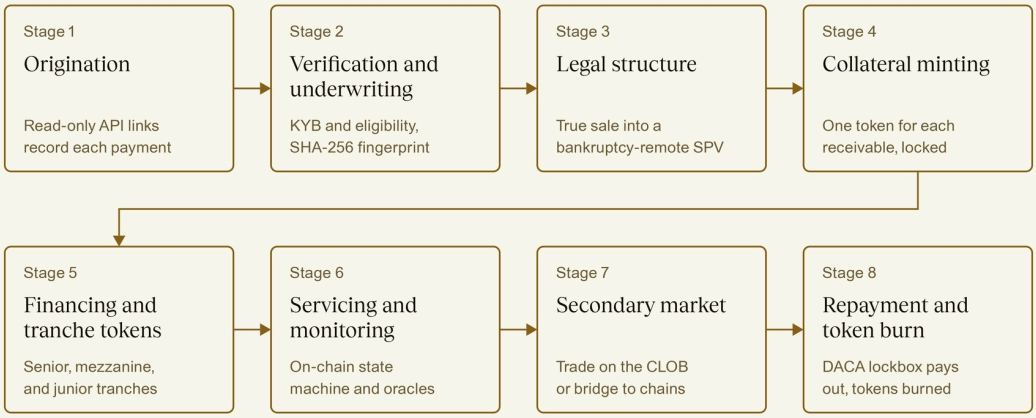
To prevent fraud, double-pledging, and cash diversion, Eko Securities Exchange enforces a fixed eight-stage architecture. It operates on our EVM Layer 2 rollup, which settles to Ethereum with ZK validity proofs and gives users a trustless way to exit to Ethereum's main network (Layer 1).

1. **Origination (API and Integration Layer):** Eko Securities Exchange connects directly through read-only APIs to PSP settlement engines, core banking systems, and ERP systems, and records real economic activity at the level of each event.
2. **Verification and underwriting (Data, Risk, and Eligibility Layers):** The protocol performs know-your-business (KYB) checks on the originator, verifies the obligor, checks each asset's eligibility, and looks for duplicates across platforms. Each verified receivable is given a permanent cryptographic asset fingerprint (SHA-256), which makes it mathematically impossible to finance the same receivable twice on any platform.
3. **Legal structure (Track 2 bankruptcy-remote SPV):** Under the exchange's Dual-Track Issuance Framework, eligible receivables are assigned by perfected true sale to a segregated, bankruptcy-remote special purpose vehicle (SPV). This separates the collateral from the originator's corporate balance sheet.
4. **Collateral minting (one-to-one digital twins):** After legal perfection and continuous proof-of-reserve (PoR) attestation, Eko Securities Exchange mints one underlying receivable token for each receivable, bound to its SHA-256 fingerprint. These collateral tokens remain locked in the SPV's smart contract vault as on-chain proof that the securities are backed.
5. **Financing and tranche token issuance:** Backed by the locked collateral pool in the SPV, the protocol issues investor security tokens (ERC-3643 and ERC-1400) in three risk tranches: senior, with protected yield and an optional ERC-4626 vault wrapper; mezzanine, with subordinated yield; and junior, the originator's first loss, which the PSP keeps so its incentives are fully aligned with investors'. Investors own these tranche tokens and provide regulated stablecoins, such as USDC and EURC, with dynamic advance rates and overcollateralization buffers.
6. **Servicing and monitoring:** A real-time on-chain state machine tracks pool performance, and monitors dilution, concentration limits, foreign exchange exposure, and covenant triggers through independent servicing and performance oracles.

7 **Secondary market and composable liquidity:** Investors can keep their tranche tokens until maturity, or trade them at any hour, every day, on the exchange's off-chain central limit order book (CLOB), which handles more than 50,000 transactions per second, with atomic settlement at T+0. Tranche tokens can also move through Chainlink CCIP and ZK bridges to Ethereum, Arbitrum, Base, and Solana for on-chain repo, lending, and secondary price discovery.

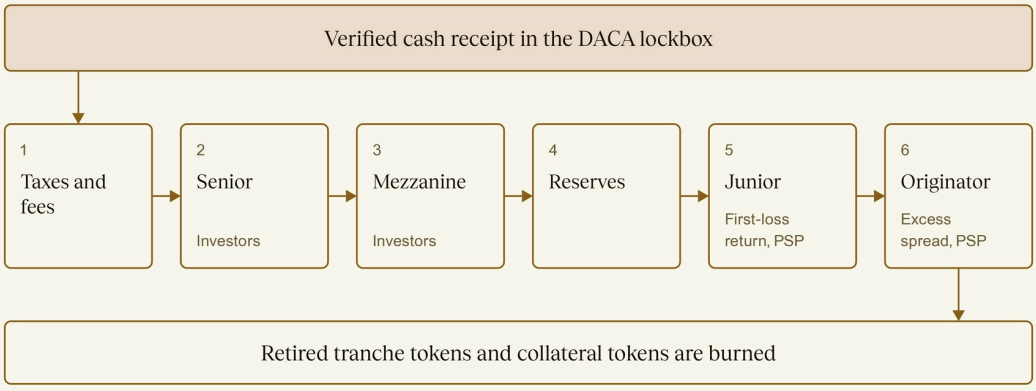
8 **Repayment and token burn:** Upstream settlement funds are paid directly into a segregated lockbox under a deposit account control agreement (DACA). When the cash receipt is verified, the smart contract payment waterfall distributes the funds in strict order of priority: taxes and fees, senior, mezzanine, reserves, junior (the first-loss return), and originator (the excess spread). It then burns both the retired tranche tokens and the underlying collateral tokens.

Every receivable passes through eight stages, from API to token burn



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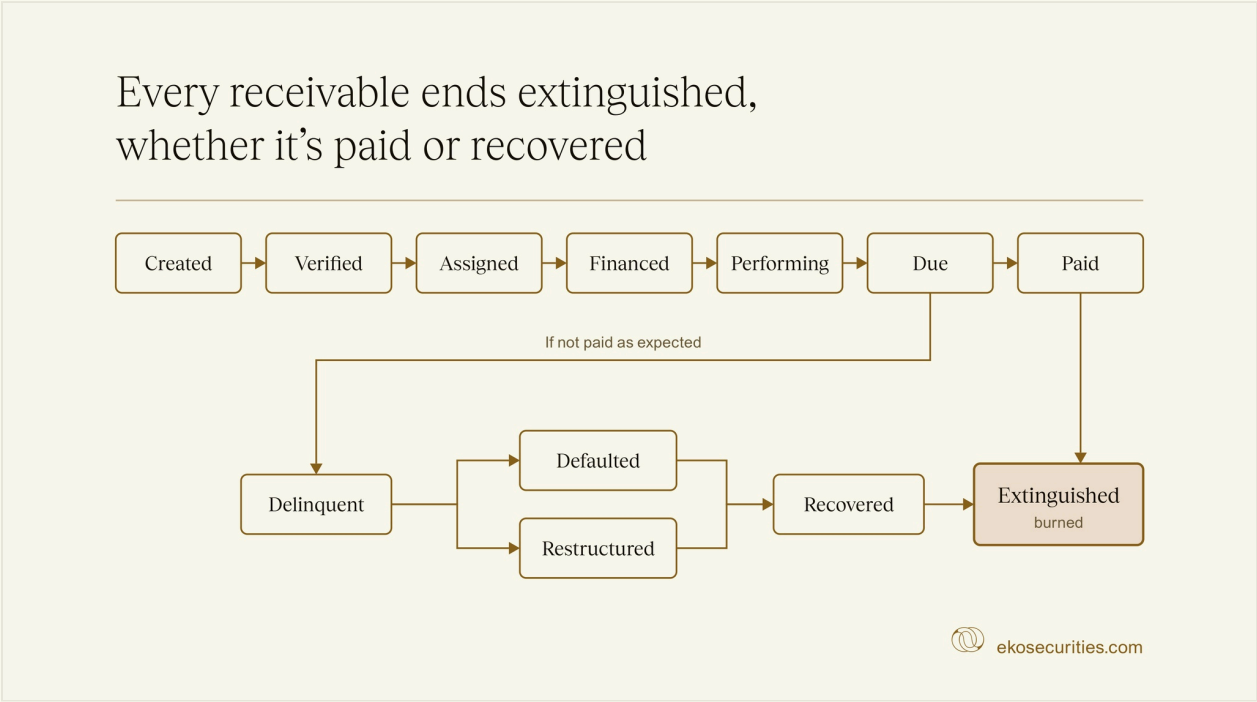
Cash pays out in strict order, and the originator is paid last



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Asset state machine: 12 on-chain states

Created, Verified, Assigned, Financed, Performing, Due, Paid, and Extinguished (burned). If a receivable isn't paid as expected, it moves to Delinquent, then to Defaulted or Restructured, then to Recovered, before it's extinguished.



Next phase: global business-to-business invoice and trade receivables

Cross-border payment receivables are phase 1 of the exchange's working capital program. Once API origination, SHA-256 asset fingerprinting, federated ZK compliance, and DACA collections close the $35 billion to $100 billion payment liquidity gap, the same infrastructure will move on to phase 2: corporate invoices, export shipments, and supply-chain receivables, releasing trillions of dollars of working capital for African exporters, manufacturers, and distributors.

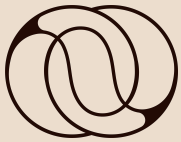
04

Risks and how we reduce them

Risk	Weakness	How we reduce it, and where
Double-pledging and phantom receivables	An originator could pledge the same receivable to several lenders, or invent settlement claims that don't exist.	**Cryptographic asset fingerprinting (API and Integration Layer, and Data, Risk, and Eligibility Layers):** Receivables are taken in directly by API, and each transaction gets a unique SHA-256 hash on-chain, which stops it from being financed twice anywhere on the network.
Cash diversion and commingling	Upstream settlement funds could arrive in the PSP's operating account and be kept from token owners.	**Irrevocable DACA lockboxes (stage 8, repayment and token burn):** Settlement counterparties pay directly into bank-controlled DACA accounts, and automated smart contract waterfalls govern every repayment.
Dilution, chargebacks, and credit default	Payments could be reversed or disputed, or a downstream corridor partner could settle late.	**Overcollateralization and a first-loss tranche (Risk and Eligibility Layer):** Dynamic advance rates, for example 80% to 90%, together with a mandatory originator first loss of 10% to 15%, absorb dilution before mezzanine or senior capital is affected.
Currency mismatch	Receivables are in local African currencies, while investors provide liquidity in US dollar stablecoins.	**US dollar corridors first, with foreign exchange reserves (Risk and Eligibility Layer, and stage 6, servicing and monitoring):** The first pools focus on corridors that pay in hard currency, backed by automated hedging buffers in on-chain stablecoin AMMs and separation of foreign exchange risk.
Custody and sequencer risk	An intermediary's insolvency, or downtime of the Layer 2 sequencer, could leave investors unable to reach their assets.	**Bankruptcy-remote SPVs and exits to Layer 1 (stage 3, legal structure, and the Layer 2 rollup):** Separating the assets by true sale into an SPV protects the off-chain cash, and Ethereum Layer 1 state roots guarantee that users can exit on their own, without relying on any intermediary.

Working capital for African fintechs

By turning cross-border settlement float that's tied up today into liquid, composable, self-liquidating on-chain securities, Eko Securities Exchange builds the real-time working capital infrastructure that African fintechs need now, and an open financial foundation for capital markets across the continent next.



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