

# The Era of Digital Gold – ComTech Gold

Mr Navin Dsouza, Co-Founder & CEO

***Comtech Gold makes investment in Gold easy, secured and fungible, thereby removing the inefficiency of Physical Gold.***

Gold is a precious metal bought by people across the world for variety of reasons, often influenced by social & cultural factors, market conditions, geopolitical and macro-economic drivers. The history of gold is long connected with money, but gold relinquished this role in developed economies after the outbreak of the Second World War. At the end of the war, the Bretton Woods monetary system, a regime of fixed exchange rates, was created. This system broke down in 1971 when the US unilaterally ended its gold standard, which set the convertibility of gold and the dollar to US\$35 per ounce.

Despite this fact, the demand for gold has been stable for the several years, and the second largest group of gold owners are Small Investors. China and India consume **almost 60%** of the world's gold & jewellery every year.

**What makes Gold so important and why do people invest in Gold?**

People invest in Gold for multiple reason, some of them are: -

- Gold is considered as an effective hedge against inflation. The US dollar has lost approximately **97%** of its purchasing power in relation to the gold in the past 50 years, since the United States went off the gold standard in 1971 (LBMA, 2018). The euro has lost over **75%** of its value on a gold basis since the single European currency debuted in 1999 (LBMA, 2018).
- Gold is an important allocation as part of the portfolio diversification and a must in every portfolio. The portfolio managers always ask their investors to have some of their holdings in Gold.
- Gold has been seen to outperform during the times of Geopolitical Uncertainty. Its price often rises the most when confidence in the governments is low.
- It has a strong stored value as



**Mr Navin Dsouza**

To optimize the benefits of Digital Gold with the security of physical Gold, we have introduced Comtech Gold (CGO) which is a revolution in the bullion industry offering investors access to physical Gold in a tokenized form which can be bought, sold, and held by investors through their digital wallet.

Gold has maintained its value from ages as against other currencies.

Regardless of investors reasons for investing, Gold always has its shines since our ancestral days and still continues to lure its investors.

### **If Gold is so important, then why was it replaced by a paper currency?**

Here comes the important question about fungibility, transferability, security, and quality.

- Small and Retail Investors are the second largest group of gold owners however their purchases of gold are impacted due to security and storage issues with physical gold being hard to store and transport.
- Traditional gold purchases have added premiums as high as 10% to 20% when sold through retailers as the investor has to pay extra in the form of Premium in pricing, making charges and production fees.
- The costs for purchasing high-end jewellery can even go significantly higher depending on the required work. Comparatively, investing in Digital Gold involves only the investment cost without manufacturing costs.

Many of the Digital Gold products in the market lack actual backing of Gold and only offer price hedging. Most of these product offerings are not regulated and work on the element of trust with your local broker or Jewellery shop.

All of this makes purchasing Physical Gold expensive and less fungible and difficult to own.

If we can solve these issues, Gold can come back to the world again as a preferred investment of choice and an alternative currency. This is where Technology and the actual use of blockchain comes into play.

To optimize the benefits of Digital Gold with the security of physical Gold, we have introduced Comtech Gold (CGO) which is a revolution in the bullion industry offering investors access to physical Gold in a tokenized form which can be bought, sold, and held by investors through their digital wallet.

The investors get purchasing rights to real physical gold stored in secure vaults. This eliminates storage and transport issues and is instantly accessible on a distributed ledger. Digital Golds are easy to carry and move around and available 24/7 for trade across the globe. The settlement happens instantly in less than a minute. CGO is built on the XDC Network, the world's first hybrid blockchain. Each CGO token is 100% backed by physical gold through the DMCC Tradeflow warrants that carries its own audit trail of its transactions. ComTech Gold is a fully Shariah Complaint product, making it the first token of its kind and suitable for investors looking for shariah compliant investments.

One CGO represents one pure gram of gold that is fully backed, redeemable, and regulated. Gold comes in a standardized 1 kg bar of 999.9 purity from internationally recognized refineries. These physical gold bars are stored separately from other gold in the secured internationally accepted **TransGuard vaults** and traded on leading global exchanges **Bitmart, LBank and**

**Bitrue Exchanges.** These tokens are priced at the prevailing rate for gold on international markets. CGO offers complete transparency wherein a reputed auditing firm conducts regular audits to match the outstanding supply of CGO tokens and gives an audit report by the custodian about the physical quantity of gold, ensuring that the reserve of physical gold matches the outstanding supply of CGO tokens. All these Audited reports are available on the Comtech gold website to maintain full transparency.

To summarise it, Comtech Gold makes investment in Gold easy, secured and fungible thereby removing the inefficiency of Physical Gold making it an ideal investment option to all Investors. ■■■