

# The Secret Monero Bridge Brings Secret DeFi to the Monero Community

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## Secret Monero Bridge

A value transfer bridge between the Monero blockchain and the Secret Network.

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The Secret Monero Bridge is a value transfer bridge between the Monero blockchain and the [Secret Network](#). It is currently in development and a working proof-of-concept was delivered in a recent [hackathon](#).

The primary objectives for the Secret Monero Bridge are:

- Increase liquidity on the Secret Network platform
- Provide Secret Decentralized Finance (DeFi) options to the entire Monero community

For the Secret Network and Monero communities, the Secret Monero Bridge is a win-win.

Monero provides an excellent model for digital cash. That's its use case. A private, digital cash. Monero is not a smart contract platform that can provide DeFi services and Monero community members are therefore forced to transfer Monero to some other platform to participate in DeFi. At the present time, directly moving Monero to another platform to participate in DeFi is difficult and costly, if at all possible. Typically, Monero holders are forced to exchange Monero for some other cryptocurrency like Bitcoin or Ethereum, then move it to a DeFi platform where the value can be lent, traded, etc. If the value has grown as a result of DeFi, and the owner wants to transfer the increased value back to Monero, the owner is exposed to significant cost to do so (multiple exchange fees, counter-party risk, etc.) Most importantly, the preservation of privacy (that Monero holders are accustomed to) is sacrificed in the process. Owners are forced into KYC/AML regulated financial services that eliminate financial privacy.

The Secret Network provides Secret DeFi services where secret tokens can be traded, lent, staked for passive revenue streams and more. All with financial privacy protection, which is huge and required for DeFi mass adoption.

Monero holders, can securely transfer their XMR to the Secret Monero Bridge which securely locks the XMR in a multi-signature Monero wallet and issues sXMR tokens that can be used on the Secret Network. Users can then utilize the sXMR tokens in Secret DeFi. They can trade sXMR for other secret tokens. Stake secret tokens to earn passive revenue, and eventually lend secret tokens to grow value. All with strong privacy protections that Monero holders are accustomed to.

So Monero holders can convert XMR to sXMR then take advantage of Secret DeFi and put their money to work for them with financial privacy protections! When desired, sXMR can be converted back into XMR using the Secret Monero Bridge.

The Secret Network provides significant value added in that digital assets on public, transparent platforms such as Bitcoin and Ethereum can also be converted into secret tokens that can be used in Secret DeFi. This means that value held in Bitcoin can now be traded, lent, and staked with strong financial privacy protection. Ethereum and any ERC-20 token can also be used in Secret DeFi with the same financial privacy. This provides Monero holders not only the ability to *put their money to work* in Secret Defi, but also the opportunity to diversify holdings across a wide range of digital assets while benefiting from strong financial privacy protection.

You can observe and actively participate in the development of the Secret Monero Bridge via the project [github repository](#).

The future is looking brighter.

Onwards and Upwards!