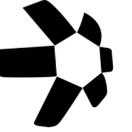


# SATP Use-Case: Regulated CBDC and Finance

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# Business problem

\$16.1 trillion of assets will be tokenised by 2030.\*

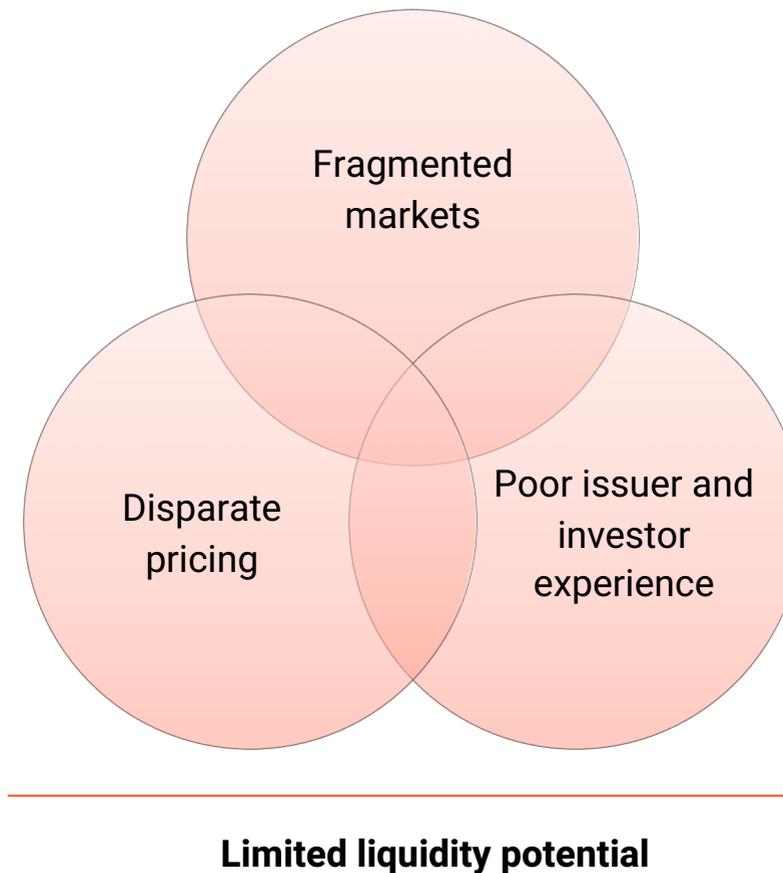
However, the tokenisation market is fragmented, limiting the potential of siloed assets.

Tokenisation has created new sets of asset classes and players, but the underlying blockchain technology is not *inherently* interoperable.

**Key issues with tokenisation: we've created 'walled gardens' that limit the potential for liquidity.**

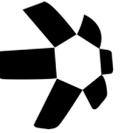
- Markets are fragmented and inefficient with disconnected trading venues linked to smaller-scale liquidity pools.
- Disparate pricing across ecosystem.
- Poor experience for issuers and investors.

The problem with 'walled gardens' for tokenised assets



\*Source BCG September 2022.

# Solution: interconnect private market networks



Interoperability opens walled gardens and the possibilities for trading and liquidity.

Currently, there are many types of proprietary asset trading networks in existence. In the next decade, there will not be a single global network or technology taking precedence.

**Our solution:** facilitate interoperability of assets across different networks using a standards-based approach on a common platform.

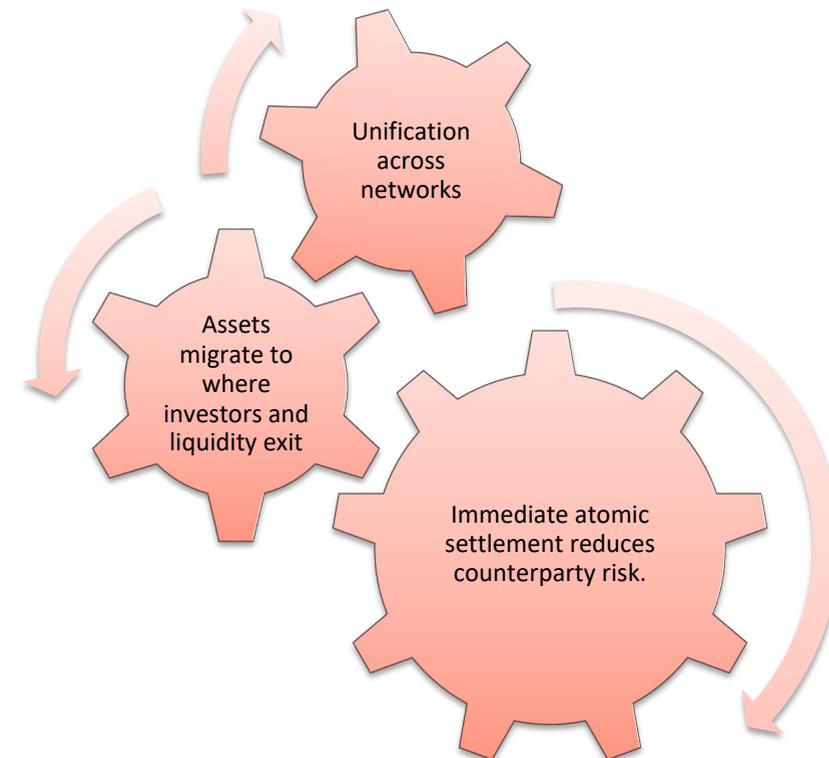
Using this, networks and vendors can:

- Move assets between different asset trading networks and trade them.
- In doing so, use emerging global standards such as SATP, ISO TC/307.\*



**Our demo:** our interoperability solution applies to a range of scenarios, linking to different platforms and markets to enable the portability of assets for settlement, sways and DvP/PvP.

## Benefits



# Use cases



The solution using SAT underpins three interoperability use cases.

1

## **Institutional tokenisation** Issuance of interoperable digital assets

- Physical asset – e.g., gold, real estate
- Tokenised money – commercial stablecoin, CBDC or tokenised deposit of programmable GBP
- Securities – tokenised private equity of medium cap companies

2

## **Delivery vs payment of institutional assets**

- Realtime swap and payment with tokenised money
- Interconnect private markets

3

## **Payment vs payment**

- USD to GBP swap - tokenised money
- Retail CBDC (GBP) with 'commercial' stablecoin

# Real world implementation

SWIFT Hackathon 2022 (Quant's entry).

This implementation demonstrated the movement of assets between the systems of an asset issuer (who typically has their own native userbase), and a trading venue (e.g. Nasdaq, LSE, etc.) which has a much larger userbase.

The implementation used a model where the transfer is initiated directly from the network – the user passes assets to the gateway using the local network, and the bridge uses SAT to coordinate with a remote gateway to receive the asset into the remote network and deliver it to the buyer.

