



# Power the new digital asset economy with R3's Corda •

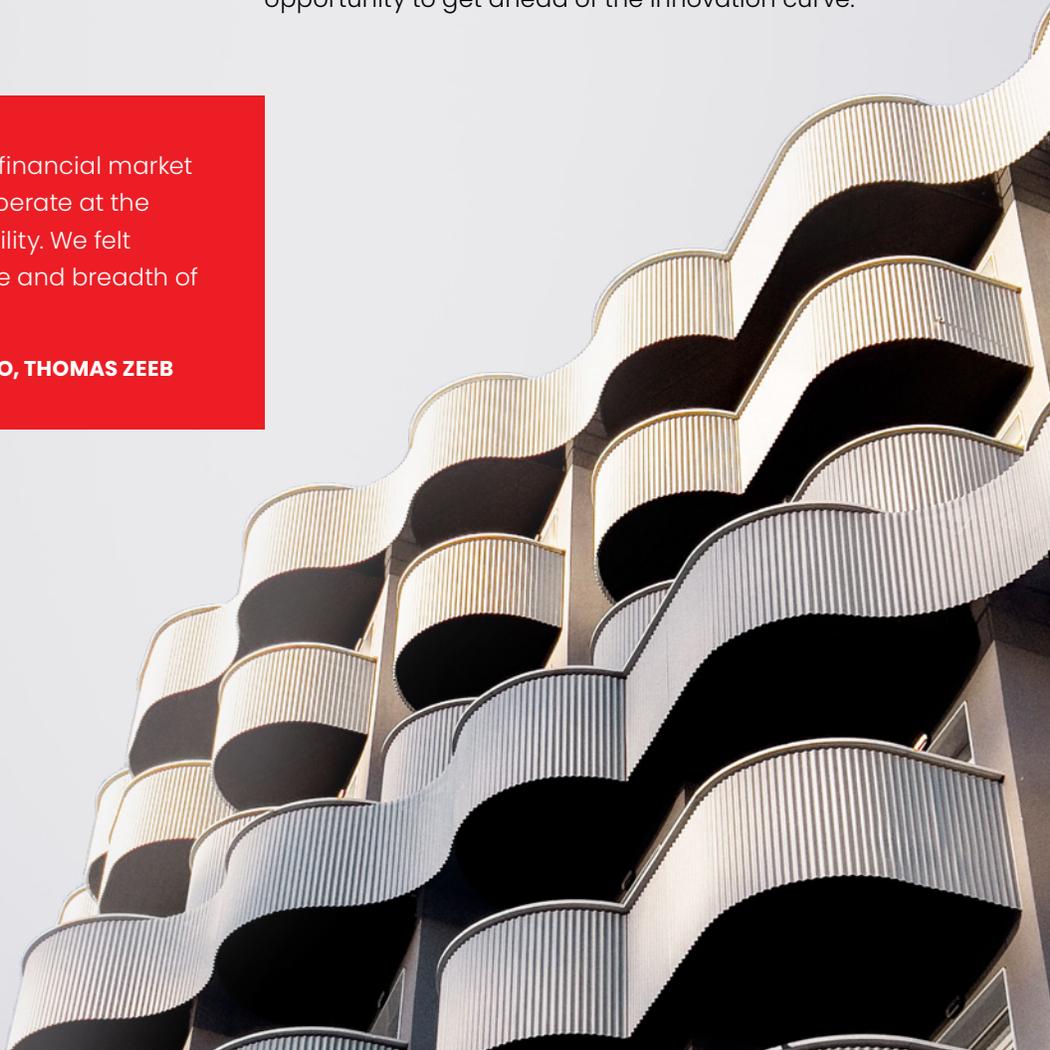
For years, financial markets have been burdened by centralized operating models leading to widespread inefficiencies and long settlement times. By delivering digital trust between parties, distributed technology can enable an overhaul of existing processes and new, better ways of doing business without relying on existing systems and market conventions.

Growing adoption of digital assets by financial market leaders is resulting in easier and faster issuance of new securities, enhanced asset lifecycle management, increased liquidity, new means to capital formation, and greater revenue through faster issuance, settlement and management.

The new digital asset economy presents an immediate opportunity to get ahead of the innovation curve.

“ As a highly regulated and trusted financial market infrastructure provider, SIX must operate at the highest levels of security and stability. We felt Corda was the best fit for the scale and breadth of service we envisage with SDX.

**SIX'S GLOBAL HEAD OF EXCHANGE, CEO, THOMAS ZEEB**



# The digital asset economy is in full swing.

The proliferation of “digital everything” as both a means of exchange and as a store of value is imposing a shock on the global financial markets, who suddenly find themselves challenged by new business models.



## CRYPTO PROPELLED

The total value of the **cryptocurrency** market during the all-time high of November 2021 reached \$3 trillion.

**6x**

what the cryptocurrency market had been the same time one year ago

**~20%**

of the global market cap of gold



## ASSET TOKENIZATION LEADS

Financial institutions are unlocking opportunities in tokenization of existing financial assets as well as faster payments and settlement.

**72%**

of institutional asset managers plan to develop solutions for asset tokenization

(BNY Mellon study, Aug 2021)



## REGULATORY ENVIRONMENT LINING UP

The European Union’s Markets in Crypto-assets (MiCA) Regulation and DLT Pilot Regime are estimated to come into effect in 2023 and 2024, respectively.

In the United States, the Federal Reserve, Office of Comptroller of Currency, and the Federal Deposit Insurance Corporation (FDIC) completed a “policy sprint” on crypto-assets in order to develop a joint framework for supervision.

## 50–70% of financial services institutions are currently pursuing digital asset business opportunities, including:

- Building a digital assets, Distributed Ledger Technology (DLT) or blockchain team
- Appointing a senior executive accountable for the digital asset strategy and offerings
- Investing in DLT to power digital asset projects
- Planning venture capital investments in digital asset servicing companies

Source: Deloitte’s 2021 Global Blockchain Survey

# The biggest threat turned into the biggest opportunity.

The biggest threat for the digital assets market is believed to be two times more likely to come from new players or entrants.

Global financial services players—banks, exchanges and central securities depositories—now have the unique opportunity to get ahead of the disruption curve.

## New entrants are perceived as the bigger market threat



## Benefits of leading the digital asset economy.

- Digital native securities issuance
- Increased revenue through new asset classes and listings
- Geographic expansion, extended global trading windows
- Reduced counterparty, operational and market risks associated with reconciliation and shortened settlement time
- T+1 settlement (i.e. if a transaction occurs on a Monday, settlement will be on Tuesday) leads to margin reduction and greater capital efficiencies

## Accelerate digital assets with R3's Power of 3.

### Regulated markets expertise

Leverage R3's business expertise and professional services team in regulated markets to embrace new opportunities that will power a new distributed financial services industry, while fitting within existing infrastructures, processes and regulations.

### Connected networks

Customers have access to one of the world's largest ecosystems of diverse participants—financial institutions, regulators, systems integrators, software vendors, technology firms and more—who deploy, service and manage permissioned enterprise DLT solutions.

### Trust technology

Underpinned by distributed ledger and confidential computing technologies, R3's application development platforms—**Corda** and **Conclave**—enable the development of solutions that foster and deliver indisputable trust between parties.



The R3 family and ecosystem is much more than simply a nice series of marketing words—it’s a reality and environment where you can not only develop your ideas, but also connect with and meet with the sort of people that will help you bring your ideas into fruition.

**CHARLIE BERMAN, CEO, AGORA**

## The future of digital finance is built on trust.

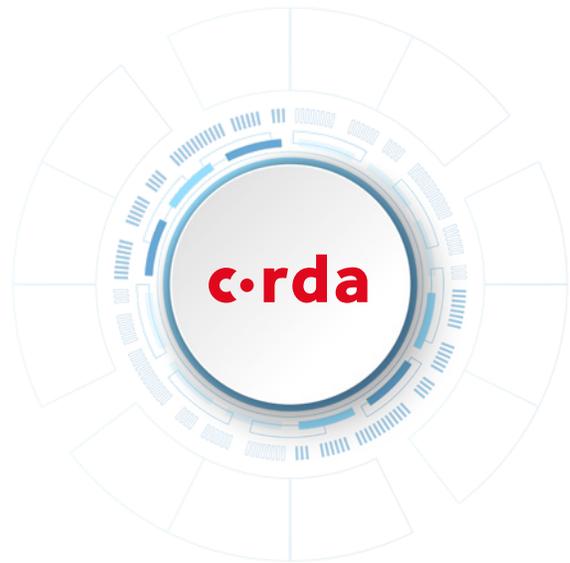
Build digital financial solutions on the only private, secure, and scalable platform designed for regulated markets.

R3’s Corda is a multi-party app development platform that enables the building of applications that foster and deliver digital trust between parties in regulated markets.

Corda powers solutions that modernize existing business processes and provides a platform to create, issue and exchange digital currencies and digital assets without compromising on privacy and regulatory oversight.



Corda is developed and supported by R3, a leading provider of enterprise technology and services that delivers the 3 requirements needed for direct, digital collaboration—trust technology, connected networks and regulated markets expertise.



## Why Corda for digital assets?

Leading financial institutions can represent a broad range of digital asset types on Corda to dematerialize, fractionalize and democratize them.

- **Customizable issuance:** Issue new securities in minutes, with the rights and obligations of issuers and investors encoded and automated
- **Accelerated investor onboarding:** Expedite KYC and AML operations, set distribution rules, share compliance data with regulators and other network participants, as well as streamline auditing
- **Reduce counterparty and operational risk:** Improve matching and settlement workflow by reducing breaks and reconciliation
- **Grounded in compliance:** Applications built on Corda are grounded in existing legal constructs and compatible with existing and emerging regulation such as ISO 2022 and ISDA CDM

# Digital payments powered by Corda.

R3's Corda offers integrations with universal payment rails enabling digital asset use cases off—and eventually—on ledger.

Payments are an integral part of our overall Corda strategy as assets and payments need to be processed together for DvP (Delivery versus Payment).

## TODAY

Today, Corda Payments enables payment initiation off Corda ledger to existing payment services. This capability aligns with customers looking to integrate real-time payment and settlement services into their solutions.

## FUTURE

In the future, Corda Payments will allow applications built on Corda to pay on Corda ledger with stablecoins and CBDC, enabling Delivery versus Payment and Payment versus Payment.

## Digital payments use cases.

- **Retail payment:** A general purpose CBDC for retail applications enables real-time, person-to-person (online and offline) transfers with instantaneous settlement
- **Cross-border payments:** A CBDC network can facilitate direct cross-border monetary relationships to be established under the central bank's supervision
- **Wholesale payments:** A CBDC can serve as a risk-free settlement cash asset in high-value payments system and on digital financial markets infrastructures
- **Stablecoins:** Private sector entities can explore business models in which they serve as the issuer and operator of digital currencies

# R3 Sandbox for Digital Currencies and featured CBDC projects.

Managed by **R3** and powered by Corda, the Sandbox is a learning and development platform for **CBDC experimentation** used by central banks, global financial institutions and software vendors.

## PROJECT JURA

The Banque de France, Swiss National Bank and the Bank for International Settlements Innovation Hub together with Accenture, Credit Suisse, Natixis, R3, Six Digital Exchange and UBS will **conduct an experiment** using wholesale CBDC to enhance speed, efficiency and transparency in cross-border settlement.

## PROJECT DUNBAR

Brings together the Reserve Bank of Australia, Bank Negara Malaysia, Monetary Authority of Singapore, and South African Reserve Bank with the Bank for International Settlements Innovation Hub to **test the use of CBDCs for international settlements.**

## RIKSBANK

R3 partners with Riksbank, the central bank of Sweden, **piloting their initiative on Corda** to determine whether it is possible to issue a digital complement to cash called e-krona.

## PROJECT HELVETIA

BIS Innovation Hub, SIX and Swiss National Bank recently completed **Phase II of Project Helvetia**, which used Corda to demonstrate that tokenized assets can be settled in wholesale CBDC.

# Leading financial institutions vote Corda for digital assets and payments.



Cross-border digital cash solution for internal book transfers of cross-border payments



Atomic delivery versus delivery (DvD) of securities



Nasdaq's Digital Assets Suite enables the creation of scalable markets for digital assets



Digital "smart bonds" quickly model complex securities automating lifecycle events



Digitalizing the precious metal value chain all the way from miner to investor



Corporate bond exchange for financial assets and data



FINMA regulated Digital Asset Exchange Platform

# Get in touch.

Discover how R3 can help you realize the full potential of digital assets.

## About R3

R3 is a leading provider of enterprise technology and services for the development of multi-party solutions. We enable direct, digital collaboration in regulated industries where trust is critical. R3 delivers the “Power of 3”—trust technology, connected networks and regulated markets expertise—to enable the end-to-end development of scalable, high value solutions.

One of the first and only companies to deliver a private, scalable distributed ledger technology (DLT) platform alongside confidential computing capabilities, R3 empowers regulated industries to realize the full potential of trusted direct collaboration.

R3 maintains one of the largest DLT production ecosystems with over 400 institutions, connecting industry leading systems integrators, cloud providers, technology firms, software vendors, corporates, regulators, and financial institutions from the public and private sectors.

For more information, visit [r3.com](https://r3.com), [corda.net](https://corda.net), [conclave.net](https://conclave.net) or connect with us on [Twitter](#) and [LinkedIn](#).



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