



**GLOBAL  
DIGITAL  
FINANCE**

# GDF Tokenization Forum Demo Hour

Thursday 3 July 2025  
10.00 ET | 15.00 GMT



1. Welcome & Introduction by co-chairs
2. H1 Market Update
3. GDF TMMF Working Group Update
4. DTCC Collateral Experiment Demo
5. Demo Quick-Fire Round
  - 21X
  - Kodelab
  - ioBuilders
  - Tokenovate (postponed to session in Q4)
  - Tokeny (postponed to session in Q4)



## **H1 MARKET UPDATE**



- **Key Drivers -**
  - **Increasing regulatory clarity** globally, US moving the dial
  - **Build solutions** ongoing removing frictions to entry
  - **Digital cash leg** for settlement - Stables Rule
  - **Increased institutional confidence/ adoption** with real **Utility** (Repo, Collateral)
  - **Convergence** of TradFi and DeFi: M&A, **Acquisitions, IPOs**
- **Are we there yet on the road to scale?**
  - We have come far but it's **only the beginning**
  - Much **work to continue** - interoperability across chains, assets, infra and regs.
  - **StableCoin summer**, access to **public equities and accelerated convergence** of Tradfi/Defi to dominate H2
  - **Collateral Solutions** moving from **POC to production**

## **Accelerating Market Growth-**

- 260% Growth to \$24.36bn total RWA onchain
- \$240bn Stablecoins
- Dominated by Private Credit, US Treasury Debt Commodities

**[www.rwa.xyz](http://www.rwa.xyz)**



## **GDF TMMF WG**

- Project Overview -  
*Research & Sandbox Streams*



# Why Tokenized Assets for Collateral

In 2023, the International Swaps and Derivatives Association (ISDA) reported a staggering \$1.4 trillion in margin collected for non-cleared derivatives.

**Boston Consulting Group** estimate that distributed ledger technology could free up **\$100bn of collateral, and save the industry \$20bn** a year in costs by improving efficiency.

## ➤ Enhanced Liquidity

Tokenized assets offer 24/7 trading and continuous liquidity, crucial for quick access to collateral in derivatives margin calls

## ➤ Efficient Collateral Management

Smart contracts automate the management of tokenized assets, reducing costs and simplifying tasks like valuation, transfer, and liquidation..

## ➤ Market Efficiency

Using tokenized assets for derivatives margin improves market efficiency by streamlining collateral management and optimizing resource allocation..

## ➤ Transparency and Security


Blockchain technology ensures transparent, immutable tokenized assets, reducing fraud risk and enhancing confidence in collateral validity and the margining process.

## ➤ Reduced Settlement Time

Traditional financial systems often have lengthy settlement times, which can be a disadvantage in the fast-paced world of derivatives trading.

## ➤ Risk Management

Smart contracts can automatically enforce margin requirements and manage risks associated with derivatives trading.

	
Tokenized Money Market Funds as Collateral in the UK & EU Working Group	
<i>Briefing Document</i>	
<b>Table of Contents</b>	
Problem Statement	1
Scope	1
Suggested Participants	2
Introduction	2
Objectives of the Working Group	3
Expected Commitment and Participation Requirements	4
Aims of the Working Group	4
<b>Problem Statement</b>	
<b>"How can Tokenized Money Funds be used in Derivatives Margin?"</b>	
A dedicated Working Group (WG) established to explore the potential of Tokenized Money Market Funds (TMMFs) as eligible collateral for derivatives margin.	
The WG will focus on assessing market potential, defining key criteria, identifying use cases, testing use cases and engaging with regulators and industry bodies (if needed) to create a robust framework for adoption.	
<b>Scope</b>	
The WG will primarily focus on the application of TMMFs in Bilateral Variation Margin transactions under ISDA/CSA agreements governed by UK or EU laws. The initial analysis will centre on derivatives counterparties operating within these jurisdictions.	
Additionally, the project will:	
<ul style="list-style-type: none"><li>• Examine eligibility criteria for TMMFs as collateral, considering liquidity, valuation transparency, and regulatory compliance.</li><li>• Investigate the re-usability of TMMFs with Central Counterparties (CCPs) and triparty arrangements.</li><li>• Evaluate opportunities for integration into broader collateral frameworks, including Initial Margin, and explore applications beyond ISDA/CSA agreements in future phases.</li></ul>	

## Problem Statement

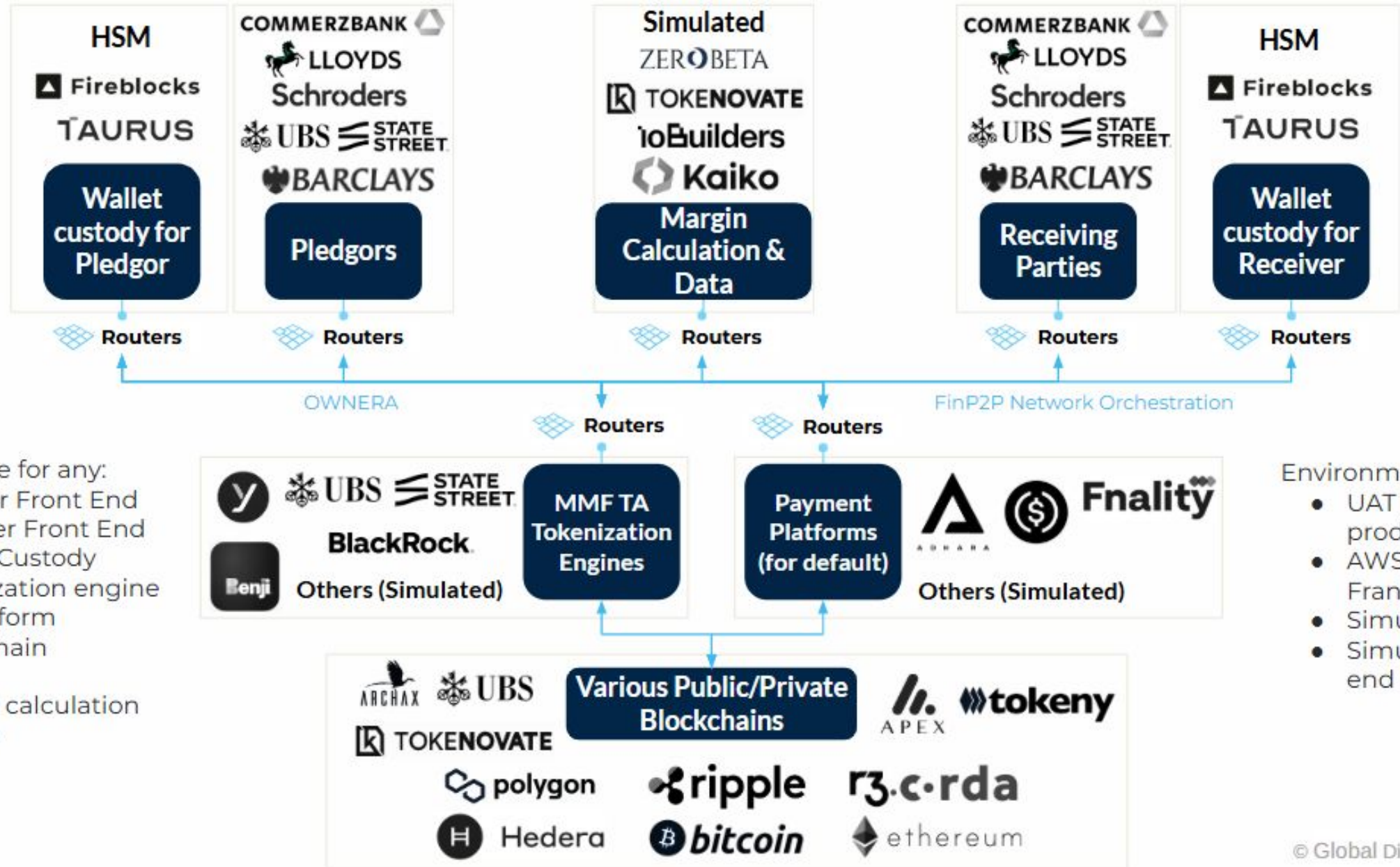
“How can Tokenized Money Funds be used in Derivatives Margin?”

A dedicated Working Group (WG) established to explore the potential of Tokenized Money Market Funds (TKMMs) as eligible collateral for derivatives margin.

The WG will focus on assessing market potential, defining key criteria, identifying use cases, testing use cases and engaging with regulators and industry bodies (if needed) to create a robust framework for adoption.

[WG Overview Page Available Here](#)





- Interoperable for any:
- Pledgor Front End
  - Receiver Front End
  - Wallet Custody
  - Tokenization engine
  - TA Platform
  - Blockchain
  - Cash
  - Margin calculation engine

- Environment
- UAT level - pre production
  - AWS Sandbox in Frankfurt
  - Simulated SSO
  - Simulated Front end for admin



**Scope:**

Use of tokenized funds as eligible collateral under the ISDA Credit Support Annex (CSA) for uncleared bilateral OTC derivatives in the UK and EU.

**Objective:**

To assess whether and how tokenized funds can be used as eligible collateral under ISDA CSAs within the UK and EU legal and regulatory frameworks for uncleared derivatives, and to identify legal, regulatory, and operational considerations for inclusion in a sandbox simulation

## A. Eligibility Under Margin Rules (UK & EU)

- What are the margin requirements for uncleared derivatives (UK EMIR & EU EMIR)?
- Do tokenized funds meet criteria for eligible collateral (liquidity, value stability, legal certainty)? If you are a receiving party, what does your firm consider as eligible?
- How are UCITS, AIFs, or tokenized versions of these funds treated under collateral schedules?

## C. Regulatory and Custodial Considerations

- How do custody, control, and segregation requirements apply to tokenized funds?
- Are there operational structures that meet the control and segregation requirements for initial margin (IM)?
- Interaction with third-party custodians or on-chain collateral management solutions (e.g., smart contracts, DvP)?

## B. Legal Treatment & Enforceability Under ISDA CSA

- Can tokenized fund units be validly transferred or pledged under an English/Irish law CSA?
- Are there enforceability risks in the event of default or insolvency (e.g., title transfer, control, perfection)?
- How do existing ISDA definitions (e.g., “Eligible Collateral”) accommodate tokenized assets?

## D. Precedents and Industry Signals

- Have any market participants or industry bodies (e.g., ISDA, ICMA) addressed tokenized funds in margining?
- Are there relevant insights from UK’s Digital Securities Sandbox or EU’s DLT Pilot Regime?

- **Simulation 1a & 1b Successfully Completed - [LINKED HERE](#)**

We have successfully executed 1a & 1b, achieving our objectives of testing simple movement and wallet signing through Fireblocks.

The simulation involved seamless collateral transfers between State Street and Lloyds, and Commerzbank and UBS using tokenized MMFs issued by State Street & Lloyds and also an Ethereum simulated fund. The UAT demonstrated end-to-end operational readiness for basic workflows.

- **Simulations 2a & 2b Successfully Completed - [LINKED HERE](#)**

## **Simulation 2a: Simple Movement with Mark-to-Market via Margin System**

- Involves third-party collateral management (Tokenovate & ZeroBeta) and enhanced valuation workflows.

## **Simulation 5a: Default Scenario with Settlement in GBP**

- Focuses on simulating a default event (ICCP) and redemption of fund units via Archax.

These simulations will expand the scope of functional testing by introducing margin calculation triggers, external valuation inputs, and default handling processes.



# DTCC COLLATERAL EXPERIMENT DEMO

*Demo Recording*

*DTCC Great Collateral  
Experiment*





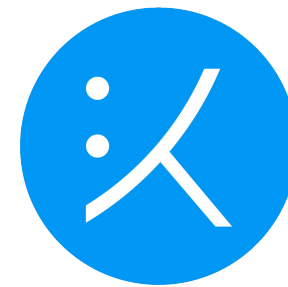
## **QUICK-FIRE DEMO ROUND**



## Why the Demo Hour

- 2-3 mins max
- A video of real platform screens only - no padding with slides, diagrams or sales pitch - it's a straight canned demo

**OBJECTIVE:** Highlight the variety and depth of solutions in the market driving the transformation of financial services.



ioBuilders

21X



TOKENOVATE



*Tokeny and Tokenovate's demos will be played at the next session*

For any questions or if you would like to be connected with any of the organizations playing the demos, please reach out to [madelein@gdf.io](mailto:madelein@gdf.io)