Considerations around institutional crypto adoption

Stakeholder common vision

- A standardised, consensual and well-adopted framework laying a strong interoperability foundation on which DeFi applications can be built and interact. Orchestration between legacy systems and blockchain-based assets and business logic is required to enable process and data interoperability.

Legal and regulatory clarity

- Introducing regulatory standards & controls into DeFi protocls helps mitigate against market manipulation and operational risk. Helps to establish compatibility across industry and jurisdictions to minimise frictions. Avoid siloed efforts. Proactively engaging regulators on changes needed to unlock value.

Adoption incentives

- Marrying smart contracts as contained in DeFi with traditional asset management models that have been tokenised. Create adoption tools, such as for blockchain interoperability with offchain systems and also risk and compliance reporting tools.

Shared and agreed-upon technical standards

- Setting technical standards for interoperability btw. DeFi protocols and with existing legacy systems as the foundation for scaling and mass adoption. Standards influence the ability to interact with different DeFi protocols and hence the interoperability and functionality of the assets.

Organisational structure

- Enhanced transaction transparency and traceability with the blockchain deemed to be the definitive record of trades. Programmable logic allows automation of multi-party operations reducing middle and back-office overheads.

Market structure

- Ensuring rapid parallel developments by leveraging composable DeFi protocols. Interoperability across DeFi protocols and DeFi markets will aggregate liquidity and contribute to a more globally integrated financial industry.

Delivery model

- Marrying smart contracts as contained in Defi with traditional asset management that have been tokenised thereby driving greater collaboration btw traditional finance (Tradfi) and decentralised finance (DeFi).

Talent strategy

- Building teams with professionals from various backgrounds while right-skilling existing teams. Feedback to regulators and other stakeholders on first-hand findings in both back- and front-end operations.