

Proposal to the Crypto Task Force: Positioning for the Tokenized Economy

Executive Summary

The tokenized economy is transforming financial infrastructure by enabling real-time settlements, cross-border liquidity, and programmable financial instruments. This proposal outlines the key components of tokenized finance and identifies the necessary steps to ensure leadership in this space as institutions and governments integrate CBDCs, stablecoins, and tokenized assets into global markets.

As tokenization scales, it will reshape:

- Cross-border payments and FX liquidity by replacing slow, costly intermediaries.
- The issuance and trading of tokenized securities and real-world assets (RWAs) to enhance efficiency.
- Institutional DeFi and automated liquidity solutions, enabling more efficient capital deployment.

With global initiatives such as BIS-backed CBDCs and tokenized settlements, it is imperative to position for long-term adoption by aligning with regulatory trends, technological advancements, and liquidity frameworks.

1. The Tokenized Economy: A New Financial Paradigm

Tokenization transforms financial markets by enabling:

- CBDCs and Stablecoins: Enhancing payment efficiency and financial inclusion.
- Tokenized Securities & RWAs: Providing fractionalized, liquid, and programmable assets.
- Automated Market Making (AMM) & Liquidity Pools: Reducing dependency on traditional market makers.
- Programmable Smart Contracts: Facilitating self-executing financial agreements.

The BIS, IMF, and global central banks are actively integrating DLT-based solutions, laying the foundation for the institutionalization of tokenized finance.

2. XRP: A Strategic Liquidity Layer for Tokenized Settlements

Institutional Role & Regulatory Alignment

- XRP serves as a neutral liquidity bridge for tokenized assets, aligning with BIS directives for efficient cross-border payments.
- RippleNet's On-Demand Liquidity (ODL) is already deployed by financial institutions, demonstrating real-world settlement use cases.

- The XRPL Automated Market Maker (AMM) introduces a decentralized liquidity mechanism tailored for tokenized asset markets.

Potential Use Cases in a Tokenized Financial System

- CBDC interoperability: XRP as a bridge asset for settlement between digital currencies.
- Liquidity for tokenized FX & securities: Eliminating inefficiencies in global markets.
- Settlement for stablecoins and RWAs: Facilitating instant, final settlement across networks.

3. Hedera Hashgraph (HBAR): Institutional-Grade Tokenization

ISO 20022 Compliance & Enterprise-Driven Tokenization

- Hedera's governance model (IBM, Google, major banks) positions it as a high-trust, scalable network for institutional tokenization.
- Financial institutions (ABN AMRO, Standard Bank, Shinhan Bank) are testing tokenized asset issuance on Hedera.
- Its energy-efficient, low-cost transactions align with the BIS and IMF's sustainability goals for DLT adoption.

Use Cases for Institutional Adoption

- Enterprise tokenization of financial instruments.
- Programmable payments for institutional settlements.
- Regulated financial applications requiring compliance-first DLT.

4. Stablecoin and CBDC Liquidity Networks

- Ripple's RLUSD & other institutional stablecoins will serve as key settlement tools.
- BIS and IMF-backed CBDC initiatives will define regulatory-compliant liquidity mechanisms.

By standardizing tokenized liquidity layers, the global economy can transition toward real-time settlement of assets across jurisdictions.

5. Macro Conditions & Institutional Entry in Tokenized Finance

Tokenized asset adoption will follow a macro-driven trajectory influenced by:

- Regulatory clarity: Global policy decisions on CBDCs, stablecoins, and tokenized securities.
- Central bank initiatives: BIS-backed digital currency frameworks shaping financial architecture.
- Institutional liquidity trends: Adoption by global banks, asset managers, and sovereign wealth funds.

The convergence of traditional finance (TradFi) and DeFi will accelerate as institutions seek regulated, high-liquidity tokenized solutions.

Conclusion: Strategic Steps for Long-Term Market Leadership

To ensure leadership in the tokenized economy, this proposal recommends the following:

1. Advocate for regulatory clarity on XRP, tokenized assets, and stablecoin-AMM integrations.
2. Encourage liquidity infrastructure development to support institutional tokenization initiatives.
3. Monitor BIS and IMF-backed digital currency pilots for integration opportunities.

The future of finance is programmable, tokenized, and driven by decentralized liquidity mechanisms. Aligning with BIS-backed frameworks and institutional-grade networks ensures a strategic advantage in the financial system's transition to tokenized markets.

Prepared for: Crypto Task Force
Submitted by: Anthony Guerino