



Generated: 1.8.2026, 17.51.56

Assessment input: Partial

Supporting evidence: Preliminary

Regulatory coverage: General (no verified local references) · unverified

Case design stage: Early Exploration

Tokenization Value-Add Calculator

Deep Assessment Report

A case-specific assessment report for tokenization viability and value creation.

Design-stage interpretation:

This assessment reflects an early-stage concept. Several core structural choices remain open, so the output should be read as directional rather than design-final.

Open design areas: instrument structure; custody model; offering / disclosure route

TVAC evaluates whether tokenizing a specific asset / structure creates net added value, using the five-factor model:

Added Value = (New Opportunities (NO) + Cost Savings (CS) + Risk Reduction (RR)) – (Tokenization Costs (TC) + New Risks (NR))

This report analyzes the following case as described below by the TVAC user:

We are developing a permissioned lending pool intended for professional participants. Borrowers would post tokenized short-term trade-finance or receivables positions as collateral and draw a stablecoin or other digital cash asset. Lenders would receive pool tokens representing their economic interest in the lending strategy. The proposed value comes from programmable collateral controls, faster funding and the possibility of integrating the pool with other approved on-chain applications. However, the design is still early....

Full verbatim case text is included in Appendix D at the end of this report.

This document is generated using the TVAC (Tokenization Value-Add Calculator) methodology and provides methodology-based informational analysis and decision-support only. It is not legal, regulatory, financial, investment, or tax advice.

Outputs are based on user inputs, stated assumptions, and a fixed evaluation methodology, and do not guarantee accuracy, completeness, regulatory approval, commercial success, investment merit, credit quality, yield realism, issuer quality, or suitability for implementation. TVAC must not be relied upon as the sole basis for any structuring, issuance, investment, or implementation decision, and TVAC outputs must not be presented as investment approval, credit rating, yield validation, issuer endorsement, regulatory approval, due diligence report, or investor recommendation. Independent advice from qualified professionals in the relevant jurisdictions should always be obtained before acting.

Table of Contents

- 1. Executive summary
 - 1.1 What is different about this case
- 2. Asset class & market context
- 3. Analysis result
 - 3.1 Key assumptions & caveats
 - 3.2 Value pathways
 - 3.3 Investor segmentation
 - 3.4 Operational costs
 - 3.5 Regulatory path
 - 3.6 Custody & venue fit
 - 3.7 Settlement & Cash-Leg Readiness
 - 3.8 Risk register
- 4. Stakeholder added value
 - 4.1 Stakeholder added value scores
 - 4.2 Asset owner / Issuer (sponsor, manager)
 - 4.3 Investor
 - 4.4 Infrastructure providers
 - 4.5 Who bears the costs and risks?
- 5. Factor breakdown – detailed explanation
- 6. Risk heatmap
- 7. Recommendations & next steps
 - 7.1 Design priorities and decision gates
 - 7.1.1 Lock legal rights and collateral-control architecture
 - 7.1.2 Prove oracle, liquidation, cash-leg and recovery under stress
 - 7.1.3 Bound protocol, governance, bridge and composability dependencies
 - 7.1.4 Execution implication for a permissioned lending pilot
 - 7.2 Design what-if scenarios
 - 7.3 Future scenarios (longer-term)
 - 7.4 Suggested next steps
 - 7.5 Risk-mitigation actions
- 8. Indicative Implementation Roadmap
 - 8.1 Operational roadmap (permissioned DeFi lending)
 - 8.2 Phase 1 – Rights, scope & pilot mandate
 - 8.3 Phase 2 – Collateral, oracle & control design
 - 8.4 Phase 3 – Smart-contract, cash-leg & stress proof
 - 8.5 Phase 4 – Bounded pilot & controlled activation
 - 8.6 Phase 5 – Governed operation & mandatory reassessment
- Appendix A – Method & interpretation
 - A.1 How to read this report
 - A.2 Decision integrity & interpretation
 - A.3 Minimum evidence checklist
 - A.4 Sensitivity & decision levers
 - A.5 How we compute Added Value
 - A.6 Evidence, provenance & regulatory source register
- Appendix B – TVAC Provider Directory (illustrative)
- Appendix C – Glossary & abbreviations
- Appendix D – Full verbatim case text
- Appendix E – Disclaimer

1. Executive summary

Headline: This is a directional assessment of an early-stage tokenization concept rather than a verdict on a finalized structure. The assessment lands at Conditional Go with an estimated Net Added Value of -2.00 (Plus: 12.00 · Minus: 14.00).

Important interpretation note: This verdict concerns tokenization added value only. A Viable or Conditional Go verdict does not mean that the underlying asset is a good investment, that projected returns are realistic, that credit risk is acceptable, or that the instrument is suitable for any investor.

Case design stage: Early Exploration

This assessment reflects an early-stage concept. Several core structural choices remain open, so the output should be read as directional rather than design-final.

Open design areas: instrument structure; custody model; offering / disclosure route

- **Key findings:** The current concept shows plausible upside mainly through new opportunities and cost savings. Across New Opportunities, Cost Savings and Risk Reduction, the combined Plus score is 12.00, but that upside is still conceptual rather than structurally secured.
- **Key constraints:** The current downside is driven mainly by new risks and tokenization costs, totalling 14.00. Several core design choices are still open, especially around rights mapping, custody, settlement, transfer design, and delivery model.
- **Decision posture:** Treat this result as a directional screen, not as a design-final go decision. Proceed only into clarification, scoping, and structure-definition work before committing to build-out, legal execution, or provider onboarding.
- **Impact:** This case could move in either direction depending on how the structure is finalized. At this stage, the main task is to convert an interesting concept into a defined structure with enforceable rights, disciplined scope, and realistic operating assumptions.

1.1 What is different about this case

What is different about this case is that the strongest upside comes from programmable collateral control within a permissioned lending model, while the decisive downside lies in legal enforceability, oracle and valuation reliability, liquidation, smart-contract and stablecoin risk, governance, bridges and changing protocol dependencies. It should therefore be managed as a bounded operating and risk-control pilot, not as a generic fundraising or assumed-liquidity case.

2. Asset class & market context

This is a permissioned DeFi/RWA lending case rather than a conventional tokenized note placement. Tokenization value depends on programmable collateral controls, controlled borrower and lender access, reliable digital-cash settlement and operational integration with approved on-chain applications. The value case must be assessed together with oracle, liquidation, smart-contract, stablecoin, governance, bridge and composability dependencies; it is not a generic anchor-investor or minimum-capital-raised case.

Current market phase: Current user-described design baseline only; dynamic protocol adoption, liquidity, incentives and integrations require reassessment when they change materially.

Typical structural strengths:

- Programmable collateral eligibility and control are genuine token-native hypotheses that can be tested against the conventional private-lending workflow.
- Permissioned professional participation provides a bounded initial perimeter for testing access controls, governance and operational responsibilities.
- The user explicitly identifies the major dynamic dependencies and risks rather than assuming that composability or liquidity is automatically beneficial.

Key structural weaknesses & frictions:

- The legal entity, governing law, pool-token rights, collateral structure, custody and enforcement model remain unresolved.
- Oracle quality, valuation, margining, liquidation, stablecoin or deposit-token settlement, smart-contract security and recovery must be tested under stress.
- Protocol integrations, governance changes, bridges and composability can alter the value-and-risk profile after launch and therefore require controlled change management and reassessment.

3. Analysis result

TOKENIZATION VALUE VERDICT

Conditional Go

Added Value: -2.00 | Plus: 12.00 | Minus: 14.00

Verdict rationale:

This case lands at Conditional Go because the current structure produces an Added Value of -2.00: the strongest supportive driver is New Opportunities (5/10), while the main friction is New Risks (9/10). The permissioned pool may create a genuinely token-native workflow by linking tokenized receivables or trade-finance collateral to programmable controls and digital-cash borrowing. This design introduces material new dependencies on smart contracts, oracle quality, liquidation logic, stablecoin reliability, bridges and post-launch governance choices. This rationale concerns tokenization added value only and does not validate legal, regulatory, tax, financial, investment, credit, yield, issuer, or implementation suitability.

Scope reminder: the verdict concerns tokenization added value only; the full interpretation and yield boundaries are stated in the Executive Summary.

Factor score profile

Factor	Score	Case-specific driver
New Opportunities	5/10	The permissioned pool may create a genuinely token-native workflow by linking tokenized receivables or trade-finance collateral to programmable controls and digital-cash borrowing.
Cost Savings	4/10	If collateral rules, participant controls and cash-flow tracking are automated, the pool may reduce some manual reconciliation and operational friction versus a conventional multi-party lending workflow.
Risk Reduction	3/10	Permissioned access, whitelist controls and programmable collateral logic may reduce some process and transfer-control risk compared with a loosely administered off-chain arrangement.
Tokenization Costs	5/10	The concept is likely to require substantial legal structuring, technical build-out, security review, governance design and cross-border operating work before it can be launched credibly.
New Risks	9/10	This design introduces material new dependencies on smart contracts, oracle quality, liquidation logic, stablecoin reliability, bridges and post-launch governance choices.

Added Value: -2.00 (plus 12.00 / minus 14.00)

Interpretation note: Scores are calibrated judgments, not measurements; treat as directional. Different evaluators could reasonably vary by $\pm 1-2$ points.

Decision gates to verify:

These gates are not implementation instructions. They mark conditions that should be independently validated before any build-out, issuance, distribution, or investment-related decision.

- STOP: If legal enforceability / rights mapping cannot be made explicit and enforceable, stop or re-structure.
- STOP: If the project depends on near-term transferability or secondary liquidity, and no legally permitted, operationally defined transfer process with committed participants is available, stop or revert to a conventional structure.
- STOP: If settlement/cash-leg cannot be operationalized for the target investors, re-scope investor base or settlement design.

- **STOP:** If the distribution and compliance plan cannot support the chosen investor scope, re-scope to an investor segment supported by the independently confirmed offering pathway.

Hard blockers and gating issues:

No single absolute blocker was isolated. The verdict remains conditional because material gates still need independent validation before any build-out or distribution decision.

Assessment input: Partial

All required TVAC input sections were completed sufficiently for this assessment. This indicates form completion only; it does not mean that the case is fully specified, independently validated or supported by evidence.

Supporting evidence: Preliminary

This status indicates how far the central legal, commercial, provider and operational assumptions are supported by evidence described by the user. Supporting evidence is not required for an initial TVAC assessment.

Any supporting evidence mentioned in the case description is treated as user-reported and has not been independently reviewed or verified by TVAC.

Highest-priority evidence gaps:

- No verified jurisdiction-specific claim or approved local baseline is available; local regulatory application remains unresolved.
- Obtain written legal and control analysis of the token layer, authoritative records, participant and intermediary roles, custody or collateral control, settlement finality and the operating perimeter.
- Document and validate the relationship between the tokenized workflow, authoritative custody or agent records, collateral-control rights, asset- and cash-leg finality, exception handling, rollback and recovery.

Regulatory coverage: General (no verified local references) · unverified

This report uses approved baseline context and any activated versioned claims. No verified case-specific jurisdictional claim is activated unless explicitly shown below; final local application remains unresolved and requires qualified local verification.

Claim IDs, source versions and validation questions are documented in Appendix A.6.

Open questions / missing details:

- Issuance jurisdiction
- Sale jurisdictions / target markets
- Instrument type (equity / debt / fund etc.)
- Custody model (on-chain / off-chain / hybrid)
- Offering disclosure / documentation (prospectus / memorandum etc.)
- No market-making arrangement has been stated by the user or established from verified sources, so none has been assumed.

3.1 Key assumptions & caveats

- The assessment uses only the case description and structured inputs supplied by the user, the fixed TVAC methodology, activated verified source claims and approved baseline context supplied by TVAC.
- Any user-stated legal or regulatory pathway remains a hypothesis unless it is explicitly attributed to the user or supported by an authorized, source-backed case-specific regulatory implication; broader legal application remains subject to qualified local review.
- Selected custody, registry, venue, settlement, disclosure and investor labels are treated as design inputs and are not automatically mapped to local legal categories or requirements.
- No investor demand, provider commitment, cost quote, legal opinion, implementation status or operational test result is assumed unless it is explicitly stated in the input.
- For DeFi-native or permissionless dynamic features, TVAC assesses the current user-described baseline only. Future adoption, liquidity, composability, incentives, governance, oracle behaviour and protocol integrations remain dynamic and require reassessment when materially changed.

3.2 Value pathways

- The clearest value hypothesis is operational: tokenized short-term trade-finance or receivables collateral may allow programmable eligibility, margining and transfer controls inside a permissioned lending pool for professional participants.
- A second value pathway is funding speed. If the collateral rights, cash leg and liquidation mechanics are validated, digital cash funding may shorten some steps that are often manual in conventional collateralized private-credit workflows.
- A third pathway is controlled composability. The user describes the possibility of integrating the pool with other approved on-chain applications, which could expand utility beyond a closed bilateral setup, but this upside remains unanchored because no final integration, governance or risk boundaries are stated.
- The lender pool-token concept may support more modular exposure to the lending strategy than a purely off-chain participation record, but the legal treatment, transferability, enforceability and authoritative record of those pool tokens remain unresolved.
- Because the case targets professional or institutional users rather than retail users, the value proposition depends less on broad democratized access and more on operational efficiency, collateral control, capital mobility and trusted governance.

3.3 Investor segmentation

- The planned participant base is restricted to professional or institutional users, which may reduce the need for retail-oriented onboarding and disclosure processes but does not eliminate the need for jurisdiction-specific analysis.
- This segmentation is commercially coherent for an early permissioned lending pool because the strategy depends on sophisticated assessment of receivables or trade-finance collateral, liquidation mechanics and digital-cash operational risk.
- At the same time, professional-only targeting limits the distribution upside unless the sponsor can document real borrower pipelines and lender appetite across the contemplated markets.
- Because the pool tokens represent an economic interest in the lending strategy, investor suitability will depend not just on technical access but also on comfort with governance, collateral quality, oracle design and cash-leg dependency.

3.4 Operational costs

- TVAC assesses that meaningful cost categories are likely to remain relevant even if the final design is lean: entity structuring, legal-rights mapping, tax analysis, smart-contract development, audit, oracle services, monitoring, custody, governance and cross-border compliance work.
- The current concept may save some reconciliation and administration effort later if collateral eligibility, cash flows and participant controls are automated, but no validated conventional-cost baseline or provider quotations were supplied.
- Because no final provider stack is stated, this assessment cannot determine whether the eventual cost burden will be concentrated in one integrated platform or spread across multiple vendors and advisers.
- The lack of committed liquidity may also require commercial incentives, relationship management or other support costs that are not yet evidenced.

3.5 Regulatory path

- No approved local baseline is available for General (no verified local references). TVAC therefore provides structured regulatory scoping derived from the stated case without naming or applying unverified local rules.
- Determine the legal and economic character of the token, the underlying asset or claim, the issuer or wrapper and the rights granted to holders; tokenization does not itself determine classification.
- Distinguish capital raising and investor distribution from a closed operational workflow. The relevant offering, marketing, eligibility and disclosure questions depend on what is actually offered, to whom, where and through which communications and intermediaries.
- Map the functions performed by the issuer, platform, onboarding provider, custodian, registry or recordkeeper, transfer operator, venue, payment provider and other service providers. Technology labels do not determine regulated roles.
- Confirm which record is legally authoritative, how transfers become effective, how asset and cash legs reach finality, how exceptions are handled and how rights remain enforceable if a provider or technical component fails.
- For cross-border cases, validate the issuance jurisdiction, every target or sale jurisdiction, investor categories, marketing perimeter, data handling, tax treatment and payment or foreign-exchange implications separately.

3.6 Custody & venue fit

- The custody model is not yet finalized, which is a major issue because this case turns on control of tokenized receivables or trade-finance collateral and on the integrity of lender economic interests.
- The described recordkeeping role of any token registry, pool ledger or custody layer is part of the proposed design; which record is legally authoritative remains to be confirmed.
- The user-selected DEX or continuous-venue description shows an ambition for ongoing transferability, but there is no stated committed liquidity and no confirmed legal pathway for that venue model.
- For a professional-only permissioned pool, venue fit depends less on headline openness and more on whether transfer controls, participant screening, cash settlement and collateral enforcement can work together without excessive manual intervention.
- If the final design relies on stablecoin settlement, custody and venue choices will need to align with cash-leg reliability, redemption mechanics, wallet controls and any bridge usage.

3.7 Settlement & Cash-Leg Readiness

- Cash-leg dependency is assessed as High. The assessment is based on the stated instrument/asset type (unknown) and the stated liquidity intent (continuous), not on a generic assumption that every tokenized asset requires advanced digital money.
- Current payment / settlement indication: stablecoin-tokenized-cash. Readiness is assessed as Moderate.
- High dependency: only user-stated benefits that depend on liquidity, DvP, collateral mobility, automated payments or 24/7 settlement should be constrained by weak cash-leg evidence.
- Design implication: claims about liquidity, automated cash flows or smoother settlement should be kept conservative until the payment rails, settlement finality and operational counterparties are specified.

3.8 Risk register

- **Collateral enforceability mismatch** – mitigation: Obtain written legal analysis of how tokenized receivables or trade-finance rights are created, perfected, controlled and enforced in the chosen structure before launch. (*impact: 5, likelihood: 4*)
- **Oracle or valuation failure** – mitigation: Define pricing sources, dispute handling, fallback procedures and governance escalation before production use. (*impact: 5, likelihood: 4*)
- **Smart-contract vulnerability** – mitigation: Complete independent code review, production audit, controlled deployment and emergency response planning. (*impact: 5, likelihood: 3*)
- **Stress liquidation breakdown** – mitigation: Document liquidation triggers, decision rights, settlement sequence and fallback manual procedures, then test them under adverse scenarios. (*impact: 5, likelihood: 4*)
- **Stablecoin or bridge dependency** – mitigation: Validate issuer, redemption, wallet-control, transfer and bridge exposure assumptions and define alternatives if the primary cash leg fails. (*impact: 4, likelihood: 4*)
- **Liquidity concentration** – mitigation: Evidence borrower pipeline, lender commitments and concentration limits before relying on continuous transfer or refinancing assumptions. (*impact: 4, likelihood: 4*)
- **Governance drift after launch** – mitigation: Set bounded governance powers, change controls and participant notice mechanisms for integrations, collateral rules and risk parameters. (*impact: 4, likelihood: 3*)

4. Stakeholder added value

This chapter translates the deep assessment into a stakeholder view: **who captures the upside, who carries the costs/risks**, and **what must be agreed** for this tokenization case to work. Stakeholder scores use the same 5-factor Added Value framework as the overall project score.

4.1 Stakeholder added value scores

- **Instrument type:** unknown
- **Custody:** unknown
- **Venue:** DEX
- **Liquidity:** continuous
- **Settlement:** stablecoin-tokenized-cash

- **Transfers:** Permissioned participants; whitelist and jurisdiction controls under design
- **Investor scope:** professional
- **Tokenization Value Verdict:** Conditional Go
- **Overall Added Value:** -2.00 (plus 12.00 – minus 14.00)

Custody, venue, liquidity, disclosure and investor-segment terms above are user-selected TVAC design labels. They do not establish local legal categories, permissions or requirements.

Case snapshot

Stakeholder	NO	CS	RR	TC	NR	Net
Asset owner / Issuer (sponsor, manager)						
Expected value depends on programmable collateral control and controlled lending operations, while the initiating party bears substantial legal, oracle, liquidation, smart-contract, cash-leg and governance design burden.	5.0	4.0	3.0	7.0	10.0	-5.00
Investors						
Expected value depends on enforceable pool rights, collateral and oracle transparency, reliable liquidation and digital-cash settlement, controlled governance and robust incident recovery.	5.0	2.0	3.0	5.0	10.0	-5.00
Infrastructure providers						
Expected value depends on supplying reliable smart-contract, oracle, collateral, liquidation, custody, cash-leg, governance and recovery capabilities for a tightly permissioned lending model.	5.0	1.0	1.0	3.0	5.0	-1.00

Net = (New Opportunities + Cost Savings + Risk Reduction) – (Tokenization Costs + New Risks). Stakeholder scores are perspective scores, not a decomposition of the overall project score. They show how the same structure looks from each party's position, depending on which benefits they capture and which costs, risks, and delivery burdens they actually bear.

4.2 Asset owner / Issuer (sponsor, manager)

Expected value (plus)

- The main initiating-party upside comes from programmable collateral controls, standardized borrower and lender workflows, and controlled digital-cash settlement if the legal and operational model is proven under stress.

Costs & risks carried (minus)

- Whitelist controls can constrain liquidity and require continuous compliance operations.

What to agree / do next

- Lock the operating model: rights (term sheet), custody setup, venue path, cash-flow/distribution mechanics, and transfer rules.
- Resolve the highest-priority evidence gaps identified in the report before spending further on build or integration.
- Define enforceable pool and collateral rights, oracle and valuation controls, margin and liquidation rules, cash-leg finality, emergency powers, recovery and formal reassessment triggers for protocol or governance changes.

4.3 Investors

Expected value (plus)

- Lender-side value depends on enforceable pool rights, transparent collateral eligibility and valuation, reliable digital-cash settlement, disciplined liquidation and controlled governance rather than on assumed token liquidity.

Costs & risks carried (minus)

- Transfer restrictions (whitelists) can limit who you can sell to, and when.

What to agree / do next

- Demand a clean 'how to exit' note: venue, cadence, transfer rules, and what happens if liquidity is thin.
- Verify pool, custody and collateral controls in operational detail: lender and borrower position records, collateral eligibility and valuation, oracle responsibility, margin and liquidation workflows, incident handling, auditability, emergency powers and recovery.
- Clarify economics: pool and provider fees, oracle and audit costs, expected reporting, cash-leg dependencies and how lender cash flows are distributed.

4.4 Infrastructure providers

Expected value (plus)

- Infrastructure value depends on reliable smart-contract, oracle, collateral-monitoring, liquidation, custody, digital-cash, governance and incident-recovery services within a permissioned model.

Costs & risks carried (minus)

- Integration and operational complexity across oracle feeds, collateral monitoring, margining, liquidation, cash-leg coordination, governance changes and incident response can scale faster than expected.
- Whitelist logic can interfere with matching/settlement and requires coordination across venue + custodian + issuer.

What to agree / do next

- Define interfaces and responsibilities early (RACI): who owns KYC/AML, pool and collateral records, oracle data, valuation, margining, liquidation, cash-leg operations, governance changes, incident response and recovery.
- Agree evidence expectations: SOC reports, audit trails, code audits, incident runbooks, and SLA/exit clauses.
- Align commercial terms with actual delivery responsibilities and evidenced outcomes; avoid adding a token layer without measurable operational or commercial value.

4.5 Who bears the costs and risks?

A frequent failure mode in tokenization is misaligned incentives: the issuer/asset owner carries most of the build, integration, legal, and compliance burden, while infrastructure providers may still earn fees and investors may still demand protections if rights, transfer mechanics, or operational utility remain unclear. Where that imbalance becomes too pronounced, tokenization can become commercially more attractive to service providers than to the initiating Asset Owner itself. Use the scores above to sanity-check incentive balance before you proceed.

- If the asset owner net score is materially negative while infrastructure is positive, the current configuration may be economically more attractive to service providers than to the initiating Asset Owner. In that situation, renegotiate scope, fee stack, delivery burden, and structural complexity before proceeding.
- If investor net score is low or negative, expect weak demand unless enforceability, disclosures, custody, and realistic exit paths are improved.

5. Factor breakdown – detailed explanation

Read these scores alongside the Stakeholder added value section. Stakeholder incentives, operational responsibilities, and cross-party alignment often determine whether modeled upside (New Opportunities, Cost Savings, Risk Reduction) is realized in practice, and whether frictions (Tokenization Costs, New Risks) remain acceptable. Material misalignment should be treated as a practical discount to feasibility and expected value.

This section explains in more detail why each of the five factor scores was chosen for this specific case and how they link back to your inputs (jurisdictions, investor types, custody, venue, settlement, disclosure, tax considerations, etc.). The three upper factors represent upside (Plus), while the two lower factors capture friction and downside (Minus).

The bullets below provide the case-specific basis for each factor. Scores are rubric-based methodology judgments, not measurements or legal conclusions.

Overall, the case is finely balanced, with modeled upside and modeled friction close to each other in magnitude. The structure is directionally viable, but specific design conditions and mitigations need to be met before committing to a full-scale rollout. With an Added Value score of -2, this case sits near the decision boundary, so a limited set of design choices can still shift the outcome. Net Added Value is primarily driven by new opportunities at 5/10 on the upside, and constrained mainly by new risks at 9/10 on the friction side.

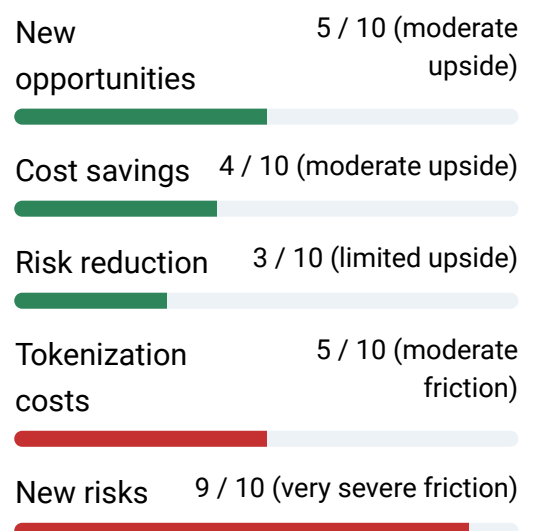
New opportunities (NO)

- The permissioned pool may create a genuinely token-native workflow by linking tokenized receivables or trade-finance collateral to programmable controls and digital-cash borrowing.
- The concept also points to a possible integration path with other approved on-chain applications, which is harder to replicate in a purely conventional administered pool.
- However, the distribution scope, secondary liquidity pathway and enforceable rights mapping are not yet anchored, so the upside remains meaningful but constrained.

Cost savings (CS)

- If collateral rules, participant controls and cash-flow tracking are automated, the pool may reduce some manual reconciliation and operational friction versus a conventional multi-party lending workflow.

Factor scores (0–10). Green bars indicate upside factors (New opportunities, Cost savings, Risk reduction). Red bars indicate friction/downside (Tokenization costs, New risks). The text next to each score gives a qualitative label so the numbers are less abstract.



- Those efficiencies remain partly hypothetical because there is no validated conventional baseline, no stated provider pricing and no finalized operating model.
- The likely savings are therefore incremental rather than transformative at the current concept stage.

Plus (NO + CS + RR): 12

Minus (TC + NR): 14

Added Value (Plus – Minus): -2

Risk reduction (RR)

- Permissioned access, whitelist controls and programmable collateral logic may reduce some process and transfer-control risk compared with a loosely administered off-chain arrangement.
- Auditability and state visibility may also improve if the final record, collateral and cash processes are tightly aligned.
- Risk reduction remains limited because the most important protections in this case depend on unresolved legal enforceability, custody, oracle, liquidation and governance design.

Tokenization costs (TC)

- The concept is likely to require substantial legal structuring, technical build-out, security review, governance design and cross-border operating work before it can be launched credibly.
- The unresolved choice between Switzerland or the UAE, together with possible participants from several markets, may keep advisory and compliance costs elevated in the initial phase.
- Stablecoin-based settlement, oracle infrastructure and ongoing monitoring may also add recurring cost categories that do not disappear simply because the process is on-chain.

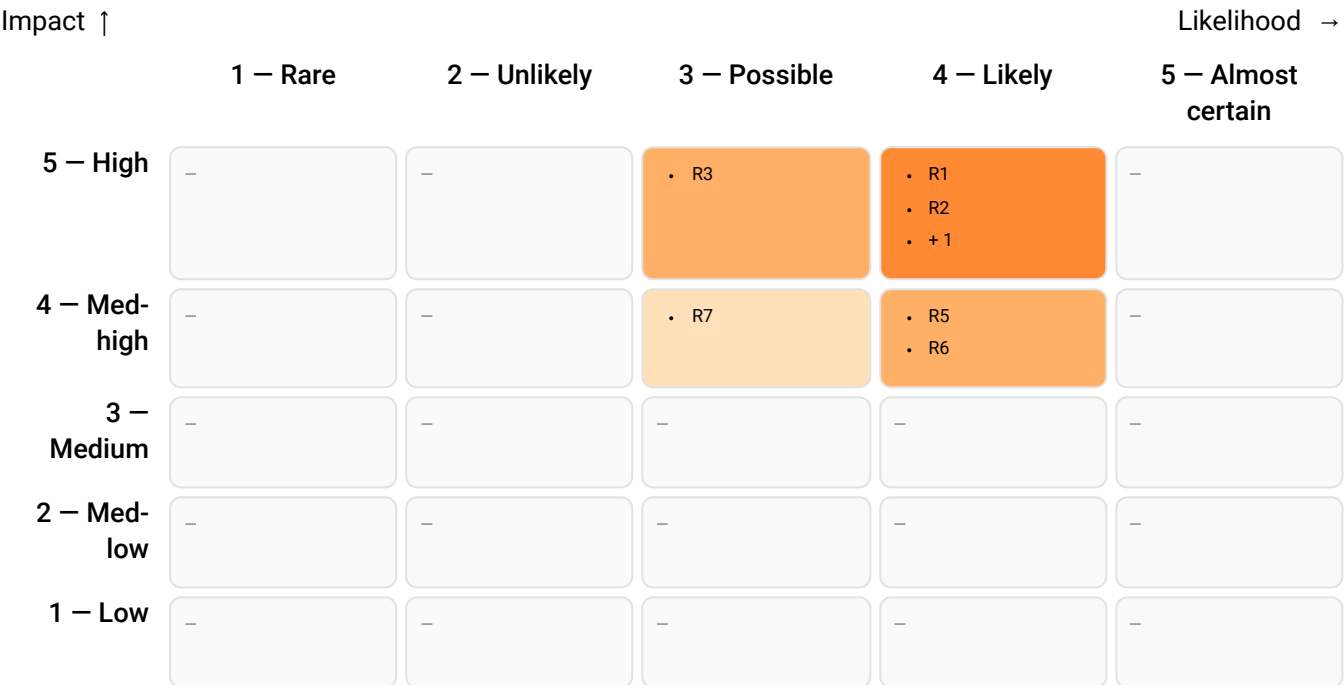
New risks (NR)

- This design introduces material new dependencies on smart contracts, oracle quality, liquidation logic, stablecoin reliability, bridges and post-launch governance choices.
- The user explicitly notes that composability may create risks not visible in a static initial assessment, which is especially relevant for a lending pool connected to other approved on-chain applications.
- Because there is only a prototype and no committed liquidity or audited production system, those new risk categories are currently more than routine execution detail.

6. Risk heatmap

This heatmap highlights case-specific risks by combining likelihood (horizontal axis) and impact (vertical axis). The darkest orange cells mark the highest combined risk and are usually the first candidates for mitigation actions and additional analysis.

Colour scale: Low Medium High Very high



Focus first on risks in the darkest cells (high impact and high likelihood). These are typically the ones that need concrete mitigation plans before a real-world tokenization project can proceed.

- R1 – Collateral enforceability mismatch (Impact: 5, Likelihood: 4)
- R2 – Oracle or valuation failure (Impact: 5, Likelihood: 4)
- R3 – Smart-contract vulnerability (Impact: 5, Likelihood: 3)
- R4 – Stress liquidation breakdown (Impact: 5, Likelihood: 4)
- R5 – Stablecoin or bridge dependency (Impact: 4, Likelihood: 4)
- R6 – Liquidity concentration (Impact: 4, Likelihood: 4)
- R7 – Governance drift after launch (Impact: 4, Likelihood: 3)

7. Recommendations & next steps

These pointers are non-binding and informational only. For a Conditional Go case, read them as gated structuring steps that must be resolved before build-out or launch.

7.1 Design priorities and decision gates

This is a permissioned DeFi/RWA lending case. The priorities focus on enforceable rights, collateral control, oracle and liquidation resilience, digital-cash settlement and bounded protocol dependencies – not generic fundraising or assumed liquidity.

7.1.1 Lock legal rights and collateral-control architecture

Define the legal entity, governing law, lender and pool-token rights, borrower obligations, collateral ownership and control, perfection, valuation, substitution, margining, enforcement and the relationship between on-chain instructions and off-chain receivable or trade-finance records.

7.1.2 Prove oracle, liquidation, cash-leg and recovery under stress

Test oracle failure, stale or disputed values, margin triggers, liquidation paths, stablecoin or deposit-token depegging and freezes, failed transfers, smart-contract incidents, emergency powers, rollback and recovery under severe but plausible conditions.

7.1.3 Bound protocol, governance, bridge and composability dependencies

Approve integrations and upgrades through explicit governance, change-control, security review and exposure limits. Treat new protocols, bridges, incentives and composability as material design changes requiring reassessment rather than automatic upside.

7.1.4 Execution implication for a permissioned lending pilot

Proceed only through a tightly bounded professional-participant pilot after independent legal, collateral, smart-contract, oracle, liquidation, cash-leg and recovery validation. Do not use anchor-investor, minimum-capital-raised or generic liquidity templates for this operating model.

7.2 Design what-if scenarios

These scenarios test the permissioned lending and collateral-control design under changing operational and protocol conditions.

- Collateral rights, oracle controls, margining and liquidation are proven end to end with reliable digital-cash settlement: New Opportunities become more credible and New Risks may fall.
- The pool relies on disputed valuations, a concentrated oracle or an untested liquidation path: New Risks rise sharply even if normal operations appear efficient.
- Bridges, external protocols or governance changes expand after launch without controlled reassessment: the original verdict no longer describes the live risk perimeter.

7.3 Future scenarios (longer-term)

These longer-term scenarios concern controlled infrastructure maturity and dynamic protocol dependencies; they are not predictions of DeFi adoption or token liquidity.

- More robust institutional oracle, custody and digital-cash infrastructure could improve reliability if responsibility and recovery remain explicit.
- Approved interoperability may add utility, but each new protocol, bridge or governance dependency must be assessed as a material scope change.

- A move toward permissionless participation, retail access or incentive-driven liquidity would create a fundamentally different case requiring reassessment.

7.4 Suggested next steps

- Document the legal entity, governing law, rights map and collateral-control model.
- Run end-to-end oracle, margin, liquidation, cash-leg, incident and recovery tests under stress.
- Set protocol, bridge, governance, upgrade and composability limits with formal change control.
- Define ongoing monitoring and mandatory reassessment triggers for material design or dependency changes.

7.5 Risk-mitigation actions

- Collateral enforceability mismatch: Obtain written legal analysis of how tokenized receivables or trade-finance rights are created, perfected, controlled and enforced in the chosen structure before launch.
- Oracle or valuation failure: Define pricing sources, dispute handling, fallback procedures and governance escalation before production use.
- Smart-contract vulnerability: Complete independent code review, production audit, controlled deployment and emergency response planning.
- Stress liquidation breakdown: Document liquidation triggers, decision rights, settlement sequence and fallback manual procedures, then test them under adverse scenarios.
- Stablecoin or bridge dependency: Validate issuer, redemption, wallet-control, transfer and bridge exposure assumptions and define alternatives if the primary cash leg fails.
- Liquidity concentration: Evidence borrower pipeline, lender commitments and concentration limits before relying on continuous transfer or refinancing assumptions.
- Governance drift after launch: Set bounded governance powers, change controls and participant notice mechanisms for integrations, collateral rules and risk parameters.

The actions above address the most material New Risks in this case. Residual risks should continue to be monitored throughout the structure's lifecycle.

8. Indicative Implementation Roadmap

This roadmap is illustrative only. It is a gated risk-control and operating plan for a permissioned lending pool, not a generic tokenization roadmap. Because the case is still at an early exploration stage, this roadmap should be read primarily as clarification and design-definition sequencing rather than as a build-ready implementation plan.

8.1 Operational roadmap (permissioned DeFi lending)

The roadmap tests whether enforceable pool and collateral rights, reliable oracles, disciplined margining and liquidation, digital-cash settlement, controlled governance and credible recovery can support a bounded professional-participant pilot.

8.2 Phase 1 — Rights, scope & pilot mandate

Objectives

- Define the legal entity, governing law, pool-token and lender rights, borrower obligations, collateral scope and the exact professional-participant perimeter.
- Set measurable pilot objectives, exposure limits and stop conditions without assuming continuous liquidity.

Key decisions

- Approve the rights map, authoritative records, initial jurisdictions, participant eligibility and bounded pilot scope.

Deliverables (checklist)

- Approved pilot charter, rights map and participant perimeter.
- Baseline comparator, risk register, exposure limits and mandatory reassessment triggers.

Primary stakeholders

- Pool sponsor or manager; professional lenders; approved borrowers; collateral and custody operators; oracle and valuation providers; smart-contract and security reviewers; digital-cash provider; legal, risk, compliance and operations owners.

Dependencies / gates

- No build until rights, records, collateral scope and operating ownership are clear enough for independent validation.

Risk hotspots

- Unresolved legal rights or an overbroad protocol perimeter can invalidate the value case before technical work begins.

8.3 Phase 2 — Collateral, oracle & control design

Objectives

- Define collateral ownership, control, perfection, eligibility, valuation, substitution, margining, enforcement and liquidation rules.
- Define oracle sources, accountability, challenge, stale-value handling, fallback and emergency authority.

Key decisions

- Select authoritative pool, lender, borrower and collateral records and assign every control and escalation right.

Deliverables (checklist)

- Collateral and record-control rulebook, oracle specification and signed RACI.
- Margin, liquidation, dispute, emergency-power and recovery design.

Primary stakeholders

- Pool sponsor or manager; professional lenders; approved borrowers; collateral and custody operators; oracle and valuation providers; smart-contract and security reviewers; digital-cash provider; legal, risk, compliance and operations owners.

Dependencies / gates

- Legal, collateral, oracle, custody and operating responsibilities are independently validated and mutually consistent.

Risk hotspots

- Weak record authority, concentrated oracles or ambiguous liquidation powers can turn automation into uncontrolled credit and operational risk.

8.4 Phase 3 — Smart-contract, cash-leg & stress proof

Objectives

- Build and independently review production smart contracts, access controls, monitoring and upgrade mechanisms.
- Test oracle failure, disputed values, margin calls, liquidation, stablecoin or digital-cash depeg or freeze, failed transfers, incidents, rollback and recovery under stress.

Key decisions

- Approve code ownership, emergency powers, upgrade governance, cash-leg fallback, incident thresholds and recovery authority.

Deliverables (checklist)

- Independent code and security review, end-to-end stress-test evidence and remediation log.
- Incident, depeg, oracle, liquidation, rollback, continuity and communication runbooks.

Primary stakeholders

- Pool sponsor or manager; professional lenders; approved borrowers; collateral and custody operators; oracle and valuation providers; smart-contract and security reviewers; digital-cash provider; legal, risk, compliance and operations owners.

Dependencies / gates

- No live pilot until critical findings are closed and stress tests demonstrate controlled failure and recovery.

Risk hotspots

- Untested oracle, liquidation, cash-leg or smart-contract failure paths can create losses and contagion faster than manual intervention can respond.

8.5 Phase 4 — Bounded pilot & controlled activation

Objectives

- Activate a tightly bounded pilot with named borrowers, lenders, collateral types, exposure limits and approved integrations.
- Measure funding operations, collateral exceptions, oracle performance, margining, liquidation readiness, incidents and provider costs against the comparator.

Key decisions

- Approve which functions are live, which remain manual or capped, and which conditions trigger pause, rollback or redesign.

Deliverables (checklist)

- Pilot evidence pack with positions, controls, incidents, stress events, user feedback and realized operating effects.
- Formal go, pause, rollback or redesign decision with limits and owners.

Primary stakeholders

- Pool sponsor or manager; professional lenders; approved borrowers; collateral and custody operators; oracle and valuation providers; smart-contract and security reviewers; digital-cash provider; legal, risk, compliance and operations owners.

Dependencies / gates

- Scale requires enforceable rights, stable controls, acceptable incidents and evidence that the tokenized model adds value beyond a conventional professional lending process.

Risk hotspots

- Pressure to add liquidity, integrations or leverage before controls are proven can expand the risk perimeter beyond the assessed case.

8.6 Phase 5 — Governed operation & mandatory reassessment

Objectives

- Operate within approved exposure, protocol, bridge, governance and composability limits and monitor every material dependency.
- Reassess the case whenever rights, collateral types, oracle design, cash leg, integrations, incentives, governance or participant scope change materially.

Key decisions

- Set assurance cadence, change-control thresholds, model-risk reviews, provider exit plans and mandatory pause or reassessment triggers.

Deliverables (checklist)

- Run-state dashboard for collateral, oracle, margin, liquidation, cash-leg, incidents, governance changes and provider performance.
- Tested continuity, portability, exit, rollback and change-management plan.

Primary stakeholders

- Pool sponsor or manager; professional lenders; approved borrowers; collateral and custody operators; oracle and valuation providers; smart-contract and security reviewers; digital-cash provider; legal, risk, compliance and operations owners.

Dependencies / gates

- Continued operation depends on auditable governance, reliable recovery, stable provider performance and disciplined scope control.

Risk hotspots

- New bridges, external protocols, incentive layers, retail access or permissionless participation create a materially different case requiring reassessment.

Appendices

Appendix A – Method & interpretation

A.1 How to read this report

This report is a structured decision-support assessment of a permissioned DeFi/RWA lending design. It evaluates whether programmable collateral control and digital-cash lending create net value after legal, oracle, valuation, margining, liquidation, smart-contract, governance, bridge and recovery dependencies are considered.

Read the verdict and factor profile first. Then test pool and lender rights, collateral ownership and control, authoritative records, oracle accountability, margin and liquidation, cash-leg finality, emergency powers, protocol change control and mandatory reassessment triggers. Dynamic integrations and liquidity are not assumed to remain stable.

A.2 Decision integrity & interpretation

This report provides informational decision support only and does not constitute legal, regulatory, tax, financial or investment advice, a compliance determination, credit assessment, smart-contract audit or operational assurance.

The verdict concerns tokenization added value for the current stated design. It does not confirm enforceability of pool or collateral rights, collateral perfection, oracle accuracy, liquidation performance, stablecoin redemption, smart-contract security, governance effectiveness, bridge safety, investor demand or implementation feasibility.

What can change the verdict (high impact)

- Whether pool-token, lender, borrower and collateral rights are legally enforceable and mapped to authoritative records
- Whether collateral eligibility, valuation, oracle challenge, margining and liquidation work under stress
- Whether the stablecoin or digital-cash leg remains final, redeemable and recoverable during freezes or failures
- Whether smart-contract incidents, emergency powers, upgrades and governance changes are bounded and auditable
- Whether bridges, external protocols, incentives or composability expand the live risk perimeter

What TVAC did not assess

- No credit opinion, collateral valuation or investor-suitability conclusion
- No legal opinion on rights, perfection, custody, offering or tax treatment
- No smart-contract, oracle, bridge, cyber or operational-readiness audit
- No assurance of lender demand, liquidity, liquidation proceeds or protocol performance

A.3 Minimum evidence checklist

Before moving beyond a bounded professional-participant pilot, decision-makers should substantiate at least the following evidence.

Rights and control

- Defined legal entity, governing law, pool-token and lender rights, borrower obligations, collateral ownership, control, perfection and enforcement

- Authoritative pool, lender, borrower and collateral records with clear custody and access responsibilities

Oracle, margining and liquidation

- Documented data sources, accountability, challenge, fallback and stale-value handling
- Tested eligibility, valuation, margin triggers, substitutions, liquidation paths, disputes and recovery under stress

Cash leg, code and governance

- Tested stablecoin or digital-cash finality, redemption, depeg, freeze, failed-transfer, fallback and recovery scenarios
- Independent production-code review, incident runbooks, emergency powers and rollback controls
- Approved governance, upgrade, protocol, bridge and composability limits with mandatory reassessment triggers

Economics and operations

- Documented conventional comparator, provider and audit costs, monitoring burden, service levels, portability and exit arrangements
- Evidence of borrower and lender participation without assuming continuous liquidity

A.4 Sensitivity & decision levers

The main levers are dynamic control and dependency variables.

- Rights and record authority: unresolved pool or collateral rights should increase New Risks
- Oracle and valuation: concentrated, stale or disputed data can invalidate margining and liquidation
- Liquidation and recovery: untested stress paths, freezes or disputed collateral materially weaken the case
- Cash leg: redemption, depeg, finality and fallback are core infrastructure, not late details
- Smart contracts and governance: emergency powers, upgrades and incidents require explicit ownership and audit evidence
- Bridges and composability: every added dependency changes the assessed perimeter and triggers reassessment
- Liquidity discipline: continuous liquidity must not be credited without committed participants and a validated transfer process

Improve the bounded rights, controls, stress evidence and change-governance model before expanding integrations.

A.5 How we compute Added Value

Added Value = (New Opportunities (NO) + Cost Savings (CS) + Risk Reduction (RR)) - (Tokenization Costs (TC) + New Risks (NR))

Plus (NO + CS + RR) = 12

Minus (TC + NR) = 14

Added Value (Plus - Minus) = -2

A.6 Evidence, provenance & regulatory source register

This register shows evidence status, activated verified regulatory claims, official sources and generic interface labels. It supports auditability but does not constitute legal advice or a conclusion that any cited rule applies to the final facts.

Supporting evidence: Preliminary · Any supporting evidence mentioned in the case description is treated as user-reported and has not been independently reviewed or verified by TVAC.

Regulatory coverage: General (no verified local references) · unverified · unsupported · last reviewed 2026-07-12

Legal-advice boundary: TVAC provides regulatory scoping and decision support only. It does not determine how the law applies to the final facts, provide a legal opinion, confirm compliance, or replace qualified local counsel.

Score provenance

Factor scores are rubric-based methodology judgments grounded in supplied inputs and explicit evidence gaps. They are not measurements, legal conclusions or due-diligence findings.

Factor	Score	Provenance class	Input references
New Opportunities	5/10	METHODOLOGY_ASSESSMENT	case_description, instrument_type, investor_types, secondary_market_liquidity, transfer_restrictions
Cost Savings	4/10	METHODOLOGY_ASSESSMENT	case_description, instrument_type, custody_model, settlement_model, transfer_restrictions
Risk Reduction	3/10	METHODOLOGY_ASSESSMENT	case_description, custody_model, transfer_restrictions, settlement_model, investor_types
Tokenization Costs	5/10	METHODOLOGY_ASSESSMENT	case_description, instrument_type, custody_model, secondary_market_venue, settlement_model
New Risks	9/10	METHODOLOGY_ASSESSMENT	case_description, custody_model, secondary_market_venue, transfer_restrictions, settlement_model, tax_considerations

Activated verified regulatory claims

The table records claim scope and source IDs; the full case-facing explanation appears in Chapter 3.5.

No verified jurisdiction-specific claim was activated for the stated case facts.

Jurisdiction-specific validation questions

- **General (no verified local references):** Which legal entity, governing law and enforceable rights define the pool token, borrower obligations and lender economic interest?
- **General (no verified local references):** How are collateral ownership, control, perfection, valuation, substitution, margining, liquidation and enforcement established for each tokenized receivable or trade-finance position?
- **General (no verified local references):** Which oracle sources, valuation controls, liquidation rules, dispute processes and stress thresholds apply, and who is accountable when data or execution fails?
- **General (no verified local references):** How does the stablecoin, tokenized-deposit or other digital-cash leg reach finality, and how are depegging, freezes, failed transfers, reversals and recovery handled?
- **General (no verified local references):** How are smart-contract upgrades, governance changes, emergency powers, bridge or protocol dependencies, cybersecurity incidents and audit evidence controlled?

- **General (no verified local references):** How are professional-participant eligibility, jurisdiction gating, communications, transfers and dynamic protocol changes monitored and reassessed after launch?

Verified official sources

No activated verified jurisdiction-specific source applies to the stated facts.

Generic interface labels

Generic TVAC interface label only. It is not treated as a jurisdiction-specific legal classification or legal requirement.

Field	Value
instrument_type	unknown
custody_model	unknown
secondary_market_liquidity	continuous
secondary_market_venue	DEX
settlement_model	stablecoin-tokenized-cash
investor_types	professional

Appendix B – TVAC Provider Directory (illustrative)

This appendix is an illustrative reference layer intended to help the reader think about which types of external partners may be relevant in a tokenization project.

It is not a recommendation list, procurement shortlist, or ranking. Inclusion or omission does not imply endorsement, criticism, quality judgment, regulatory approval, or case suitability. Any provider mentioned here must be assessed independently for legal fit, jurisdictional coverage, operating model fit, technical capability, conflicts, cost, and execution reliability. This appendix is non-exhaustive and subject to change. The current TVAC reports already frame the Provider Directory in this way, as an early, non-exhaustive scaffolding meant to help the reader think about partner types rather than to recommend specific firms.

B1. How to use this appendix

Use this appendix to identify the provider categories a case may require, not as a signal that a specific provider should be engaged.

In many cases, the main value of the directory is not the names themselves, but the discipline of asking:

- Which functions must be covered?
- Which functions can be combined?
- Which functions must remain regulated or jurisdiction-specific?
- Which dependencies create concentration risk or vendor-capture risk?
- Which parts of the stack are critical before launch, and which can wait?

B2. Typical provider categories

Depending on the case, a tokenization project may require some or all of the following partner categories:

- legal & regulatory advisers
- tax advisers

- issuance / tokenization platform
- smart-contract / token engineering support
- custody / wallet infrastructure
- transfer agent / registry administration
- fund administration or SPV administration
- trading venue / ATS / MTF / exchange partner
- transfer or liquidity-support provider, only where explicitly required and legally permitted
- KYC / AML / onboarding provider
- payment / settlement / banking partner
- audit / assurance / cybersecurity reviewers
- valuation, data, or oracle-related providers
- distribution / placement / investor onboarding partners
- systems integration / workflow automation support

B3. Illustrative examples from the current TVAC directory

The current TVAC Provider Directory groups named examples under three main headings: Legal & regulatory advisers, Issuing platforms, and Custody, trading & settlement. The examples below are drawn from that existing list only, but presented in a more compact and category-led form.

B3.1 Legal & regulatory advisers

These advisers help determine whether the proposed structure is legally enforceable, properly classified, and consistent with the intended issuance, distribution, transfer, custody, and disclosure model.

Typical use cases:

- wrapper design
- securities-law classification
- cross-border marketing analysis
- transfer restriction design
- offering documentation
- legal opinions and regulatory scoping

Illustrative examples from the current TVAC directory:

- CMS
- Cooley
- FIN LAW
- MME
- NÄGELE

These names are taken from the existing Legal & regulatory advisers list in the current TVAC reports.

B3.2 Issuing platforms

These providers typically support issuance workflows, lifecycle management, permissions, investor access rules, and parts of the reporting or compliance stack.

Typical use cases:

- token issuance
- lifecycle events
- permissions / whitelisting
- cap-table or investor-position management
- compliance rule integration
- reporting workflows

Illustrative examples from the current TVAC directory:

- Aktionariat
- Polymesh (Polymath)
- Realiz Group
- Securitize
- Token City
- Tokeny

These names are taken from the existing Issuing platforms list in the current TVAC reports, with DigiShares intentionally omitted from this revised appendix.

B3.3 Custody, trading & settlement

These providers support safekeeping, wallet infrastructure, execution, venue access, settlement, and post-trade operations.

Typical use cases:

- institutional custody
- secure wallet infrastructure
- settlement support
- exchange / venue access
- post-trade servicing
- collateral mobility or transfer control support

Illustrative examples from the current TVAC directory:

- ADDX
- Anchorage Digital
- Archax
- BitGo
- Coinbase Institutional
- Copper
- Ondo Finance
- SIX Digital Exchange (SDX)
- Sygnum Bank
- Taurus

These names are taken from the existing Custody, trading & settlement list in the current TVAC reports.

B4. Practical selection principles

When evaluating providers, the reader should typically assess:

- jurisdictional fit
- regulatory status where relevant
- experience with the relevant asset class
- operating-model compatibility
- integration burden
- exit options / portability
- fee model
- service resilience
- auditability and evidence quality
- concentration risk

Where possible, provider choices should reinforce the case logic rather than undermine it. A weak provider stack can easily erode the value thesis of an otherwise promising structure.

B5. Important caution

The right provider stack is highly case-dependent.

A provider that is suitable for a closed institutional collateral workflow may be a poor fit for a cross-border fund wrapper. A provider that is strong in digital-asset custody may not be the right choice for transfer administration or legal structuring. A venue that looks attractive commercially may create regulatory or operating-model problems if the case does not actually need that level of transferability.

Appendix C – Glossary & abbreviations

A practical reference for the most common terms and abbreviations used in this report. Spelling note: tokenization uses “z”.

Term	Meaning
Accredited investor	An investor category used primarily in the United States for persons or entities meeting specific income, net worth, or institutional eligibility thresholds for participation in certain exempt offerings.
Added Value (AV)	TVAC’s net assessment of whether tokenization appears to improve a case overall once both upside and friction are weighed together. Formula: $AV = (NO + CS + RR) - (TC + NR)$.
AML	Anti-Money Laundering controls intended to detect, prevent, and report suspicious financial activity.
Assessment input	TVAC’s qualitative indication of whether the required input sections were completed sufficiently for the assessment to run. It measures input-form completion only and does not imply factual certainty, independent validation or supporting evidence.
Asset owner / Issuer	The originating party, sponsor, manager, or issuing structure responsible for launching or sponsoring the tokenized case being assessed.
ATS	Alternative Trading System. A regulated trading venue category used in some jurisdictions, particularly the United States.
Bankruptcy-remote SPV	A special-purpose vehicle structured to reduce the risk that the insolvency of a sponsor or related party directly affects the ring-fenced assets or obligations of the issuance vehicle.
Cap table	Capitalization table. A record of ownership interests, investor positions, or security holders in a structure or company.
Cash leg	The cash side of a transaction or settlement flow, as distinct from the asset or token side.
Conditional Go	A Tokenization Value Verdict indicating that tokenization may add net value, but remains materially dependent on design discipline, implementation choices, and resolution of key gating conditions.
Counterparty risk	The risk that one party to a transaction fails to perform its contractual obligations.

Term	Meaning
CSD	Central Securities Depository.
Custody	The safeguarding, control, and recordkeeping of assets or positions on behalf of investors or market participants.
DeFi	Decentralized Finance. A blockchain-based ecosystem of protocols and applications designed to enable financial activity without relying entirely on traditional centralized intermediaries.
DEX	Decentralized Exchange.
Distribution scope	The intended investor reach of an offering or tokenized structure, including geography, investor type, and access conditions.
DvP	Delivery versus Payment. A settlement model in which transfer of the asset and transfer of payment are linked so that one does not occur without the other.
Economic rights	The financial entitlements attached to a token or instrument, such as income participation, coupon, principal repayment, or profit-sharing.
Eligibility controls	Rules and mechanisms that determine who may acquire, hold, or transfer a token or instrument.
ESG	Environmental, Social, and Governance factors.
Execution risk	The risk that a concept that appears viable in theory fails in practice because implementation, coordination, economics, or governance proves weaker than assumed.
Factor breakdown	The report section explaining how each of TVAC's five factors contributes to the overall assessment.
Friction factors	In TVAC, the two downside factors: Tokenization Costs (TC) and New Risks (NR).
Governance	The decision-making, control, accountability, and escalation framework surrounding a structure, platform, issuer, or operating model.
Institutional investor	A professional market participant such as a fund, bank, insurer, treasury function, pension investor, or other organization investing at scale.

Term	Meaning
Investor segmentation	The way the target investor base is defined and limited by investor type, sophistication, jurisdiction, or eligibility criteria.
KYC	Know Your Customer procedures used to verify customer identity and onboarding eligibility.
Legal wrapper	The legal structure through which tokenized rights or exposures are issued, held, or governed.
Liquidity window	A predefined period or mechanism allowing limited secondary trading, transfer, redemption, or exit opportunities.
MTF	Multilateral Trading Facility under EU regulatory frameworks.
Net Added Value	See Added Value (AV).
New Opportunities (NO)	Case-specific upside that tokenization creates or materially strengthens, such as new investor reach, new operational utility, collateral use, programmability, or improved strategic flexibility.
New Risks (NR)	Additional risks introduced by tokenization, including legal, regulatory, operational, technological, governance, distribution, or market-structure risks.
NO / CS / RR / TC / NR	Shorthand for TVAC's five factors: New Opportunities, Cost Savings, Risk Reduction, Tokenization Costs, and New Risks.
Non-viable	A Tokenization Value Verdict indicating that the current structure does not support a positive tokenization value case under the TVAC methodology and should not proceed without substantial redesign.
Off-chain settlement	A settlement process that occurs through conventional systems, institutions, or cash rails rather than being fully completed on a blockchain.
On-chain settlement	A settlement process in which the relevant transfer logic is executed on a blockchain or distributed ledger environment.
Operational costs	The ongoing cost burden of running a structure, including servicing, reporting, compliance, governance, custody, registry, and technology overhead.
Operational utility	Practical workflow benefit created by tokenization, such as faster settlement, better collateral mobility, reduced reconciliation, or more efficient transfer control.

Term	Meaning
Parallel processes	A situation in which tokenized and legacy workflows both remain active, limiting the real efficiency gains from tokenization.
Permissioned	A system design in which access, participation, or transfers are restricted to approved participants under defined rules.
Professional investor	An investor category used in many jurisdictions for parties assumed to have greater sophistication, capacity, or experience than retail investors.
Prospectus	A formal disclosure document that may be required for certain public offerings or investor solicitations under applicable law.
Provider Directory	A reference section listing indicative categories of service providers relevant to tokenization implementation. It is illustrative only and not a recommendation list.
Registry	The official or operational record of holdings, ownership, or investor positions.
Regulatory coverage	The jurisdiction-specific scope supported by activated, versioned regulatory claims in the TVAC profile. It does not determine how the law applies to the final facts.
Regulatory perimeter	The boundary of laws, rules, approvals, and supervisory expectations that may apply to a structure or activity.
Retail investor	A non-professional investor who generally receives higher levels of regulatory protection than professional or institutional investors.
Rights mapping	The process of making clear what legal, economic, governance, and transfer rights a token actually represents and how those rights are enforceable.
Risk heatmap	A report visualization that summarizes the relative severity and concentration of key risk areas identified in the case.
Risk Reduction (RR)	The extent to which tokenization reduces existing risk in the conventional setup, for example through better controls, improved transparency, clearer auditability, or lower reconciliation burden.
Self-custody	A model in which the end holder directly controls the relevant wallet, keys, or token position without relying on a traditional third-party custodian.

Term	Meaning
Settlement model	The way asset transfer, cash transfer, record updates, and finality are operationally achieved.
SPV	Special Purpose Vehicle. A ring-fenced legal entity often used for issuance, structuring, asset isolation, or liability segregation.
Stakeholder added value	A TVAC perspective layer showing how value and friction may be distributed differently across key participants such as the issuer, investors, and infrastructure providers.
Stop criteria	Standard decision-integrity triggers indicating that a case should stop, re-scope, or be materially redesigned unless the issue is resolved.
Structured product	A financial instrument combining defined economic exposure with a formal legal wrapper and specified payout logic.
Supporting evidence	TVAC's qualitative indicator of how far critical legal, commercial, provider and operational assumptions are supported by evidence described by the user. User-reported evidence is not independently verified by TVAC, and supporting evidence is not required for an initial assessment.
TA	Transfer Agent.
Tokenization Costs (TC)	The additional costs introduced by tokenization, including structuring, legal work, compliance, integration, platform costs, governance overhead, servicing changes, and operating complexity.
Transfer controls	Rules, permissions, and technical or legal mechanisms governing who may transfer, receive, or hold the token.
Transfer restrictions	Specific limitations placed on secondary transfers, often for regulatory, contractual, or investor-eligibility reasons.
TVAC	Tokenization Value-Add Calculator. A structured decision-support methodology for assessing whether tokenization appears to create net added value in a specific case.
Value pathways	The concrete ways in which tokenization might create value in the case, such as improved distribution, lower friction, stronger control, faster settlement, or better collateral use.
Vendor-capture risk	The risk that a structure becomes economically or operationally overly dependent on one platform, provider, or implementation path in a way that shifts value away from the initiating party.

Term	Meaning
Venue fit	The degree to which the chosen issuance, transfer, trading, or liquidity venue matches the asset, investor scope, regulatory posture, and operating model of the case.
Verified regulatory claim	A versioned statement derived from an identified source and approved for conditional regulatory scoping. It is not a legal opinion or case-specific compliance conclusion.
Viable	A Tokenization Value Verdict indicating that the TVAC methodology identifies a positive tokenization value case under the described structure, subject to validation and disciplined execution. It is not an investment, credit, yield, valuation, legal, tax, or suitability assessment.
Whitelist / Whitelisting	A mechanism for restricting participation or transferability to pre-approved investors, wallets, counterparties, or participants.

Appendix D – Full verbatim case text

Full original free-text case input provided by the user.

We are developing a permissioned lending pool intended for professional participants. Borrowers would post tokenized short-term trade-finance or receivables positions as collateral and draw a stablecoin or other digital cash asset. Lenders would receive pool tokens representing their economic interest in the lending strategy.

The proposed value comes from programmable collateral controls, faster funding and the possibility of integrating the pool with other approved on-chain applications. However, the design is still early. We have not finalized the legal entity, governing law, treatment of pool tokens, collateral SPVs, custody model, oracle providers, liquidation process or whether participants may use the positions outside the pool.

Participation would be permissioned and limited to professional or institutional users, but the potential jurisdictions are not yet fixed. We are considering an operating entity in Switzerland or the UAE and investors from several markets. No final distribution analysis has been completed. The cash leg is currently assumed to be a stablecoin, although bank-backed tokenized deposits could be considered later.

The economics depend on borrower demand, lender liquidity, collateral performance, protocol integrations and governance decisions that may change after launch. Key risks include legal enforceability of collateral rights, oracle and valuation failures, smart-contract vulnerabilities, liquidation under stress, stablecoin dependency, liquidity concentration, governance changes, provider and bridge dependencies, and the possibility that composability creates risks not visible in a static initial assessment. We have a prototype but no audited production system or committed liquidity.

Appendix E – Disclaimer

Disclaimer

This report is provided for informational and decision-support purposes only. It does not constitute legal, regulatory, tax, accounting, investment, valuation, or financial advice, and it should not be relied upon as a substitute for professional advice tailored to the specific facts and circumstances of the case.

TVAC is a structured assessment tool designed to evaluate whether and when tokenization may create added value relative to conventional alternatives. Its outputs reflect a methodology-based analytical framework operating under uncertainty. They are not guarantees of commercial success, feasibility, investor demand, regulatory approval, liquidity, execution quality, budget outcome, or risk reduction.

Any scores, verdicts, scenarios, stakeholder assessments, suggested actions, implementation observations, and roadmap elements in this report are indicative only and depend on the quality, completeness, and interpretation of the input data, as well as on assumptions about structure, jurisdiction, service-provider readiness, market conditions, execution capability, and timing.

Tokenization outcomes can differ materially from this assessment if key conditions change, including legal structuring, investor scope, jurisdiction count, custody model, distribution pathway, settlement design, governance arrangements, servicing readiness, technology integration, cost allocation, evidence quality, or liquidity support.

A TVAC verdict is a tokenization added-value verdict only. It must not be presented or used as investment approval, credit rating, yield validation, issuer endorsement, regulatory approval, due diligence report, or investor recommendation. TVAC does not validate projected returns, coupon payments, credit quality, valuations, legal enforceability, tax treatment, or investor suitability.

This report does not replace formal legal analysis, regulatory review, tax analysis, technical architecture review, cybersecurity review, accounting assessment, operational diligence, commercial validation, or board-level decision processes. Independent advice should always be obtained before any structuring, issuance, distribution, investment, operational, or implementation decision is made.

Neither TVAC nor Astoval assumes responsibility for actions taken on the basis of this report alone. Users remain solely responsible for all commercial, legal, regulatory, operational, and strategic decisions related to any proposed tokenization initiative.

Contact

Astoval

support@astoval.com

tvacai.com

© 2026 Astoval · All rights reserved.