



Generated: 1.8.2026, 17.47.18
Assessment input: Complete
Supporting evidence: Preliminary
Regulatory coverage: United States · unverified
Case design stage: Structured Concept

Tokenization Value-Add Calculator

Deep Assessment Report

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

Design-stage interpretation:

This assessment is based on a partially defined design. The case is sufficiently clear for a meaningful case-specific evaluation, but several structural choices remain open.

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 a US-based corporate issuer with an existing, recurring commercial paper (CP) program used for short-term working capital. Today the program relies on multiple intermediaries, manual confirmations, repeated reconciliations between the issuer's treasury team, issuing/placing agents, custodians, and investors, and a settlement cycle that creates operational friction and occasional settlement fails. We want to introduce a tokenized CP note format (economically equivalent to our existing CP) for professional and accredited investors only...

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 Prove improvement against the existing issuance-programme baseline
 - 7.1.2 Resolve authoritative records, responsibility and DvP recovery
 - 7.1.3 Retire legacy steps and align provider economics with evidence
 - 7.1.4 Execution implication for an issuance and lifecycle 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 (structured)
 - 8.2 Phase 1 – Preparation & feasibility
 - 8.3 Phase 2 – Legal, tax & regulatory structuring
 - 8.4 Phase 3 – Build, integration & vendor onboarding
 - 8.5 Phase 4 – Issuance, distribution & launch
 - 8.6 Phase 5 – Post-issuance operations & monitoring
- 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: The analysis supports a viable case for proceeding with tokenization under the proposed direction. The assessment lands at Viable with an estimated Net Added Value of 7.00 (Plus: 14.00 · Minus: 7.00).

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.

Yield neutrality note: The stated coupon, yield, interest rate, or expected return has not been treated as tokenization value in itself. TVAC does not assess whether projected returns are realistic, sustainable, appropriately priced for risk, or suitable for investors. Yield may be relevant to investor demand, but it does not by itself demonstrate that tokenization adds value.

Case design stage: Structured Concept

This assessment is based on a partially defined design. The case is sufficiently clear for a meaningful case-specific evaluation, but several structural choices remain open.

- **Key findings:** The strongest support comes from cost savings and risk reduction. Across New Opportunities, Cost Savings and Risk Reduction, the combined Plus score is 14.00. The TVAC methodology indicates a positive value hypothesis under the stated design, but the benefits still require validation.
- **Key constraints:** The main discipline point is to keep tokenization costs and new risks contained at 7.00 and avoid scope creep that would dilute the current value case.
- **Decision posture:** Proceed with disciplined implementation. Preserve the features that create value, but avoid unnecessary expansion of jurisdictional scope, liquidity promises, or technical complexity beyond what the case actually needs.
- **Impact:** This is primarily a controlled progression case. The upside appears plausible under the stated design, but it must be validated and captured without reintroducing avoidable TC/NR through overengineering or distribution overreach.

1.1 What is different about this case

What is different about this case is that the issuer already has a conventional bond programme and is testing whether tokenization can improve issuance, settlement, position reporting and lifecycle administration. The value case therefore depends on measurable process improvement, authoritative records, DvP and recovery controls, and retirement of legacy steps – not on new capital access, anchor investors, market making or assumed secondary liquidity.

2. Asset class & market context

This is primarily an issuance-and-lifecycle optimisation case within an established recurring debt-issuance programme. Tokenization value depends on whether the tokenized tranche can improve allocation, settlement, authoritative position records, reporting, interest or discount

and maturity administration, exception handling and reuse across later issuances. It is not assessed as a new-capital-access or secondary-liquidity strategy.

Current market phase: Case-derived structural context only; external market maturity is not assessed from verified market sources for this case.

Typical structural strengths:

- The issuer has an established conventional issuance-programme baseline against which operational improvement can be tested.
- The stated pilot targets concrete issuance and servicing frictions: allocation, settlement, position reporting, interest or discount administration and maturity processing.
- The professional-investor and no-liquidity-thesis perimeter keeps the pilot focused on controlled operational value rather than speculative market expansion.

Key structural weaknesses & frictions:

- The authoritative record, custody or wallet-control model and responsibility split across issuer, arranger, registry operator and settlement bank remain unresolved.
- Cash-leg finality, failed-settlement handling, cancellation, rollback and recovery must be validated before settlement-sensitive benefits can be credited.
- A smaller tranche may struggle to absorb fixed setup costs, and value weakens materially if legacy issuance and servicing steps remain permanently in parallel.

3. Analysis result

TOKENIZATION VALUE VERDICT

Added Value: +7.00 | Plus: 14.00 | Minus: 7.00

Viabile

Verdict rationale:

This case is assessed as **Viabile** because the current structure produces an Added Value of +7.00: the strongest supportive driver is Cost Savings (5/10), while the main friction is Tokenization Costs (5/10). The user identifies repeated reconciliations, manual confirmations, and issuance-by-issuance operational friction in an existing recurring CP program, which creates a plausible base for recurring savings. Tokenization introduces additional legal-validation, integration, custody, governance, and platform work relative to the existing conventional CP process. 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	4/10	The tokenized commercial paper format introduces a shared position record, tighter transfer controls, and lifecycle automation that go beyond a purely static document workflow.
Cost Savings	5/10	The user identifies repeated reconciliations, manual confirmations, and issuance-by-issuance operational friction in an existing recurring CP program, which creates a plausible base for recurring savings.
Risk Reduction	5/10	The proposed design directly targets occasional settlement fails, reconciliation breaks, and fragmented operational coordination across the treasury team, agents, custodians, and investors.
Tokenization Costs	5/10	Tokenization introduces additional legal-validation, integration, custody, governance, and platform work relative to the existing conventional CP process.
New Risks	2/10	The tokenized wrapper creates legal-technical mapping risk because the relationship among token records, CP economics, custody records, transfer controls, and payment rights is not yet evidenced in the input.

Added Value: 7.00 (plus 14.00 / minus 7.00)

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

Hard blockers and gating issues:

No absolute blocker was isolated. The main task is to preserve the current value case through disciplined execution, cost control, provider selection, and independent validation of legal, regulatory, tax, technical, and commercial assumptions.

Assessment input: Complete

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 case-specific regulatory claim is activated; approved baseline context supports structured scoping, while case-specific legal 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: United States · 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.

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.

3.2 Value pathways

- The user describes an existing recurring U.S. commercial paper program with known operational friction, which makes this case more suitable for workflow redesign than a first-time issuance concept.
- The strongest value pathway is not new investor reach but the replacement of repeated reconciliations and manual confirmations with a shared position record for the tokenized tranche.
- The stated commitment to remove duplicated legacy steps is important because it shifts the case from cosmetic digitization toward a structure that may actually change operating effort for the issuer.
- Lifecycle automation is relevant in this case because the issuer specifically identifies issuance confirmations, coupon/accrual reporting, and maturity repayment notices as repeatable processes.

- Because secondary liquidity is not the objective and the scope is a single U.S. issuance and distribution perimeter, the value case depends mainly on issuer-side operational discipline rather than market expansion.

3.3 Investor segmentation

- The user limits the tokenized commercial paper tranche to professional and accredited investors and explicitly excludes retail participation.
- That investor segmentation supports a controlled rollout, reduces the need for a broad investor-education effort, and aligns with the stated non-public-exchange posture.
- The narrow investor scope also limits New Opportunities because the case is not trying to open a new channel beyond the existing institutional-style perimeter.
- For this case, investor acceptance matters mainly as an operational adoption question: whether eligible holders will transact through the whitelisted, custodied tokenized process.

3.4 Operational costs

- Tokenization still introduces platform, custody, integration, governance, and legal-validation work that would not be cost-free relative to the conventional CP workflow.
- The cost case is strengthened by the user's statement that duplicated legacy steps will be decommissioned for the tokenized tranche rather than permanently retained.
- Because the program is recurring, repeated issuance and lifecycle processes create a plausible base over which fixed setup costs may be justified, but no validated cost model is provided.
- The main economic question is not whether tokenization has zero added cost, but whether recurring manual exception handling and reconciliation effort are reduced enough for the issuer to capture net benefit.

3.5 Regulatory path

- TVAC has approved baseline regulatory context for United States, but it has not activated a verified case-specific local claim. The frameworks below are used for structured scoping only; applicability and current detailed conditions remain to be independently confirmed.
- At scoping level, a token representing debt, equity, fund interests or another investment exposure should be analysed under the U.S. federal securities-law framework. Tokenization does not itself determine the instrument's legal classification.
- For U.S. securities capital formation, Regulation D, Regulation A and registered offerings are distinct pathways. Regulation S may be relevant to offshore offers and sales. TVAC may compare their possible relevance, but must not conclude that the final case qualifies for any pathway.
- Broker-dealer, alternative trading system, transfer-agent, custody and recordkeeping questions may arise according to the functions actually performed, the instrument classification and the proposed secondary-transfer model. A technology label does not decide those roles.

3.6 Custody & venue fit

- The regulated-custodian model is directionally aligned with the stated institutional investor base and the objective of tighter operating control.
- An OTC venue posture with no planned liquidity is consistent with the user's narrow perimeter and avoids making the case dependent on an unproven secondary-market thesis.
- The described recordkeeping role is part of the proposed design; which record is legally authoritative remains to be confirmed.
- Because transfers are described as whitelist-based and issuer or agent approved, custody and transfer-control design appear more central than venue sophistication in this case.

3.7 Settlement & Cash-Leg Readiness

- The cash leg is not assessed as a standalone gate. TVAC evaluates whether the proposed payment and settlement model is proportionate to the value proposition claimed by the case.
- Here the stated cash-leg and settlement model remain T+1/2, and the case does not rely on 24/7 trading or open-market liquidity. That makes a conventional payment model more proportionate than it would be in a liquidity-led tokenization case.
- The DvP-style workflow is still important because the issuer claims tighter settlement controls and fewer fails. The exact sequencing and control design therefore matter to the Risk Reduction case.
- If the cash leg remains conventional while token movement is digitized, some settlement-sensitive benefits may be narrower than the user intends, but this does not by itself defeat the workflow-efficiency thesis.

3.8 Risk register

- **Misaligned incentives / vendor-capture risk** — mitigation: Use stage-gating based on legal/control validation and measurable operational-readiness evidence; link provider fees and scale-up to issuance completion, process retirement, service levels, reconciliation performance and lifecycle-delivery outcomes; preserve portability and exit rights if the provider arrangement changes. (*impact: 4, likelihood: 3*)
- **Authoritative record uncertainty** — mitigation: Obtain documented mapping between the token record, note terms, custodian records, and payment rights before production use. (*impact: 4, likelihood: 3*)
- **Offering-pathway mismatch** — mitigation: Obtain independent U.S. counsel analysis of the final issuance, distribution, and transfer-control design. (*impact: 5, likelihood: 3*)
- **Cash-leg and token-leg timing mismatch** — mitigation: Document the DvP-style sequencing, exception handling, and fallback controls for T+1/2 settlement. (*impact: 4, likelihood: 3*)
- **Provider concentration** — mitigation: Negotiate clear service levels, pricing, data portability, and contingency arrangements with custody and platform providers. (*impact: 3, likelihood: 4*)
- **Savings not realized operationally** — mitigation: Track baseline exception rates, reconciliation effort, and settlement-fail metrics against the tokenized tranche after rollout. (*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

- **Issuance:** United States
- **Sales:** US
- **Instrument type:** wrapper
- **Custody:** regulated-custodian
- **Venue:** OTC
- **Liquidity:** none

- **Settlement:** T+1/2
- **Disclosure:** Exempt
- **Transfers:** Whitelist + accredited/professional-only + issuer/agent-approved transfers
- **Investor scope:** professional • accredited
- **Tokenization Value Verdict:** Viable
- **Overall Added Value:** 7.00 (plus 14.00 – minus 7.00)

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
Issuer / programme sponsor						
Expected value depends mainly on whether the tokenized tranche improves issuance, settlement, position reporting and lifecycle administration relative to the issuer's established recurring issuance programme, without creating a permanent parallel process.	4.0	5.0	4.0	9.0	5.0	-1.00
Professional investors						
Investor value depends mainly on clear rights, reliable position records, controlled settlement and accurate lifecycle servicing rather than on promised liquidity or expanded access.	3.0	3.0	6.0	5.0	5.0	2.00
Issuance, registry, custody and settlement providers						
Provider value depends on delivering a coherent issuance and lifecycle stack that integrates with the issuer's existing systems and removes measurable friction rather than merely adding another technology layer.	5.0	2.0	2.0	4.0	1.0	4.00

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.

Here, overall project TC can remain moderate while Asset Owner TC is materially higher, because setup, integration, legal/compliance work, and delivery burden are concentrated on the initiating party rather than spread evenly across the structure. Likewise, stakeholder NR can exceed overall project NR where a specific party bears more custody, transfer, disclosure, or exit-path uncertainty than the structure as a whole.

4.2 Issuer / programme sponsor

Expected value (plus)

- Potential value comes from fewer manual handoffs, cleaner allocation and settlement, better position visibility and more controlled interest, maturity and lifecycle administration.
- A successful pilot can create reusable operating capability for later issuances without relying on broader investor access or secondary-market liquidity.

Costs & risks carried (minus)

- The issuer still carries legal-structure, integration, provider, governance and change-management costs before operational gains are demonstrated.
- Value erodes if the tokenized tranche remains dependent on duplicate records, manual approvals or permanent parallel servicing.

What to agree / do next

- Define the authoritative record, responsibility split, lifecycle event model and evidence required to retire legacy steps.
- Compare the full tokenized-tranche cost and operating performance with the existing issuance-programme baseline before scaling.

4.3 Professional investors

Expected value (plus)

- Cleaner confirmations, position reporting and lifecycle communications may improve the holding and servicing experience.
- A validated DvP process can reduce settlement uncertainty without changing the conventional economic terms of the instrument.

Costs & risks carried (minus)

- Investors need clarity on the authoritative record, custody or wallet control, transfer restrictions, failed-settlement handling and fallback arrangements.
- A new token layer adds provider and operational dependencies even where no public secondary market is planned.

What to agree / do next

- Require a clear rights-and-operations note covering record authority, settlement finality, custody, transfers, interest or discount, maturity processing and incident recovery.
- Do not treat the pilot as offering additional liquidity unless a separate, validated transfer pathway is actually introduced.

4.4 Issuance, registry, custody and settlement providers

Expected value (plus)

- Providers can create durable value through reliable registry integration, controlled DvP, lifecycle automation, audit evidence and reusable issuance workflows.
- A repeat issuer offers a credible path to reuse if the first tranche proves operationally superior to the conventional process.

Costs & risks carried (minus)

- Responsibility gaps between arranger, registry or transfer operator, custodian, wallet provider and settlement bank can create high error and recovery costs.
- Commercial value is weak if fees and integration burden are not tied to measurable process retirement and service outcomes.

What to agree / do next

- Agree a detailed RACI, authoritative-record model, DvP sequence, exception authority, recovery process, service levels and exit or portability provisions.
- Tie provider commitments and scale-up to evidenced reductions in manual work, reconciliation and lifecycle-processing burden.

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.

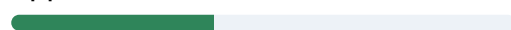
Overall, this structure creates a clearly positive balance: strong upside from new opportunities and/or risk reduction outweighs tokenization costs and new risks, provided the project is executed with solid governance and implementation discipline. With an Added Value score of 7, the value case is clearly positive rather than marginal. Net Added Value is primarily driven by cost savings at 5/10 on the upside, and constrained mainly by tokenization costs at 5/10 on the friction side.

New opportunities (NO)

- The tokenized commercial paper format introduces a shared position record, tighter transfer controls, and lifecycle automation that go beyond a purely static document workflow.
- The opportunity set remains deliberately narrow because the issuer states a single U.S. issuance and distribution perimeter, institutional-only participation, and no retail or public exchange initiative.
- No credible secondary-liquidity pathway is described, and the case does not rely on new investor access beyond a controlled professional/accredited perimeter.

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.

New opportunities 4 / 10 (moderate upside)



Cost savings 5 / 10 (moderate upside)



- Some of the intended benefits could overlap with advanced conventional digitization, which limits how far tokenization expands the opportunity set in this specific design.

Cost savings (CS)

- The user identifies repeated reconciliations, manual confirmations, and issuance-by-issuance operational friction in an existing recurring CP program, which creates a plausible base for recurring savings.
- The stated decision to decommission duplicated legacy steps for the tokenized tranche is important because it avoids a permanent parallel-process model that would dilute savings.
- The savings thesis is concentrated in agent, custody, exception-handling, and reporting operations rather than in investor-acquisition costs or venue costs.
- The case would be stronger with a validated conventional baseline and target-state cost model, so the assessment treats savings as plausible rather than demonstrated.

Risk reduction (RR)

- The proposed design directly targets occasional settlement fails, reconciliation breaks, and fragmented operational coordination across the treasury team, agents, custodians, and investors.
- A whitelisted institutional-only model with regulated custody may support tighter operational control than a more open transfer environment.
- The intended DvP-style workflow and cleaner audit trail are relevant to this commercial paper use case because the issuer's problem statement is operational and post-trade focused.
- Risk reduction remains bounded by unresolved questions about authoritative records, exact payment sequencing, and legal-technical mapping.

Tokenization costs (TC)

- Tokenization introduces additional legal-validation, integration, custody, governance, and platform work relative to the existing conventional CP process.
- Those costs are moderated by the narrow design: single U.S. perimeter, no retail distribution, no public exchange initiative, and no dependence on a broad secondary-market buildout.

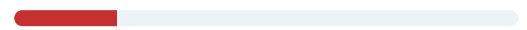
Risk reduction 5 / 10 (moderate upside)



Tokenization costs 5 / 10 (moderate friction)



New risks 2 / 10 (modest friction)



Plus (NO + CS + RR): 14

Minus (TC + NR): 7

Added Value (Plus – Minus): 7

- The case still requires institutional-grade operating infrastructure, and recurring-program economics do not remove the need for upfront implementation effort.
- Because provider scope and pricing are not stated, the cost burden can be judged only at a directional level.

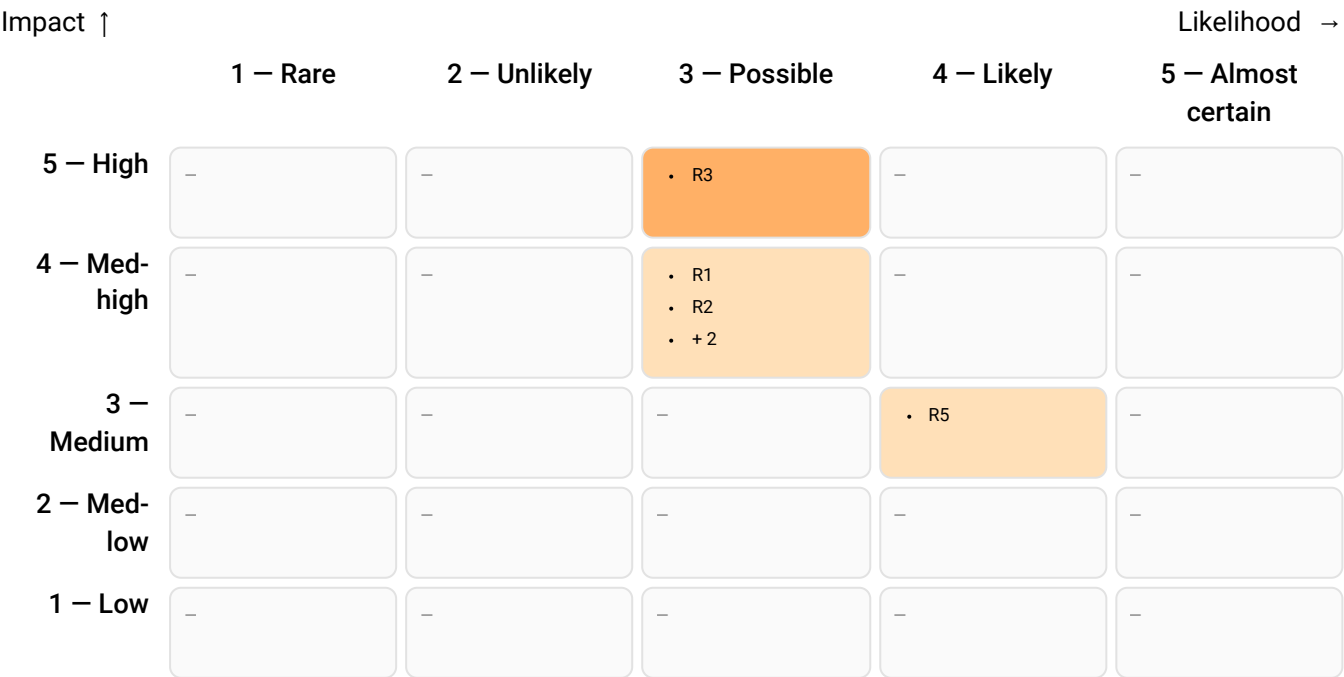
New risks (NR)

- The tokenized wrapper creates legal-technical mapping risk because the relationship among token records, CP economics, custody records, transfer controls, and payment rights is not yet evidenced in the input.
- The project introduces vendor and custody dependency that may not exist in the same form in the current workflow.
- The case uses DvP-style aspirations with a conventional T+1/2 cash leg, so the quality of sequencing and exception handling becomes a new operational dependency.
- Regulatory risk is contained somewhat by the single-U.S. professional/accredited perimeter and the absence of a liquidity-led narrative, but the final offering pathway and regulated-role consequences remain unresolved.

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** – Misaligned incentives / vendor-capture risk (Impact: 4, Likelihood: 3)
- R2** – Authoritative record uncertainty (Impact: 4, Likelihood: 3)
- R3** – Offering-pathway mismatch (Impact: 5, Likelihood: 3)
- R4** – Cash-leg and token-leg timing mismatch (Impact: 4, Likelihood: 3)
- R5** – Provider concentration (Impact: 3, Likelihood: 4)
- R6** – Savings not realized operationally (Impact: 4, Likelihood: 3)

7. Recommendations & next steps

These pointers are non-binding and informational only. They summarize what typically needs to happen next in a tokenization project with a similar profile, given the high-level inputs and assumptions in this assessment.

7.1 Design priorities and decision gates

This is an issuance and lifecycle-optimisation case for a conventional recurring debt-issuance programme, not a capital-access or secondary-liquidity case. The priorities focus on proving operational improvement against the existing issuance baseline.

7.1.1 Prove improvement against the existing issuance-programme baseline

Measure manual handoffs, allocation and settlement effort, reconciliation, position reporting, interest or discount administration, maturity processing, exceptions and lifecycle-processing cost before the pilot. Scale only where the tokenized tranche produces a durable improvement over the established process.

7.1.2 Resolve authoritative records, responsibility and DvP recovery

Define the authoritative instrument and investor record, the role of the token layer, the responsibility split across issuer, arranger, registry or transfer operator, custodian, wallet provider and settlement bank, and the rules for finality, cancellation, reversal, rollback and recovery.

7.1.3 Retire legacy steps and align provider economics with evidence

Specify which legacy issuance and servicing steps may be removed after validation. Tie provider commitments, fees and scale-up to measurable process retirement, control evidence, service levels, portability and incident performance.

7.1.4 Execution implication for an issuance and lifecycle pilot

Proceed through a bounded professional-investor pilot only if the operating model, authoritative record, DvP and cash-leg controls, lifecycle servicing and recovery arrangements are independently validated. Do not add anchor-investor, fundraising, market-making or liquidity objectives unless the case is separately redesigned and reassessed.

7.2 Design what-if scenarios

These scenarios test the operational value of the tokenized tranche relative to the issuer's existing issuance programme; they do not assume new capital access or secondary liquidity.

- The pilot removes defined manual and reconciliation steps while preserving authoritative records and controls: Cost Savings and Risk Reduction become more durable.
- The token layer remains parallel to existing records and servicing: Tokenization Costs rise and the operational value case weakens.
- Cash-leg finality, failed-settlement recovery or responsibility allocation remains unresolved: New Risks should be treated as higher and scale-up should pause.

7.3 Future scenarios (longer-term)

These longer-term scenarios concern repeat-issuance capability and market-infrastructure maturity, not speculative secondary-market growth.

- Repeat use across later issuance tranches could improve economics if integration and governance costs are reused rather than rebuilt.

- More mature registry, custody and bank-backed settlement infrastructure could reduce provider and integration burden, subject to structure-specific legal validation.
- Adding cross-border distribution or public trading would materially change the case and require a separate assessment.

7.4 Suggested next steps

- Establish the conventional issuance and servicing baseline and pilot success thresholds.
- Document the authoritative record, token role, RACI, lifecycle event model and recordkeeping obligations.
- Validate DvP, cash-leg finality, failed-settlement, cancellation, rollback and recovery procedures end to end.
- Agree which legacy steps can be retired and tie provider economics and scale-up to measured evidence.

7.5 Risk-mitigation actions

- Misaligned incentives / vendor-capture risk: Use stage-gating based on legal/control validation and measurable operational-readiness evidence; link provider fees and scale-up to issuance completion, process retirement, service levels, reconciliation performance and lifecycle-delivery outcomes; preserve portability and exit rights if the provider arrangement changes.
- Authoritative record uncertainty: Obtain documented mapping between the token record, note terms, custodian records, and payment rights before production use.
- Offering-pathway mismatch: Obtain independent U.S. counsel analysis of the final issuance, distribution, and transfer-control design.
- Cash-leg and token-leg timing mismatch: Document the DvP-style sequencing, exception handling, and fallback controls for T+1/2 settlement.
- Provider concentration: Negotiate clear service levels, pricing, data portability, and contingency arrangements with custody and platform providers.
- Savings not realized operationally: Track baseline exception rates, reconciliation effort, and settlement-fail metrics against the tokenized tranche after rollout.

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 sketches how a typical tokenization project might be phased for a case that already has a viable Added Value profile. No schedule or fixed duration is assumed; timing and costs must be defined from the final scope and independently validated. An executive roadmap is followed by an operational checklist-style roadmap for planning purposes. Because the case is best understood as a structured concept, this roadmap should be read as gated sequencing that still depends on finalizing the remaining open structural choices.

8.1 Operational roadmap (structured)

The items below are indicative planning scaffolding. They are not a substitute for jurisdiction-specific legal, tax, financial, and operational due diligence, and they must be tailored to the selected asset type, wrapper structure, investor segment, custody model, venue, and settlement design.

8.2 Phase 1 — Preparation & feasibility

Case-specific focus for this phase: Primary issuance jurisdiction: United States. Initial distribution scope: US. Initial investor focus: professional investors, accredited / qualified investors.

Objectives

- Clarify the underlying asset/instrument, economic rights, and proposed token wrapper.
- Define target investor segments (professional / eligible / retail, if applicable) and distribution scope.
- Establish internal alignment on objectives, success criteria, and risk appetite.

Key decisions

- Token rights model (equity-like, debt-like, fund-like, revenue share, participation note, etc.).
- Transfer restriction regime (whitelisting, holding periods, jurisdictional gating).
- Custody and settlement direction (account-based vs. wallet-based; T+0 vs. T+1+).

Deliverables (checklist)

- One-page case definition: asset, wrapper, jurisdiction(s), investor segment, and target size.
- Preliminary term sheet outline (rights, restrictions, fees, lifecycle events, disclosures).
- High-level implementation estimate (time bands, cost bands, key dependencies).
- Initial risk register (top 10–15 risks with owners and first mitigations).

Primary stakeholders

- Issuer/asset owner (business sponsor, finance, legal/compliance, operations/IT).
- External legal counsel (securities, funds, structuring), tax adviser, and (if relevant) auditor.
- Shortlisted tokenization platform/technology provider, regulated custodian, and potential venue(s).

Dependencies / gates

- Clear legal characterization of the instrument and its regulatory perimeter in the issuance jurisdiction.
- Agreement on must-have constraints (investor eligibility, reporting, custody, settlement, data handling).
- Internal approval to proceed to structured design (budget and governance gate).

Risk hotspots

- Unclear instrument classification or incompatible distribution intent (e.g., retail scope without a verified pathway).
- Mismatch between user-stated transfer expectations and the legally and operationally supportable process.
- Hidden operational burdens (cap-table/admin, reporting, corporate actions, tax documentation).

8.3 Phase 2 – Legal, tax & regulatory structuring

Case-specific focus for this phase: Core legal and tax analysis should start from United States. Distribution permissions must be validated for US. Generic TVAC disclosure label selected in the input: Exempt. The applicable local legal category remains to be confirmed. Transfer-control design to validate: Whitelist + accredited/professional-only + issuer/agent-approved transfers.

Objectives

- Obtain independent legal validation of a legally supportable issuance and distribution structure for the intended jurisdiction(s).
- Define disclosure, governance, and ongoing compliance obligations for the lifecycle of the instrument.
- Obtain qualified tax analysis of the proposed wrapper and cash-flow mechanics for issuer and investors.

Key decisions

- Issuance vehicle choice (direct issuer vs. SPV; fund wrapper vs. corporate wrapper).
- Offering and documentation pathway verified for the stated jurisdiction(s); do not infer a legal category from interface labels.
- Investor onboarding model (KYC/AML responsibilities, reliance model, delegated vs. in-house).
- Choice of legal documentation stack verified by qualified local advisers.

Deliverables (checklist)

- Legal characterization memo and jurisdiction matrix (requirements by country/investor segment).
- Draft offering documentation and investor disclosures.
- Transfer restriction policy and rulebook (whitelist logic, jurisdictional gating, and any explicitly selected holding-period rules).
- Tax memo(s) covering withholding, reporting, and cross-border distribution considerations.
- Compliance operating model (roles, escalation paths, record-keeping, audit trail).

Primary stakeholders

- Issuer legal/compliance, external counsel, tax advisers.
- Custodian/compliance function (if regulated custody is used), transfer agent (if applicable).
- Any transfer provider or environment explicitly retained in scope and independently validated.

Dependencies / gates

- Independent legal confirmation of the offering pathway and distribution permissions across the stated target jurisdictions.
- Operational feasibility of investor onboarding and transfer controls (including data privacy constraints).
- Formal sign-off on documentation pack and compliance model.

Risk hotspots

- Jurisdiction conflicts (marketing rules, suitability requirements, local registration triggers).
- Under-scoped ongoing obligations (periodic reporting, investor communications, corporate actions).
- Tax frictions that erode the added value thesis (withholding, reporting, complexity costs).

8.4 Phase 3 – Build, integration & vendor onboarding

Case-specific focus for this phase: Selected custody-design label: regulated-custodian. The precise legal and operational role remains to be confirmed. Selected generic venue / transfer-environment label: OTC. It is not treated as a local legal venue classification. Selected settlement-design label: T+1/2. Its operational and legal fit remains to be validated. Transfer-rule implementation must reflect: Whitelist + accredited/professional-only + issuer/agent-approved transfers.

Objectives

- Finalize the technology stack and integrate custody, settlement, onboarding, and reporting workflows.
- Implement transfer rules and lifecycle event handling (issuance, redemptions, distributions, corporate actions).
- Establish operational readiness (controls, monitoring, incident response, reconciliation).

Key decisions

- Token standard / ledger choice and compatibility with custody and venue requirements.
- Settlement model (atomic delivery-versus-payment vs. coordinated settlement through intermediaries).
- Data and reporting architecture (who stores what; audit trail; privacy boundaries).
- Outsourcing vs. in-house responsibility split (transfer agent, admin, reporting).

Deliverables (checklist)

- Final technical architecture and integration plan (custody, venue, payments, identity/KYC).
- Rule engine / whitelist implementation and test suite (including jurisdictional gates).
- Operational runbooks (reconciliation, incident response, corporate actions, investor support).
- UAT results and sign-offs (issuer, custodian, venue, admin/TA as relevant).
- Security review (key management model, access control, change management, monitoring).

Primary stakeholders

- Issuer operations/IT, tokenization platform/tech provider, regulated custodian where explicitly selected.
- Selected transfer-environment integration team, payment rails (if applicable), admin/TA providers.
- Compliance and risk functions for control design and approval.

Dependencies / gates

- Signed vendor contracts, SLAs, and responsibility matrix (RACI) across the stack.
- Completed integration testing and reconciliation proof (end-to-end lifecycle flows).
- Readiness gate: controls, monitoring, and support operations in place.

Risk hotspots

- Integration complexity and reconciliation gaps across custody/venue/admin systems.

- Rule enforcement drift (transfer restrictions not consistently applied across venues/wallets).
- Operational single points of failure (provider concentration, key management, support load).

8.5 Phase 4 – Issuance, distribution & launch

Case-specific focus for this phase: Any legally required launch permissions and onboarding constraints must be independently confirmed for: US. User-selected generic investor segment for launch planning: professional investors, accredited / qualified investors. Local legal category mapping remains to be confirmed. Generic launch transfer-environment label: OTC. It is not treated as a local legal venue classification. User-selected liquidity-intent label for launch planning: none. No market status, matching demand or liquidity support is inferred.

Objectives

- Execute issuance mechanics and investor onboarding under the independently verified offering pathway.
- Operationalize disclosures, subscriptions, allocations, and post-issuance record-keeping.
- Operationalize only the user-stated and legally validated transfer process, if any; no venue listing, market making or liquidity support is assumed.

Key decisions

- Distribution channel mix (direct, intermediated, platform marketplace, placement agents) as legally validated.
- Subscription mechanics and settlement timing (funding rails, DVP, cutoff times) as actually specified.
- Transfer model, if any: stated approvals, eligibility, timing and limitations; no cadence or support mechanism is assumed.

Deliverables (checklist)

- Final investor communication pack and distribution checklist.
- Subscription and allocation runbook; reconciliation and exception handling.
- Go-live monitoring plan and incident escalation paths.
- Documented transfer-process setup, if applicable, and evidence-based monitoring metrics.

Primary stakeholders

- Issuer distribution team, platform operator, onboarding/KYC provider.
- Custodian, settlement and transfer providers explicitly selected for the stated process.
- Legal/compliance for marketing controls and ongoing disclosure obligations.

Dependencies / gates

- Approved marketing/distribution materials and compliance sign-off.
- End-to-end dry run of subscription, allocation, and post-issuance reporting.
- Operational readiness gate: support, monitoring, and governance in place.

Risk hotspots

- Distribution frictions (slow onboarding, suitability issues, cross-border marketing constraints).
- Unsupported transfer or liquidity expectations relative to the actual process and evidence.
- Operational load spikes (investor support, reconciliation exceptions, reporting deadlines).

8.6 Phase 5 — Post-issuance operations & monitoring

Case-specific focus for this phase: Ongoing governance and evidence trails must remain defensible under United States. Post-issuance compliance must continue to support holders across: US. Ongoing operations must reflect the selected custody-design label (regulated-custodian) once its precise role has been independently confirmed. Post-launch monitoring must reflect the actual validated transfer process; the generic input label is OTC.

Objectives

- Run ongoing compliance, reporting, and investor communications through the instrument's lifecycle.
- Operate lifecycle events (distributions, redemptions, corporate actions) with strong controls and auditability.
- Monitor provider performance, costs, and risk posture; adjust as regulations and market conditions evolve.

Key decisions

- Governance cadence (board/committee oversight, change approvals, vendor reviews).
- Reporting scope and frequency (investor reporting, regulatory reporting, audit readiness).
- Contingency planning (provider exits, custody changes, venue strategy shifts).

Deliverables (checklist)

- Ongoing reporting calendar and control framework (incl. audits and reconciliations).
- Lifecycle event runbooks and evidence retention procedures.
- Vendor performance KPIs and incident log; periodic risk reviews.
- Contingency and change-management playbook (custody/venue migrations, rule updates).

Primary stakeholders

- Issuer operations, compliance, finance; custodian; admin/TA (where applicable).
- Transfer and settlement providers explicitly retained in scope, if any.
- External auditors/advisers for periodic reviews and regulatory updates.

Dependencies / gates

- Stable operating model and evidence trail sufficient for audit/regulatory scrutiny.
- Clear change-management process for token rules, disclosures, and provider configuration.
- Budgeting and resourcing for ongoing operations (often underestimated in early planning).

Risk hotspots

- Compliance drift as rules change or distribution expands across jurisdictions.
- Operational fragility under low-liquidity or stress scenarios (settlement failures, disputes).
- Provider concentration risk and cost creep relative to value delivered.

Appendices

Appendix A – Method & interpretation

A.1 How to read this report

HOW TO READ THIS REPORT This report is a structured decision-support assessment of the specific tokenization case described in the inputs. It is designed for senior stakeholders who need an indicative Tokenization Value Verdict, the reasons behind it, and practical design levers. How to use the report (recommended sequence) 1) Start with the Tokenization Value Verdict (Viable / Conditional Go / Non-viable) and the top drivers. 2) Read “Decision Integrity & Limits” to understand scope, boundaries, and what would change the verdict. 3) Use the analysis sections to trace the conclusion across opportunity, cost, risk, and regulatory context (indicative). 4) Use “Sensitivity & Decision Levers” and the recommendations as a design tool: adjust the few variables that move outcomes most.

- Recommendations in this report are analytical suggestions derived from the TVAC methodology and do not constitute legal, regulatory, financial, tax, investment, or implementation advice.
Reading discipline
- Treat uncertain inputs as hypotheses that must be verified.
- Prefer staged commitments: validate the highest-impact uncertainties before committing to full implementation.

A.2 Decision integrity & interpretation

DECISION INTEGRITY & LIMITS This report provides informational decision support only. It does not constitute legal, regulatory, tax, financial, or investment advice, and it does not provide a compliance determination, valuation, or provider endorsement. Case snapshot (as stated)

- Issuance jurisdiction: United States
- Sale jurisdictions / target markets: United States
- Asset / instrument type (indicative): wrapper
- Liquidity intent (as stated): none
- Payment / cash-leg indication: T+1/2
- Cash-leg dependency / readiness: Critical dependency / Defined readiness What the Tokenization Value Verdict means
- Viable: Tokenization added value is plausible under the stated assumptions, subject to normal verification and execution.
- Conditional Go: Tokenization added value is design-dependent. Proceeding without meeting the listed conditions materially increases execution risk.
- Non-viable: Under current assumptions, tokenization is unlikely to outperform a conventional structure on a risk-adjusted basis. What can change the verdict (high impact)
- Distribution scope and investor segmentation (jurisdiction count, retail vs professional posture)
- Rights mapping and structural clarity (asset/SPV structure, cash-flow logic, investor protections)
- Custody / controls / transfer restrictions (institutional-grade requirements vs complexity)
- Liquidity assumptions (timing, venue feasibility, realistic market depth)
- Payment / cash-leg readiness where the case depends on DvP, digital cash, 24/7 settlement, collateral mobility or automated lifecycle payments
- Tokenization cost profile (legal/compliance/ops overhead and non-scalable components)

- Regulatory clarity and constraints in the stated jurisdictions (indicative; verify with qualified advisers) What TVAC did not assess
- No definitive legal, regulatory, tax, or investment conclusions
- No asset valuation, yield projections, or market-price forecasts
- No assurance of secondary-market liquidity or investor demand
- No operational readiness audit beyond the indicative checklist

A.3 Minimum evidence checklist

MINIMUM EVIDENCE & READINESS CHECKLIST (indicative) Before proceeding toward implementation, decision-makers should be able to substantiate a minimum level of evidence across the areas below. This checklist is not exhaustive and does not imply regulatory sufficiency. It reflects common governance expectations in institutional-grade projects. Highest-priority gaps in this case (derived from inputs/completeness) 1) No verified case-specific regulatory claim is activated; approved baseline context supports structured scoping, while case-specific legal application remains unresolved. 2) 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. 3) 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. Structural & economic foundations

- Clear description of the underlying asset and ownership structure
- Defined economic rights and cash-flow logic
- Draft term sheet or structural outline
- Clear rationale for tokenization vs alternatives Regulatory & distribution posture
- Issuance jurisdiction clearly defined
- Explicit list of sale jurisdictions
- Documented investor type assumptions
- Initial regulatory scoping (high-level) Token & control design
- High-level token design and rights mapping
- Transfer restriction and whitelist logic (conceptual)
- Corporate actions and investor reporting approach
- Governance for smart-contract or protocol changes (if relevant) Infrastructure & counterparties
- Custody model (conceptual)
- Indicative partner shortlist (non-binding)
- Issuance, registry, and lifecycle approach
- Payment / cash-leg and settlement approach, proportionate to the case's actual value proposition
- Early assessment of secondary trading (if any) Cost & operational realism
- High-level CAPEX and OPEX view
- Identification of major cost drivers
- Clear internal ownership of ongoing operations
- Understanding of scalable vs non-scalable costs Lack of clarity across several of these areas materially increases execution risk, even where the conceptual case appears attractive.

A.4 Sensitivity & decision levers

SENSITIVITY & DECISION LEVERS (indicative) Deterministic verdict (source of truth): Viable. Small, targeted design changes can materially shift the outcome. Top drivers in this case (derived from scoring)

Improve the operating evidence and control model before adding distribution, fundraising, trading-support or liquidity objectives. Those objectives would materially change the case and require a separate assessment.

- Upside driver: Issuance and lifecycle improvement (value depends on measurable reductions in manual work, reconciliation, reporting and servicing)
- Risk driver: New risks (most sensitive to authoritative-record mapping, cash-leg finality, recovery design and provider-role clarity)
- Cost driver: Tokenization costs (most sensitive to fixed pilot costs, integration burden, duplicate processes and provider scope) High-impact decision levers (practical)
- Legacy-process retirement: identify which allocation, reconciliation, reporting, coupon and maturity steps can be removed after validation.
- Authoritative record and controls: define the legally and operationally authoritative record, the role of the token layer and the responsibility split across the operating stack.
- Settlement and recovery: validate DvP sequencing, cash-leg finality, failed-settlement handling, cancellation, reversal, rollback and recovery.
- Provider economics: tie fees and scale-up to service levels, measurable process improvement, portability and incident performance.
- Reuse across later issuances: improve economics by reusing validated integration, governance and lifecycle capabilities rather than rebuilding them for each tranche. Interpretation rule

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) = 14

Minus (TC + NR) = 7

Added Value (Plus - Minus) = 7

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: United States · unverified · basic · last reviewed 2026-07-15

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	4/10	METHODOLOGY_ASSESSMENT	case_description, instrument_type, investor_types, sale_jurisdictions, secondary_market_liquidity, transfer_restrictions
Cost Savings	5/10	METHODOLOGY_ASSESSMENT	case_description, instrument_type, custody_model, settlement_model, transfer_restrictions
Risk Reduction	5/10	METHODOLOGY_ASSESSMENT	case_description, custody_model, transfer_restrictions, settlement_model, investor_types
Tokenization Costs	5/10	METHODOLOGY_ASSESSMENT	case_description, issuance_jurisdiction, sale_jurisdictions, instrument_type, custody_model, secondary_market_venue, settlement_model, offering_disclosure
New Risks	2/10	METHODOLOGY_ASSESSMENT	case_description, issuance_jurisdiction, sale_jurisdictions, custody_model, secondary_market_venue, transfer_restrictions, settlement_model, offering_disclosure, 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

- **United States:** Which record is legally authoritative for the debt instrument and investor positions, and what legal and operational role does the token layer perform relative to that record?
- **United States:** How are responsibilities divided among issuer, arranger, transfer or registry operator, custodian, wallet provider and settlement bank for issuance, position maintenance and lifecycle events?
- **United States:** How are asset-leg and cash-leg finality, DvP sequencing, failed settlement, cancellation, reversal, rollback and recovery defined for the pilot?
- **United States:** Which eligibility, onboarding, disclosure, communications, marketing and transfer-control requirements apply in each stated jurisdiction to the professional-investor perimeter?
- **United States:** How must interest or discount, principal, maturity, corporate-action, tax and recordkeeping events be reflected across the authoritative record, token layer and existing issuer systems?
- **United States:** Which legacy issuance and servicing steps may be retired after validation, and what evidence is required before parallel processing can be discontinued?

Verified official sources

- SEC — Exempt Offerings overview · U.S. Securities and Exchange Commission · checked 2026-07-15
- SEC — Regulation D Offerings · U.S. Securities and Exchange Commission · checked 2026-07-15
- SEC — Regulation A · U.S. Securities and Exchange Commission · checked 2026-07-15
- eCFR — Regulation S: offers and sales outside the United States · U.S. Securities and Exchange Commission / Electronic Code of Federal Regulations · checked 2026-07-15

- SEC — Guide to Broker-Dealer Registration · U.S. Securities and Exchange Commission · checked 2026-07-15
- SEC — Alternative Trading Systems · U.S. Securities and Exchange Commission · checked 2026-07-15
- SEC — Transfer Agents · U.S. Securities and Exchange Commission · checked 2026-07-15

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	wrapper
custody_model	regulated-custodian
secondary_market_liquidity	none
secondary_market_venue	OTC
settlement_model	T+1/2
offering_disclosure	Exempt
investor_types	professional, qualified/accredited (jurisdiction-dependent)

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.
Reg D / Reg S	Common shorthand for U.S. securities offering exemptions under Regulation D and Regulation S.
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.

Term	Meaning
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.
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.

Term	Meaning
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.
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 a US-based corporate issuer with an existing, recurring commercial paper (CP) program used for short-term working capital. Today the program relies on multiple intermediaries, manual confirmations, repeated reconciliations between the issuer's treasury team, issuing/placing agents, custodians, and investors, and a settlement cycle that creates operational friction and occasional settlement fails.

We want to introduce a tokenized CP note format (economically equivalent to our existing CP) for professional and accredited investors only. This is not a retail product and not a public exchange initiative. The scope is deliberately conservative: a single US issuance + distribution perimeter, whitelisted participation, and institutional-grade custody. The primary objective is post-trade efficiency and risk reduction rather than "new liquidity".

The tokenized format is designed to (1) reduce reconciliation breaks by moving to a single shared position record, (2) automate issuance and lifecycle events (issuance confirmations, coupon/accrual reporting, maturity repayment notices), and (3) tighten settlement controls through delivery-versus-payment (DvP) style workflows. Importantly, we commit to decommissioning duplicated legacy steps for the tokenized tranche (no permanent parallel "double-booking"), so savings are structural rather than cosmetic.

We expect measurable cost savings (reduced agent/custody operations per issuance, fewer manual exceptions) and measurable risk reduction (fewer settlement fails, cleaner audit trail, reduced counterparty/operational exposure). Any secondary transfers, if permitted at all, are tightly controlled and limited to eligible whitelisted holders under standard securities restrictions. The issuer is the primary beneficiary of the operational savings and control improvements under this design.

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.