



RWA Tokenisation Strategies for Transaction Banks



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As a strategy consultant specialising in trade finance, asset management, and digital assets, I've long advocated for banks to view tokenisation not as a disruptive threat, but as a transformative opportunity. The "Internet of Value" is no longer a distant horizon — it's here, bridging traditional finance with distributed ledger technology (DLT) to unlock trillions in illiquid assets trapped by legacy processes (e.g., USD clearing, correspondent banking) and outdated regulations (e.g., contract signatures and negotiable instruments).

Drawing from my presentation of today at the High-Level Retreat organised in Vienna by Anna Joubin-Bret and Luca Castellani and the المركز الوطني للتنافسية | National Competitiveness Center for a Saudi Government delegation, this article distills six actionable strategies for transaction banks open to innovate on the back of the "Internet of Value". These approaches, grounded in emerging regulatory alignments like UNCITRAL: United Nations Commission on International Trade Law's Model Laws



(MLETR and MLIT), Global Legal Entity Identifier Foundation (GLEIF)'s verifiable LEI and EU's eIDAS 2, position transaction and investment banks to capture new revenue, streamline operations, and de-risk portfolios.



With McKinsey projecting \$2 trillion in tokenised assets by 2030 (alongside \$1.1 trillion in tokenised cash and deposits), the timing is ripe for both financial institutions and their regulators to embrace RWA tokenisation. Recent market momentum underscores this: BlackRock's BUIDL fund hit nearly \$3 billion in AuM by mid-October 2025, while the stablecoin market cap surged to \$300 billion.

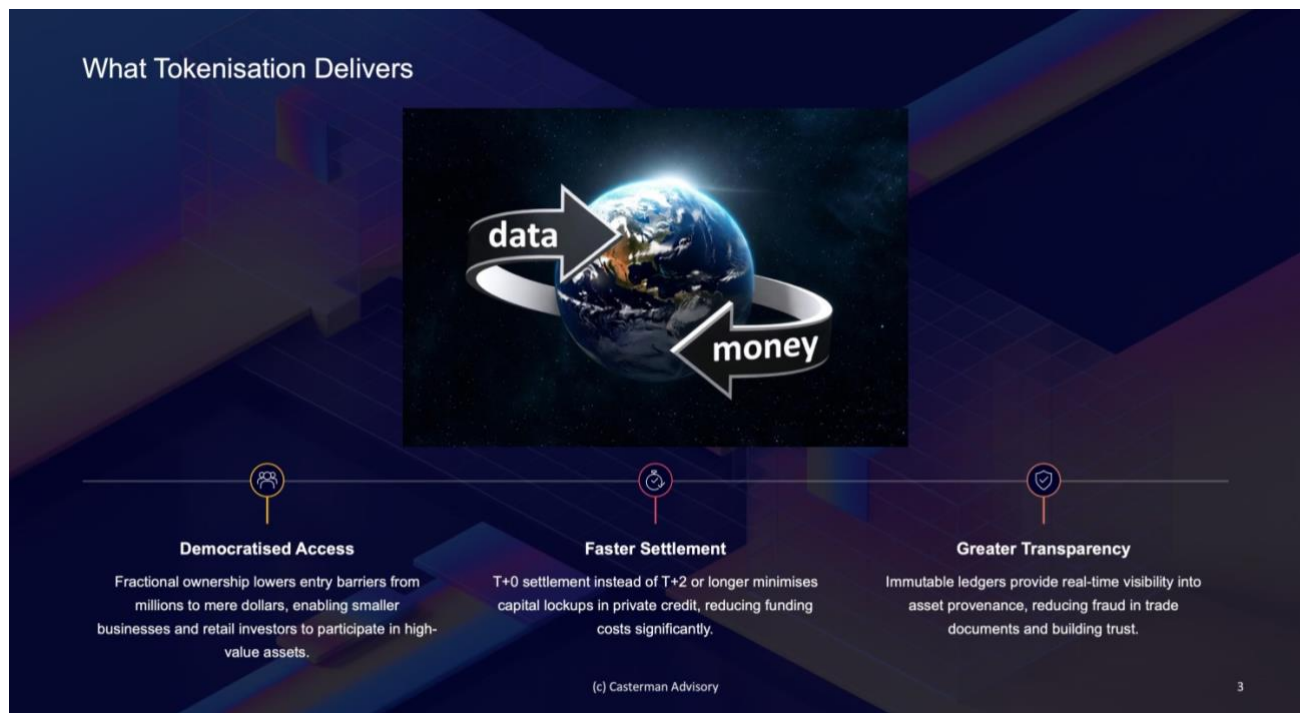
Below, I outline six strategies at a high level, weaving in proof points for context. Let's first consider the evolution of the Internet as the key foundation for tokenised strategies.

The Foundation: Upgrading to the Internet of Value

The "Internet of Information" evolves into the "Internet of Value" by tokenising real-world assets (RWAs) - when tangible or intangible - on blockchains, enabling regulated *proof-of-ownership* and *settlement*. This is revolutionary for trade finance, where \$18.8 trillion in annual flows remain hampered by paper-based inefficiencies impacting negotiable instruments, trade risk mitigation and settlement. Tokenisation delivers value transfer at the speed and cost of information transfer. It also enables digital deliver-vs-payment (DvP)



which removes counterparty risks by design (e.g., smart contracts) and which facilitates programmability for increased automation (e.g., conditional payments).



BlackRock exemplifies this shift as per CEO Larry Fink's quote—"The financial industry is at the beginning of the tokenisation of all assets". As *The Wall Street Journal* noted in October 2025, "BlackRock's tokenised Treasury push signals Wall Street's blockchain bet, with BUIDL inflows accelerating amid rate volatility."





Tokenisation Strategies

Strategy 1: Verifiable Credentials (VCs) – Empowering Secure, Sovereign Identity

Verifiable Credentials (VCs) — the W3C standard for cryptographically secure, privacy-preserving digital claims — digitise full identities alongside individual attributes. This capability drives self-sovereign identity (SSI) models, empowering users with true data and transaction sovereignty by storing credentials in personal wallets, enabling selective disclosure (often via zero-knowledge proofs), and eliminating reliance on centralised databases vulnerable to breaches or misuse.

Key benefits include tamper-proof security, W3C interoperability, holder control via wallets, and DAO-backed sovereignty (e.g., CARMENTIS' network of KYC'ed nodes aiming to comply with eIDAS 2.0).

This strategy mitigates KYC/AML friction in trade finance (e.g. vLEI-based credentials) and enables configurable asymmetric data sharing. It re-enforces banks' position as trusted data custodians whilst enabling banks and their clients avoid dependencies on offshore privately owned e-signature technology providers. Such use case aims to drastically reduce identity fraud risks and onboarding time.

Strategy 1: Verifiable Credentials (VCs)

Verifiable Credentials (VCs) are digital versions of identity attributes, securely issued by trusted authorities and independently verifiable. They enable individuals to share specific claims about themselves using cryptography, ensuring authenticity and preventing tampering.

Secure and Tamper-Proof

VCs leverage cryptographic methods to guarantee the authenticity and integrity of digital information, making them resilient against fraud unlike traditional digital documents.

Standardised and Interoperable

Built on open standards like those from W3C, VCs ensure compatibility across diverse platforms and industries, promoting seamless digital interactions.

Holder-Controlled

Individuals maintain control over their credentials, deciding who to share specific information with, often managed through secure digital wallets. VCs can be shared as zero-knowledge proofs for minimal disclosure of attributes.

Sovereignty

VCs can be issued and stored on a distributed network of KYC'ed node holders, backed by a Decentralised Autonomous Organisation (DAO) in a compliant way as demonstrated by Carmentis.



Traction: Reducing identity fraud thanks to automated API-based verification of business identities and related credentials (e.g., signatories) thanks to GLEIF's vLEIF or other identity schemes.



Proof point: CARMENTIS joins TFD Initiative to help trade originators and their funders fight fraud using verifiable LEIs as per Global Legal Entity Identifier Foundation (GLEIF) - [check it out](#).

Strategy 2: Negotiable Instruments – Digitising Trade's Core Assets

Leverage UNCITRAL: United Nations Commission on International Trade Law's Model Law for Electronic Transferrable Records (MLETR) to digitise promissory notes, bills of exchange, bills of lading, and warehouse receipts on blockchains. G7 nations are aligning laws for digitised commerce-logistics-finance flows. As per Lloyds Corporate & Institutional's Surath Sengupta: "The speed of these transactions now allows banks to advance funds much faster, enhancing working capital efficiency and unlocking trapped working capital for businesses."

Strategically, this unlocks trade receivables by transforming them into tradable financial instruments. Constructively, banks should partner with platforms like electronic bills of lading as those represent collateral.

Strategy 2: Negotiable Instruments

Negotiable Instruments in Trade, Transport and Finance

The UNCITRAL's Model Law for Electronic Transferrable Records allows for promissory notes, bills of exchange, bills of lading and warehouse receipts to be digitised using distributed networks such as blockchains. Most G7 are aligning their laws so trade flows can be digitized across commerce, logistics and finances.

FINANCIAL TIMES

"There is a clear link between digitalised trade and the opportunity for increased cash flow, flexibility and responsiveness", Surath Sengupta, Lloyds Corporate & Institutional



United Nations
UNCITRAL



LLOYDS

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Traction: G7 alignment to MLETR and tokenisation of negotiable instruments addressing the need for on-chain credit for domestic and cross-border flows.

Proof point: [Digitising trade to drive UK growth](#), FT.com, Q4 2025.



Strategy 3: Digital Money – Harnessing Stablecoins and Tokenised Deposits

Integrate stablecoins (Tether, Circle, Ripple, etc.) for programmable, MiCA/GENIUS Act-compliant settlements, alongside tokenised deposits totalling a market cap of \$300B by October 2025. This enables instant reconciliation in private credit, reducing FX risks in trade. Openly, while volatility lingers, regulated issuers mitigate it — banks and non-bank stablecoin issuers can custody these for yield generation.

Top banks are increasingly likely to prefer tokenised deposits over third-party stablecoins for institutional-grade applications in RWA tokenisation, private credit, trade finance, and broader digital asset strategies. This preference is strategic, driven by control, risk management, regulatory alignment, and value capture in a rapidly maturing market.

Tokenised deposits are direct on-chain representations of a bank's own deposit liabilities, allowing banks to retain full control over money creation, client relationships, and the associated economics. Stablecoins, even highly regulated ones like USDC, introduce dependency on third-party issuers (e.g., Circle or Tether), which shifts value outside the banking system. Banks have strong incentives to avoid this disintermediation.

Strategy 3: Digital Money

Stablecoins

Total stablecoin market capitalization reached \$300 billion by October 2025



Stablecoins from Tether, Circle, Ripple, Paypal, ... are facilitating onchain settlement. They enable programmable settlements under the US GENIUS Act or EU's MiCA with instant, compliant and reconciled transactions.

Tokenised Deposits

Citi Unveils Strategic Expansion of Citi Token Services



“This expansion highlights our ongoing commitment to continuous innovation in order to meet our clients’ 24/7, global needs. By integrating tokenized deposits with Citi’s existing cash management infrastructure, we’re enabling clients to manage liquidity more efficiently across time zones and currencies, with the connectivity they expect.”

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Traction: Real-time reserve audits of stablecoin issuers (e.g., Circle, Ripple) via oracles boosting trust.

Proof point: [Citi Unveils Strategic Expansion of Citi Token Services](#), November 2025.



Proof point: XDC Network attracts USD 200+ Million on its native USDC integration deployed in Q4 2025 following [partnership with Circle](#). Verify the latest [USDC on XDC volume and transactions online](#).

Strategy 4: Tokenising Gold as Collateral – Putting Tangible Assets To Work

Transform physical gold into tokens like ComTech Gold's CGO (1:1 UAE-vaulted) or HSBC's fractional troy ounce tokens for collateralised lending. In asset management, this expands collateral pools for cross-border trade, enhancing liquidity in opaque sectors. Positively, it democratises gold's store-of-value role for digital natives.

HSBC Holdings PLC said trading volume for its retail gold token surpassed \$1 billion, underscoring growing demand for tokenised real-world assets as banks deepen their push into digital finance.

John O'Neill, group head of digital assets and currencies at HSBC, announced the milestone during Hong Kong FinTech Week 2025, noting that the HSBC Gold Token has facilitated more than 100,000 transactions since launching in March 2024. The product is the only retail-focused gold token approved by the Securities and Futures Commission of Hong Kong.

Strategy 4: Tokenising Gold as Collateral



ComTech Gold

The CGO tokens represent 1:1 ownership of physical gold stored in UAE vaults. Transforms gold into programmable collateral for automated lending and cross-border trade finance. CGO tokens enable instant, verifiable, liquid collateral that reduces counterparty risk, enhances transparency, and accelerates settlement cycles for international trade txns.



HSBC Gold Token

HSBC Gold Token is a digital token which allows investors to acquire Fractional Ownership of physical gold represented by tokens recorded on a distributed ledger. Each HSBC Gold Token represents the fractional ownership record of 0.001 troy ounce of gold.

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Traction: Tokenised gold (or other commodities) reduces counterparty risk in cross-border deals.



Proof point: HSBC's Gold Token Tops \$1 Billion in Trades as Retail Investors Embrace Tokenized Assets.

Strategy 5: Crypto-Linked Lending – Mainstreaming Digital Collateral

Accept crypto assets like Bitcoin, Eth, ... or BlackRock's IBIT as loan collateral, as J.P. Morgan pioneered. A Bitcoin-backed loan lets you borrow cash or stablecoins without selling your Bitcoin. This diversifies private credit portfolios, appealing to savvy clients amid \$2.5 trillion crypto market cap. Strategically, stress-test models for volatility to build resilience.

Strategy 5: Crypto-Linked Lending



JPMorgan, as the largest US bank, now accepts cryptocurrency investments including BlackRock's iShares Bitcoin Trust (IBIT) as collateral for loans. This groundbreaking move legitimises Bitcoin as a mainstream store of wealth, treating crypto assets evenly alongside stocks when evaluating creditworthiness. Transaction banks can follow this lead to expand their collateral pools and serve digitally-savvy clients.

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Traction: Expands pools for digital-native clients and HNW diversifying into Bitcoin and Ethereum.

Proof point: Bank of America Goes All-In with Bitcoin-Backed Credit Offering as Satoshi Nakamoto Statue Rocks NYSE.

Strategy 6: Lending & Trade Finance – Originate-to-Distribute in Opaque Sectors

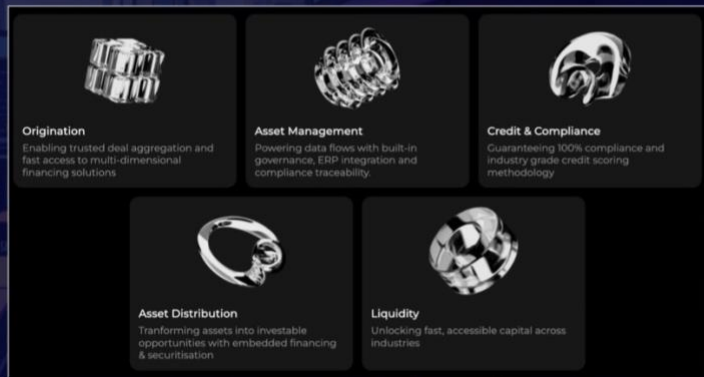
Apply originate-to-distribute to \$150B maritime fuels via partners like Sing Fuels and Allianz Trade. This turns niche risks such as marine fuel into investment-grade classes, embedding tokenisation in transaction verification, traceability, financing and settlement.

Strategy 6: Lending & Trade Finance

Originate-to-distribute applied to \$150 billion maritime fuel sector

Originating bunkering deals using Sing Fuels' 15-year experience & team

Addressing market opacity and partnering with Allianz Trade

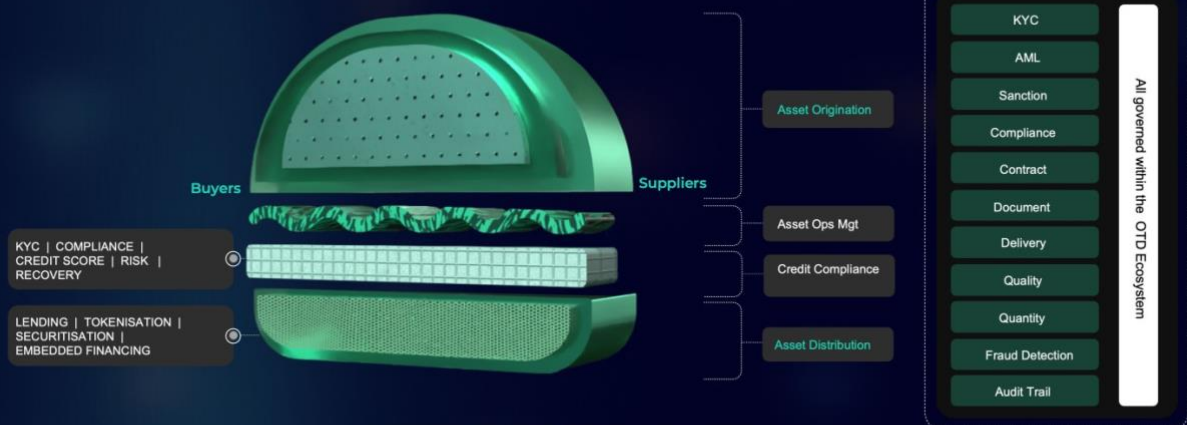


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By applying its expertise deeper in this global SME-powered industry, the 129Knots team enables the long tail of marine fuel traders get easier access to working capital financing.

Evolution of Marine Fuel Industry From Opaque to Investable



Once every trade risk is verified, governed and transparent:
Marine Fuel becomes an investable grade asset class

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Traction: Trade-focused asset managers open up to asset-backed yield-bearing investment opportunities in sustainable industries.

Proof point: 129Knots launches with \$10M investment led by Sing Fuels, over \$500M deal pipeline, and first of its kind real-world asset origination to distribution (OTD) technology.

Unlocking Value: Tokenomics and the Road Ahead

The European Union's eIDAS 2 regulation seamlessly integrates distributed networks as trusted ledgers by recognising Qualified Electronic Ledgers (QELs) — including blockchain and DLT infrastructures — as legally equivalent to traditional records for trust services like electronic signatures and timestamps, unlocking scalable, fraud-resistant opportunities in tokenised trade finance (as per UNCITRAL: United Nations Commission on International Trade Law's MLETR) and private credit workflows. Established layer 1 chains such as Ethereum, Solana, XDC Network, ... are not eligible for eIDAS 2 compliance as nodes are not KYC'ed. This demonstrates the growing specialisation of layer 1 distributed networks, and the need for them to interoperate. Data sovereignty and regional regulatory compliance will be determining factors.



As policy makers integrate digital assets into laws, businesses are looking for ways to unlock value with 'tokenomics' and this can be achieved in 4 gradual steps:

1. using blockchains as shared immutable ledgers to prove past or present events - this is called anchoring data on chain;



2. using blockchains for tokenised money with programmable smart contract to automate agreements and future events;
3. using blockchains to trade tangible and intangible assets, thereby enhancing access to liquidity and real-world assets, opening up new pools of investment opportunities at global level;
4. leveraging open source code and related communities of programmers, whilst running commercial organisations on the basis of decentralised governance or DAOs.

It is essential for governments to support tokenomics in the same way they facilitated the use of the Internet in the nineties.

Unlocking Value with Tokenomics



Transparent & Immutable Ledgers

Blockchain records every transaction, providing real-time, tamper-proof audit trails. This builds trust and reduces fraud in capital markets.



Programmable Financial Rules

Smart contracts automate complex economic models. They enable dynamic rewards, governance, and value distribution tailored to specific assets.



Enhanced Liquidity & Accessibility

Tokenomics enables fractional ownership and global access to assets. This boosts liquidity for previously illiquid instruments and democratises finance.



Decentralised Autonomous Organisations (DAOs) as Scalable Governance Tools

DAOs are blockchain-operated entities that amplify impact by democratising decision-making and slashing administrative costs. Key pillars of DAOs include Smart Contracts, Governance Tokens, Proposals & Voting, Treasury.



McKinsey currently expects a \$2 trillion base value for tokenised assets by 2030, next to \$1.1 trillion of tokenised cash and deposits.

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For deeper dives, contact me for tailored advisory. Let's gear up— the on-chain future rewards the bold.