

Tokenisation and Digital Assets

The Next Wave of Financial Services Transformation.



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It is increasingly clear that tokenisation will, over time, reshape how financial assets are issued, traded, financed and serviced. And after years of tinkering at the margins, that evolution is now well underway.

A recent [Broadridge survey](#) of 200 leading North American financial services decision-makers underscores that shift: 84% of respondents said tokenisation is strategically important to their organisations and nearly a third said they plan to increase tokenisation spending by 26% to 50% or more over the next two years.

Asset managers see the potential for new asset classes and product structures, along with increased liquidity.

Wealth managers view tokenisation as a way to broaden client access to alternative investments and enable more customised portfolios. Capital markets firms are actively deploying and exploring tokenised securities and the tokenisation of collateral.

Broadridge's Distributed Ledger Repo (DLR), for example, applies distributed ledger technology to repo and collateral workflows, helping to improve collateral mobility. **This past July, DLR processed an average of \$365 billion in daily repo transactions, with volumes totaling \$8 trillion.**

Despite the momentum, nearly three-quarters of the financial leaders Broadridge surveyed do not expect markets to become fully tokenised anytime soon.

Many believe that the majority of assets will move on-chain, eventually, but the overwhelming majority, 92%, expect digital and traditional assets to operate alongside one another for an extended period - an outlook that has important implications for how firms plan.

For chief operating officers, tokenisation should be viewed as an operating-model decision more than a technology decision. Their challenge is not simply putting assets on-chain but designing a framework in which tokenised and traditional assets can function together at scale.

A hybrid operating model is the best path forward. This approach combines new tokenised-asset capabilities with established, tested and trusted market infrastructure, allowing digital and traditional assets to operate alongside - and increasingly connect with - one another through shared workflows, controls and servicing processes.

For many institutions, this will be more than a transitional phase. It will likely define the market's practical structure for many years to come. Operational leaders, therefore, should focus on efficiently running legacy and tokenised environments in parallel, avoiding new silos, and establishing the governance needed to manage both with consistency.

Even with a strong hybrid approach, however, the path to tokenisation remains complex.

Regulatory uncertainty, infrastructure limitations, and security concerns are just a few of the challenges firms are likely to face along the way. **The bottom line is that operations teams must build tokenised capabilities with the flexibility to evolve as the market matures.**

Designing the operating model for an evolving regulatory landscape

The regulatory hurdle is sizable. Firms must determine how existing rules apply to digital assets, clarify responsibility for oversight, and establish where digital asset liability sits within traditional legal and market structures.

For tokenised versions of conventional securities, such as equities, existing frameworks might provide a familiar starting point, although the offering structure, custody arrangements and rights conveyed by the token still require careful analysis.

Other assets, including certain stablecoin structures and crypto-assets, do not fit neatly into traditional categories.

Firms need clearer guidance on how assets will be classified, regulated and incorporated into existing frameworks.

Until greater clarity emerges, firms should avoid overcommitting to a single model or infrastructure approach. A flexible, multi-chain, multi-asset, multi-wallet and multi-custodian strategy can help them adapt as regulations, standards and markets evolve.

The good news is that regulatory progress is being made in the U.S. The GENIUS Act established a federal framework for payment stablecoins. Meanwhile, the House's passage of the Clarity Act reflects continued efforts to resolve digital-asset oversight.

Building connected, secure operations

In addition to the regulatory issues, there are several technology and operational hurdles firms need to confront.

Cybersecurity is one. Tokenised systems require strong encryption, secure key management and hardened IT environments. Smart-contract code, wallet integrations and digital-identity systems also require robust safeguards. Those challenges will only increase with the adoption of Agentic AI.

For many firms, however, fragmentation may be the more significant operational obstacle.

Fragmentation exists at multiple levels, including the separate platforms used for digital and traditional assets, across different blockchain networks, and among the different venues where assets and collateral are held - the latter raising the risk of "stranded" assets that cannot be easily moved, undermining tokenisation's promises of unlocking collateral and creating efficiency.

Addressing fragmentation requires interoperable infrastructure that connects assets, data platforms, and market participants.

In that sense, interoperability is not just a technical requirement. It is becoming a strategic prerequisite for scale.

To move forward, firms need the right organisational structure and skills to integrate new capabilities with existing platforms and to operate them within established risk, compliance and servicing models.

They also need to find the right partners for their needs, whether for access to digital assets, connectivity to exchanges or other market infrastructure. And they should begin disciplined experimentation with high-potential use cases.

The right talent, engagement with partners and peers, and disciplined experimentation can help firms build the knowledge and operational readiness needed to participate as the market develops.

The priority for COOs should be to build optionality while focusing investment where business value and operational feasibility are most closely aligned.

Here are six recommendations:

- » **Start with use cases that have the strongest economics.** Focus first on implementations with clear, measurable value - where early success can build momentum for subsequent innovation.
- » **Preserve interoperability with existing market infrastructure.** Firms best positioned to scale will be those that build on proven infrastructure rather than replace it wholesale. Firms need to identify integration needs across fund servicing, compliance reporting, and client portals, then prioritise solutions that connect established workflows with tokenised environments.
- » **Build the initial team.** Bring together subject-matter experts in operations, technology, cybersecurity, and other relevant areas to guide implementation.
- » **Partner strategically.** As the market evolves, many firms will need external capabilities, expertise, or scale that would be difficult to develop independently.
- » **Establish digital-asset governance early on.** Tokenisation raises new considerations related to asset classification, smart-contract oversight, key management, and data privacy. Firms should establish cross-functional teams spanning legal, compliance, and technology to define, oversee, and continuously refine appropriate policy guardrails.
- » **Strengthen the control environment for the long term.** In wealth management, maintaining strong cybersecurity, protecting client privacy, and providing robust governance and disclosure are essential. For tokenised equities in particular, clear ownership records and voting rights are fundamental.

Ultimately, tokenisation will reward operational readiness. The winners will be the firms that build connected, resilient and scalable operating models for a hybrid market - because in the next phase of tokenisation, operating effectively, at scale, across both worlds will matter more than moving first.

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