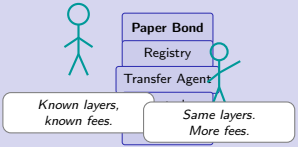
Tokenization Business Models

Every layer takes a wrap fee — the question is which layer keeps it

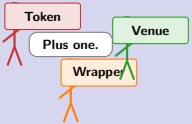
Digital Finance

The Off-Chain Original



vs.

The Tokenised Wrapper



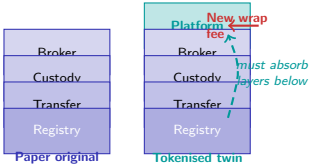
"Wrapping an asset does not remove middlemen — it adds one."

Why Does a Paper Bond Quietly Accrue More Wrap Fees Than a Tokenised Twin Saves?

The Wrap-Fee Thesis
Every financial instrument is already wrapped — by a registry, a transfer agent, a custodian, a broker. Each of those wrappers charges a fee. Tokenising the same instrument does not delete those wrappers; it introduces a new one alongside them.

The value-proposition question for an RWA tokenisation platform is therefore not "are you adding value?" but "are you replacing enough legacy wrap fees to fund your own wrap fee and still leave a surplus for the issuer and investor?"

- When the tokenised layer merely sits on top of the legacy stack, the surplus is negative — the investor pays every old fee plus a new one.
- When the tokenised layer genuinely absorbs transfer-agent, custody, or corporate-actions work, the surplus can turn positive.
- The business-model question is therefore one of layer absorption, not ledger technology.



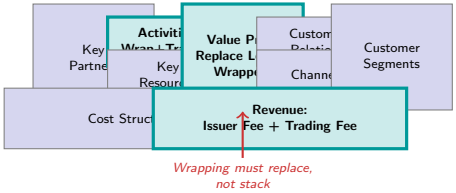
The Business Model Canvas block Value Proposition is tightly coupled to Cost Structure here: the platform creates surplus only when it absorbs legacy layers, not when it stacks above them.

Which Three Canvas Blocks Let an RWA Platform Price the Act of Wrapping?

The RWA Platform BMC Pattern
Osterwalder's Business Model Canvas reveals three blocks that carry the economic weight for an RWA tokenisation platform; the other six are structurally similar to any other regulated financial venue.

- **Value Proposition:** Replace a bundle of legacy wrappers (registry, transfer, custody, broker) with a single programmable wrapper that charges one fee instead of four.
- **Key Activities:** Issuer onboarding and compliant transfer logic — these are the activities that justify the platform fee and that no legacy wrapper prices transparently.
- **Revenue Streams:** Issuer-side fee (at wrapping) plus trading-side fee (at each transfer). The mix is the strategic choice — heavier issuer fees favour thin-wrapper models; heavier trading fees favour venue-aggregator models.

The pattern: an RWA platform earns only if it can price the act of wrapping and charge for compliant transfer in a way the paper original cannot. Lose either, and the business model collapses back into a software license sold to an incumbent.



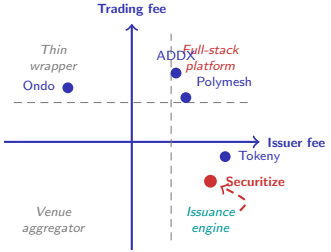
Osterwalder's canvas localises the strategic choice: value creation lives in Value Proposition + Key Activities + Revenue Streams; the rest is table stakes.

Where Does Securitize Sit on the Issuer-Fee versus Trading-Fee Map?

The Securitize Case

A *two-sided platform* = a service that sells access to one user group (issuers of securities) by first attracting another (accredited investors). Each side wants the other to show up first — the chicken-and-egg problem. Securitize, headquartered in the United States and regulated under SEC transfer-agent rules, earns most of its revenue from the issuance side: setting up the wrapper, handling compliant onboarding, running the book through the life of the security. Its secondary-trading revenue is real but structurally smaller, because regulated private-security trading venues have lower turnover than public equity venues.

- **Issuer-fee heavy:** Securitize charges the issuer for wrapping, compliance, investor onboarding, and ongoing transfer-agent work — all priced at the platform layer.
- **Trading-fee thin:** secondary trading on Securitize Markets exists but is restricted to accredited investors and periodic windows, which caps the fee base.
- **Archetype:** issuance engine. Classical regulated transfer-agent substitute, paid like a traditional registrar.
- The two-sided dynamic is weak — more issuers do not necessarily attract more investors, because each deal has its own permitted-investor list.



Platform-economics anchor — when the two-sided network effect is bounded (each deal has its own eligibility list), the Issuer-fee/Trading-fee map identifies which side of the wrap-fee split a platform must keep in order to sustain unit economics.

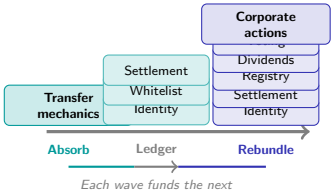
Which Transfer-Agent Functions Does Polymesh Absorb First, and Which Later?

Polymesh's Absorption Arc
Polymesh entered narrowly: a purpose-built layer-one chain for security tokens with identity, compliance, and confidentiality built in at the base layer, rather than bolted on as contracts. Every capability added since follows a deliberate absorption order — start with the transfer-agent duties that every token needs; end with the corporate-actions work that only larger issuers pay for.

- **Early wave (transfer mechanics):** on-chain identity, whitelist enforcement, compliant atomic transfer. Absorbs the core transfer-agent function.
- **Middle wave (ledger of record):** settlement finality, position reporting, regulator read-access. Absorbs parts of the registrar function.
- **Late wave (corporate actions):** dividends, voting, re-issues, redemptions. Absorbs the functions that pay the most — and are the hardest to automate.

Unbundling = pulling one service out of a historical bundle and offering it alone; *rebundling* = stacking adjacent services onto that foothold once trust is established.

Christensen's unbundling-rebundling arc works because the early waves are cheap to operate and pay for the machinery the late waves require.



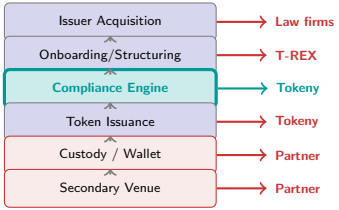
Christensen's unbundling-rebundling anchor: absorb the cheap transfer-agent duties first, use their cashflow to build the machinery for corporate actions later.

Where in the Wrapping Value Chain Does Tokeny Collect Its Margin?

The RWA Wrapping Value Chain
Evans and Wurster argued that information-rich value chains deconstruct when digital coordination lowers the cost of operating across firm boundaries. The RWA wrapping chain is a clean instance: each link can be replaced independently.

- **Issuer Acquisition** — law firms and arrangers (legacy)
- **Onboarding / Structuring** — token-standard selection (Tokeny's T-REX)
- **Compliance Engine** — eligibility rules, transfer restrictions (owned by Tokeny)
- **Token Issuance** — mint, distribute, permissioned transfer (Tokeny)
- **Custody / Wallet** — investor holding infrastructure (often partnered)
- **Secondary Venue** — regulated marketplace (often partnered)

Tokeny owns the compliance-engine link — the ERC-3643 / T-REX standard is its wedge. Most margin comes from issuers paying to wrap, not from investors paying to trade. The business-model point is not which links exist, but which link the platform captures. Compliance-engine ownership sets Tokeny's ceiling.



Evans-Wurster anchor — the RWA chain deconstructs link by link. The platform that owns compliance-engine logic captures margin; platforms that own only custody or only venue do not.

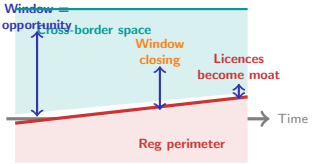
Is ADDX's Cross-Border Licence Stack a Durable Moat or a Stacked Arbitrage?

Regulatory arbitrage = a firm earns profit specifically because it faces a lighter rulebook than its competitors, not because it is better at the underlying business; the edge lasts only as long as the rulebook gap does. A *moat* = a competitive advantage rivals cannot easily copy — arbitrage becomes a moat only if the apparatus built during the window outlasts the window itself.

The ADDX Licence Stack

ADDX, issuer of the tokenised private-markets venue of the same name and headquartered in Singapore, operates under the Monetary Authority of Singapore's umbrella, passports into several other jurisdictions via reciprocal recognition, and targets accredited investors across the Asia-Pacific corridor. Its early advantage was twofold: a friendly domestic regulator that embraced tokenised securities early, and a cross-border licensing stack that let the venue reach foreign investors without separately establishing venues in each host.

- **Regulatory arbitrage today:** Singapore's sandbox and licensing regime is permissive relative to most peer jurisdictions, letting ADDX offer products peer-market venues cannot yet list.
- **Moat conversion tomorrow:** licences and reciprocal recognition agreements are the compliance apparatus that becomes the barrier for later entrants to replicate.
- The risk: as Europe's MiCA and the SEC's digital-asset regime mature, the cross-border arbitrage window closes, and ADDX must have locked in domicile-level licences before that happens.



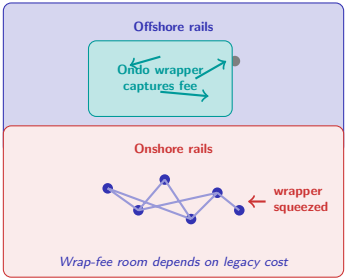
Arbitrage-to-moat anchor — ADDX must convert cross-border licence arbitrage into domicile licences before the window closes, or risk a compliance-cost spike that competitors with narrower footprints avoid.

Why Do Tokenised Treasuries Thrive on Offshore Rails but Stall in Onshore Wrappers?

The Ondo Finance Lesson

Ondo Finance, issuer of the tokenised US-treasury product of the same name and headquartered in the United States but routing product flow through offshore vehicles, tokenises money-market exposure and short-duration treasury exposure; its token products route US-treasury yield to non-US investors through offshore regulated structures. On offshore rails, the wrapper is the product — a friendly domicile recognises the wrapped yield as a compliant investor-eligibility-controlled security.

- **Offshore context:** the legal wrapper is small, the economic yield is large, and the platform captures a trading-side fee on each transfer. The thin-wrapper archetype survives because the legacy alternative is expensive or locally unavailable.
- **Onshore context:** a US-regulated money-market fund already provides the same exposure with tighter investor protections and deeper liquidity. The tokenised wrapper adds cost without adding access.
- The business-model lesson: wrap-fee economics depend on what the legacy alternative costs. Where legacy custody and transfer are cheap and liquid, the tokenised wrapper has no room to price.

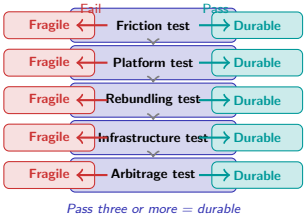


Context-dependency anchor — a tokenised wrapper earns only where the legacy wrapper is expensive or absent; overlay onto a mature incumbent stack and the arithmetic fails.

Which Five Tests Separate a Durable RWA Platform from a Fragile Wrapper?

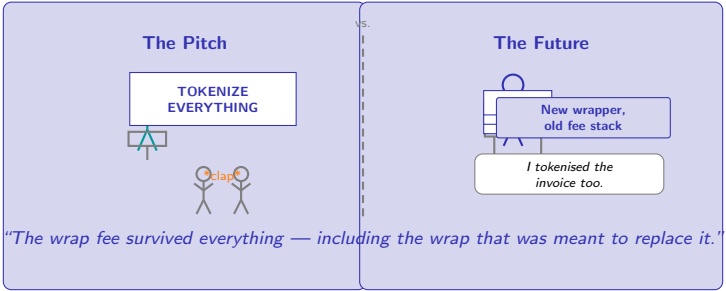
The Five-Test Synthesis

1. **Friction test:** Does the wrapper replace a legacy layer, or does it stack above one? Replacement creates surplus; stacking imports cost.
2. **Platform test:** Are issuer-side and investor-side cross-effects present? Without them, each deal is a one-off and no platform dynamic takes hold.
3. **Rebundling test:** Does the product order go from transfer mechanics to corporate actions — the waves that justify the platform fee — or does it skip the absorption phase?
4. **Infrastructure test:** Is the wrapper filling an absent legacy layer (offshore rails) or duplicating a mature one (onshore funds)?
5. **Arbitrage test:** Is the licensing gap being converted into compliance machinery, or is the gap merely closing under the platform's feet?



A durable RWA platform passes at least three of the five. Most fragile wrappers pass only the first.

Synthesis anchor — the five tests translate the wrap-fee logic into a checklist an investor, regulator, or issuer can apply before signing.


The Pitch
TOKENIZE EVERYTHING
clap
vs.
The Future
New wrapper, old fee stack
I tokenised the invoice too.
"The wrap fee survived everything — including the wrap that was meant to replace it."