Post-Class Summary: Tokenization Business Models

Key Frameworks

Business Model Canvas Applied to RWA Platforms

The Business Model Canvas decomposes any venture into nine interlocking blocks. For an RWA tokenisation platform, three blocks carry the economic weight — Value Proposition, Key Activities, and Revenue Streams — while the other six blocks are structurally similar to any regulated financial venue. The Value Proposition block is where the wrap-fee logic lives: the platform creates surplus only when it replaces legacy wrappers (registry, transfer agent, custodian, broker) rather than stacking above them. The Key Activities block centres on issuer onboarding and compliant transfer logic — the activities that justify the platform fee and that no legacy wrapper prices transparently. The Revenue Streams block splits between issuer-side capture at wrapping and trading-side capture at each transfer; the mix is the strategic choice, and it positions the platform among four archetypes (thin wrapper, issuance engine, venue aggregator, full-stack). The remaining six canvas blocks — Key Partners, Key Resources, Customer Relationships, Customer Segments, Channels, and Cost Structure — are structurally similar to any regulated financial venue's, which is exactly why the three that shift carry the full economic weight.

Platform Economics Applied to RWA Platforms

An RWA platform is not a classic two-sided platform in the sense of a public-equity exchange, but it participates in constrained cross-side effects that strongly shape its trajectory. On one side are issuers of tokenised real-world assets; on the other side are eligible investors who pass the compliance-engine checks for each specific deal. More issuers attract more eligible investors only to the extent that eligibility lists overlap; more investors attract more issuers only to the extent that distribution is predictable. Both cross-side effects are real but bounded by the eligibility constraint — a constraint that public-equity venues do not face. The specific platform challenge for an RWA platform is to seed the issuer side first (because each issuer brings a captive investor list through the deal structure) and to accumulate enough standardisation across deals that cross-side effects can begin to compound despite the eligibility-list friction.

Unbundling-Rebundling Applied to RWA Platforms

Christensen's disruption framework explains both the entry and the trajectory of an RWA platform. Entry proceeds by absorbing one function from the legacy wrapping stack — transfer mechanics, identity, compliance logic, or secondary venue operation — and delivering it sharply better than the legacy wrapper can. Over time, successful platforms rebundle: they add adjacent functions once trust and cashflow are established, because each layer funds the machinery the next layer requires. The characteristic sequencing is transfer-mechanics first (identity, whitelist enforcement, compliant atomic transfer), ledger-of-record next (settlement finality, position reporting, regulator access), and corporate-actions last (dividends, voting, redemptions). Each wave pays for the next, so the absorption order is the business model.

Value Chain Deconstruction Applied to RWA Platforms

Evans and Wurster argued that information-rich value chains deconstruct when digital coordination reduces the cost of operating across firm boundaries. The six-link RWA wrapping value chain — issuer acquisition, onboarding and structuring, compliance engine, token issuance, custody and wallet, secondary venue — is the textbook case. A platform typically owns two or three of these links and rents the rest through partners. The margin profile depends on which links it owns; the durability of its moat depends on how many of the rented links it converts to owned over time. The compliance-engine link tends to carry the strongest moat because standard-adoption network effects compound; the custody link tends to cap margin because regulated custody is capital-intensive and difficult to absorb.

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Regulatory Arbitrage Applied to RWA Platforms

Most RWA platforms launch inside a regulatory window that grants them a cost or jurisdictional advantage over traditional regulated-securities venues: permissive sandboxes, cross-border passporting, or licensing gaps that favour digitally-native formats. The arbitrage is always temporary — regulators eventually close the gap, as they should. The strategic question is whether the platform converts its head start into durable compliance capability: domicile licences, reciprocal-recognition agreements, risk infrastructure, and reporting machinery that themselves become the next entrant's barrier. When the gap closes, the compliance apparatus built during the window itself becomes a moat. Arbitrage that is not converted is subsidy; arbitrage that is converted becomes a licence stack competitors cannot easily replicate.

Company Cases Summary

Company	Value Creation Mechanism	Key Framework	What Makes It Different
Securitize	Regulated digital transfer agent for private securities, paired with an accredited-investor secondary venue; issuer-fee heavy	Platform Economics (constrained)	Issuance-engine archetype – quadrant-map signature is high issuer fee, thin trading fee
Polymesh	Purpose-built layer-one chain for security tokens with identity and compliance at the base layer; deliberate absorption arc	Unbundling-Rebundling	Absorbs transfer-agent duties first, corporate-actions machinery last – sequence is the business model
Tokeny	Owns the compliance-engine link (ERC-3643 / T-REX); rents issuance, custody, and venue to partners	Value Chain Deconstruction	Single-link ownership via a widely-adopted standard – moat comes from standard-adoption, not asset ownership
ADDX	Cross-border Asia-Pacific venue operating under a permissive Singapore licence with reciprocal recognition	Regulatory Arbitrage → Compliance Moat	Licence stack is the arbitrage-to-moat conversion mechanism; durability depends on completing the conversion before regimes harmonise
Ondo Finance	Thin-wrapper archetype routing US-treasury yield offshore through compliant structures; trading-fee heavy	Context Dependency	Wrapper earns where legacy is absent or expensive; stalls where mature onshore rails occupy the same links

The Five-Test Framework

Use these five tests to evaluate any RWA platform:

1. **Friction test.** Identify the legacy wrapper the platform claims to replace and verify that the platform actually absorbs it, rather than stacking above it. A wrapper that simply sits on top of the legacy stack imports the old fees plus its own.
   Application: Securitize genuinely absorbs the transfer-agent function for private securities; a pure offshore wrapper that leaves the custodian, broker, and registry untouched fails this test.

2. **Platform test.** Determine whether the platform benefits from issuer-side and investor-side cross-effects that tighten over time: do deeper investor pools lower issuer distribution cost, and

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do more issuers lower investor search cost? Or does each deal stand alone?
Application: Securitize's cross-side effect is constrained by the deal-by-deal eligibility constraint, which is exactly why it prices like an issuance engine rather than like a public-equity venue.

3. **Rebundling test.** Assess whether the absorption arc is deliberate (transfer mechanics first, corporate actions last) or opportunistic. Opportunistic ordering signals strain on the engineering and compliance machinery ahead of readiness.
Application: Polymesh illustrates the disciplined arc; its sequencing demonstrates that the cheap waves fund the expensive waves that come later.

4. **Infrastructure test.** Ask whether the platform is filling an absent legacy layer (as on offshore rails) or duplicating a mature one (as on onshore rails). Addition is durable; duplication collides with incumbent cost structures that leave no fee headroom.
Application: Ondo Finance illustrates both sides — the offshore context offers addition, the onshore context offers only duplication, and the platform's economics differ across the two contexts accordingly.

5. **Arbitrage test.** Evaluate whether the regulatory gap the platform exploited is being converted into a compliance moat — via domicile licences, reciprocal-recognition agreements, risk infrastructure, and reporting capacity — or whether the gap is merely closing under the platform's feet.
Application: ADDX's cross-border licence stack is the canonical conversion mechanism; a platform that ran out its start-up window without acquiring equivalent compliance capability ends up acquired or consolidated.

Connections to Other Topics

The RWA tokenisation business model connects directly to several other course themes. Smart-contract economics govern how the compliance engine is built and audited — the audit market and upgradeability-proxy question that the smart-contracts BM lens studies applies to every ERC-3643 deployment. Composability-style moats (where liquidity rather than code is the durable advantage) shape what happens when secondary venues build around a shared compliance standard — the venue layer begins to exhibit composability cross-protocol dynamics that pure standalone venues do not. And the RegTech lens from the risk and regulation lesson maps directly onto the compliance-engine link: the compliance-software vendors that serve conventional regulated-securities venues are the category that RWA platforms partially replace and partially adopt, depending on whether they build the engine or license it.

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