

# Cardano Founder to Help Devise World's First Security Token Blockchain As Basis For World's Capital Markets

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Cardano ADA founder Charles Hoskinson has been announced as co-architect of the world's first security token blockchain which will be used as the "underlying infrastructure for the world's capital markets." [1] It will be designed to be regulation compliant and as a brand new blockchain foundational layer to bring together equity market stakeholders in an efficient and secure manner.

A security token is a real world asset/security (equities, real estate, intellectual property, etc.) that is represented as a token on a blockchain enjoying the advantages of more efficient capital fund-raising, asset division & increased liquidity, security, and scalability, ultimately marrying the traditional ecosystem of capital markets with the new, modern blockchain ecosystem.

Over the past year and a half, overall total market capitalization of digital assets hovered between \$100 billion to \$200 billion. [2] The entire market capitalization of the world's equity/stock markets stands at nearly \$70 trillion, which means the current cryptocurrency market (approx. \$230 billion as of writing) only accounts for a few tenths (0.33%) of a

percent of the world's equity markets. [3] Thus, there is a huge and untapped potential for growth especially as just the total world's physical supply of money (coins, notes, checking, savings) alone is \$36.8 trillion. [4]

"The market for security tokens is going to absolutely generational and a tremendous leap forward for the overall blockchain industry and the world's capital markets. We currently have a \$230 million market capitalization for mostly utility tokens built off of retail investors. Once smaller players phase out and larger protocols such as Cardano take the front scene, we are going to see trillions of dollars flow into the ecosystem via security tokens and regulated institutions," said EMURGO CIO Manmeet Singh.

The overall blockchain industry still in its early, nascent stage in terms of technical development with growing mainstream recognition. Healthy competition is helping the maturation of this ecosystem as stronger projects that deliver real world utility will ultimately carve out a product market fit. This competition will benefit consumers and end users as projects are incentivized to deliver the best product possible with high assurance built in.

"In the end, the blockchain industry has to deliver real world use cases with more efficient onramps that advance upon existing verticals to incentivize mainstream adoption. This will be the base catalyst to spur the expansion of the cryptocurrency market capitalization to trillions of dollars. To that effect, Cardano is tackling the current issues of blockchain scalability, sustainability, and interoperability head-on & utilizing high assurance code used at the highest levels of engineering and formal methods to deliver a strong foundational base for data-intensive real-world applications to be built on top of Cardano," said EMURGO CIO Manmeet Singh.



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EMURGO, official Cardano partner and commercial arm, has already begun making significant inroads into the security token market as the lead anchor investor into Y2X, a leading digitally-friendly merchant and investment bank, helping entrepreneurs raise capital for expansion through Securities Token Offerings (STOs) and other means. Cardano is set to become the protocol of choice for Y2X and its portfolio firms, especially in the field of regulated STOs, therefore providing an increased value add to ADA holders. Y2X has a founding team with immense financial world experience in cofounder J. Todd Morley, a cofounder of Guggenheim Partners and G2 Investments, and David Shuler, former Managing Director at CME Group Inc. and a leadership role at Goldman Sachs, among others.

Cardano's pioneering ethos in the blockchain industry with a strong emphasis on a research-first driven approach and rigorous academic & professional analysis to develop a multi-generational blockchain protocol for a mainstream mass of stakeholders, draws the attention of groundbreaking projects, governments, enterprises, and startups wanting acceleration. This professional credibility of the Cardano project attracts worldwide recognition from the blockchain and traditional industries seeking guidance. EMURGO as the official commercial of Cardano continues to focus on building the Cardano ecosystem, delivering the Yoroi ADA wallet for desktop & mobile, release of Cardano blockchain explorer Seiza, accelerating ecosystem projects such as Syre, among others. The arrival of Cardano decentralization with Shelley, staking & stake pools, is still on track with technical development of Cardano constantly progressing. Cardano is the world's first third generation blockchain that is scalable, sustainable, and interoperable and therefore possesses the unique capability to meet the demands of high data transactions and output that will be necessary for security tokens and other wide-ranging use cases to achieve product market fit.

Sources:

[1]<https://blog.polymath.network/polymath-announces-polymesh-a-purpose-built-security-token-blockchain-in-collaboration-with-f6d5e91de366>

[2]<https://coinmarketcap.com/>

[3][www.visualcapitalist.com/all-of-the-worlds-stock-exchanges-by-size/](http://www.visualcapitalist.com/all-of-the-worlds-stock-exchanges-by-size/)

[4]<https://www.worldatlas.com/articles/how-much-money-is-there-in-the-world.html>

## **About EMURGO**

EMURGO drives the adoption of Cardano and adds value to ADA holders by building, investing in, and advising projects or organizations that adopt Cardano's decentralized blockchain ecosystem. EMURGO leverages its expertise in blockchain R&D as well as its global network of related blockchain and industry partners to support ventures globally.

EMURGO is the official commercial and venture arm of the Cardano project, registered in Tokyo, Japan since June 2017 and in Singapore since May 2018. EMURGO is uniquely affiliated and works closely with IOHK to grow Cardano's ecosystem globally and promote the adoption of the Cardano blockchain. To learn more about the project, visit the [EMURGO website](#).

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