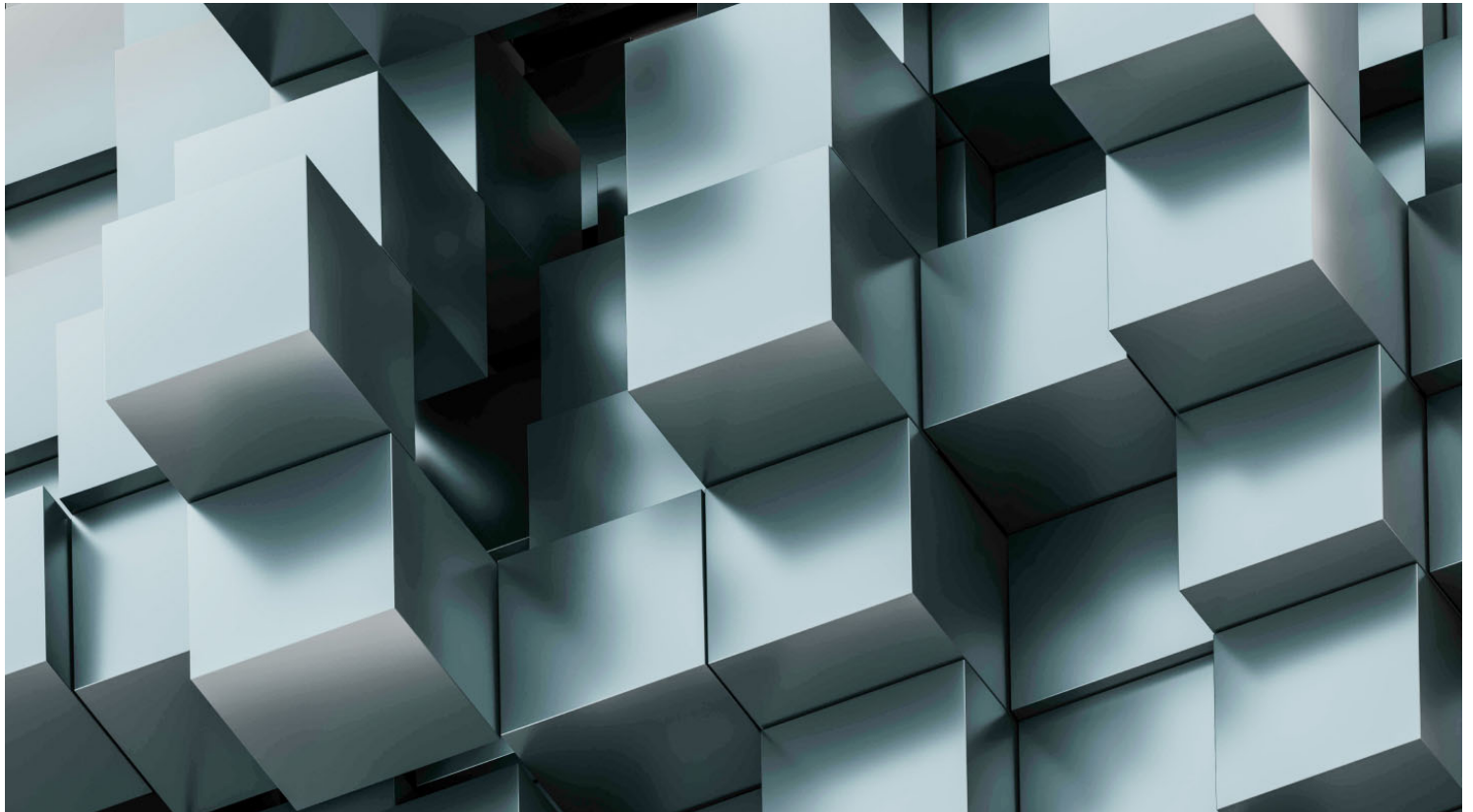


## PAYMENTS

# Blockchain brings collateral mobility to traditional assets

July 15, 2022

Onyx by J.P. Morgan continues to forge a path for blockchain innovation, and news of the Onyx Digital Assets platform's first transaction using tokenized assets as collateral further cements its trailblazer reputation. Here, we look at how asset tokenization is transforming traditional finance, providing greater access to liquidity, value and new markets.



Bringing blockchain to collateral markets for the first time, J.P. Morgan has completed a landmark transaction on Onyx Digital Assets using tokenized ownership interests in Money Market Fund (MMF) shares as collateral. The development answers an industry-wide appetite for frictionless transfer of collateral ownership without the hassle of moving assets using traditional means.

The launch of the Tokenized Collateral Network (TCN) application utilizes the blockchain to enable the transfer of tokenized ownership interests in MMF shares for the first time. The application has the potential to drastically reduce settlement fails, provide near-instantaneous real-time change of ownership, as well as release assets trapped at recordkeeping agents to help participants maximize utilization across their assets.

Using TCN, asset managers and institutional investors can now efficiently pledge or transfer ownership MMF shares as collateral.

*The TCN allows more assets to be used as collateral - by representing ownership interests in the assets as tokens. It enables the mobility and velocity for these assets that the market has been demanding by removing the settlement friction that exists today.*

Ben Challice  
Global Head of J.P. Morgan Trading Services

The new application will bring ultra-mobility to the collateral market - reducing friction and cost and bringing additional utility to assets previously unavailable to use as collateral.

## Changing the game

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head of Onyx's Blockchain Launch and Onyx Digital Assets. "With Onyx Digital Assets we've created a tokenization platform that will ultimately enable trillions of dollars of traditional assets to be brought into the broader blockchain ecosystem - not only solving real-world financial services problems, but also providing an institutional scale Ethereum Virtual Machine-based chain that is compatible with the innovation of DeFi."

Since Onyx was established in 2020, the Onyx Digital Assets platform has also facilitated intraday repurchase, or repo, transactions in order to provide short-term borrowing in fixed income through the exchange of cash for tokenized collateral. To date, more than \$300 billion of these repo transactions have been processed on the network.

*Our first application on Onyx Digital Assets, Intraday Repo, has already enabled \$300bn in trading volume. We believe the TCN app can be even bigger given the size of the \$15 trillion+ collateral market.*

Tyrone Lobban, Onyx by J.P. Morgan

The Onyx Digital Assets platform provides the blockchain infrastructure and breadth of resources to bring a unique variety of asset tokenization use cases to life and supports application development through every stage of the journey.

Both TCN and Intraday Repo applications plan to expand their offerings across equities, fixed income and a range of asset classes in the coming months.

Discover how to bring your ideas to life with [Onyx Digital Assets](#).

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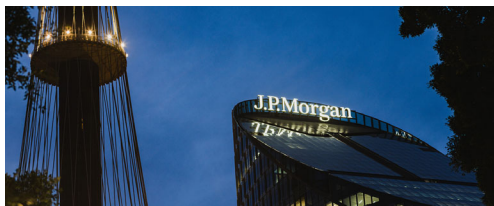
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