**Blockchain and its impact on digital assets – boon or bane**

*Market-backed research has shown that blockchain’s influence in digital asset management can help prevent financial frauds*

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Of all the things blockchain is expected to contribute towards, it seems that digital asset management is expected to gain long-term benefits. Insights from experts state that blockchain in digital asset management carries the potential to be a game changer in the overall asset management industry.

According to BDO Global, an accounting company, its 2020 Financial Services Digital Transformation Survey stated that 33% of asset management executives at middle [market](https://www.financialexpress.com/market/) organisations said they already deployed decentralised ledger [technology](https://www.financialexpress.com/life/technology/) (DLT), and approximately 48% were still in contention. “I believe blockchain has played an important role in digital asset management with institutional investors entering the market in tandem with their retail counterparts. They have further predicted a rise of digital assets powered by blockchain in the coming years. It is important to recognise blockchain’s ability to transform the way digital assets are managed, not just because it is trending but it can offer a way out of uncertainties that might grapple financial institutions,” Rajagopal Menon, vice-president, WazirX, a [cryptocurrency](https://financialexpress.com/about/cryptocurrency/) exchange, told FE Blockchain.

Market-backed research has shown that blockchain’s influence in digital asset management can help prevent financial frauds, and help ensure tokenisation of assets. As stated by Manning & Napier, an investment company, blockchain’s utilisation in digital asset management can help ensure advantages such as transparency and immutability, rapid settlement of transactions, ease of accessibility, consensus building, among others.

“The features of blockchain – its security, audit trail, and transaction tracking – make it particularly useful for digital asset management. Blockchain 2.0 introduced smart contracts, which helps cut out middlemen typically used in contractual transactions, defining rules and penalties, and verifying and enforcing the contractual obligations. This technology allows content creators to share ownership of an asset, ensures that payments are allocated, and facilitates the transfer of rights when investments are sold or transferred,” Amanjot Malhotra, country head – [India](https://www.financialexpress.com/india-news/), Bitay, a cryptocurrency exchange, highlighted.

It has been reported that exchanges such as Coinbase, Binance, among others, and protocols such as AAVE, Compound, among others, make use of blockchain for their digital asset-based offerings. Further, companies such as JP Morgan, Morgan Stanley, BNY Mellon, among others, have started to make use of blockchain to ensure protection for users’ digital assets. Sectors such as finance, investment banking, insurance, among others, are expected to reap benefits out of blockchain and digital assets’ integration.

Moreover, market analysts predict that blockchains such as Ethereum will head for adoption by organisations, which are expected to have an asset management strategy. As reported by Kellton, an information technology (IT) consulting company, inclusion of blockchain in digital asset management strategy is believed to be important for organisations that carry expertise in high-security data or for organisations that have their own validation networks.

“Since the adoption of utility non-fungible tokens (NFTs) and green cryptocurrencies, I believe digital asset management on a blockchain has become a key trend across various sectors of the [economy](https://www.financialexpress.com/policy/economy/). In the future, blockchain is expected to dominate digital assets storage markets and find other use cases. In the year to come, sectors such as additive manufacturing, [travel](https://www.financialexpress.com/life/travel-tourism/) and mobility, infrastructure and energy, retail and CPG, agriculture and natural resources, and information and communication, are also expected to see mass adoption of blockchain-based digital asset management,” Vikram R Singh, founder and CEO, Antier, a blockchain company, mentioned.