# JPMD- Deposit Tokens

* JPMorgan Chase & Co. is launching a pilot for a token called JPMD, which represents dollar deposits, and will transfer a fixed amount to Coinbase Global Inc. on the public blockchain Base.
* The token issuance and transfer will be denominated in dollars, and institutional clients will be able to use the deposit tokens for transactions, with plans to expand to other users and currency denominations pending regulatory approval.
* The JPMD pilot marks an expansion of JPMorgan's blockchain efforts, and deposit tokens like JPMD are seen as a superior alternative to stablecoins, offering potential advantages such as interest-bearing and deposit insurance.

More Info

* JPMorgan will move a fixed amount worth of JPMD from the bank’s digital wallet to the biggest US crypto exchange, [Coinbase Global Inc.](https://www.bloomberg.com/quote/COIN:US),
* The token issuance and transfer will happen on Coinbase-affiliated public blockchain Base, and will be denominated in dollars,
* Coinbase’s institutional clients will be able to use the deposit tokens for transactions,
* he bank plans to run the pilot for several months and later expand to other users and currency denominations, pending approval from regulators
* global banks and multinational companies including [Banco Santander](https://www.bloomberg.com/quote/SAN:SM), [Deutsche Bank](https://www.bloomberg.com/quote/DBK:GR) and [PayPal Inc](https://www.bloomberg.com/quote/PYPL:US). experiment with ways they can use digital assets to make payments faster and cheaper.
* US Congress nears approval of legislation on stablecoins — another increasingly popular form of digital money
* They are essentially digital versions of the deposits that customers hold in their accounts.
* They differ from stablecoins, which are fiat-linked tokens typically backed one-to-one by a basket of securities such as Treasuries or other highly liquid assets.
* “From an institutional standpoint, deposit tokens are a superior alternative to stablecoins. deposit tokens like JPMD could be interest-bearing in the future and covered by deposit insurance,
* The JPMD pilot means the bank is expanding use of digital-asset products beyond its internal systems. JPMorgan, which has been at the forefront of Wall Street efforts to deploy blockchain technology, already runs a network called Kinexys Digital Payments, formerly JPM Coin, which allows its corporate clients to move dollars, euros and pounds from their accounts at the bank.
* JPMorgan says the Kinexys network processes an average of more than $2 billion in daily transactions after volumes over the network jumped ten-fold last year. That’s still a tiny fraction of the roughly $10 trillion in overall transactions JPMorgan’s payments division handles on a daily basis.
* The bank has been exploring using deposit tokens for several years to speed up cross-border payments and settlements,
* deposit tokens will become a widely used form of money within the digital asset ecosystem, just as commercial bank money in the form of bank deposits makes up over 90% of circulating money today
* Its JPMD pilot also bolsters **Base**, a public blockchain linked to the Ethereum network that was built initially within Coinbase and launched in 2023. The chain quickly gained users and coins, becoming particularly popular for launching memecoins and now also increasingly being used for more serious apps. Base is now the most popular such so-called Layer 2 blockchain linked to Ethereum based on the amount of money locked in applications that run on it, according to CoinGecko, with nearly $4 billion locked in apps ranging from finance to gaming. Base’s appeal comes from its low transaction fees — much lower than on the Ethereum network — and from its fast transaction speed.
* While JPMD is designed to run on public blockchains, it will remain a permissioned token that’s available only to JPMorgan institutional clients,
* Kinexys by J.P. Morgan is bringing institutional finance onchain by piloting the issuance of JPMD, a USD deposit token on Base, the Ethereum Layer 2 blockchain built within Coinbase, eventually providing institutional clients with an alternative to stablecoins for near-instant 24/7 settlement and near real-time liquidity.
* JPMD is the first-of-its-kind permissioned deposit token and will eventually enable J.P. Morgan’s institutional clients exclusively to send and receive money securely onchain, enhancing the digital payments ecosystem and encouraging broader adoption.
* Since 2015, Kinexys by J.P. Morgan, the firm’s industry-leading blockchain business unit, has been a global provider of blockchain-based financial infrastructure, providing onchain blockchain deposit accounts to clients on its private permissioned blockchain

**Key Highlights:**

* **Innovative Solution:** JPMD is a first-of-its-kind permissioned deposit token, to exclusively enable J.P. Morgan’s institutional clients to securely send and receive money onchain, enhancing the digital payments ecosystem.
* **Kinexys Leadership:** Since 2015, Kinexys by J.P. Morgan has been a global leader in blockchain-based financial infrastructure, providing onchain deposit accounts to clients on its private blockchain.
* **Enhanced Efficiency:** By integrating commercial bank deposits with Base, JPMD will accelerate digital payments for institutions, making fund transfers faster and easier.
* JPMD is intended to support near real-time peer-to-peer transfers between wallets on Base, providing institutional clients with the flexibility to transfer funds securely and efficiently with minimal delay. By reducing friction, clients will be able to enhance operational efficiency and support real-time financial decision-making.
* We are excited to see Kinexys by J.P. Morgan issue deposit tokens on Base. Kinexys is leading the way to revolutionize banking operations by taking advantage of blockchain rails, which help reduce cost, enhance efficiency, and improve liquidity for institutions. Moving money onchain takes seconds, rather than days, and we’re glad to see institutions like J.P. Morgan support digital assets for their clients
* For institutional clients, JPMD combines the benefits of traditional banking with the innovation of blockchain technology—offering deposits backed by the bank’s balance sheet and settlement capabilities, with transactions executed 24/7 in near real-time on Base."
* Deposit tokens like JPMD could be particularly valuable for clients seeking reliable liquidity and seamless integration with traditional banking systems as an attractive alternative to stablecoins. Onchain peer-to-peer transactions with JPMD could help clients have quick access to liquidity, enabling them to manage their cash flow effectively by aligning with traditional banking standards while leveraging blockchain technology.
* This pilot brings trusted financial infrastructure onto public rails and provides a secure, on-chain form of money for institutional use.

<https://www.jpmorgan.com/kinexys/content-hub/deposit-tokens#:~:text=JPMD%20provides%20J.P.%20Morgan's%20institutional,institutional%20client%20of%20J.P.%20Morgan>?

## What is a Deposit Token?

**A Deposit Token** is an electronic payment instrument issued by a bank, representing funds that have been deposited by a customer. It can be deployed on public and private blockchain networks and is intended to be transferable among the issuing bank’s direct customers as well as between their eligible customers.

## Where is the Deposit Token issued?

For the pilot, JPMD is issued on Base, an Ethereum Layer 2 blockchain network built within Coinbase, and can be reached here to view the smart contract;

<https://basescan.org/token/0x7e0aedc93d9f898be835a44bfca3842e52416b82>

Please be aware that any tokens with the same or similar name but at different contract addresses are not affiliated with J.P. Morgan.

Why is Kinexys launching JPMD?  
  
The JPMD pilot represents a continuation of Kinexys’ work in advancing digital money solutions, which began in 2019 on **private permissioned blockchain infrastructure with Kinexys Digital Payments Blockchain Deposit Accounts.**

JPMD represents the first product to be offered by J.P. Morgan on public blockchain infrastructure, and will provide institutional clients a digital money alternative to stablecoins.

**How is JPMD different from Kinexys’ Blockchain Deposit Accounts?**

Kinexys’ Blockchain Deposit Accounts are offered on Kinexys’ private permissioned blockchain for J.P. Morgan  institutional clients. JPMD is designed to be offered on external blockchains, including public blockchain environments and to  be held by eligible non-J.P. Morgan clients of J.P. Morgan institutional clients (though not in scope for this PoC).

## How is JPMD different from a stablecoin?

JPMD – and Deposit Tokens in general – match the novel and distinctive properties of stablecoins, most notably the ability to conduct peer-to-peer transactions with programmability.

As such, Deposit Tokens and stablecoins can be applied to similar use cases. However, Deposit Tokens differ from stablecoins in key areas including, interest payouts, and deposit treatment. Clients can treat JPMD as bank deposits on their balance sheet, providing certainty around financial and accounting treatment. Additionally, JPMD is integrated with J.P. Morgan’s traditional banking systems, thereby reducing liquidity silos for clients.

## What are the use cases for Deposit Tokens?

Deposit Tokens enable native cash settlement on external public and private blockchain networks. As such, Deposit Tokens offer a solution for use cases including: facilitating payment for and redemption of digital assets such as tokenized money market funds; enabling 24/7/365 cross-border payments; and serving as on-chain collateral.

## What benefits does JPMD offer clients?

JPMD provides J.P. Morgan’s institutional clients the ability to engage with public blockchain transactions using an on-chain cash solution that is seamlessly integrated into their existing banking infrastructure. From a payments standpoint, **JPMD offers an efficient solution to the limitations of traditional financial infrastructure, offering 24/7/365 cross-border settlement with automated initiation triggers.**

## How is JPMD ensuring safety and soundness on the public blockchain?

JPMD is available only to approved-listed entities that are institutional customers of J.P. Morgan and is subject to the transaction monitoring and screening requirements that apply across J.P. Morgan. Therefore, as part of the PoC, JPMD cannot be transferred on the public blockchain to non-customers.

## What are the objectives of the JPMD PoC?

With initial launch on Base, an Ethereum Layer 2 network built within Coinbase, the PoC is intended to demonstrate the following:

* Deployment of JPMC’s smart contracts on a public blockchain.
* Issuance, transfer, and redemption of JPMD.
* Trusted execution of JPMD transactions using approved-listed blockchain addresses.

**Are JPM clients interested in joining the JPMD PoC? How do I express interest in joining if I’m an institutional client of J.P. Morgan?**

Both financial institutions and non-bank financial institution clients have expressed interest to date. If you are an institutional client of J.P. Morgan in the US and you’re interested in joining, please contact your J.P. Morgan representative.

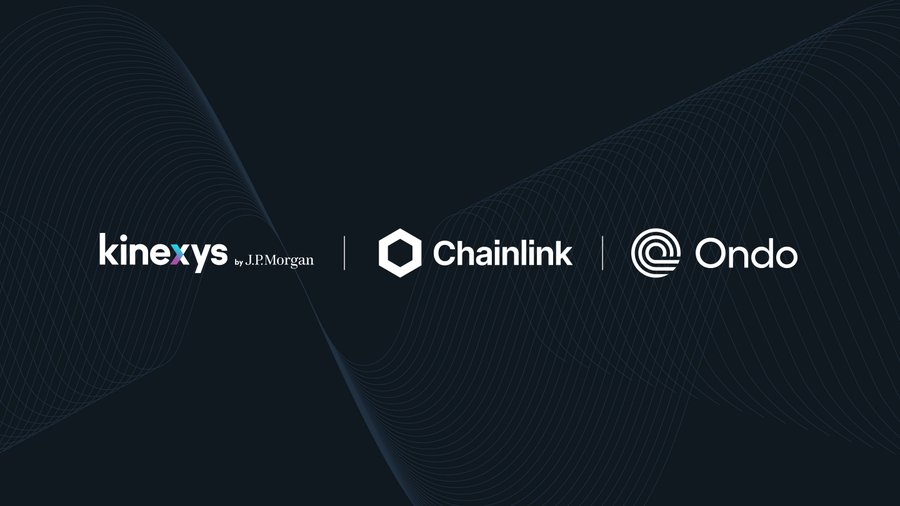
## What is next for JPMD?

Following the pilot, J.P. Morgan will issue JPMD on one or more public chains with general availability of the product for its institutional clients, subject to internal review and continued engagement with our regulators. The product will remain focused on institutional clients. There are no plans to offer JPMD to retail clients at this time.

## $4 Trillion Giant JPMorgan Settles Tokenized Treasuries on Public Blockchain

*JPMorgan completed its first public blockchain settlement of tokenized Treasuries using Ondo Finance and Chainlink. Explore how this move signals confidence in real-world assets and public DeFi infrastructure.*

JPMorgan has completed its first-ever public blockchain [transaction involving tokenized U.S. Treasuries](https://www.prnewswire.com/news-releases/chainlink-kinexys-by-jp-morgan-and-ondo-finance-team-up-to-bring-bank-payment-rails-to-tokenized-asset-markets-302455268.html). The $4 trillion asset manager used tokens issued by Ondo Finance and Chainlink’s [Cross-Chain Interoperability Protocol](https://chain.link/cross-chain)(CCIP) to settle the deal securely across private and public systems.



## JPMorgan Chase: From Permissioned Networks to Public Rails

Over the past several years, JPMorgan has built a proprietary blockchain stack through its Onyx platform. Tools like JPM Coin and Liink enabled internal payments and data exchange but remained isolated from public networks.

Until now, the bank had never used a public blockchain to directly settle regulated assets. This transaction broke that barrier. JPMorgan transferred value from its internal systems to acquire [tokenized](https://genfinity.io/tag/tokenization/) Treasuries hosted on a public chain—marking a significant leap in blockchain adoption strategy.

By validating a real asset through a permissionless financial system, JPMorgan showed how institutional finance and DeFi can coexist without compromising control, security, or compliance.

## Ondo Finance: A Gateway to Tokenized Treasury Exposure

[Ondo Finance](https://ondo.finance/) played a central role by issuing the [tokenized](https://genfinity.io/tag/tokenization/) Treasuries used in the transaction. Its flagship product, OUSG, represents short-term U.S. government bonds held in custody by regulated entities. These tokens are available on [Ethereum](https://genfinity.io/category/crypto/ethereum/) and other public chains and offer institutional-grade exposure in a blockchain-native format.

Founded by former Goldman Sachs professionals, Ondo has become one of the largest issuers of tokenized RWAs. Its tokens account for a significant share of the growing $1.2 billion tokenized Treasury market. Backers include [Pantera Capital](https://panteracapital.com/), [Wintermute](https://www.wintermute.com/), and Founders Fund, highlighting strong investor confidence.

JPMorgan’s use of OUSG adds institutional legitimacy to the product and the broader concept of yield-bearing, regulated financial assets on-chain.

[A diagram of a chainlink company

AI-generated content may be incorrect.](data:image/svg+xml,%3Csvg%20xmlns=)

## Chainlink: Unlocking Secure Interoperability Across Chains

[Chainlink](https://chain.link/) served as the connective layer between JPMorgan’s private infrastructure and the public blockchain where Ondo’s tokens reside. This was enabled by CCIP, the Cross-Chain Interoperability Protocol.

CCIP allows for secure token transfers and messaging between isolated blockchain environments. It has already been tested by Swift in cross-chain bank communication pilots, but JPMorgan’s implementation marks its first live settlement role with a major bank.

**In this transaction, CCIP handled the message coordination, verified transaction integrity, and ensured regulatory controls remained in place during asset transfer. It also proved that interoperability is no longer theoretical—it is now deployable at institutional scale.**

## Inside the Transaction: Private Systems Meet Public Tokens

JPMorgan executed the settlement internally using Onyx, which initiated the asset purchase. The bank then interacted with Ondo’s public tokens through a secure cross-chain flow managed by CCIP.

**The Treasury tokens—OUSG—were transferred via the public blockchain, while JPMorgan’s fund movement remained within its own systems. This setup created a hybrid model where institutional controls were preserved, but public infrastructure delivered asset liquidity, transparency, and settlement efficiency.**

It’s the first time a major bank used a public token as a real component of its settlement workflow. This is not an experiment—it’s a structural step toward scalable, compliant digital asset adoption.

## Implications: What JPMorgan’s Move Means for the Market

This transaction demonstrates that public blockchain systems can support real-world assets in a format that meets institutional standards. It shows that private infrastructure can integrate with public tokens through secure, regulated channels.

It also validates Ondo’s tokenized Treasury model as a legitimate tool for large asset managers. As of May 2025, Ondo’s OUSG has exceeded $200 million in circulating supply. Other asset managers like Franklin Templeton, Backed Finance, and Matrixdock have issued similar products, but JPMorgan’s adoption could drive demand further.

The biggest takeaway is the message it sends to financial institutions. **Public blockchain rails are no longer just for experimental pilots—they’re part of the evolving global settlement landscape.**

## Chainlink’s Role in Hybrid Finance Infrastructure

[Chainlink’s](https://chain.link/) involvement in this transaction strengthens its positioning as the middleware of institutional crypto adoption. While its oracles are already widely used across DeFi, CCIP is now proving its value in connecting banks, custodians, and asset managers to public chains.

With JPMorgan onboard, Chainlink’s role will likely expand beyond oracle feeds to broader interoperability infrastructure. This includes facilitating real-world asset flows, coordinating fund movements, and enabling cross-system auditability.

As more institutions tokenize assets, secure interoperability will become essential. Chainlink’s early traction gives it a strong advantage in this space.

## What Comes Next: From Tokenized Treasuries to Full-Scale Digital Markets

This milestone opens the door for more institutional activity across tokenized asset classes. Treasuries may be only the beginning. Corporate debt, real estate, and structured finance products could follow suit, especially as compliance tooling improves.

Hybrid models—combining internal controls with public liquidity—are now viable. Financial institutions no longer need to choose between full decentralization and legacy operations. This flexibility could be the key to accelerating real-world blockchain adoption.

JPMorgan’s public blockchain transaction shows that infrastructure, regulation, and market demand are beginning to align. The future of capital markets may not be entirely on-chain—but it will be increasingly enabled by it.