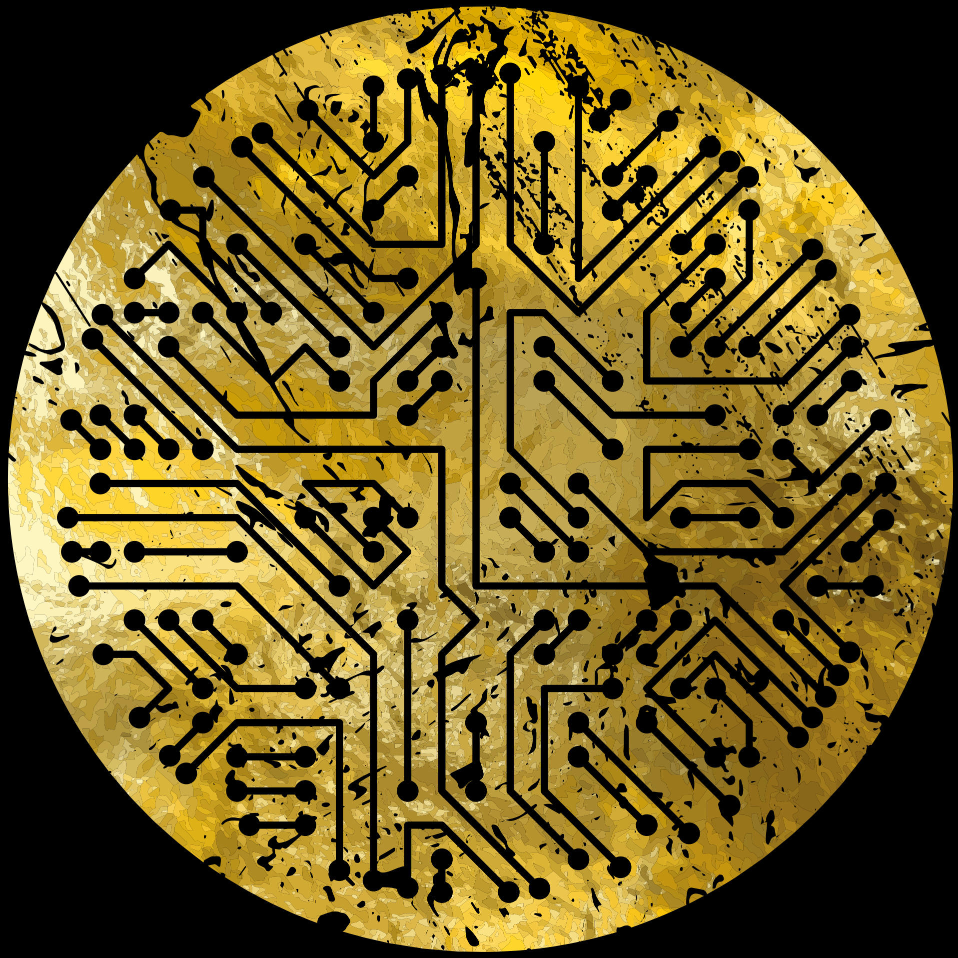

Taking the pulse of digital assets in financial services across EMEA

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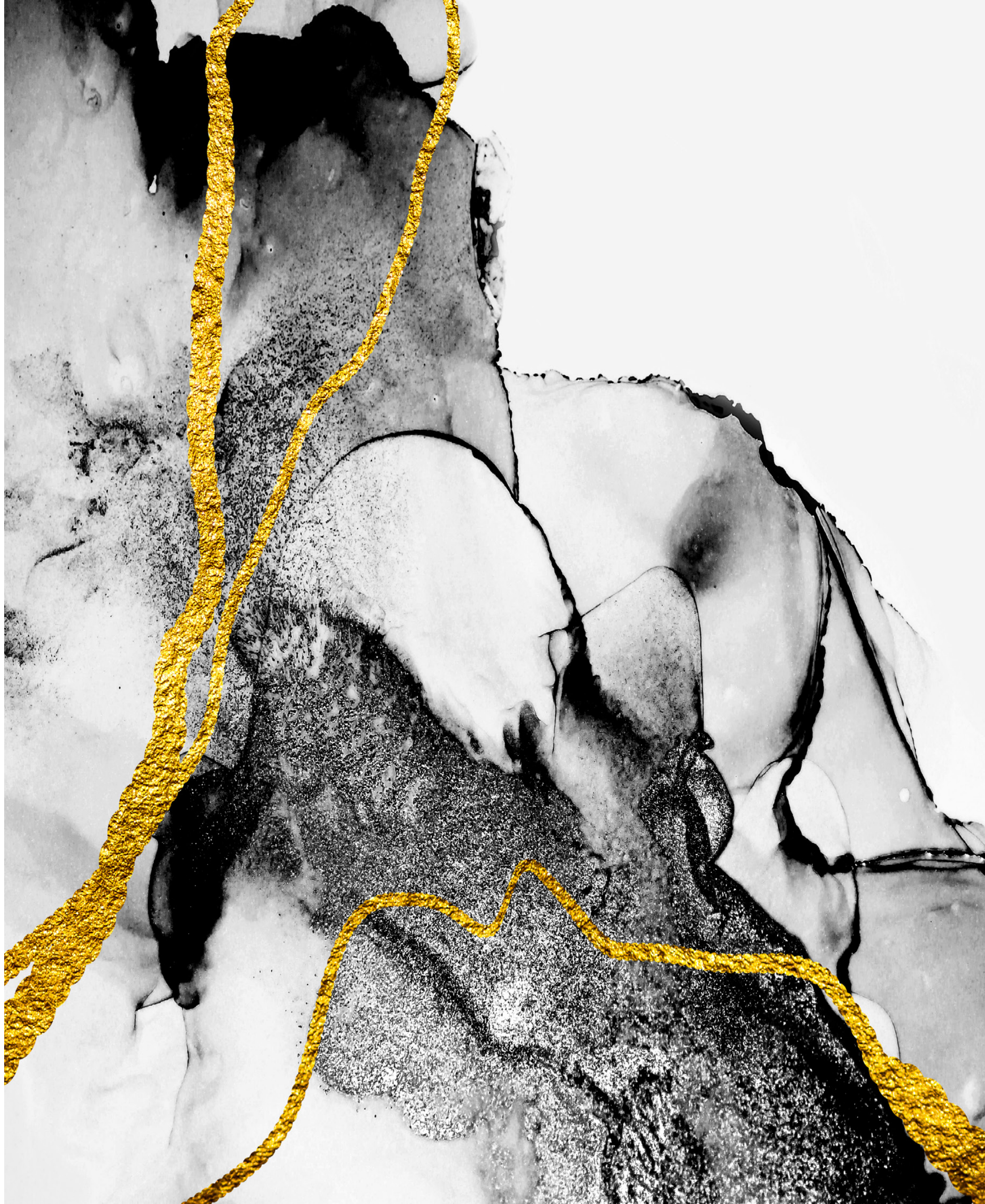


Foreword

Axel Wieandt
Adjunct professor of finance at Kellogg School of Management, Northwestern University

As any good medical professional knows, the first step to assessing the health of a patient starts with taking the pulse. The same is true in business: when we wish to understand the current state of a market, we look for its vital signs. For this report, Deloitte has gathered insights from a cross-section of leading global financial organisations across EMEA, which provide a valuable perspective on the health of the digital assets market today.

Why now? Current market conditions make this an interesting moment for digital assets: in January this year, the value of all cryptocurrencies surpassed $1 trillion for the first time.

On the demand side, interest in cryptocurrencies from investors, initially from crypto enthusiasts, but increasingly also from retail clients – primarily millennials, high net worth individuals, family offices and institutions – keeps growing. This rise in demand is occurring despite significant volatility and significant technological and legal risks. These investors require new crypto exchange, trading and custody services that most banks and asset managers currently are not offering. Out of the 25 financial services organisations which Deloitte spoke with, almost half report appetite from customers for digital payment using cryptocurrencies. I would suspect that those that are heavily exposed to changes in the securities value chain will be investing in digital asset services; they see the opportunity but clearly also the threat.

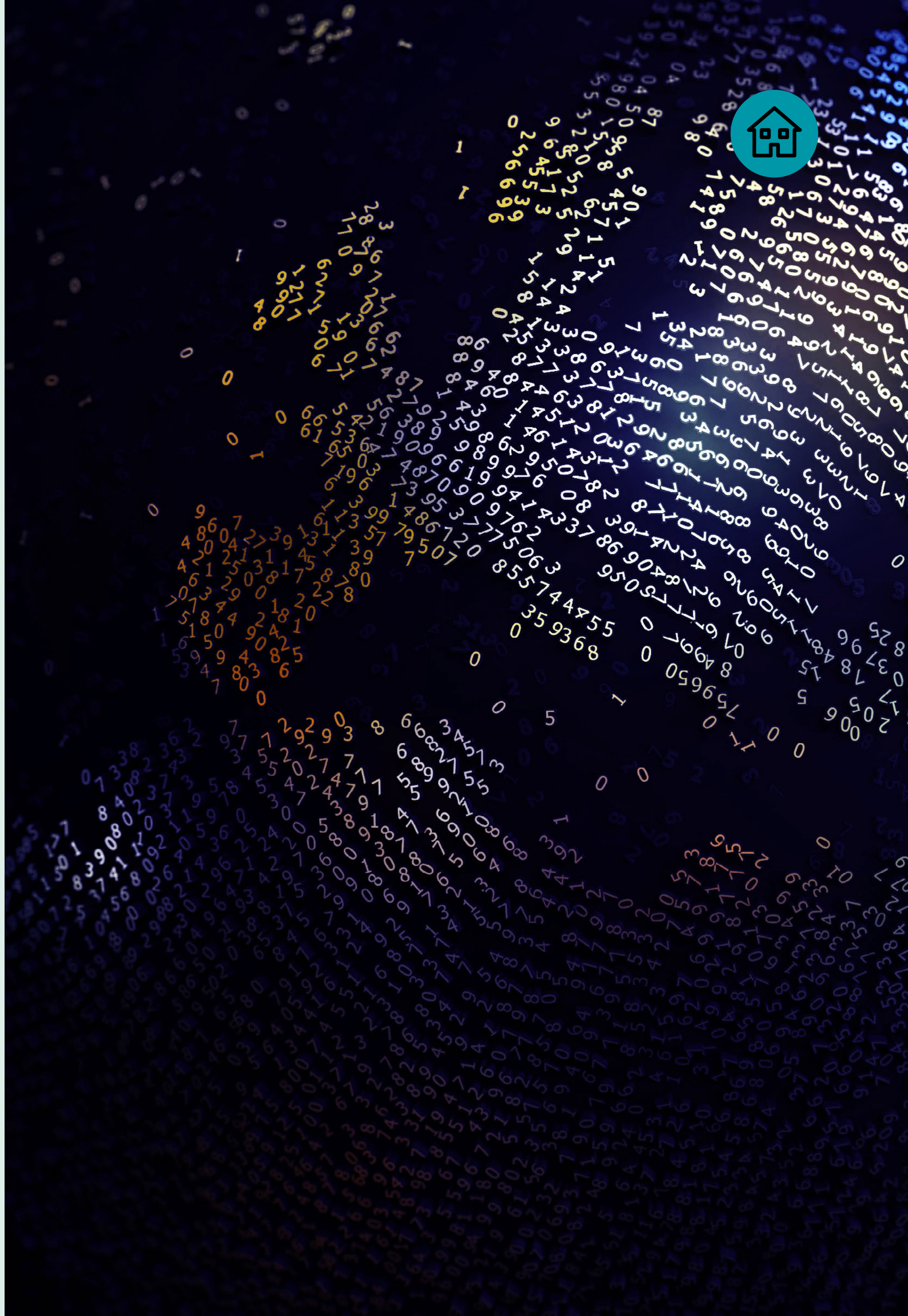
There is also another factor. When Covid-19 first hit in early 2020, there was widespread concern that banks would be affected as they were in the

2008 financial crisis. However, that scenario did not materialise. The economy is recovering, and many banks are showing stronger than expected earnings. This gives them the means and the opportunity to invest in digital assets.

Clearly, it will be a battle between established players and start-ups for leadership in digital assets, but allow me to make a bold prediction: I believe that the early adopters of blockchain have an opportunity to leapfrog the fintech players and make up the ground that traditional banks lost to fintechs over the past decade. I say this because, in my opinion, the biggest development in digital assets is not cryptocurrency but the underlying blockchain/DLT technology.

To be clear, I am not saying this will happen in the short term. Blockchain is a complex foundational technology and for it to transform financial services it requires the adoption and agreement on standards by many market participants. Many important questions of privacy, scalability, cybersecurity, data and consumer protection, will need to be addressed. This survey shows that market participants are building digital asset/DLT/blockchain teams in-house and are beginning to establish digital asset services units; some are even building their own DLT or blockchain. We can expect to see investments in digital asset strategies increase in the next two to three years.

Time matters: as the adoption of TCP/IP, which laid the groundwork for the development of the internet shows, it can take more than 30 years until a foundational technology can reshape the economy. Digital assets and the underlying blockchain technology, no doubt, have the potential to transform EMEA financial services. The critical question is when. That is why it is so important to start taking the pulse of digital asset activity now.



Introduction

This report was spurred by the enormous and growing interest in digital assets, and their increasing move towards the mainstream over the past year. To date, cryptocurrencies have had the highest profile in this space, but the digital asset category is in fact much broader.

Our Deloitte Global Blockchain Survey 2021 clearly showed the market is preparing for a wave of disruption across the digital asset space. For this report, we sought insights from 25 leading financial services organisations with operations in EMEA, aiming to gauge industry attitudes toward cryptocurrencies, stablecoins, central bank digital currencies (CBDCs) and tokenised securities. Our respondents span a cross-section of established banks and wealth management firms, to consultancies and crypto startups.

In our engagement with the market, we asked several questions with the intention of gaining a realistic perspective on financial services firms' current adoption of digital assets; whether they are committing significant investment to it or at an experimentation stage, and to identify potential barriers to mainstream adoption. Will digital assets replace or be an alternative to fiat currency? Could the blockchain infrastructure underpinning it become a key part of banks and financial providers' platforms?

This report breaks down the key findings into five sections, covering cryptocurrencies, payments, tokenisation, regulations, and decentralised finance (DeFi). For those still becoming familiar with the space, we include brief definitions of each category, together with a breakdown of key research findings relating to each one. As our engagement shows, some financial services providers clearly see an advantage in moving early, but the race is by no means run. Many are still watching developments, or awaiting more regulatory clarity, before committing investment. For this audience, we close each section with a series of practical questions that financial providers should consider as they start to map their digital asset strategies.

Methodology

Deloitte engaged with 25 leading financial services industry organisations across EMEA between May and July 2021. An industry survey was conducted along with one-to-one interviews with leading organisations to gain insights and perspectives on the digital asset landscape and to understand strategic positioning of these large organisations. Our respondents were a mix of global banks, digital asset platforms, fintechs and crypto custody solution providers located in the UK, Switzerland, Luxembourg, Germany, France, Spain, Portugal, Belgium and Ireland. The respondents were primarily C-suite or upper management along with innovation leads, public policy representatives and owner/partners.

A note on definitions

Cryptocurrency is a digital asset or crypto asset created as a digital medium of exchange. Coin ownership records are stored in a secure digital ledger, or blockchain, to protect transaction records. There are three main subcategories of crypto assets: exchange tokens, security tokens and utility tokens. In the current digital approach, cryptocurrencies are a means of payment that enables swift and straightforward transactions, wiring funds via bank accounts and crypto money without the use of fiat money.

Executive summary

Our research highlighted that executives in leading financial services firms operating in EMEA have a very good understanding of the digital assets space: cryptocurrencies, crypto payments, crypto custody and the potential of tokenisation and its impact on industry over the longer term. Indeed, much of this awareness is being driven by demand from their customers. High net worth (HNW) customers are seen as the biggest group seeking services in the digital asset space. While many have put an accountable senior executive in place to lead their digital asset strategy, few have plans to offer services relating to digital assets yet with many adopting a fast follower or wait and see approach. The industry continues to see regulatory uncertainty around digital assets as a key barrier impacting digital asset adoption.

Digital assets

- Digital assets are viewed as being a major disruptor to how financial services firms operate in the near term
- Digital assets are already viewed by many as a distinct asset class
- The majority of respondents do not see crypto replacing fiat currencies but would welcome a more stable 'digital euro' form of digital currency
- Approximately half of the organisations we engaged with have a dedicated senior executive accountable for digital assets

Digital payments and cryptocurrencies

- Respondents see strong demand from their customers for some form of mechanism to support crypto payment
- Most have no immediate plans to provide services in this space yet
- Partnering with third parties was seen as the best option to provide digital payments or cryptocurrency services as opposed to building the infrastructure internally

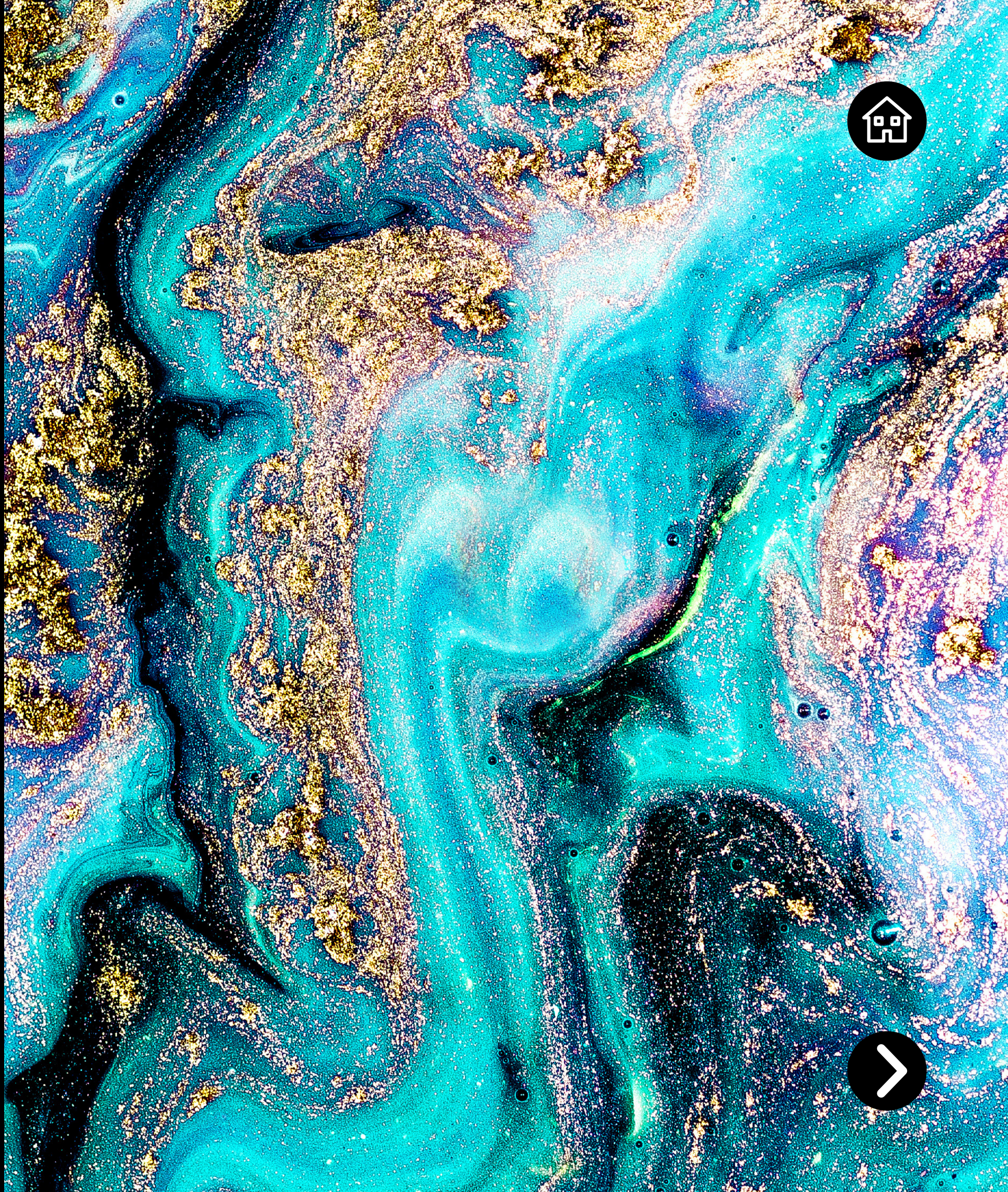
Tokenisation

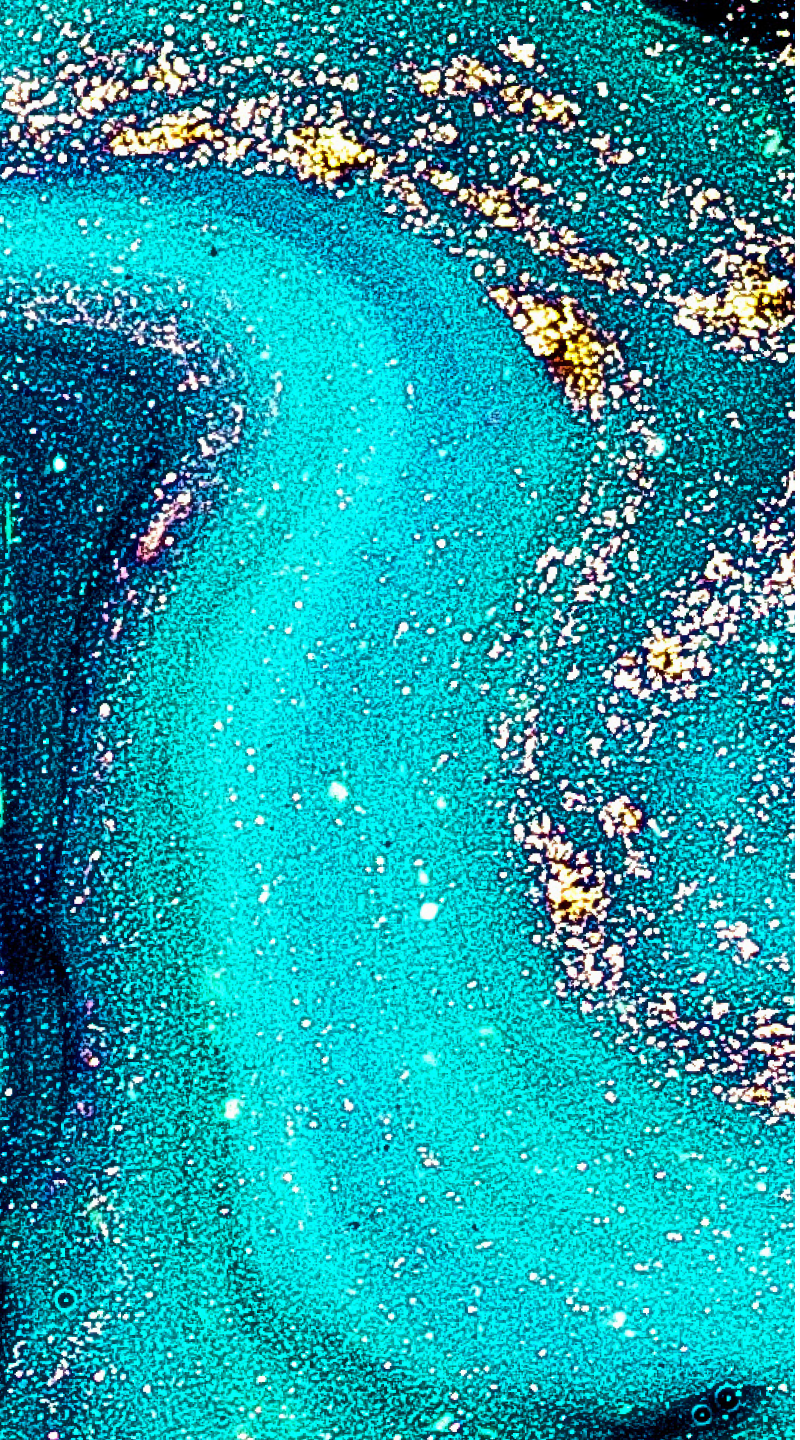
- Most see tokenisation of financial securities (i.e. debt, real estate or illiquid assets) as the fastest growing area in tokenisation
- More than half the respondent group report that clients have approached them to help issue digital securities
- Tokenisation of securities was seen as a material long-term opportunity
- A small number plan to offer tokenisation services in the next year

Regulation

- Our respondents view the lack of regulation in Europe is a significant barrier to widespread adoption of digital assets in investment products
- Regulated financial services firms are currently challenged with providing digital asset services as these services are not part of the licencing requirements
- The majority of respondents see uniform global regulation of digital assets as a key enabler of digital asset adoption

01. How do EMEA financial institutions view digital assets?





01. How do EMEA financial institutions view digital assets?

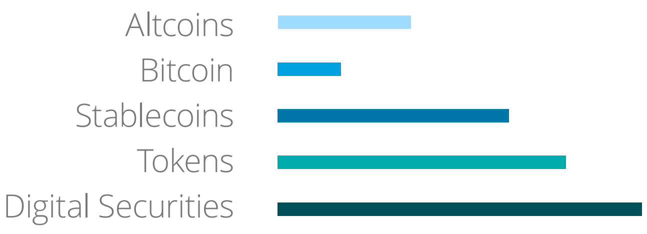
Latest developments

Digital assets is a broad category, and cryptocurrencies remain at the vanguard, having hit a milestone in April 2021, reaching a combined valuation of more than $2 trillion. This is helping to push digital assets from the fringes of financial services to the mainstream. The term 'digital assets' can mean something represented in digital form that has intrinsic or acquired value. As well as cryptocurrencies, the category includes utility tokens, exchange tokens and security tokens, together with new models for the security value chain from issuance to custody and settlement.

While ESG concerns such as the carbon footprint of cryptocurrencies along with the unregulated nature of this space is causing some hesitation from institutional customers, high-profile investors are nevertheless paying closer attention to the digital asset space. Some of the world's largest banks and payment institutions including Citi, Goldman Sachs, JP Morgan, BNY Mellon and Mastercard are actively working in this area, and many other banks and large financial services companies are also considering their options.

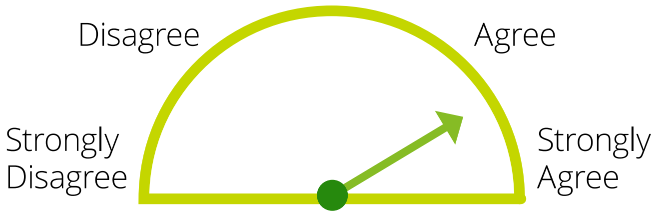
Our survey provided some key insights on industry attitudes towards digital assets:

Digital asset growth



It is thought that digital securities will see the most growth over next 2-3 years

Major disruption



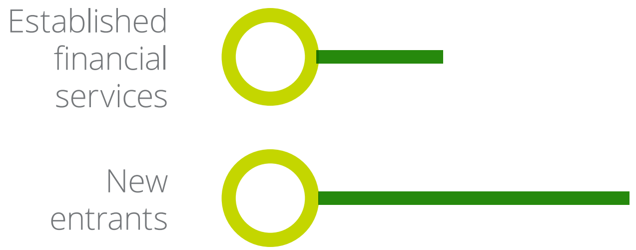
There was a clear belief that digital assets will result in major disruption to financial services operations in the near future

Investments are happening

Between 50-75% of respondents are currently pursuing one or more of the below investments:

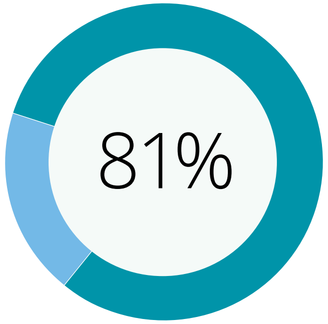
- Have a digital assets/DLT/blockchain team
- Appointed a senior executive accountable for digital asset strategy and offerings
- Invested in DLT prototypes
- Planning venture capital investment in digital asset servicing companies

New entrants are perceived as the bigger market threat



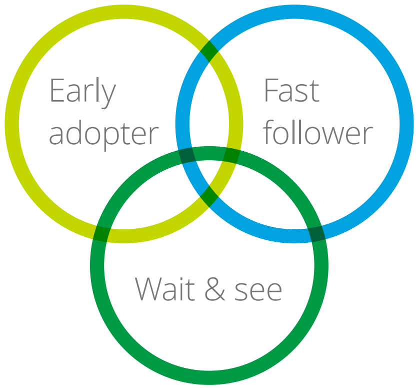
The biggest threat for digital assets market is believed to be two times more likely to come from new players or entrants

Digital euro



Are in favour of a Digital Euro, issued by the Eurosystem, complementing the cash offer

Investments are happening



An even split between:
- Early adopter
- Fast follower
- Wait and see

Key insights

Interestingly, while the appetite for digital assets is strong among our group of respondents, the majority saw digital securities, tokenisation and stablecoins as the types to experience the fastest growth in the next two to three years over bitcoin or altcoins. Christopher May, co-CEO and co-Founder of Finoa agrees; “In terms of pure volume and growth, I think stablecoins will see the biggest growth, not because they will be an investable asset but because they will power the growth of the whole digital asset ecosystem.”

What we garnered from our engagement with the market was the general agreement that digital assets will have a role to play in the near to medium term. The majority of the participants we engaged with believe digital assets are already a distinct asset class from traditional financial assets and over half either agree or strongly agree that digital assets will result in major disruption to how financial services organisations operate in the near future. This sentiment signals that the financial services sector is starting to prepare or at least hold an awareness that digital assets will play a significant role in their operations in the near future but the true impact on what this disruption will be is yet to be seen.

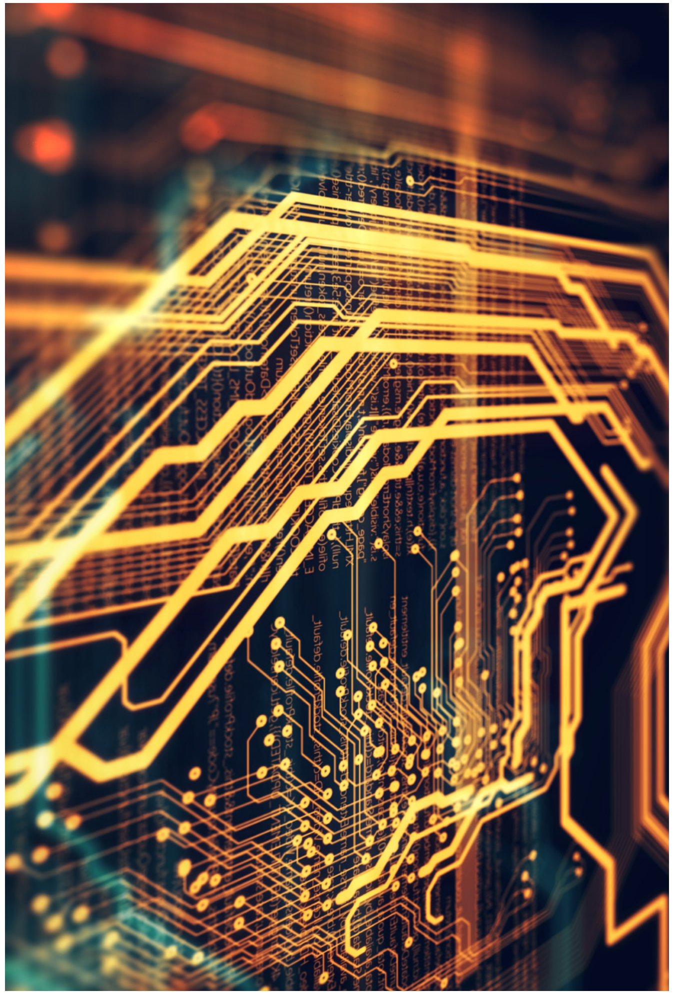
But where will this disruption come from? Largely, respondents believed it would be new players or entrants that would hold the biggest threat. From a strategic stance, our respondents were almost evenly split on how they were positioning themselves; with one group of respondents considering themselves ‘early adopters’, another indicating they are a ‘fast follower’ and the final group adopting a ‘wait and see’ strategy. This divide highlights the current state of the market; some players are making bold bets while others are holding out to see where the market falls. However, with a majority in either the ‘early adopters’ or ‘fast followers’ categories, it is clear that momentum is starting to take shape and organisations are preparing their response to the anticipated disruption.

Clearly the digital asset space has gained traction and momentum and while the industry still seems divided on how they want to respond or how imminent they foresee the disruption; investments are being made.

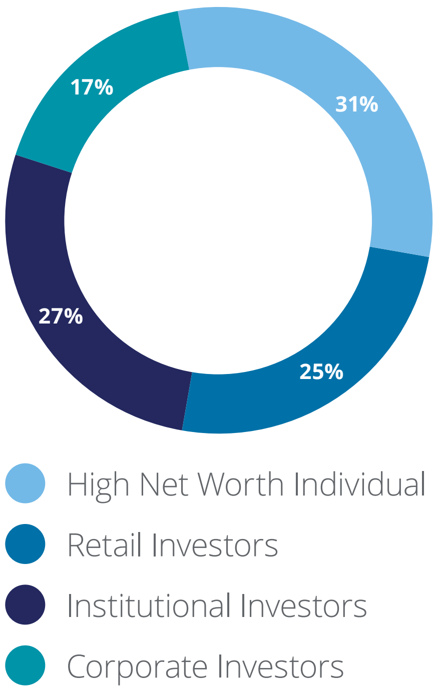
Regardless, what was signalled was that investments are starting to be made in preparing for the disruption. Over half of the organisations we engaged with currently have a digital asset/DLT/blockchain team with an accountable senior executive, and the majority placed this offering as part of their core organisation. The current focus does not seem to be on building their own distributed ledger or blockchain. Instead, respondents indicated they were involved in industry-wide consortia, had invested in developing DLT prototypes or were planning venture capital investment in digital asset servicing companies.

In terms of medium-term investment in this space, again the responses we received were mixed. For every firm we spoke with saying they will commit €1-5 million on digital assets, another is not planning any investment at all in that timeframe.

So what does this tell us? Clearly the digital asset space has gained traction and momentum and while the industry still seems divided on how they want to respond or how imminent they foresee the disruption; investments are being made. For organisations with European operations, the majority don't view cryptocurrencies as the priority growth area, but the concept of digital representation of value in some form (stablecoin, CBDC, securities, tokenisation) is clearly on the cards.



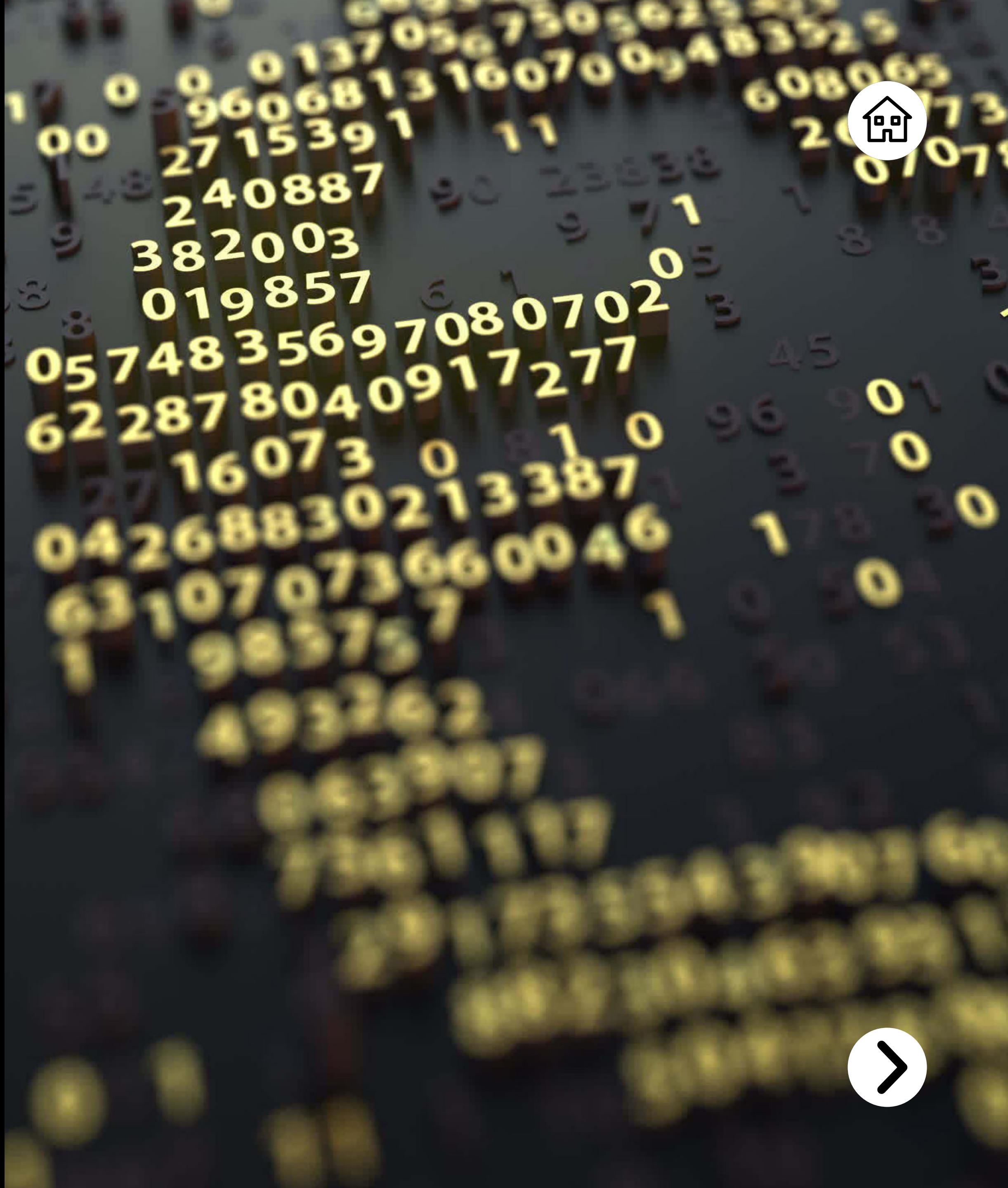
Are you seeing significant uptake in digital assets by any of the below groups?

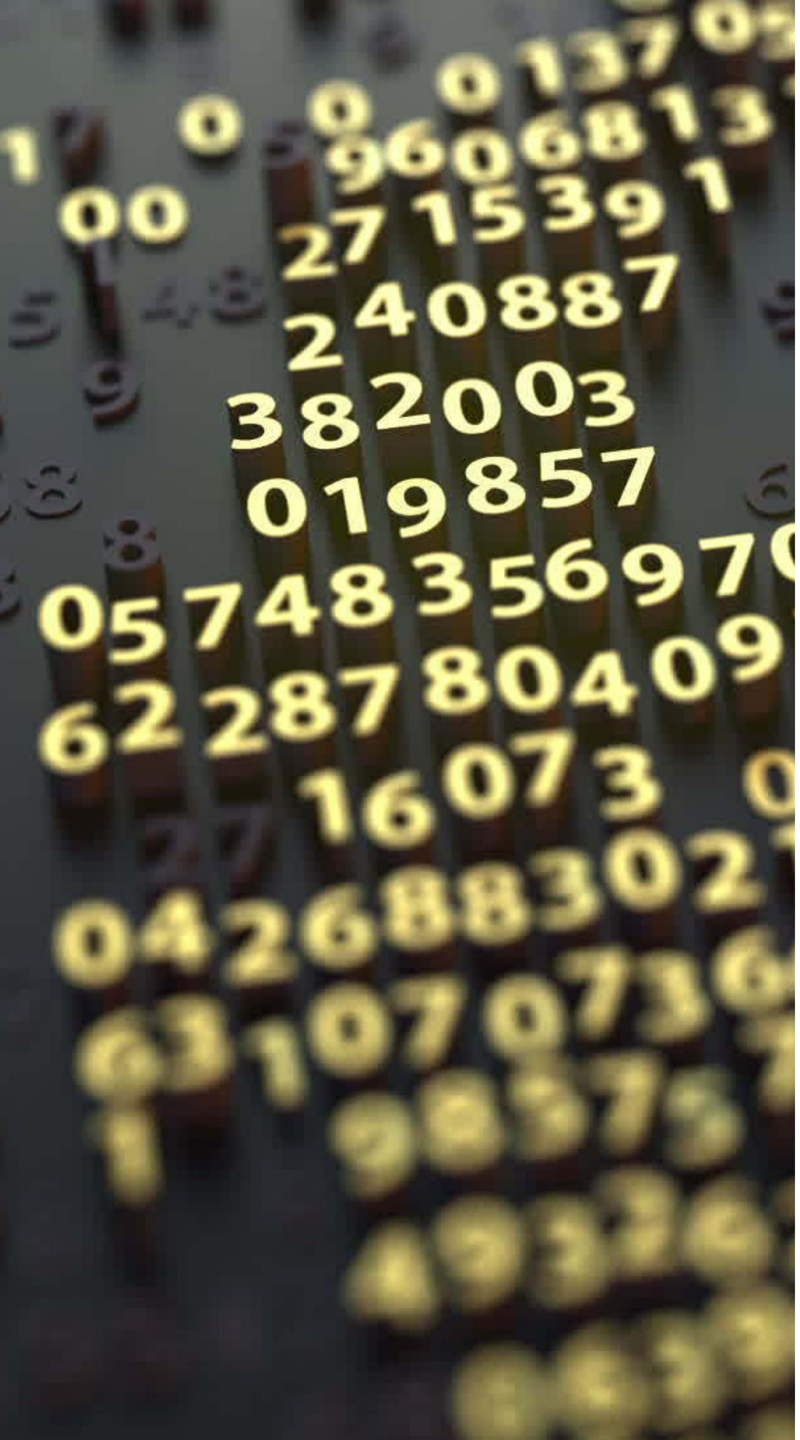


Questions for boards and executive teams

- What is your corporate customer demand for servicing digital assets?
- How well do you understand the economics and the business case for providing crypto products and services?
- What types of platform will you need to launch crypto trading or crypto custody?
- How much integration will you need to provide crypto services?

02. Where will cryptocurrencies fit in the payments ecosystem?





02. Where will cryptocurrencies fit in the payments ecosystem?

Latest developments

As the global payment system becomes increasingly digitised, cryptocurrencies, stablecoins, and private initiatives like Facebook's Diem are all jockeying for position. Many platforms are emerging to facilitate near-instant digital payments, while some large retailers and well-known brands now accept payment using digital assets. Initial coin offerings, or token sales, can create a payment instrument so that it's possible to pay for goods or services using a digital ledger.

81 countries (representing over 90 percent of global GDP) are now exploring the introduction of their own digital currencies (CBDCs). Alternative digital currencies like these, and stablecoins, have their value pegged to other assets that are less prone to high fluctuations. This may act as a counterbalance to the volatility in the cryptocurrency market which has led many regulators worldwide to issue warnings for, or even ban, some digital currencies.

Key insights

The question of payments was interesting, with our findings suggesting a skew in favour of stronger demand that much of the market is not preparing to supply. While just over half of our respondents recognised that there was an appetite from clients for some form of cryptocurrency to facilitate digital payment, most had no plans to provide crypto-payment services.

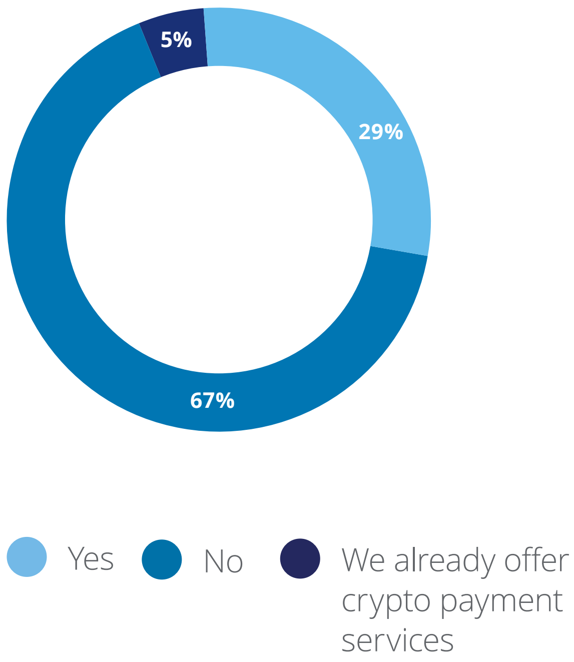
Of those planning to offer or already doing so, our sample group was twice as likely to rely on third-party providers than to build their own payment services infrastructure, while a smaller amount is pursuing both options.

A similar pattern emerged around crypto custody services; based on our engagement with the market, there is more appetite from clients than there are firms prepared to offer services.

Do you see an appetite from your clients for use of some form of cryptocurrency payments?

A majority of our respondents did not believe cryptocurrencies would replace fiat currency, but instead favoured a more conservative and less volatile digital currency in the form of a Eurosystem issued 'digital euro'.

Does your organisation plan to provide crypto payment services?



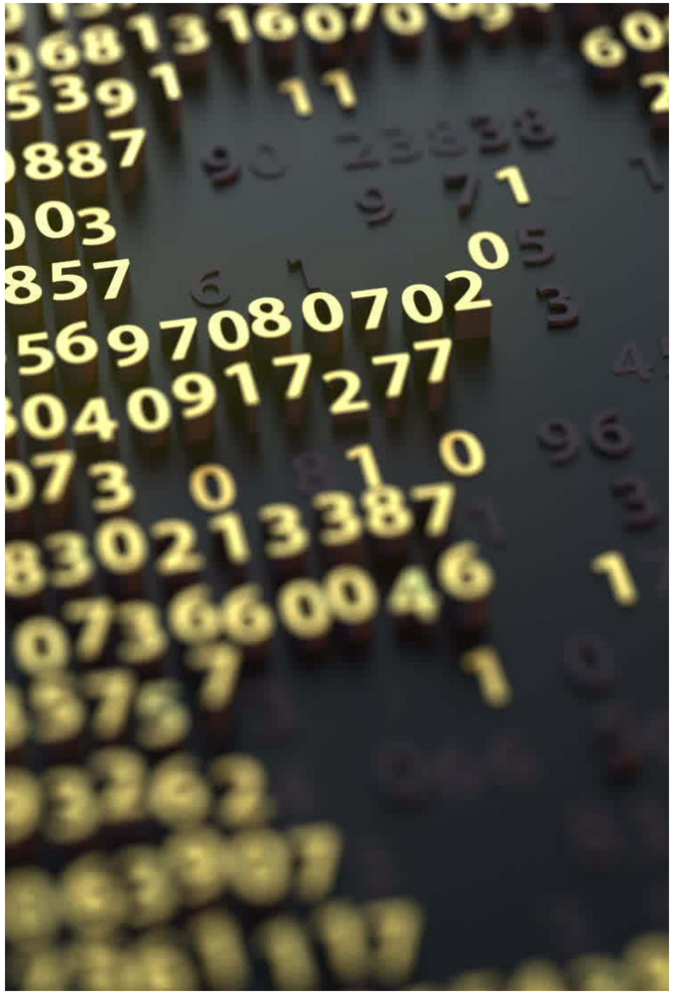
Axel Wieandt believes this is because "crypto is not about new money, but about blockchain". His belief is that the industry is now beginning to focus on the underlying blockchain technology and is seeing more value in the protocols, processing efficiencies and transaction costs instead of speculating with crypto currencies and creating more money.

This more cautious perspective in EMEA contrasts with the Deloitte Global Blockchain Survey, which found that 76% of respondents believe digital assets will serve as a strong alternative or replacement for fiat currencies in the next 5-10 years.

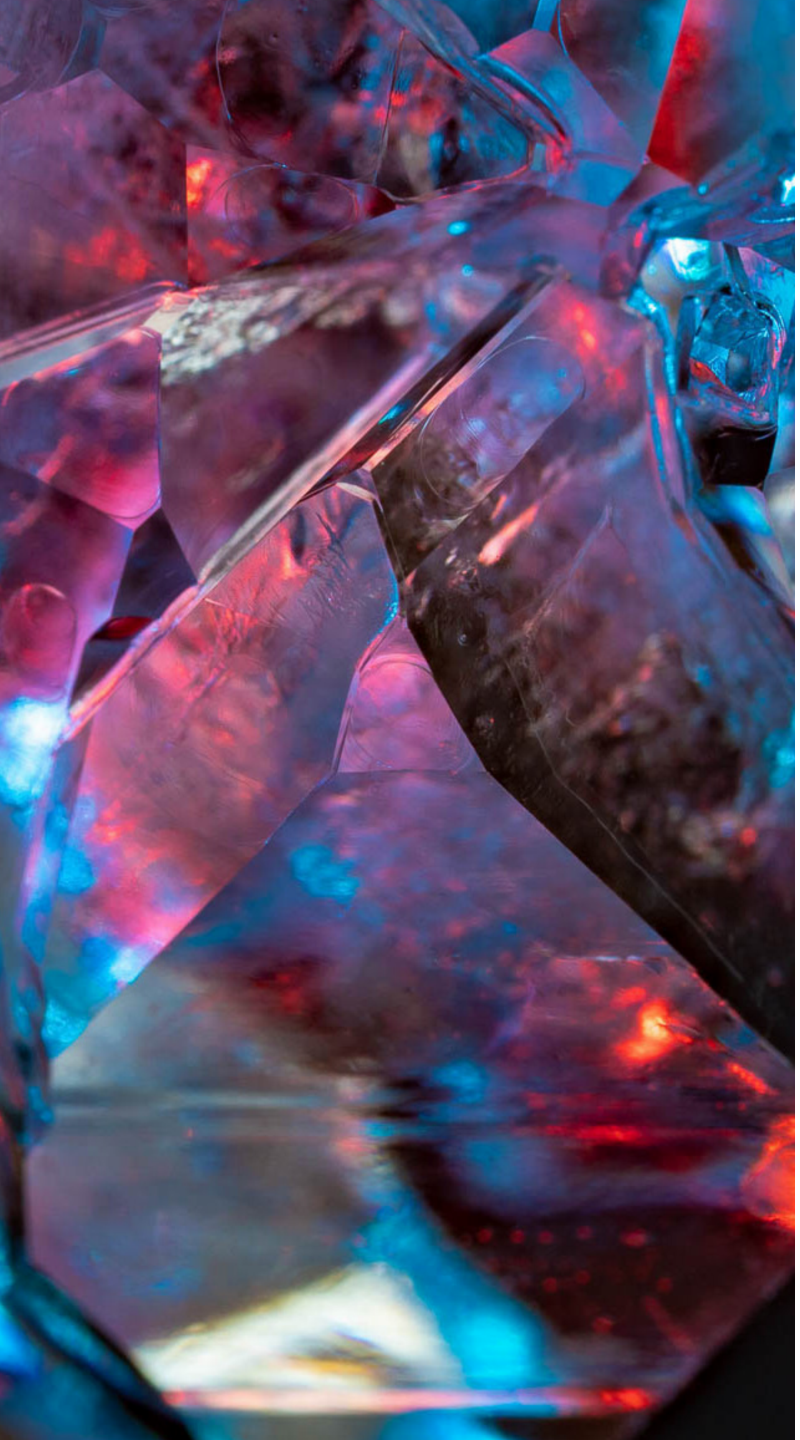
Most respondents favoured a more conservative and less volatile digital currency.

Questions for boards and executive teams

- How do crypto payments fit into your payments strategy?
- Have you evaluated different types of crypto payments for the most suitable fit with your business, and alignment to your customers' needs?



03. Is tokenisation nearing a tipping point?



03. Is tokenisation nearing a tipping point?

Latest developments

In addition to cryptocurrencies and stablecoins, security tokens are also gradually taking hold. Tokenisation is still at an experimental stage but if a critical number of infrastructure providers make the move, there is real potential growth in this space.

Tokens are digital equivalents of real-world tradeable assets. In financial services, that might be an equity, a government bond, or ownership of property. It is likely we will see other financial assets tokenised like debt, equity and other financial instruments.

Tokenisation allows for direct ownership and removes barriers to trading. The potential elimination of brokers, clearinghouses and other middlemen would remove commissions and other charges, thereby reducing transaction costs. Because the tokens are recorded and held on a blockchain, the value is transferred almost instantaneously, making them easier, faster, cheaper and more accessible to buy, sell, or exchange. Instant settlement will free up liquidity and eliminate the need for back-office reconciliation.

Recently, much of the public attention has focused on NFTs, or non-fungible tokens, for works of art, pieces of writing, or even lines of code, often changing hands at auction for large sums of money. In the financial world, tokenisation has the potential to make a significant impact on the underlying capital market infrastructure; for example, an aviation leasing company could tokenise an aircraft, allowing investment in a fraction of the entire asset.

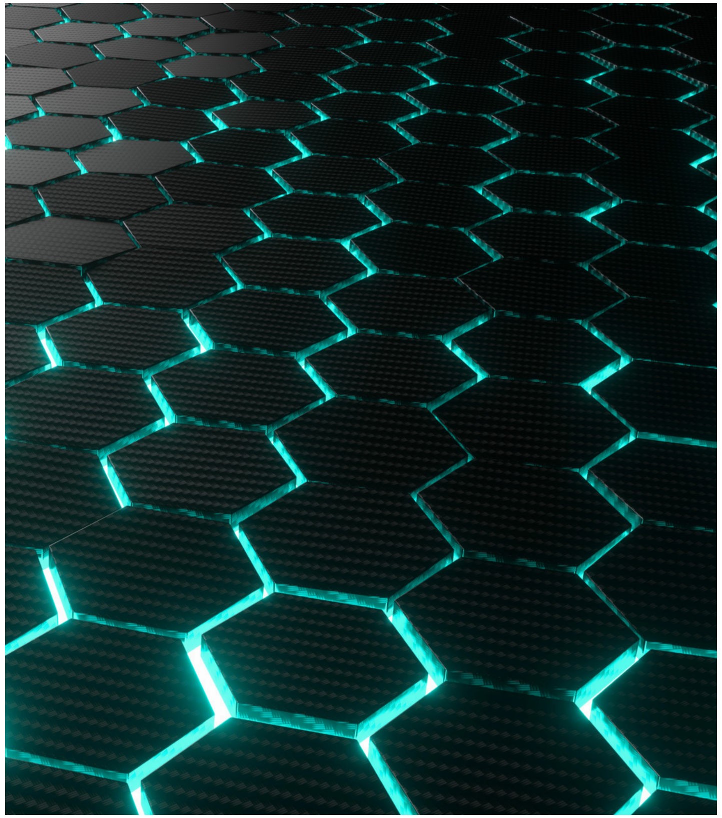
Key insights

When we asked our survey group which types of digital assets are likely to experience the fastest growth in the next two to three years, digital securities and tokenisation were clearly out in front of cryptocurrencies. A majority expect digital securities to grow fastest, followed by tokenisation. More than half of our survey group say that clients have approached them to issue digital assets like tokens or to assist with tokenisation of real assets. A strong majority see tokenisation of securities or financial instruments as a significant potential long-term opportunity.

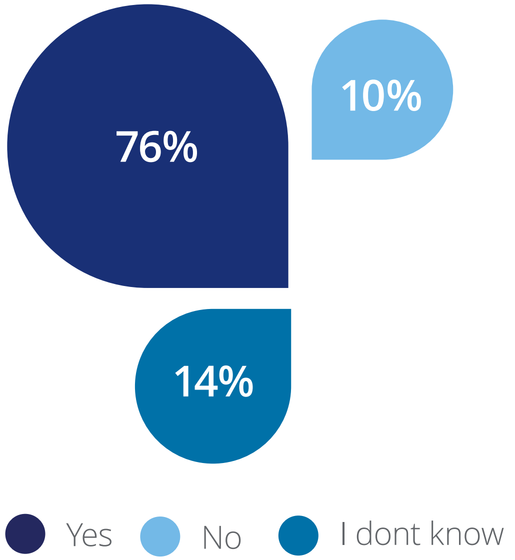
As for launch timelines, our group was split evenly between those who expect to provide tokenisation-related services within the next 12 months, those anticipating a one to two-year timeline, and others seeing launch on a horizon of more than three years from now. There is clear indication that tokenisation of assets is a discussion point at board level, but our research might indicate that few will follow through to pursuing projects over the coming year.

Axel Wieandt remarks that it is "telling that a clear majority of the organisations Deloitte spoke with see tokenisation as a long-term opportunity. In terms of the penetration of this technology, I believe we are approaching a tipping point. It is critical to see what the exchanges will do, but clearly the financial institutions, informed by their clients and their own experiences, think that this technology has real merit and is here to stay. They are thinking about the resources they will need to have in house, where do they position themselves and how to add value. Their offering will have to be increasingly compatible with a tokenised environment."

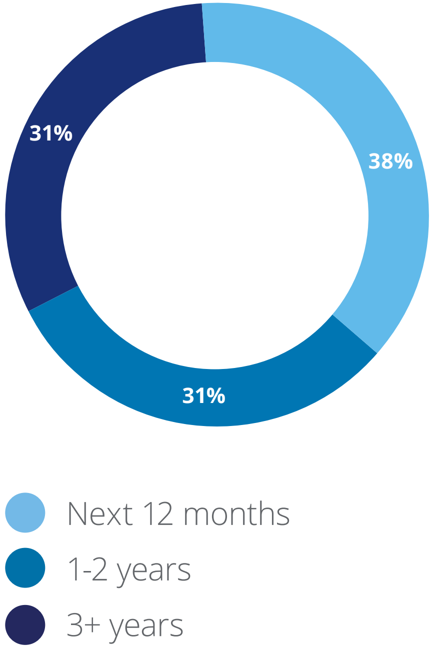
Tokenisation of assets is a discussion point at board level.



Do you see the tokenisation of securities/ financial instruments as a significant long-term opportunity for your company?



If yes, what timeline do you see for organisations offering services to tokenisation?



Questions for boards and executive teams

- Have you assessed the opportunities for applying tokenisation in your own business operating model?
- Where does your digital asset strategy focus: are you a first mover or fast follower?
- Does the strategy include a roadmap with timelines and timeframes for adoption?
- Have you considered the technical challenges with tokenisation, such as allowing ways for different blockchain networks to connect to each other?

04. What role will regulation play in the digital asset space?

04. What role will regulation play in the digital asset space?

Latest developments

So far, developments in cryptocurrencies, stablecoins, and security tokens have largely taken place without the involvement of European banks and asset managers. However, as more digital assets start to appear, regulators and central banks are increasingly making their voices heard in the space. On 5 January 2021, the Office of the Comptroller of the Currency (OCC) in the US approved the use of stablecoins for settlement of financial transactions by banks, which was seen as a boost for other payment platforms, as stablecoins are less volatile compared to traditional cryptocurrencies.

Soon after, the European Central Bank proposed a regulation, Markets in Crypto-Assets (MiCA), as a measure to enable and support digital finance while mitigating the risks. The framework is intended to bring into scope other cryptocurrencies, security tokens and stablecoins which are not caught by existing regulation.

At the same time, cryptocurrency's unpredictability as an asset class, and its decentralised nature, have led many regulators worldwide to issue warnings for or even ban some cryptocurrencies. For example, in October 2020, the FCA banned the sale of crypto derivatives to retail customers and exchange traded notes that referenced crypto assets given then complex nature of the investments.

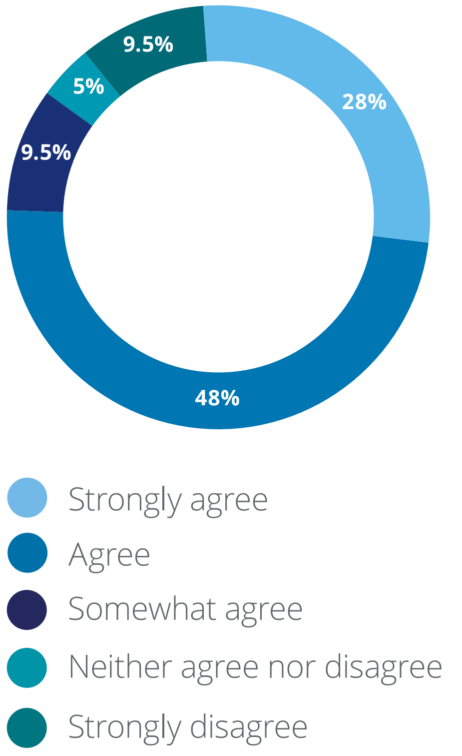
Regulators' presence in the digital asset market is the subject of debate: some argue over-regulation at an early stage of market development could hinder innovation. Conversely, if regulation is insufficient or unclear, institutions may not feel they can confidently adopt new digital asset service models. There is also significant divergence in legislative and regulatory frameworks around digital assets, although for now it appears customers can choose which jurisdiction they prefer. There is no definition of 'security token' in EU regulation. Crypto-assets may qualify as 'transferable securities' or other types of 'financial instruments' under MiFID II. Other digital assets may fall under regulatory frameworks like AMLD 5 which regulates the AML requirements of the company rather than the specific digital assets. The widespread nature of existing regulation can be a barrier and also hinder existing regulated firms from launching crypto services.

Key insights

When we gathered the insights for this report, many executives either agreed or strongly agreed that uniform global regulatory response will be critical to digital assets becoming more mainstream. Interestingly, a clear majority of respondents believe the lack of regulatory requirements presents a high barrier to digital asset adoption. This was also reflected in the Deloitte Global Blockchain Survey in which 63% of respondents viewed regulatory barriers to be the biggest obstacle to the acceptance and use of digital assets globally.

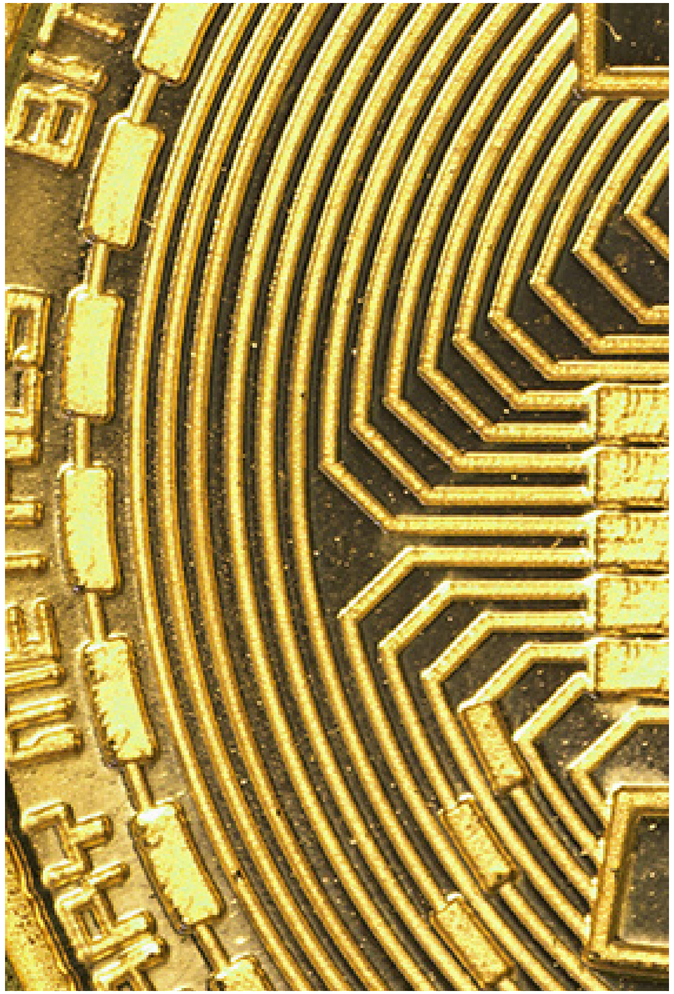
While new regulatory measures are starting to be introduced, it appears that awareness of these changes are still split; with some of the people we spoke to being 'very' or 'somewhat' familiar with the EU's Markets in Crypto Asset (MiCA) but a sizeable number are not. This is not surprising given that feedback was only provided on MiCA in December 2020. It is expected that more detail will be provided by the European Commission once they have considered the feedback from the market and updated the proposed framework. By reducing the volatility and regulatory uncertainty that exists today, this could help digital assets to make a breakthrough in the European financial system this decade. As our responses gathered indicate, many market participants believe global regulatory clarity will be critical to digital assets becoming more mainstream.

Uniform global regulatory response will be critical to digital assets becoming more mainstream.



Questions for boards and executive teams

- Have you evaluated the regulatory approaches in different jurisdictions, and whether varying definitions could affect where your firm gets licensed for crypto trading?
- Do you need to start building relationships with regulators in your preferred jurisdiction?
- What is your risk appetite in this space and how will this affect your approach to working with regulators?
- How will your choice of jurisdiction affect the blockchain platforms you need to integrate with?



05. DeFi predictions: how decentralised can finance get?

05. DeFi predictions: how decentralised can finance get?

Latest developments

As the name suggests, decentralised finance, or DeFi, removes intermediaries from transactions. Although cryptocurrencies have been around for more than a decade, DeFi is still an emerging area. By using blockchains, which by their nature are distributed and shared, banking and lending agreements between two parties can happen without needing the involvement of financial intermediaries such as exchanges, brokers or banks.

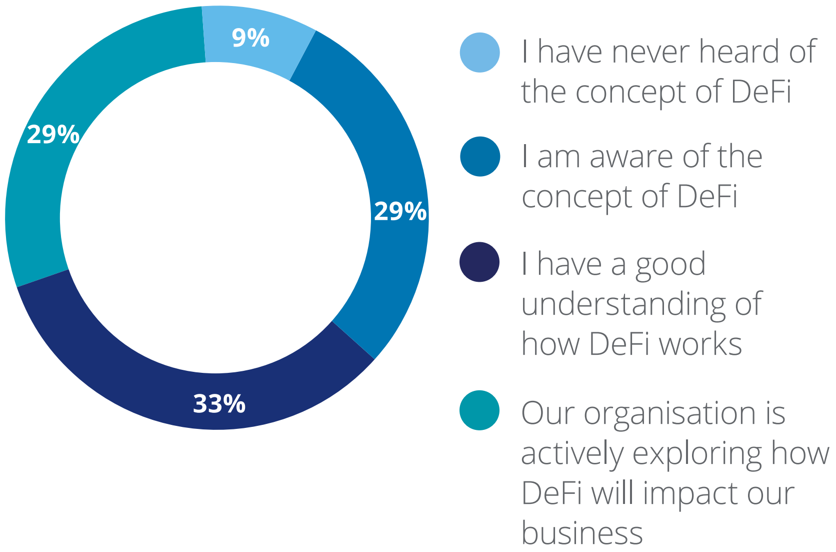
Instead, transactions are conducted using smart contracts, sometimes peer-to-peer but increasingly through liquidity pools and automated market matching. DeFi's supporters claim this makes financial transactions secure and more transparent than the private systems employed in centralised finance. DeFi is already proving highly dynamic, even as it is still at the experimentation phase. At the end of 2020, cryptocurrencies worth $19 billion had been invested in various decentralised financial applications. By the beginning of February 2021, that figure had more than doubled to more than $40 billion.

Key insights

Although DeFi is still an emerging area, the financial providers we spoke with show a strong awareness of the concept. A significant number claim a good understanding of the concept, although not as many are actively making plans for it. This would appear to indicate that the timeframe for mass DeFi adoption across the EMEA financial system remains some way off.

Puneet Singhvi, Managing Director, Digital Assets and Financial Markets Infrastructure head, Citi Markets, echoes this sentiment and believes firms need to continue business assessments of DeFi protocols. At the same time, with anything in finance, sensitivity around risk, regulations and consumer protection is critical.

Are you aware of/do you understand the concept of DeFi (borrowing and lending digital assets)?



Questions for boards and executive teams

- Have you assigned a person in your organisation to maintain a watching brief in order to stay close to developments?
- Are you monitoring customer demand to see if the concept is starting to resonate with customers?
- What experiments or proofs of concept could you carry out in order to build capability internally so as DeFi matures, your organisation is ready and able to move quickly?

Conclusion

David Dalton

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As this report was being prepared, crypto's market cap reached more than $2 trillion for the second time this year. It feels like a disruptive moment: that figure is too large a level of investment for digital assets to simply disappear.

It may be more useful to think of digital assets as being at a similar stage of maturity to the internet two decades ago. By coincidence, the then-combined value of the top five dot-com era companies was also $2 trillion. (Cisco, Intel, Oracle and Microsoft are all still with us.) Amazon, one of that era's big winners, had a market cap of close to $4 billion. Today, it is valued at $1.5 trillion.

If the digital assets space follows a similar growth curve, it indicates the potential opportunity. Yet from taking the pulse of the EMEA market for this report, the conclusion is that there is no clear intent in the market to go after this space aggressively. Most players have adopted an approach of 'fast followers' or 'wait and see', even though awareness of digital assets, cryptocurrencies and tokenisation, and to some extent decentralised finance is very high.

To address a market that is fast becoming too big to ignore, financial services providers need to take some critical steps today:

- **1.** Assign an executive who is accountable for digital assets.
- **2.** Have a clearly agreed strategy at board level – even if that approach is to wait and see for now.
- **3.** Risk and compliance teams should actively monitor regulatory activity around digital assets. Then, banks need to start assessing the potential impact of crypto payments on their own payment strategies.
- **4.** Your CIO team should start finding and adding skills in blockchain and digital assets to the enterprise architectural capability. Lacking those capabilities could be a significant barrier when the organisation wants to make a decisive move in this space.
- **5.** Many banks are focusing on innovation and on trying to build out a fintech ecosystem. When doing this, they need to consider digital asset players as part of that ecosystem thinking and design.

The strong degree of waiting and seeing from our market engagement suggests EMEA financial services players are not yet fully confident that digital assets will be successful immediately. However, the rapid progress seen elsewhere suggests it is important to be best prepared, as it looks increasingly likely digital asset market adoption will be a question of when, not if.

Our Digital Asset Services

Deloitte brings together a multi-disciplinary team with a broad set of capabilities and a deep understanding to realise value through blockchain and digital assets. Our services provide clients with end-to-end support on their digital asset journey:

- **Strategy:**
  Executive education, market research, and positioning of digital asset opportunities within broader firm strategy.

- **Market entry:**
  Identification of specific, addressable market needs and solutions, paths to market entry, and frameworks to support decisioning.

- **Business case:**
  Identification and collection of internal and external data to support estimates of revenues & costs. Analysis of outcome scenarios, constraints affecting execution of business plan.

- **Roadmap:**
  Tactical implementation plan with sequenced activities to enable solution; vendor assessment and development of solution architecture; governance and executive alignment.

- **Implementation:**
  Development services including systems integration, QA testing, and go-live readiness.

- **Digital asset classification:**
  Navigating through the rules and standards set forth to classify digital assets for tax purposes and ensuring proper the right considerations are thought through fully explored from the beginning.

- **Tax optimisation and structuring:**
  Optimising and structuring value capture systems across trading, custody, asset servicing, and funding to not only navigate tax uncertainties but also identify winning models.

- **Ongoing tax & regulatory compliance:**
  As tax structures shift, we are a trusted partner, ensuring ongoing compliance is maintained as new tax guidance emerges and matures.

- **Risk assessment:**
  Comprehensive assessment of business, cyber, financial risks and more, leveraging our deep understanding of traditional and emerging risks related to digital assets.

- **Audit readiness:**
  Provide insights to companies preparing for a financial statement audit on accounting policies, financial reporting procedures, and controls documentation.

- **Accounting & advisory services:**
  Adviseing companies on accounting for digital assets including analysing complex contracts, performing accounting research, developing accounting policies, and drafting relevant disclosures.

- **Financial advisory & controls:**
  Understanding of operations and reporting requirements across the entire digital assets lifecycle to help mitigate potential impacts including the application of COSO to blockchain (in collaboration with our Audit practice).

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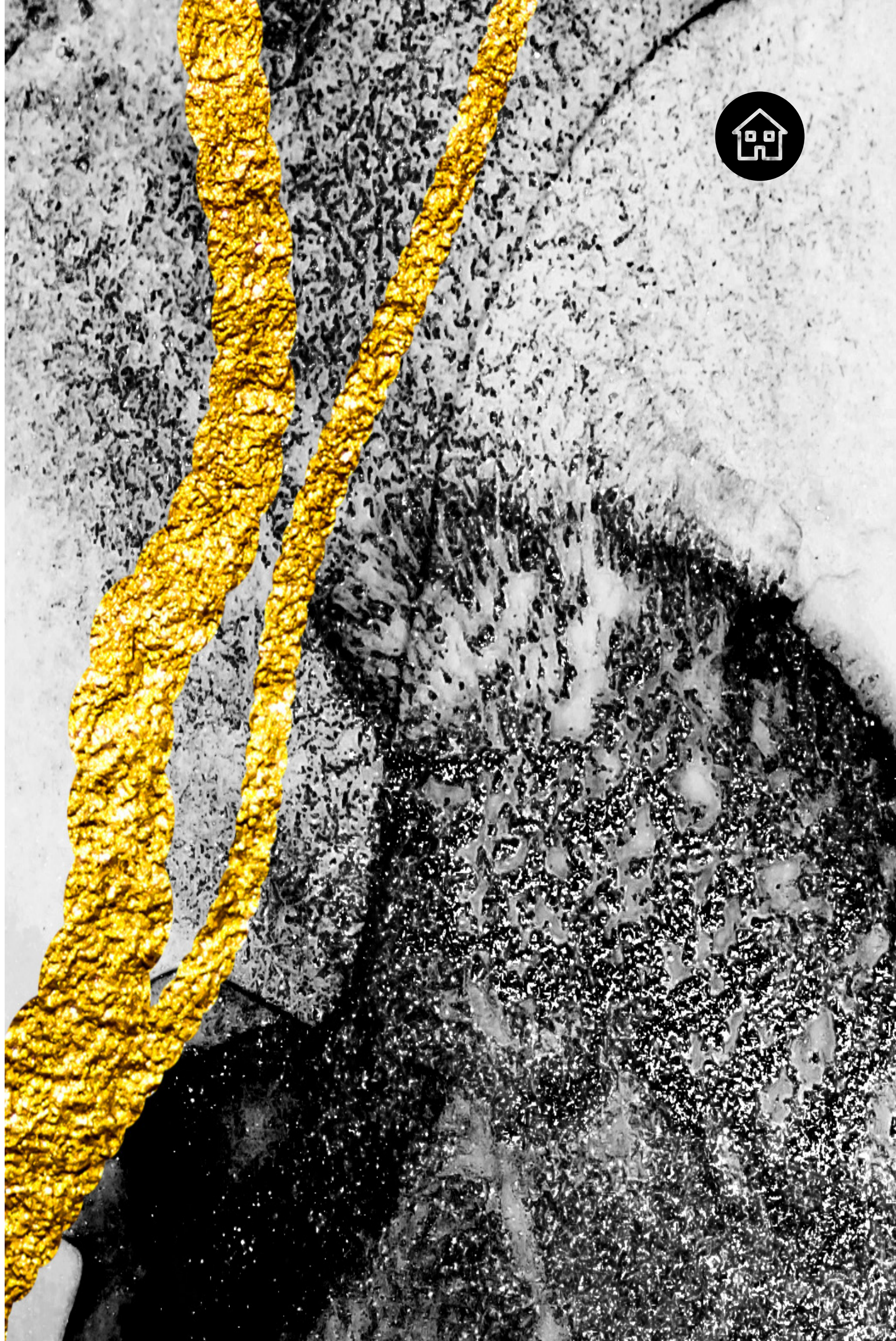

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