



The future of value transfer  
Platform interoperability to  
unlock full potential of value webs

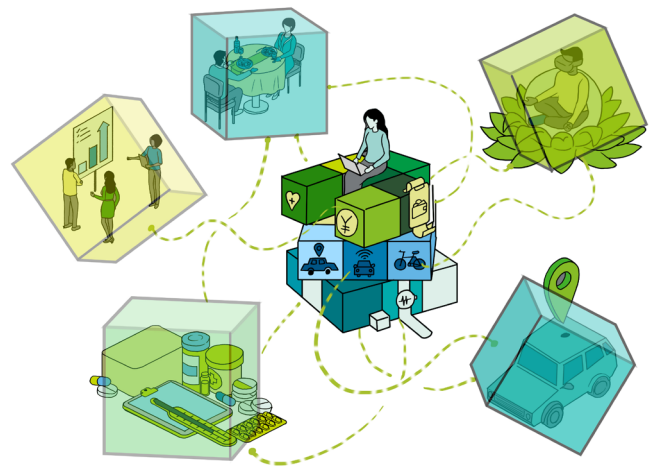
As discussed in our previous [Future of Value Transfer](#) articles, the concept of value within expanded and interconnected webs, encompasses not only the convergence of physical assets, goods and services with their ever-increasing array of digital representations but also, digital native forms. Perhaps more importantly, the value of data generated through user activity has come sharply back into focus, with an inexorable shift to empower participants in value webs by giving them control over how their data is created and captured.

This is being embodied within the expanded concept of digital identities, which rapidly moves beyond a means of verification and validation to encapsulating value generated by behaviour within and amongst the digital ecosystems underpinning value webs.

The evolution of future value webs will enable the transferability of value in digital form, creating liquidity that enables its full potential to be realised whilst establishing a virtuous circle that drives sustained growth and new business opportunities.

Value will be transferred not only among participants of a given ecosystem but also amongst parallel ones. For example, the value embodied in the digital identities of members of a gaming, e-commerce or health ecosystem can be used to create transferable value within disparate market ecosystems comprising of elements such as ridesharing, financial, dining and other services.

Take this one step further and imagine the convergence of physical identity with a digital native ecosystem capable of mutual recognition and transfer.



Achieving this vision will require a mechanism for interoperability and communication between these ecosystems. Like the continuously evolving payments platforms, value transfer platforms should enable the seamless flow of value among the many-to-many connections of these distinct ecosystems – enabling value webs to move from payment to exchange.

It is worth noting that interconnectivity and interoperability are what enabled the transformation of ecosystems from value chains into value webs in the first place. The absence of interoperability stifles competition, hampers economies of scale and hinders utility for consumers and many other participants. It is inefficient and ultimately holds back adoption and usage – working against the goal of broadening inclusion leading to market saturation, decreasing margins and disincentivizing profits.

Yet not all participants in value webs embrace interoperability. For example, dominant players in highly concentrated markets may seek to maintain a stranglehold on consumers and competitors by maintaining closed-loop systems, choosing to maximise market share rather than growing the overall pie.

## Interoperability will define winners

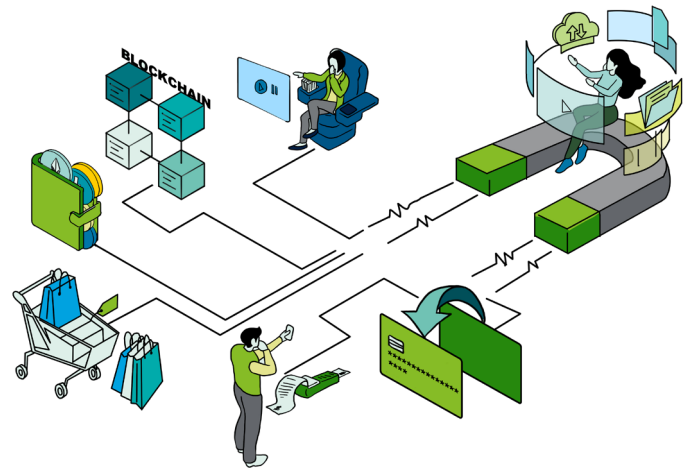
Going forward, however, the future of most industries and sectors, including financial services, will increasingly exist within open value webs and consist of interoperable value creation, capture and transfer nodes between regulators, customers, creators and intermediaries the world over. In addition to this, there is a good chance that interoperability will set the winners apart from the losers in this journey.

Another consideration is that the current lack of interoperability across many industries and sectors is not necessarily deliberate. After all, many technologies, such as communications and payments systems, commenced life as proprietary solutions processed in-house under tight regulatory constraint, rather than via a centralised or distributed platform. This was in line with the erstwhile paradigm of a small number of large organisations being responsible for pioneering technology.

Now, as innovation is increasingly diffuse, it calls for open standards and interoperability to generally precede the broader and successful adoption of new technologies. Motivated by market demand as well as regulation, various platforms are emerging to provide interoperability over a short period.

These platforms stand to become the norm in supporting value transfer and serve as the grease that keeps the wheels of future value webs turning.

We only need to look at the recent ‘bull rush’ towards the plethora of opportunities that exist for incumbents (largely BigTech providers) and new players (e-commerce, fintechs, financial institutions) in the metaverse as an indicator of this. All are increasingly applying a user-centric, self-driven approach to creating value – in both fungible and non-fungible forms.



The inherent difficulty in attaining interoperability is the need to connect a multitude of participants, especially at a multi-national/jurisdictional level. The desire to maintain jurisdictional sovereignty along with ongoing geopolitical tensions mean hopes for global harmonisation are unlikely to materialise in many industries and sectors. This is particularly evident within financial services where regulation continues to focus on entity resilience, consumer access and protection.

Waiting for harmonisation, fungibility, or central bank digital currencies to be fully integrated on a worldwide basis is likely to prove a futile endeavour, taking up precious time when progress could be made towards achieving the future of value transfer. Rather, it is conceivable that determined and proactive leaders will take on the role of platform provider to implement interoperability at the required scale. Ultimately, success entails concerted political will, managing complex cultural and stakeholder relationships, alongside the motivation and empowerment of consumers as value creators.

## Will value transfer platforms work?

As [outlined in this series](#), there is an increasing number of value creation and value capture platforms in operation, but there are still no consistent and widely established value transfer platforms. The principal mechanisms that support transfer of value, or any asset, are those based on the historical paradigm of delivery versus payment (DvP) – requiring crossing payment rails – regardless of their stage of “digital” evolution.

As we see the continued emergence of digital attribution align with the concept of fractional ownership and the inherent power of existing technology, such as blockchain and smart contracts, the capability to “exchange” and realise value as an alternative to “monetise through payment” will gain momentum. This will be driven by the continued emergence of digital attribution aligning further with the concept of fractional ownership and the inherent power of existing technology (blockchain, smart contracts).

Interoperable value transfer platforms will link ecosystems and create a true alternative to payments. Interestingly, it is not just the technology, nor the business models that will need to change. The implications for taxation, security, price, regulation and legal title will all need to be considered.



Value transfer platforms will need further evolution and secure, connected environments for trialling, however, tokenisation is one potential avenue that will continue to be explored.

As highlighted in the [introductory article of this series](#), the value of data embodied in the expanded concept of digital identity determined by user activity and presence is already being created and captured through tokenisation. These can represent enriched data components aligned with customer profiles as non-fungible tokenised stores of value and other similar forms.

We will see the continued move toward platforms enabling the seamless and interoperable transfer of that tokenised value through the lens of digital identities and presence, between different ecosystems. It should be noted that despite the use of tokenisation as an example along with the current enthusiasm for blockchain, it is not necessarily the only thinking that can drive future value transfer platforms. Any technology that meets the principles of interoperability could fit the bill, and in turn, drive sustainable growth and inclusion.

## Other platform benefits

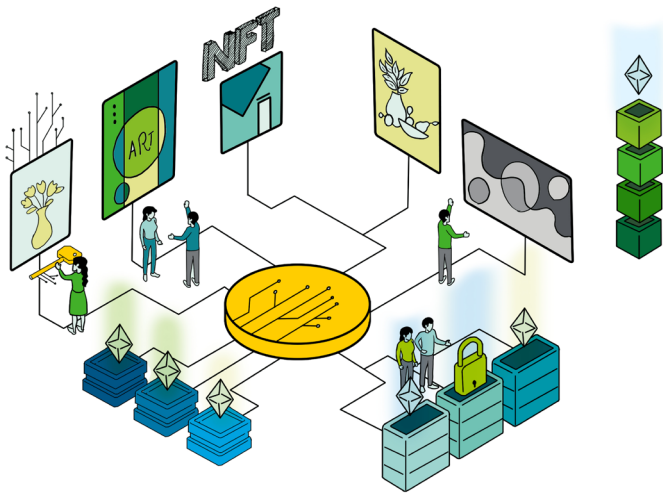
Platforms will likely assist to overcome some of the challenges posed by regulation to value transfer. Consider a platform established to interactively incorporate the requirements of different regulators across jurisdictions. Any ecosystem participant who links into that platform would have the benefit of being able to work in an interoperable manner with all those regimes, and thereby avoid the barrier to entry that has historically arisen from necessary but restrictive regulation.

Without value transfer platforms, value webs will exist, but will not fulfil the potential that customer empowerment, centricity and usability provide in reaching the goals of trust, inclusion, and self-perpetuating growth outlined in this series.

There is a tremendous opportunity to do more with the value that is currently being created and captured, but without the link for transfer, it either ends up being redeemed and taken out of the loop or perhaps held in a custodial platform which essentially just serves as an electronic version of a safe.



Value transfer platforms, by contrast, will pave the way for new markets and opportunities, and for making rather than taking markets with the technology we currently have at our disposal.



While some may decide to establish platforms, others may opt to leverage existing initiatives to adapt to a broader range of opportunities. They may seek to serve as contributors to the value web through platforms nodes developed by others.

There will, no doubt, be a plethora of niches to fulfil as the future of value transfer evolves. What is clear is that whatever form they take, by supporting widespread interoperability, value transfer platforms are set to play a crucial role in the next stage of the evolution of the future of value webs.

Learn more about what we believe the future of value transfer will be at

[www.deloitte.com/futureofvaluetransfer](https://www.deloitte.com/futureofvaluetransfer)



Who could rise to the task of launching a value transfer platform? One possibility is that they could be mutualised and provided by governments and regulators since they are essentially vital infrastructure – thereby achieving innovation without sacrificing sovereignty. But it could be anyone, from a tech company or incumbent financial institution, to an auction house pivoting to become a value exchange rather than a trading house. Likely, the answers and imperatives lie in public and private collaboration and the facilitation of growth through cooptation.

# Endnotes

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3. Tasneem Dargahwala and Elisabeth Riedl, "How interoperability can solve and scale financial inclusion", Mastercard, March 2021: <https://www.mastercard.com/news/media/vrhj0cxo/how-interoperability-can-solve-and-scale-financial-inclusion.pdf>

# Contacts

## Author

### Tim Pagett

Asia Pacific Financial Services Industry Leader

Hong Kong

[tpagett@deloitte.com.hk](mailto:tpagett@deloitte.com.hk)

## Contributors

### Rob Galaski

Vice Chair, Financial Services Leader

Deloitte Canada

[rgalaski@deloitte.ca](mailto:rgalaski@deloitte.ca)

### Duleesha Kulasooriya

Executive Director, Deloitte Centre for the Edge

Singapore

[duleeshak@deloitte.com](mailto:duleeshak@deloitte.com)

### Radha Manogaran

Director, Deloitte Centre for the Edge

Singapore

[rmanogaran@deloitte.com](mailto:rmanogaran@deloitte.com)

### Mohit Mehrotra

Partner, Monitor Deloitte

Singapore

[momehrotra@deloitte.com](mailto:momehrotra@deloitte.com)

### Soumak Chatterjee

Partner, Deloitte Consulting

Canada

[schatterjee@deloitte.ca](mailto:schatterjee@deloitte.ca)

### Michael Tang

Global Digital Transformation Leader for Financial Services

Canada

[mtang@deloitte.ca](mailto:mtang@deloitte.ca)

### Janice Tan

Strategy & Solutions Manager, Asia Pacific Academy

Singapore

[janictan@deloitte.com](mailto:janictan@deloitte.com)

### Todd Roberts

Partner, Deloitte Consulting

Canada

[toddroberts@deloitte.ca](mailto:toddroberts@deloitte.ca)

### Siddharth Rao

Strategy Leader, Asia Pacific Academy

Singapore

[sidrao@deloitte.com](mailto:sidrao@deloitte.com)

### Frances Yu

Global Customer Strategy & Applied Design Leader

Deloitte Consulting

United States

[francesyu@deloitte.com](mailto:francesyu@deloitte.com)

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