

## SETL and Digital Asset join forces to create a Regulated Network for Tokens

**New network will provide scalability, with the highest levels of privacy and smart contracting capabilities for Central Bank Digital Currency**

**London and New York, 10 February 2022:** Today, London-based SETL and New York-based Digital Asset announce that they are entering into a partnership to create a new protocol which can be used by regulated institutions to launch interoperable tokens.

The new protocol, modelled on the [Regulated Liability Network \(RLN\) initiative](#) first proposed by Citibank's Tony McLaughlin, will be developed and operated as a part of that global RLN, and enable banks, central banks and other regulated institutions to create tokens for their customers. Each token will represent a promise from the issuer to the holder of the token. Transferring tokens between banks will be handled by the network which will mint, burn and transfer tokens in a co-ordinated single operation to achieve real-time settlement between the customers of any regulated institution.

This announcement follows recent news from SETL highlighting tests of its version of the RLN implemented on AWS, to a sustained volume of over [1m transactions per second](#). Digital Asset works with leading market infrastructures and financial institutions, including BNP Paribas, HKEX, ASX and Nasdaq, among others., to create a range of interoperable smart securities using Daml, the company's blockchain agnostic smart contract framework.

The initiative also chimes with opinions recently published on the New York Fed's [blog](#) suggesting that tokenising regulated deposits is a better way forward than expanding the less regulated stable coin market.

**Philippe Morel, CEO of SETL, commented on the partnership:** "There is real momentum behind the RLN model and we are excited to join forces with the Digital Asset team to fulfil the promise of blockchain and DLT for banks and their customers everywhere. This approach will be easy for organisations to embrace and will provide an equally simple model for CBDC, bank and e-money coins, as well as any kind of tokenised liability such as bonds, loans and shares."

**Yuval Rooz, CEO of Digital Asset, noted:** "We have always taken pride in enabling our clients to innovate and this is no exception. Interoperability is a major goal for us and by working with SETL we will produce a world class network with the ability to connect and communicate across all existing clients' solutions to serve the regulated community. This network will serve as a key building block as we develop the Global Economic Network and to connect the leading financial institutions and usher in a new wave of innovation across the globe.

Digital Asset's [Daml](#) language allows banks and custodians to describe any kind of financial instrument or contractual agreement in a smart contract which then automatically governs interactions between parties during the lifecycle of the arrangement. SETL's RLN network, announced in November 2021, focuses on speed and scale. The network applies event management software to process millions of requests to produce an ordered global state that allows thousands of banks to have a common view of their token activities.

**Shaul Kfir, Chief Architect at Digital Asset, said:** "SETL's approach to the RLN complements our own technology perfectly. SETL and Digital Asset have an unrivalled combined experience in working with

tier-one institutions to solve the unique challenges they have in bringing innovative ideas to their clients.”

**Anthony Culligan, SETL’s Chief Engineer, noted:** “The RLN approach finally gives regulated institutions a token network that is fit for purpose. This new network lines up technology and regulation in a way that other blockchains simply fail to match. It is an open protocol and breaks the silo of closed loop systems.” On working with Digital Asset, Culligan added “Digital Asset and SETL are on the same page on how we can deliver this to the financial community. We have two first class technology teams and will create a world beating product.”

The joint initiative will be ready for testing later this year and could start onboarding its first use cases shortly after. In the meantime, SETL and Digital Asset will allow interested institutions to open a partition on its prototype network to test use-cases and to familiarise themselves with the new protocol.

## **ENDS**

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## **About SETL**

SETL is a London based technology provider with a proven track record in delivering distributed ledger technology (DLT) based solutions for financial markets, asset management and payments.

SETL’s DLT technology powers regulated financial market infrastructures that are active and operational - like the fund distribution platform IZNES. Most recently, SETL has successfully completed the world’s first Central Bank Digital Currency (CBDC) live fund transaction in collaboration with Banque de France, using the SETL blockchain that powers the IZNES fund distribution platform.

SETL’s enterprise blockchain technology hosts Verafide, the Turnkey Opensource Solution for Verifiable Credentials. Verafide allows organisations, networks and individual users to simply and securely issue, hold, verify and share digital ID credentials.

SETL is led by a team of financial services professionals with deep industry knowledge and expertise in disruptive innovation. SETL's proprietary market leading technology is designed specifically for regulated, high performance, low latency applications that comply with ENISA and NIST standards.

SETL’s global capabilities include planning, design, support with regulatory approval processes, development and deployment; the solutions are delivered and hosted in a cloud, on prem or hybrid environments.

SETL's board of directors is chaired by Sir David Walker, former chairman of Barclays and includes Christian Noyer, former Governor of the Banque de France and Professor Philip Bond, visiting researcher from the University of Oxford.

In 2021 SETL launched its PORTL solution, in an effort to speed up adoption of Blockchain and DLT solutions. PORTL provides a robust and permissioned toolset for financial institutions to build

applications that interoperate between existing infrastructures and a range of enterprise ledger technologies including Corda, Besu, Fabric, DAML and SETL's own high-performance ledger.

For more information visit our [website](#), follow us on Twitter [@setl\\_io](#) or [LinkedIn](#).

### **About Digital Asset**

Digital Asset is a software and services provider that helps enterprises build economic value through interconnected networks. The company designs and delivers technology that reshapes legacy systems and workflows into efficient, secure, and interconnected applications. Daml, our core technology, is a platform for building multi-party applications. It extracts and simplifies business processes to make data accessible and optimizes workflows using smart contracts. Leading organizations across financial services, insurance and healthcare partner with Digital Asset to create new multi-party solutions that transform disparate silos into synchronized networks.

To learn more about the company's vision to build the Global Economic Network visit <https://www.digitalasset.com/global-economic-network>

To learn more about Digital Asset, please visit [www.digitalasset.com](http://www.digitalasset.com). Click here to follow us on [Twitter](#) and [LinkedIn](#).