Canton or Ethereum: The Institutional Choice Ahead

How Zenith brings global composability to Canton

Zenith

The Foundation of Institutional Blockchain

Since Bitcoin's whitepaper in 2008, the world's largest financial institutions have been searching for a way to adopt blockchain without sacrificing the things they value most: privacy, compliance, and control.

Unbeknown to the broader consumer communities, billions have been spent on proof-of-concept pilots over the last decade: ranging from **Nasdaq Linq** (2015) tokenizing private equity to the **Australian Securities Exchange** (2016–2020) attempting a full DLT-based settlement system. Every major exchange, bank, and clearinghouse ran some form of experiment, looking for a blockchain implementation they could actually trust.

The results were mixed. Those early distributed ledger technologies, **Hyperledger**, **Corda**, **Quorum**, and private Ethereum forks, proved that this is the right direction, but deployments had too many limitations. They shared the same pain points:

- Complex infrastructure that required custom engineering and long integration cycles
- Walled-garden designs with little or no interoperability
- Regulatory uncertainty making large-scale adoption untenable
- Technical limits impeding privacy, simplification, and cost inefficiencies

Simply, the technology wasn't refined enough to create diverse and digital financial products utilizing global capital effectively. Yet those experiments left behind a decade of institutional learning, yet one company quietly captured it.

Among the few who turned these lessons into lasting infrastructure was **Digital Asset**, the company that quietly shaped the enterprise blockchain era by focusing on institutional distributed ledgers from early on. While others chased hype cycles, Digital Asset built the legal, technical, and compliant infrastructure that institutions necessitated, giving rise to the institutional blockchain era emerging before us, Web 2.5.

Digital Asset

A Decade of Quiet Dominance

Digital Asset was **founded in 2014** by Sunil Hirani, Don R. Wilson, Yuval Rooz, Shaul Kfir, and Eric Saraniecki with a focus on building enterprise-grade blockchain solutions for regulated financial institutions. In 2015, former JPMorgan executive Blythe Masters joined as CEO, leading the first major tokenization deal with the $5 million IPO of gaming company Pivit using DLT for secure issuance of digital securities in partnership with Case (hardware wallet) and Elliptic (blockchain security).

From its inception, Digital Asset took a radically different approach from the rest of the blockchain industry. Where others pushed for open experimentation, Digital Asset built with regulators, exchanges, and central institutions. Its smart contract language, DAML, prioritized precision, privacy, and compliance, enabling financial institutions to express complex workflows and legal logic on-chain. Digital Asset took the next decade by storm securing hundreds of pilots with international conglomerates and financial institutions.

SECTION 2.1

Notable Historical Events

2016

Acquisition of Elevence Digital Finance

Digital Asset acquires Swiss fintech startup Elevence to enhance smart contract capabilities with privacy features, bolstering post-trade processing tools.

2018

Partnership with Google Cloud

Announces collaboration to provide blockchain developers with easier tools for building applications, expanding ecosystem reach.

2019

Daml Open-Sourced

Releases its proprietary smart contract language Daml as open-source, enabling broader adoption and developer community growth.

2021

Landmark Platform Launches

Broadridge's Distributed Ledger Repo (DLR) and Deutsche Börse's D7 platform go live using Digital Asset's technology for tokenized post-trade settlement.

Goldman Sachs Partnership

Goldman Sachs adopts Daml for its tokenized asset platform, enabling private blockchain applications for institutional clients.

2022

Further Platform Deployments

Goldman Sachs' Digital Assets Platform (DAP) and Versana (syndicated loan platform) launch on Digital Asset's infrastructure.

Strategic Investment from SBI Holdings

Japanese financial giant invests to co-develop a programmable yen stablecoin, targeting Asian markets.

2023

Canton Network Launch

Unveils the Canton Network, a privacy-enabled public blockchain, with 30+ founding market participants including banks and exchanges for synchronized finance.

Hong Kong Exchange (HKEX) Deal

HKEX launches Synapse (payment system) and Eleox (exchange platform) powered by Digital Asset's DLT.

2024

Major Institutional Tests and Launches

DTCC and Euroclear conduct interoperability tests on Canton Network; iCapital launches iDLT platform for tokenized alternative investments using the company's tech.

Canton Network Mainnet Launch

Layer 1 Mainnet (Global Synchronizer) goes live, enabling regulated institutions to run capital markets applications on a shared, privacy-preserving network.

2025

Euroclear Partnership

Collaboration with Euroclear on the Global Collateral Network, leveraging Canton for cross-border collateral management.

Industry Recognition

Canton Network wins Global Custodian's Digital Asset Initiative award for the third consecutive year, highlighting leadership in institutional blockchain adoption.

First live on-chain U.S. Treasury financing

An industry working group completes one of the first real-time, fully on-chain U.S. Treasury financing transactions against USDC on Canton, followed by further live trades with additional stablecoins and tokenized bank deposits.

DTCC Partnership

DTCC announces a partnership with Digital Asset to tokenize DTC-custodied U.S. Treasury securities on Canton, following a SEC no-action letter permitting the pilot. DTCC also becomes co-chair of the Canton Foundation alongside Euroclear.

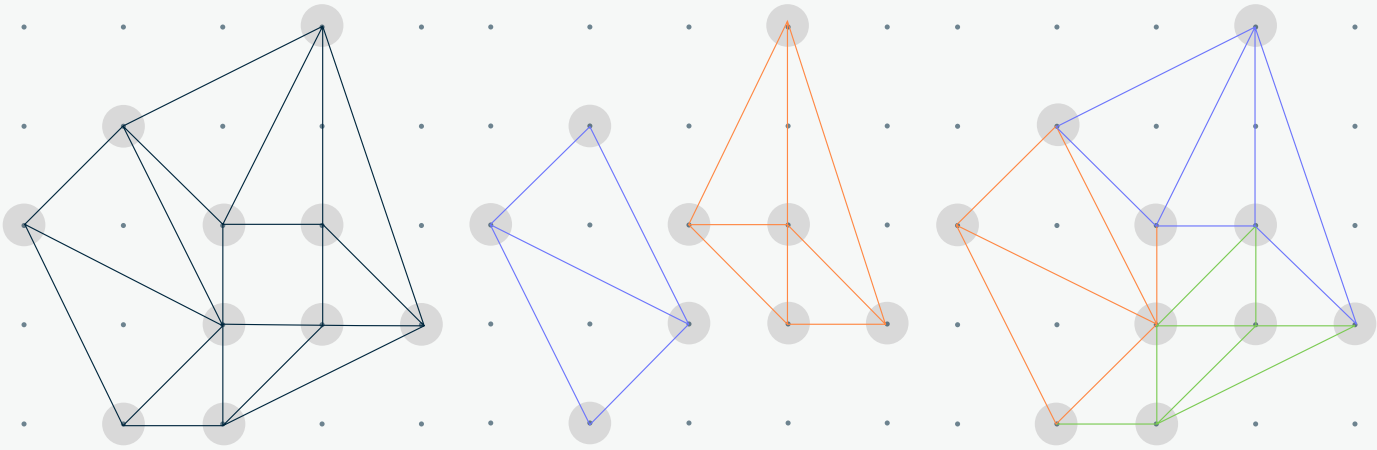
2026

Zenith announced as Canton's EVM layer

CIP-0091 Milestone 1 finalizes, bringing Ethereum-compatible execution atomically composable with Canton for the first time, realizing the Polyglot Whitepaper's vision.

As shown, the culmination of this journey came in **2023**, when Digital Asset launched the **Canton Network**: a privacy-enabled, Layer 1 blockchain designed as a "network of networks" for institutional finance. Since then, Canton has powered independent financial environments, "subnets," maintaining privacy and controls.

Towards a Network of Networks Fit for TradFi



Public networks and L2s

Decentralized mainframe run by unknown third parties Ledger replicated on all nodes (no privacy)

- Application control ceded to unknown validators
- Smart contract interoperability
- Layer 2s and ZKPs complex / rely on asset bridges

Private islands

Centralized deployments; don't talk to each other

- Privacy leaks
- Stranded assets; not interoperable across zones
- Key use cases (e.g., DvP) only within islands/zones

Network of networks

Sovereign but interoperable apps, like the Internet

- Fine-grained privacy with highly segmented data
- Sovereign control over applications
- Interoperable smart contracts
- Choose public or private sync infrastructure

In **2024**, Canton's decentralized interoperability backbone, the **Global Synchronizer**, went live on public **Layer 1 Mainnet**. Canton Network is governed with organizational neutrality under the Canton Foundation (formerly the Global Synchronizer Foundation), an independent foundation originally established with support from the Linux Foundation. This architectural leap, which links previously isolated institutional subnets into a shared, atomically synchronized public fabric without sacrificing participants' privacy or regulatory boundaries, brought to life the coordination layer of institutional blockchain.

Source
Digital Asset

In June 2026, Digital Asset announced a $355 million funding round led by a16z crypto at a $2 billion valuation, with participation from leading financial institutions and strategic investors including ABN AMRO, ADIA, Apollo Global Management, BNP Paribas, Citadel Securities, HSBC, Polychain Capital, S&P Global, SBI Group, Tradeweb, and others. The financing reflects growing institutional conviction in the Canton Network as the interoperability and coordination layer for regulated financial markets and brings Digital Asset's total capital raised to more than $700 million.

Year	Series / Round	Funding Raised	Investors
2026	Series F	US$355 million	a16z Crypto, ABN AMRO, Apollo, BNP Paribas, Broadridge, Citadel Securities, CME Ventures, Coinbase Ventures, Green Wolf, Hanhwa, HSBC, iCapital, Liberty City Ventures, Optiver, Polychain Capital, R136 Ventures, S&P Global, SBI Holdings, SoFi, Tradeweb, and others
2025	Series E (Strategic / Venture)	US$135 million	Polychain Capital, Republic, QCP Capital, Goldman Sachs, DRW Venture Capital, Tradeweb Markets, YZi Labs, Circle Ventures, Citadel Securities, BNP Paribas, 7RIDGE, DTCC, Virtu Financial, and others
2021	Series D	US$120 million	Led by 7RIDGE and Eldridge Industries
2019 - 2020	Series C	~US$35 million (Dec 2019) / additional C funding ~US$45 million (Feb 2020)	Goldman Sachs, J.P. Morgan, Accenture, Samsung Venture Investment, IBM, Salesforce Ventures and others
2017	Series B	US$40 million	Blackstone (Lead)
2016	Venture / Early Round	US$60 million	Goldman Sachs (Lead), J.P. Morgan, Accenture and others
2016	Venture / Seed-type Round	US$7.2 million	Lead investor: ASX Limited (among others)

Today, the Canton Network counts **over 600 participants**, ranging from major banks to tokenization platforms. Its partnerships span nearly every major financial infrastructure operator in the world, including **DTCC**, **Visa**, **Euroclear**, **Nasdaq**, **Broadridge**, **BNP Paribas**, **HSBC**, and **Goldman Sachs**, making it the most trusted name at the intersection of distributed ledger technology and institutional finance.

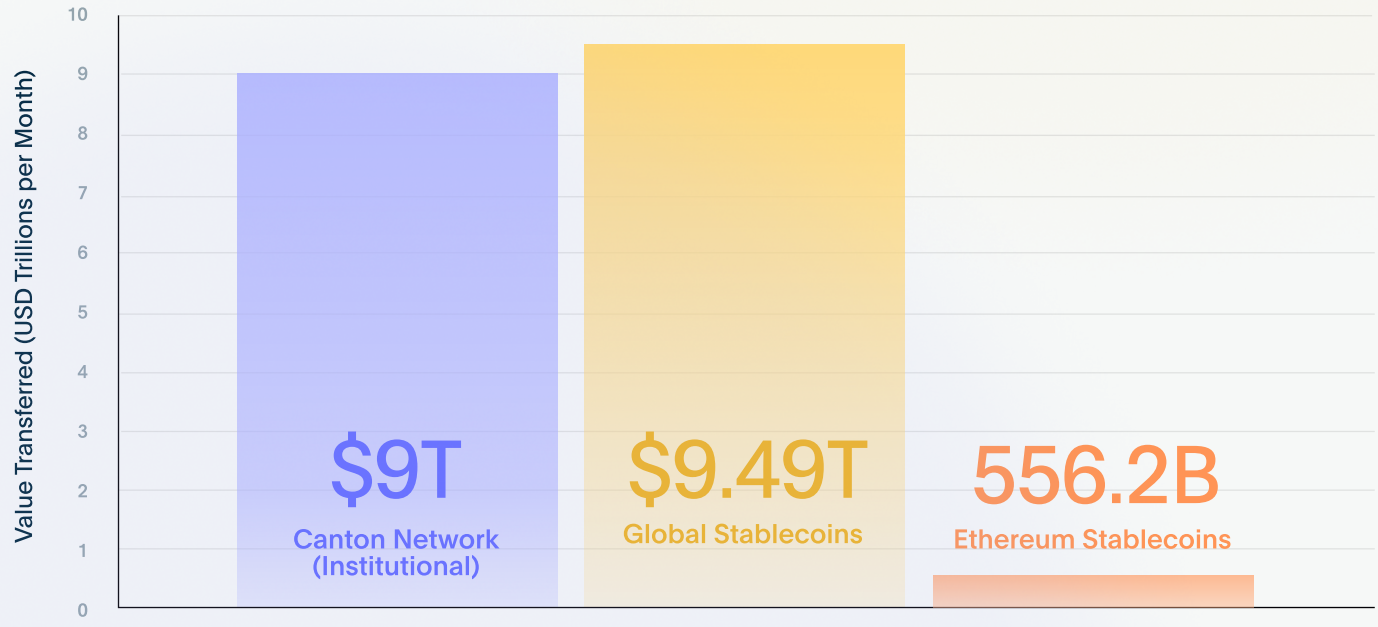
Sources
The Block; Cryptorank.io; clay.com; DropsTab; CoinDesk; seedtable.com

Canton-connected applications now underpin material institutional activity, including Broadridge's Distributed Ledger Repo (DLR) platform processing over **$8T/month in repo transactions**. DTCC is rolling out tokenization of DTC-custodied U.S. Treasury securities on Canton with a controlled production environment live in H1 2026 and a broader rollout targeted for H2 2026. This marks bringing the core of U.S. capital markets' post-trade infrastructure on-chain. HSBC has also completed a tokenized deposit pilot on Canton, demonstrating atomic settlement between tokenized deposits and other digital assets in the first instance of HSBC's Tokenized Deposit Service on a public blockchain.

Across a decade, Digital Asset moved the industry from PoCs to production: open-sourcing DAML, unveiling Canton Network, and unlocking privacy-preserving interoperability with the Global Synchronizer. Backed by leading market participants and now scaling with fresh capital, Canton is positioned as a credible institutional Layer 1 blockchain that merges regulatory-grade control with cross-application composability, a precondition for the convergence of TradFi and DeFi.

Institutional Settlement vs. Stablecoin Transfer Volumes

Monthly, Avg 2025



Sources
Investing.com;
Global Stablecoins last 30D, i.e. January 2026. (RWA.zyz)
Ethereum Stablecoin Transfer Volume is last 30D, i.e. January 2026. (RWA.zyz)

REAL-WORLD PROOF

Canton in Action

After a decade of pilots, the promise of institutional blockchain is becoming mainstream and open to consumer use. Canton Network powers live applications across stablecoins, yield products, collateral management, and tokenized fixed income. Each use case below demonstrates the same idea: regulated finance and crypto liquidity can now operate on the same rails.

DTCC × Canton × Digital Asset
Tokenizing DTC-Custodied U.S. Treasuries

J.P. Morgan x Canton
JPM Coin for Institutional Cash and Settlement

Lloyds x Canton
Tokenized Deposits and Gilts in the UK

Canton Industry Working Group
24/7 Global Collateral Mobility

Nasdaq x Canton × QCP
Automated Collateral Management

SECTION 3.1

DTCC | Canton | Digital Asset

Tokenizing DTC-Custodied U.S. Treasuries

DTCC and Digital Asset announced a partnership to enable U.S. Treasury securities custodied at DTC to be tokenized and represented on the Canton Network. The initiative is designed to allow market participants to use existing custody arrangements while gaining the benefits of on-chain settlement and programmability.

By bringing DTC-custodied Treasuries onto Canton, the collaboration connects the core of U.S. capital markets infrastructure to a privacy-preserving blockchain environment. This marks a significant step toward integrating tokenization directly into existing post-trade workflows rather than creating parallel crypto-native systems.

An SEC no-action letter was issued in December 2025 permitting DTC to run a tokenization pilot, and a controlled production environment is now live in H1 2026. DTCC has additionally become co-chair of the Canton Foundation, signaling a long-term governance commitment beyond the tokenization use case alone. Broader rollout to additional DTC and Fed-eligible assets is targeted for H2 2026.

SECTION 3.2

J.P.Morgan | Canton

JPM Coin for Institutional Cash and Settlement

J.P. Morgan announced plans to bring JPM Coin natively to the Canton Network, enabling 24/7 institutional cash movement and settlement. The initiative builds on existing Canton-based repo and collateral workflows that already process approximately $386 billion in daily volume.

Native issuance of bank-backed settlement assets on Canton allows institutions to move cash and collateral on the same synchronized infrastructure. This reduces reliance on batch processing and settlement windows while preserving regulatory controls and counterparty privacy.

SECTION 3.3

LLOYDS | Canton

Tokenized Deposits and Gilts in the UK

Lloyds Banking Group, together with Archax, completed the UK's first public-blockchain transaction using tokenized deposits, purchasing a tokenized UK gilt and settling instantly on Canton. The transaction used tokenized sterling deposits issued by Lloyds and demonstrated delivery-versus-payment style settlement on-chain.

The transaction shows how regulated bank money and regulated securities can be settled end-to-end on a public blockchain infrastructure while remaining fully compliant with UK financial regulation. It provides a concrete example of how Canton can support real-time settlement for traditional financial instruments.

SECTION 3.4

euroclear | EURONEXT | LSEG | Digital Asset | treasury spring

Canton Industry Working Group

24/7 Global Collateral Mobility

In January 2026, Canton's Industry Working Group, comprising leading global financial institutions, completed a third milestone set of transactions on the Canton Network, spanning cross-border intraday repo activity across multiple assets and currencies.

For the first time, tokenized deposits issued via LSEG Digital Settlement House were incorporated into Canton-based repo workflows, expanding available liquidity options beyond traditional cash collateral. These transactions operated intraday and across jurisdictions, demonstrating how funding and collateral markets can function continuously without reliance on end-of-day settlement cycles.

Nasdaq | Canton | QCP

Automated Collateral Management

In June 2025, Nasdaq and QCP connected the Canton Network to Nasdaq's Calypso platform to automate margin and collateral management. The integration enabled real-time movement of collateral between institutions while preserving the confidentiality of positions and exposures.

Nasdaq has since deepened its role in the Canton ecosystem as a Super Validator, participating directly in validation and governance, while continuing to extend Canton-based settlement and collateral workflows across its capital-markets infrastructure.

Nasdaq's participation signals institutional confidence not only in Canton's technology, but in its governance and long-term role in global market plumbing.

Together, these cases illustrate the shift from theory to throughput with a clear pattern:

- TradFi institutions bring assets, regulation, and liquidity,
- Canton provides the settlement fabric,
- DeFi primitives (stablecoins, yield, composability) add flexibility and speed.

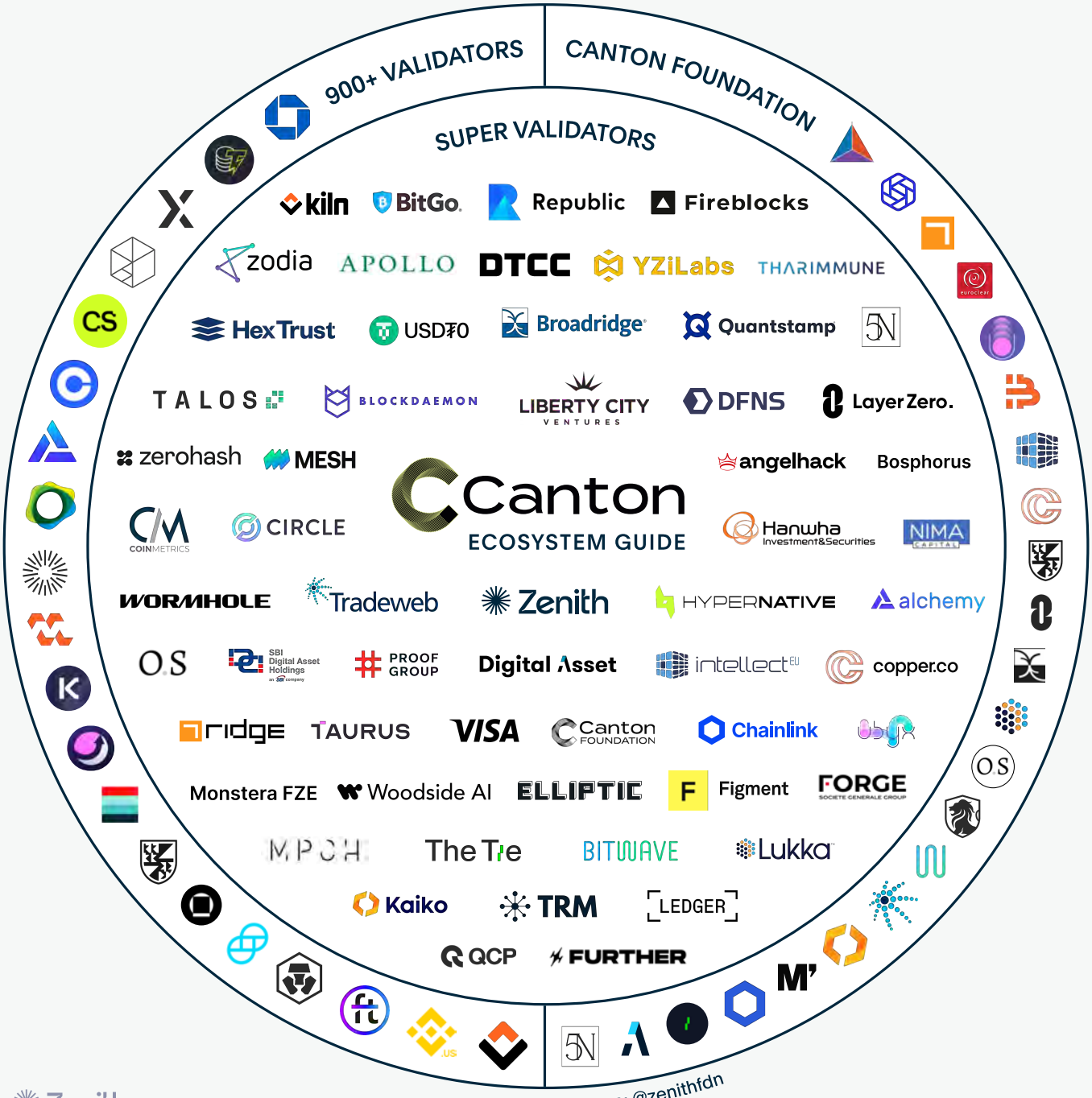
Zenith enters this landscape by bringing EVM compatibility to Canton, extending Canton's institutional-grade privacy network and opening it up to Web3 developers at large. This marks the beginning of Web 2.5: a technological renaissance where institutional-grade ledgers and consumer blockchains converge to improve outdated, legacy infrastructure.

SECTION 4

Why Digital Asset's Technology Has Thrived for Over 10 Years

Canton Network's longevity and credibility stem from a decade of engineering around four principles that traditional finance requires and public blockchains rarely achieve: privacy, control, interoperability, and scalability.

Each represents a long-standing obstacle at the intersection of traditional and decentralized finance, and the foundation on which Digital Asset built a system institutions could finally trust.



Source: @zenithfdn

SECTION 4.1

Configurable Privacy

CHALLENGE

In traditional finance, confidentiality is a legal requirement; in public blockchain, transparency is a default. Financial institutions could not adopt open ledgers that exposed transaction data, counterparty relationships, or portfolio positions to the public.

SOLUTION

Canton is designed for financial-grade privacy. Unlike public blockchains, where every transaction is globally visible, Canton enables sub-transaction selective disclosure. Each contract reveals information only to the participants directly involved, and every transaction is cryptographically verified but shared strictly on a need-to-know basis. For example, if two banks are involved in a transaction, relevant records are propagated only to those two institutions' nodes, and other participants cannot even know of the transaction's existence.

This design allows competitors, regulators, and counterparties to coexist on the same network while maintaining strict data boundaries. It’s privacy as compliance, not as opacity; the kind regulators can audit but institutions can trust.

SECTION 4.2

Compliant Controls

CHALLENGE

Permissionless networks remove centralized authority, but institutions cannot operate without it. Banks, exchanges, and clearing houses need to control access, governance, and settlement logic to meet legal and operational standards.

SOLUTION

Canton restores institutional sovereignty through permissioned access, deterministic finality, and defined governance models. Each participant controls exactly who validates their transactions and under what legal framework. Canton’s architecture allows institutions to reverse or cancel transactions where regulation or operational reality demands it, which is something impossible on immutable public chains. This combination of finality and accountability reflects how real markets function: trusted operations within trusted boundaries.

Interoperability Across the Entire Network

CHALLENGE

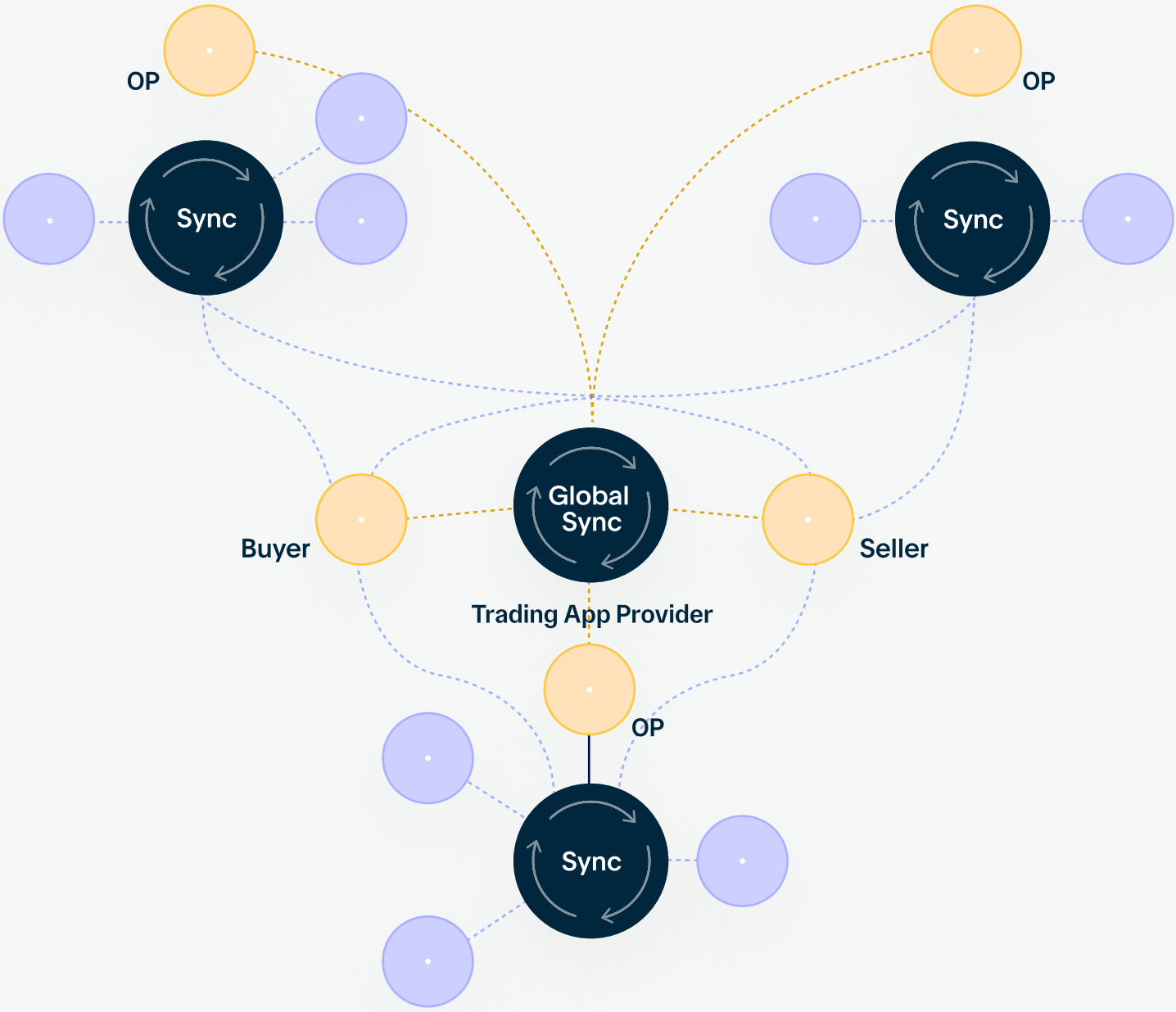
The first generation of enterprise blockchains created isolated private networks that couldn't communicate. Liquidity, data, and workflows were trapped within each system, which is the very opposite of the global, decentralized connectivity blockchain benefits from.

SOLUTION

The **Global Synchronizer**, launched on Mainnet in 2024, is Canton's coordination layer. This mechanism unites independent applications and networks into a single, cohesive system. It ensures that multi-party transactions either settle everywhere or nowhere, eliminating reconciliation risk.

In 2026, Canton is upgrading to Protocol 3.5, its most significant architectural change to date. The upgrade introduces Logical Synchronizer Upgrades (LSU), enabling zero-downtime protocol upgrades for validators. This allows the network to evolve its core software without pausing transaction processing.

Institutions retain full control over their own environments while gaining the ability to transact atomically with others. This creates a "network of networks" where payment systems, stablecoins, custody platforms, and trading venues can operate together without central intermediaries. It's a form where multiple independent blockchains gather to achieve interoperability, and each chain can be viewed as an independent ledger for specific business functions.



The Global Synchronizer

Source
https://www.canton.network/blog/a-technical-primer

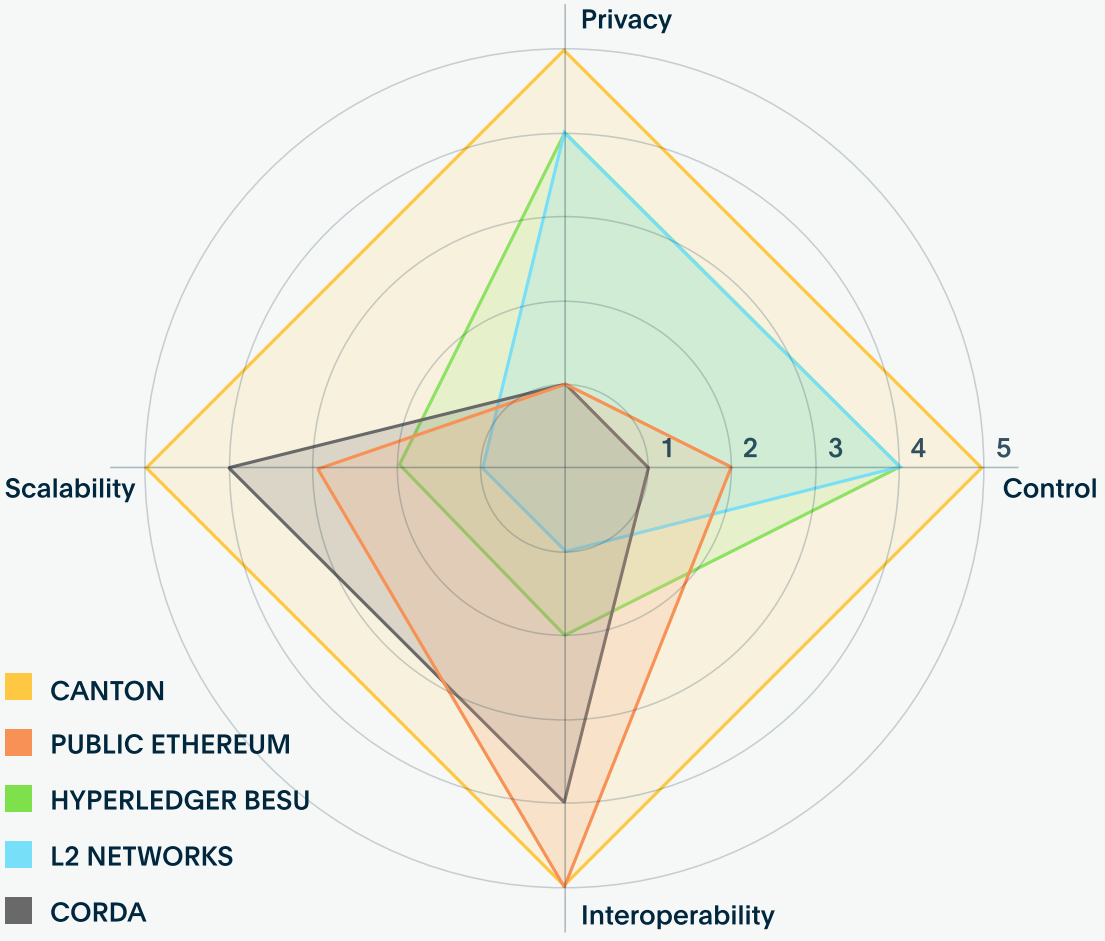
Unlimited Horizontal Scalability

CHALLENGE

Most blockchains sacrifice performance for security or decentralization. As institutional workloads grow, fixed-capacity systems face bottlenecks that limit throughput, increase costs, and restrict adoption.

SOLUTION

Canton is designed to enable a "network of networks," scaling in the same way the internet does. Each application operates as an independent subnet with its own infrastructure and data, yet connects through the Global Synchronizer for shared settlement. Each app maker has complete control over their own app, infrastructure, and data. Like the internet, which scales with each new network switch and server added, Canton scales as more apps and nodes are added. This grows network capacity and processing power without hurting performance or security.



These four pillars built the most compliant and composable blockchain architecture in existence, and the perfect foundation for what comes next.

Zenith Brings Ethereum to Canton

Canton has solved privacy, control, interoperability, and scalability for institutions. The next step toward uniting TradFi and DeFi is application **composability**, opening this trusted network to the world's largest pool of Web3 developers, standards, and applications.

Zenith extends Canton's **Polyglot whitepaper** by bringing Ethereum-compatible execution directly into the Canton ecosystem. In practice, this means developers can deploy Solidity applications with familiar tooling, while institutions can run customizable EVM environments aligned with Canton's privacy, compliance, and settlement model. The entirety of the paper's design can be summarized as follows:

Firstly, Daml is a purely functional and strongly statically typed language designed to provide maximal confidence and safety for mission-critical institutional use cases. Supporting additional languages following other proven paradigms would make Canton accessible to a wider pool of developers requiring less upfront education.

Secondly, Canton Network aims to apply the best parts of crypto and DeFi to traditional finance, and to break down the currently hard barrier between those two worlds. Supporting those languages that have become popular in DeFi, Solidity in particular, would further that aim, and additionally make those languages compatible with the control and privacy requirements demanded in regulated finance.

And lastly, and maybe most crucially, smart contract and general language ecosystems have evolved over recent years to the point where there are compelling and viable alternatives to Daml's current language stack. This paper demonstrates alternative language engines like Wasm in Canton, which in turn opens the door to compilation or hosting of Solidity in Wasm using proven tools like Solang or Rust-EVM.

It presents a path to a future where Canton is polyglot, widely accessible, and compatible with EVM chains and DeFi.

Canton Polyglot Whitepaper

The initial focus is on the addition of the Ethereum Virtual Machine (EVM), followed by the Solana Virtual Machine (SVM), and others. With **Milestone 1** of the Canton Improvement Proposal, **CIP-0091**, finalized in **March 2026**, Zenith is progressing through a permissioned TestNet, with a public TestNet expected in the coming weeks. These milestones introduce Ethereum-compatible execution that is atomically composable with Canton's institutional infrastructure.

Zenith's addition of atomically composable EVM execution expands Canton's capabilities in a way that can increase network utility. It allows developers to deploy Solidity applications that interact directly with Canton-based financial infrastructure operating at real-world scale.

Eric Saraniecki,
Head of Network Strategy
Digital Asset

In practice, Zenith enables two primary ways to build within the Canton ecosystem:

Zenith EVM

A reference EVM-compatible execution environment operated by Zenith where developers can deploy Solidity applications using familiar Ethereum tooling.

Zenith Stack

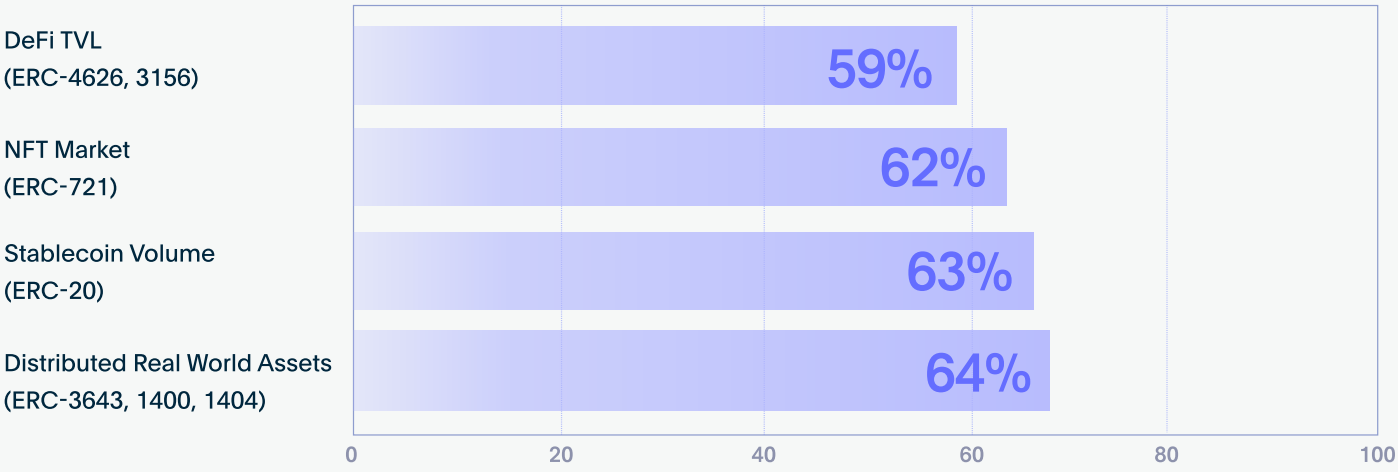
The infrastructure and tooling that allows institutions and enterprises to operate their own EVM execution environments, tailored to their governance, compliance, and operational requirements.

With these foundations in place, Zenith introduces two critical components:

Composable DeFi for all ERC token standards

Canton's native ecosystem operates in isolation from the EVM-based liquidity layer, where Ethereum reigns in the world of Web3 with:

Ethereum's Dominance Across Web3 Asset Classes



Without EVM compatibility, Canton's institutional applications cannot tap into the vast liquidity and Ethereum standards that define DeFi.

Developer accessibility

Canton's smart-contract language, Daml, was built for precision and regulation, but its non-native programming languages, Haskell and Scala, are unfamiliar to most blockchain developers. In contrast, Solidity has become the universal standard across Web3 for EVM-based applications. The vast majority of developers use it, supported by a decade of tools, audits, and battle-tested applications. Zenith gives Canton access to Ethereum-native developer standards, tooling, and application design patterns. Developers can deploy Solidity applications using familiar tools and established token standards, while institutions gain a programmable execution environment that remains composable with Canton's privacy- and compliance-oriented infrastructure.

Source
Coindesk; CoinLaw.io; RWA.xyz

SECTION 5.1

Realizing the Canton Polyglot Vision in Practice

In order to reach all corners of the current Web3 landscape, Zenith introduces the **Zenith Stack for Canton**: native Ethereum Virtual Machine (EVM), execution environments for Canton, followed by SVM.

> *EVM support as presented in [the Polyglot paper] would bring Canton's configurable controls, privacy, and confidentiality to EVM contracts a capability no other chain or network can currently offer and presents a major hurdle to institutions moving beyond private permissioned deployments of EVM chains.*
>
> **Canton Polyglot Whitepaper**

In our innovative model, Zenith's Ethereum-compatible execution environments are atomically composable with Canton subnets and Canton-native applications. Rather than introducing a separate Layer 1, Zenith routes EVM activity through Canton and settles it back to Canton, preserving shared finality and institutional controls.

Zenith EVM is the reference environment operated by Zenith, built on a fully Ethereum-compatible execution stack. Zenith Stack extends this model by allowing enterprises to launch their own customizable EVM environments on Canton, with control over native assets, fee models, permissions, and operating parameters.

Atomic composability between Canton and Zenith is enabled by Zenith's implementation of the `external_call()` primitive in Daml. A Canton transaction can include a wrapped EVM payload; the EVM execution is invoked deterministically, re-executed by validators under Canton's normal validation process, and the resulting state root is settled back to Canton. The result is a unified transaction flow where Canton-native logic and EVM-native logic succeed or fail together.

High-level working mechanism

Deployment of apps	Apps can be written in Solidity and developers can deploy Solidity applications on Zenith EVM with no or minimal modifications, using standard Ethereum tooling.
Transaction submission	Users submit a native Canton transaction that can include a signed, wrapped EVM payload.
Deterministic execution	The corresponding Daml contract invokes Solidity contracts on Zenith through the external_call() primitive to execute the EVM leg in the local EVM-compatible runtime.
Validation	Canton validators re-execute the same call locally; if outputs differ, validation fails under Canton's native determinism model.
Settlement and finality	The EVM state root is settled to Zenith's Daml contract on Canton, and finality is confirmed once the combined Canton and EVM transaction succeeds. The atomic transaction ensures full consistency and auditability.

This architecture effectively extends Canton with an EVM execution fabric for institutional DeFi. Unlike traditional rollups and L2 designs that divert value away from their base layer, every EVM transaction on Zenith routes through the Canton protocol as native Canton activity, consuming Global Synchronizer traffic and burning $CC through Canton's standard fee model. Using Zenith's EVM carries the same token utility dynamics as any other Canton transaction.

PRACTICAL EXAMPLE

Migrating a $1.5B Money Market Fund from Ethereum (ERC-3643) to a dedicated Zenith Stack-based EVM environment on Canton

SCENARIO

A major asset manager (e.g., a BlackRock or Franklin Templeton equivalent) manages a $1.5 billion money market fund, initially tokenized as an **ERC-3643** asset on Ethereum to leverage its DeFi ecosystem (~65% of RWA TVL, $17B of $26B as of March 2026). The fund, comprising short-term treasuries and cash equivalents, is deployed on an Ethereum Layer 2 for compliance and composability. However, the asset manager now seeks to migrate all assets to their own EVM-based **Zenith Chain**, **composable with Canton**, to build a broader financial ecosystem, control payment rails, and enhance permissioning and institutional interoperability, rather than relying on Ethereum's public L2 infrastructure.

PROBLEM

The fund operates as an ERC-3643 token on an Ethereum L2, benefiting from regulatory compliance (KYC/AML, transfer restrictions) and DeFi composability (e.g., integration with Uniswap, Aave). However, Ethereum's public nature limits privacy, and L2 dependency restricts control over payment rails and ecosystem expansion.

GOAL

Migrate the $1.5B fund to a Zenith-based **EVM environment for Canton**, enabling the asset manager to:

- Create a proprietary financial ecosystem with tailored governance and payment infrastructure.
- Maintain compliance and interoperability with Ethereum's DeFi ecosystem for shared security and state storage.
- Leverage Canton Network's privacy-enabled, synchronized finance capabilities (as seen in Goldman Sachs' DAP, 2021, or Euroclear's Global Collateral Network, 2025).
- Avoid reliance on Ethereum L2s, prioritizing a fully controlled, permissioned blockchain.

Why ERC-3643 Initially?

ERC-3643 provides key benefits as a leading standard for RWA tokenization:

Regulatory compliance

ERC-3643 supports tokenized securities with built-in KYC/AML checks and transfer restrictions, ideal for a regulated money market fund.

DeFi composability

Enables integration with Ethereum's DeFi protocols (~70% stablecoin TVL, ~60% NFT TVL), allowing yield optimization and collateral use.

Market reach

Taps Ethereum's $18B RWA TVL, facilitating institutional and retail investor access.

Why migrate to a dedicated Zenith Stack environment on Canton instead of relying solely on an Ethereum L2?

Control over payment rails

A Zenith Stack deployment allows the asset manager to operate a customizable EVM environment on Canton with full control over the infrastructure, economics, permissions, and sequencing logic, rather than inheriting the constraints of a public L2.

Broader financial ecosystem

The asset manager can build a permissioned ecosystem for additional tokenized assets (e.g., bonds, equities), integrating with institutional partners like DTCC, Broadridge, or Euroclear.

EVM compatibility

A native EVM environment ensures seamless compatibility with Ethereum's DeFi ecosystem, maintaining access to liquidity pools while operating on a proprietary chain.

Synchronized finance

Canton's Global Synchronizer enables atomic, cross-chain transactions, ensuring consistency between the Canton and the ERC-3643-based fund on the EVM chain. HKEX's Synapse (2023) could have scaled more efficiently with Zenith Stack.

Privacy and compliance

Zenith Apps leverage Canton's privacy-enabled framework via Daml smart contracts and Global Synchronizer, giving regulators the auditability they need without exposing positions to the market.

User Experience

The fund's ERC-3643 smart contracts are redeployed on a Zenith Stack environment, operated on the asset manager's own Canton node. Compliance logic, KYC/AML data, and token holder balances migrate intact. From that point, the fund operates on dedicated institutional infrastructure while retaining full atomic composability with Canton's broader network and Ethereum's liquidity layer. No rewrite of Solidity code is required.

Zenith EVM and Zenith Stack environments on Canton enable both institutional (e.g., pension funds, asset managers) and retail-facing applications to offer:

Unified transaction flows

Initiate transactions directly from Canton that span both Canton Network and the Zenith EVM.

Atomic bridging and token swaps

Seamlessly bridge Canton-native assets such as $CC and swap them for assets on the EVM in a single transaction.

Familiar tooling

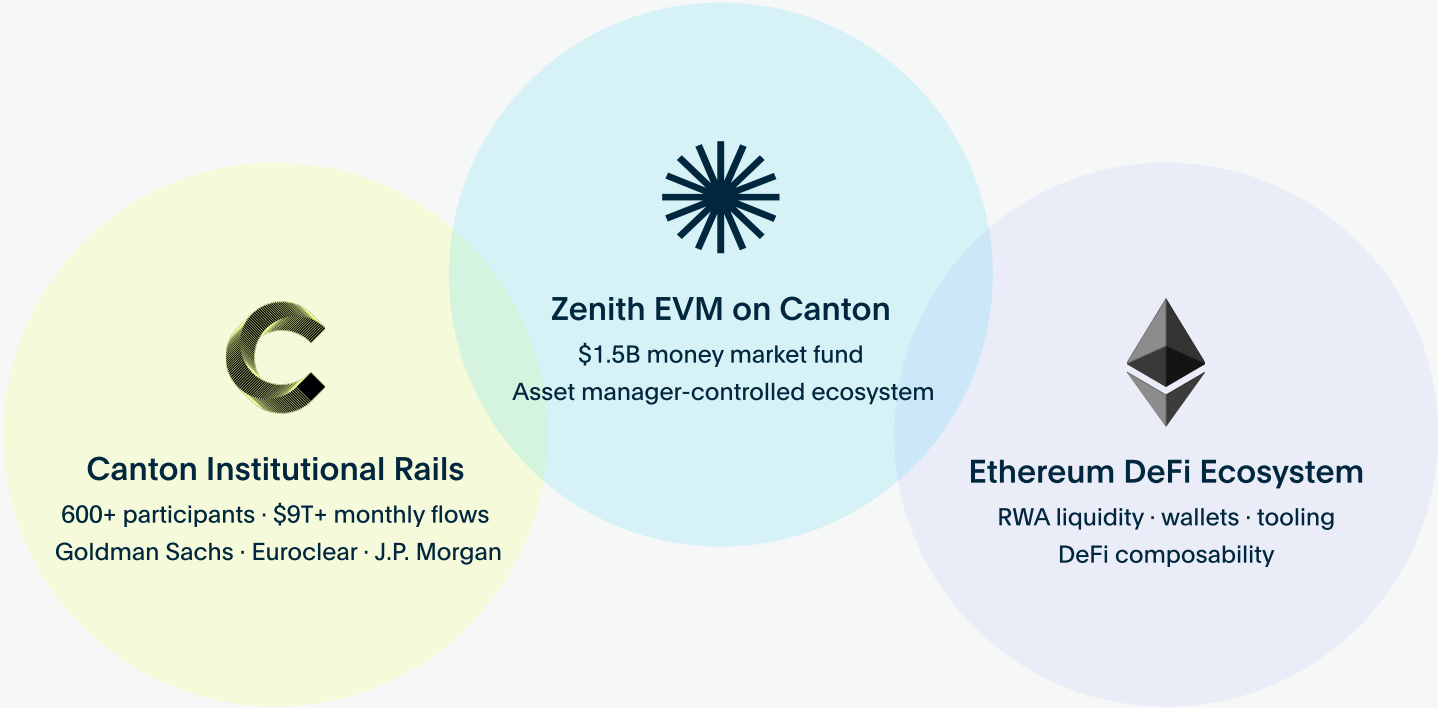
Continue using standard Ethereum wallets (MetaMask, etc.) and tools while benefiting from Canton's institutional infrastructure and ecosystem.

Unified liquidity

Benefit from true unified liquidity across applications deployed on Canton and Zenith.

Market Impact

By migrating the $1.5B money market fund to a Zenith-based EVM chain on Canton, the asset manager gains control over a proprietary financial ecosystem while retaining full Ethereum DeFi interoperability. The fund operates within Canton's ecosystem of 600+ institutional participants, including Goldman Sachs, Euroclear, and J.P. Morgan, on the same synchronized infrastructure now processing $9T+ in monthly flows.



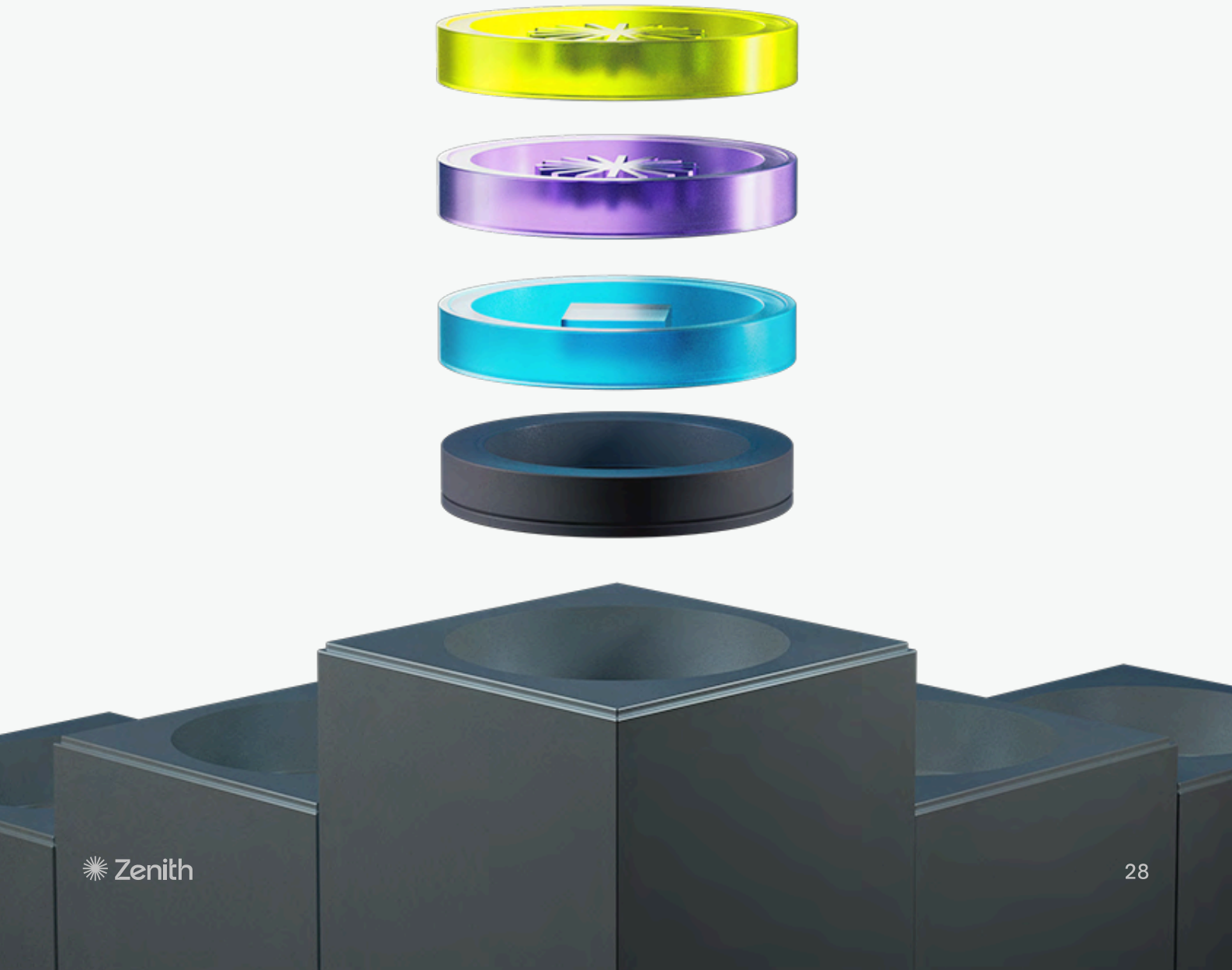
The institutional validation for this model is accumulating in real time. Goldman Sachs' DAP (2021) established the original proof of a major institution running its own environment on Canton. Since then, Broadridge's DLR platform and J.P. Morgan's Kinexys have brought that model to production scale on the same rails. What started as a proof of concept is now processing trillions.

The EVM layer ensures the fund retains seamless compatibility with Ethereum's RWA ecosystem, creating the hybrid model that connects regulated finance with public DeFi liquidity and programmability.

What This Enables for the Ecosystem

We are entering an era where institutional assets and decentralized innovation coexist in a unified environment. This is the foundation of Web 2.5.

The integration of Zenith's EVM environment with Canton's institutional infrastructure marks the first time traditional finance and open-market liquidity share the same programmable network. This convergence transforms how institutions, developers, and digital-asset markets interact.



Stablecoin and Payments Infrastructure

USE CASE

Seamless on-chain capital for institutional settlements.

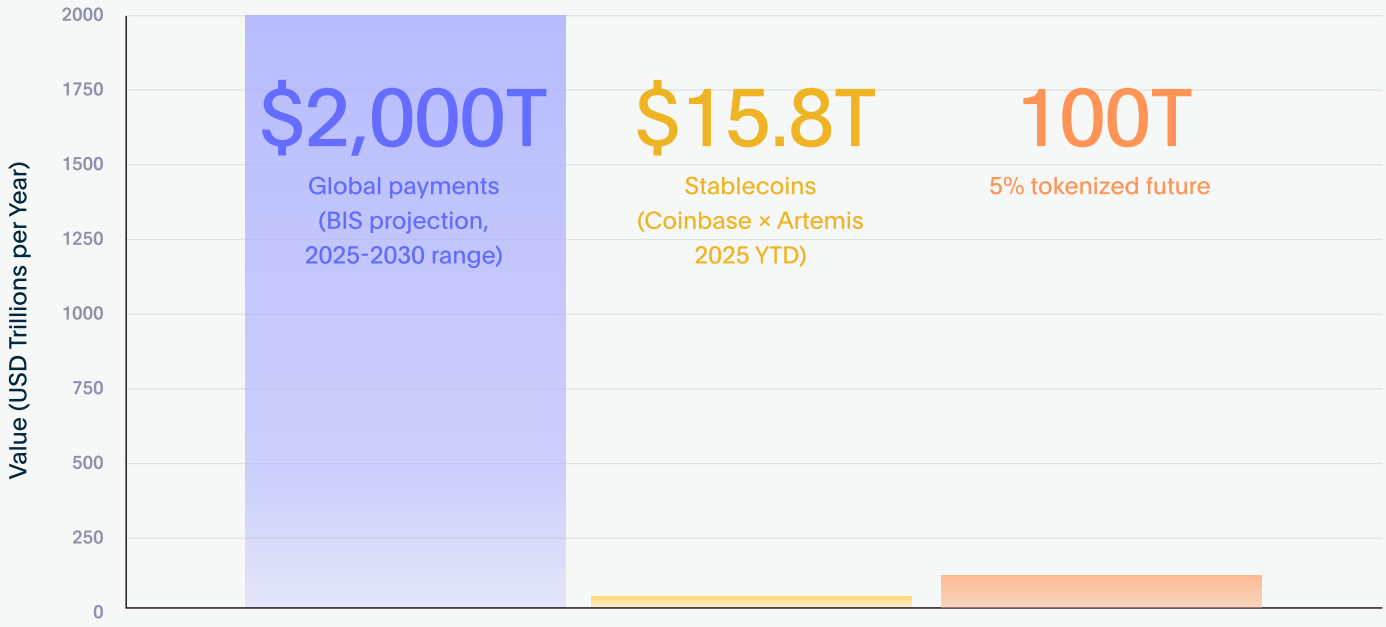
The ERC-20 token standard, acting as the universal format for EVM-based assets, underpins virtually all major stablecoins, making Ethereum and the EVM ecosystem the deepest liquidity network in blockchain.

Circle's USDC and Brale's regulated stablecoins can be minted inside Canton subnets and bridged via Zenith's EVM to Ethereum or other chains. This enables institutions to move liquidity between regulated banking systems and open DeFi rails. USDC alone has a current market capitalization of **~$76 billion**, and daily trading volumes exceed $15 billion. The transaction volume of the total stablecoin market exceeded $34 trillion last year (2025), **according to Visa**. If just 5% of global payment volumes became tokenized, that corresponds to **$100-140 trillion** of institutional flows on stablecoins.

IMPACT

Given these scales, enabling seamless movement of Canton-native stablecoins into the EVM liquidity ecosystem unlocks access to hundreds of billions (soon trillions) in capital flow.

Global Payment & Stablecoin Flows
2025 Estimates and Potential



Ethereum’s Developer and Infrastructure Ecosystem

USE CASE

Opening the institutional blockchain to a global developer pool and $160 billion in DeFi infrastructure.

Today, Solidity remains the dominant smart-contract language, with more than **76% of developers** using it regularly. The Ethereum ecosystem alone hosts over **76+ million** deployed smart contracts and maintains an active user base of approximately **127 million wallets** as of March 2025. This ecosystem represents the richest developer base and tooling landscape in blockchain, all of which can now be used natively within Canton’s regulated framework.

The economic scale of Ethereum is equally compelling. DeFi protocols hold over **$160 billion** in total value locked by September 2025, with Ethereum capturing about 60% ($96 billion) of that liquidity. By extending EVM compatibility and eventually other virtual machines to Canton, Ethereum’s developer and liquidity base will be able to access the same settlement, privacy, and compliance standards trusted by global financial institutions.

IMPACT

Developers can now deploy Solidity (EVM language) contracts inside dedicated Zenith Stack environments connected to Canton, using familiar tools such as Hardhat or MetaMask, without rewriting the code.

Real-World Assets (RWAs) and Tokenized Funds

USE CASE

Regulated on-chain fund vehicles.

The real-world asset (RWA) tokenization market exceeded **$26 billion** in March 2026, growing more than 300% over the past few years. As this market scales toward the projected **$30+ trillion** tokenized-asset economy by 2034, Canton becomes the natural home for a regulated liquidity layer that connects natively to global DeFi demand.

In practical terms, a fund manager can deploy a tokenized version of a money market fund or bond fund inside Canton's infrastructure. That tokenized fund can operate with on-chain execution logic (via Zenith) for subscription/redemption, NAV calculations, yield sweeps, and rebalancing, while still anchoring its state and regulatory compliance on Canton. The fund's tokens can also interoperate with Ethereum/DeFi rails for liquidity, arbitrage, or lending.

IMPACT

Institutions are already treating tokenized funds as a liquid alternative to stablecoins and cash equivalents. With EVM compatibility, tokenized funds and the broader RWA category become active investment vehicles connecting trillions in asset management to blockchain-native infrastructure.

Collateral and Risk Infrastructure

USE CASE

Real-time margining and collateral flows for global markets

The global derivatives market represents a complex financial system with a value of **$846 trillion** as of June 2025. Collateral and margin movements are still processed through overnight batch systems and manual reconciliation, locking up trillions in idle capital and amplifying systemic risk.

With atomic, real-time margin and collateral management provided by Canton's EVM-compatible network, on-chain collateral movement between institutions can occur within minutes, not days, without exposing proprietary trading data.

IMPACT

If real-time collateral and risk infrastructure reduced even 1 % of collateral inefficiency in today's $846 trillion derivatives market, it could release more than $8,4 trillion in usable capital as an unprecedented liquidity unlock.

WHY NOW

The Second Wave of Enterprise Blockchains

The first wave of enterprise blockchains (DLTs) from 2014 to 2025 was defined by consortium experiments and proof-of-concepts. Back then, institutions explored Hyperledger, Corda, and private Ethereum forks. These pilots laid the foundations that made today's second wave possible, and no company was closer to that learning curve than Digital Asset.

This second wave of enterprise blockchain adoption is where Canton and Zenith combine. After a decade of institutional groundwork laid by Digital Asset, Canton provides production-grade infrastructure for privacy, interoperability, and regulated settlement, while Zenith adds Ethereum-compatible execution environments that let developers and enterprises build with familiar tools on top of that foundation.

FIRST WAVE	HYPERLEDGER	corda	Private Ethereum Forks
SECOND WAVE	Digital Asset Laying the institutional groundwork	Canton Production-grade infrastructure for privacy, interoperability, and regulated settlement	Zenith Ethereum-compatible execution environments

The world's financial and technology leaders are now launching programmable networks and moving from pilots to production:

Swift

SWIFT is integrating Ethereum as a global settlement bridge with 30+ banks.

stripe

Stripe has launched stablecoin-as-a-service, allowing companies to mint their own digital dollars

DTCC

DTCC is tokenizing DTC-Custodied U.S. Treasury Securities on Canton

mastercard

Mastercard launched a global crypto partner program with over 85 companies to advance enterprise blockchain payments

CLOUDFLARE

Cloudflare introduced the NET Dollar, a machine-to-machine stablecoin for web infrastructure

Alipay

Alipay's new blockchain concept, Jovay, seeks to enable institutional-scale tokenization and transfer of real-world assets for its 1.4 billion users

SECURITIZE

FG Nexus and Securitize have begun tokenizing listed equities on Ethereum

UBS

Chainlink Labs and UBS demonstrated a $100T tokenization bridge using SWIFT messages

FRANKLIN TEMPLETON

Franklin Templeton's Solana ETF now settles directly through DTCC

CME Group

CME Group is preparing 24/7 crypto derivatives trading

Google Cloud unveiled GCUL, a universal ledger for financial institutions such as CME and Adyen

kinexys by J.P.Morgan

Goldman Sachs

Nasdaq

J.P. Morgan's Kinexys, Goldman Sachs' GS DAP, and Nasdaq's tokenization rails are all in production

HSBC

HSBC deployed its Tokenized Deposit Service on Canton, the first tokenized bank deposit issued on a public blockchain, with U.S. client access now live

Across payments, settlement, and tokenization, every major institution is now deploying its own environments. Wall Street is now speaking in action, not just theory:

> We view permissioned distributed technologies as the next structural change to financial markets and are already demonstrating the meaningfulness of the technology's perceived benefits.

Mathew McDermott,
Global Head of Digital Assets
Goldman Sachs

> Blockchain has advantages that can directly benefit global payments, including 24/7 availability, real-time settlement, and cost-efficiency.

Michelle Neal,
Chief Executive Officer
Fnality

In May 2026, Grayscale identified Canton as one of four blockchains best positioned to benefit from the CLARITY Act alongside Ethereum, Solana, and BNB Chain, citing institutional demand for tokenized assets and compliant infrastructure. The Senate Banking Committee had advanced the bill 15-9 eight days earlier, making this the first time Canton has been recognized at the regulatory policy level alongside the largest public networks.

SECTION 7

Why is this time different?

Over the past five years, two forces have been driving this shift: technological maturity and strategic necessity.

Towards a Network of Networks Fit for TradFi

Today, deploying complex and programmable blockchain environments is possible within minutes, resembling spinning up a cloud instance. Tooling, interoperability, and privacy technologies have matured dramatically:

- Interoperability protocols allow networks to connect without centralized bridges
- Programmable privacy tools give enterprises nuanced privacy and data access control
- Modular frameworks enable the connection of private and public networks under shared finality

Much of this progress has roots in the architectures that Digital Asset pioneered over the past decade.

Strategic necessity

For large enterprises, relying on someone else's blockchain is often strategically untenable. This is particularly evident in financial infrastructure.

> Canton has proven that institutions want blockchain infrastructure designed for regulated markets. What has been missing is EVM compatibility that allows Ethereum developers to participate. Zenith closes that gap.
>
> 
>
> **Teemu Päivinen,**
> CEO and Co-founder
> Zenith

Rather than adopting one-size-fits-all public networks, institutions are increasingly turning to **purpose-built environments** where compliance, governance, and operational requirements can be designed directly into the infrastructure. Governing their own chain allows enterprises to avoid vendor lock-in, design compliance into the base layer, and future-proof their infrastructure against changing market dynamics. It's why Nasdaq is routing settlement through Ethereum (ERC-3643), why Google built GCUL, and why major banks are exploring sovereign rails.

At the same time, these systems cannot exist in isolation. Interoperability is becoming a non-negotiable requirement. Modern financial infrastructure must combine privacy, compliance, and scalability with the ability to interact with trusted public networks and emerging financial ecosystems. That's why modern enterprise blockchain environments are being built with multi-rail composability and interoperability as first-class design goals.

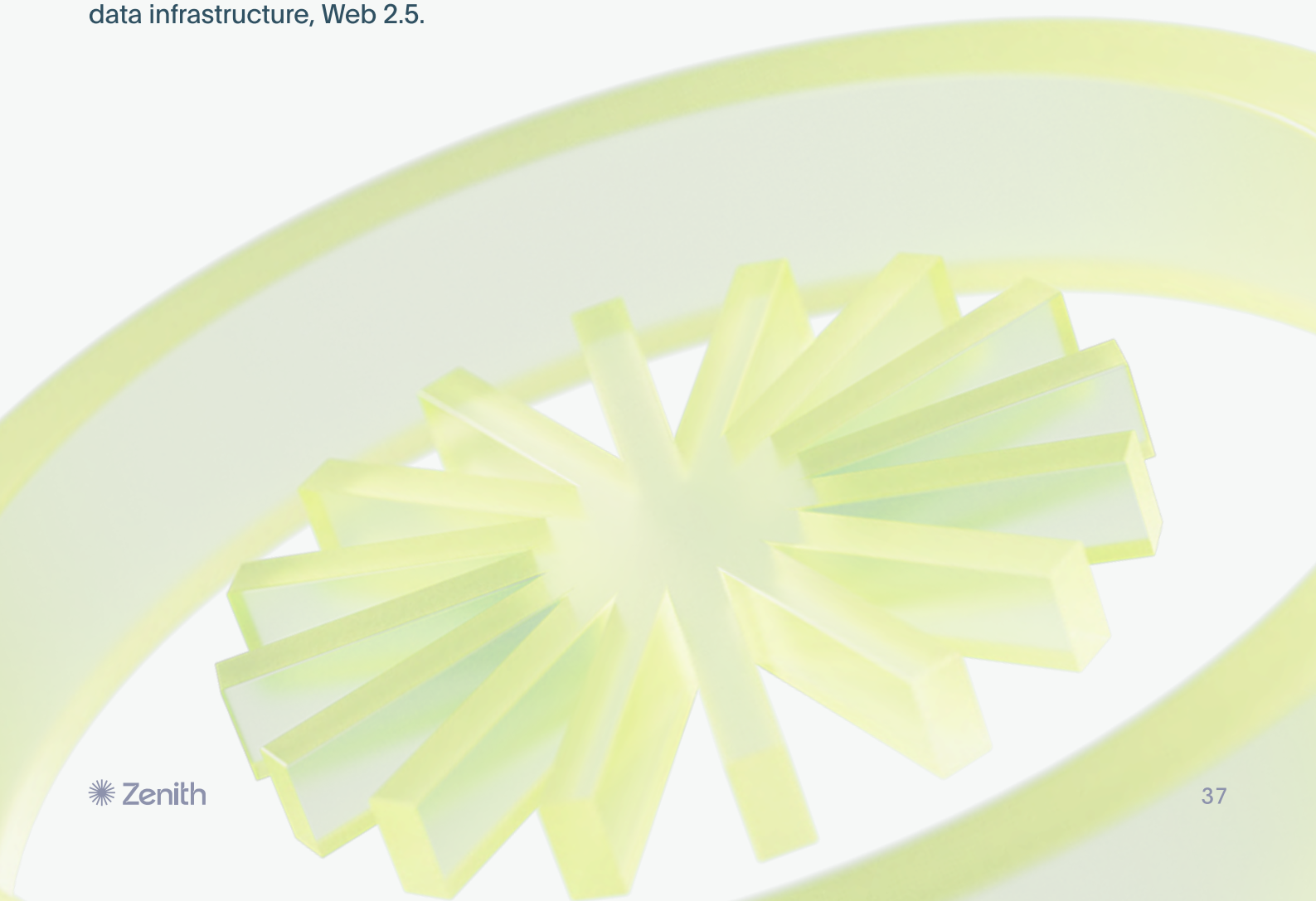
This is the architecture Digital Asset envisioned with Canton. Integrating Zenith continues the evolution of Canton into the scalable, composable global settlement layer it was always meant to be, combining institutional-grade privacy and trillions in volume with the velocity, programmability, and builder incentives institutions (and now broader Web3) demand. Existing applications and L2s provide the engine, whether the starting point is Daml, EVM, or SVM. This is the foundation of a connected financial Internet, Web 2.5, where private trust and public liquidity can coexist.

Summary

The trend is clear: Web2 giants are building their own programmable execution environments to meet real-world business needs.

Over the past decade, Digital Asset quietly built the institutional backbone for this transition. Canton is the culmination of that work. It is the first production network uniting privacy, control, interoperability, and scalability. Zenith extends that architecture outward, merging it with Ethereum, and soon to other ecosystems, and the broader DeFi universe.

Trillions in assets are already moving through blockchain-based financial infrastructure. The next phase isn't about competing chains, but about composable execution environments working together, laying the groundwork for tomorrow's financial and data infrastructure, Web 2.5.



Zenith

Bringing Ethereum Applications to Canton

- More on Canton Network
- Canton Polyglot Whitepaper
- Learn More about Zenith
- Follow Zenith on X
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