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05/20/2024

**DTCC Reveals Smart NAV Workshop: Chainlink Leads the Way to the Future of Finance**

The DTCC, a conglomerate which provides a majority of clearing house services to US securities markets, has released a report on a cutting-edge workshop involving Chainlink and several leading financial firms, including household names like Edward Jones and J.P. Morgan. The report revealed promising results and an optimistic outlook on the prospect of enhancing their existing infrastructure with blockchain technology. At the center of the action, Chainlink’s protocol is positioned to play an indispensable role in the DTCC’s forward-looking, “chain agnostic” approach to tokenization.

**Background: What is the DTCC?**

Processing a staggering $2.5 quadrillion in securities trades yearly (according to their [2023 brochure](https://www.dtcc.com/-/media/files/downloads/about/DTCC-2023-Capabilities-Brochure)), The DTCC is a vital participant at the heart of US markets. Through a network of subsidiaries, it provides a myriad of services which link financial institutions and consumers alike and make everyday transactions possible, seamless, and trusted.

Befitting for their grand scale, the DTCC’s release of a report on their Smart NAV pilot made waves in cryptocurrency circles as it confirmed a close partnership with Chainlink, a well-established player among the biggest crypto institutions. Such collaboration represents a big step forward for Chainlink, which up until now has mostly worked with other crypto-based projects and organizations. Their crossover with such a key mover of traditional finance has generated significant hype and speculation about the future of cryptocurrency’s relationship with traditional markets.

**The DTCC’s Report**

The Smart NAV workshop’s objective was straightforward: to evaluate the feasibility and utility of expanding the DTCC’s vital data services into in the emerging world of blockchains. Though much theorizing about the possibility and potential of such inroads have occupied discussions about crypto since its inception, very little in the way of real-world, sizable trials have been undertaken - until now.

The DTCC’s Mutual Fund Profile Service I (MFPS I), an industry-standard mechanism which relays crucial price and volume data to brokerages, was selected as a proof of concept. Planners opted to supplement this vital data stream with a tokenized branch. To this end, Chainlink’s Cross-Chain Interoperability Protocol (CCIP) was employed to convert the real-world NAV data into instructions which are actionable to on-chain smart contracts. This tokenized data would then be forwarded to a proprietary DTCC-owned blockchain where it could be utilized by onchain smart contracts.

The report communicates satisfaction with the results of the limited test, clarity with regard to goals for future experiments, and identification of advantages offered by integration with blockchain technology. Researchers found that the new method enabled near-instantaneous data transmission without sacrificing reliability or security. Additionally, creating a real-time simulation of a fund or set of funds on-chain with smart contracts offered the distinct advantage of practically being able to query a fund directly for data, as opposed to the traditional method of sending a request to a central database which must retrieve fund-specific data, compile an output, and return its response. Building on these successes, future workshops will involve using larger datasets, integrating with several blockchains simultaneously, and increasing smart contract functionality with features like automated portfolio rebalancing and decentralized methods of disseminating data.

**Why Chainlink?**

The most immediately impactful development from this exercise for crypto markets is the DTCC’s choice to use Chainlink’s CCIP protocol as their solution for integration of their traditional data services with the blockchain. Given the myriad of decentralized finance platforms spread across dozens of blockchains, interoperability between them stands as a prerequisite challenge to be overcome if large-scale integration with traditional finance is to occur.

With concern for the necessity of solving the interoperability problem, the DTCC’s report unequivocally names Chainlink as “the leading technology platform” and CCIP as “the industry standard for securely integrating existing systems across any blockchain” (according to page 6 of the [report](https://www.dtcc.com/-/media/Files/Downloads/DTCC-Connection/Smart_NAV-Report.pdf)). Pragmatically recognizing the decentralized nature of cryptocurrency and the complexity involved with the resulting need to integrate with potentially limitless blockchains, the DTCC opted to leave this challenge in the capable hands of Chainlink’s engineers. Though this first test involved only the DTCC’s purpose-built blockchain, thanks to CCIP’s inclusion as an interoperability layer, the integration of virtually any blockchain into the same system should be seamless.

**Future Implications**

This workshop served as a crucial trial for the feasibility of the long-anticipated adoption of cryptocurrencies on an institutional level. In the future, it will likely be referenced, like the SEC’s approval of Bitcoin ETFs, as an important, first-of-its-kind milestone. It represents a major step by putting years of speculation and theory to the test in a real-world environment. Most importantly, it foreshadows bigger and better steps to come.

The selection of CCIP as the bridge between real-world data and blockchains bodes well for Chainlink’s future as the premier interoperability solutions provider and constitutes an advantage over competitors like Internet Computer (ICP) and Quant (QNT). The sheer scale and interconnectedness of the DTCC makes this a historic partnership which none of Chainlink’s rivals can match – at least for the time being. No doubt, the future of tokenized assets is bright, as is Chainlink’s.