

Crypto & Digital Assets FIXinar

Tuesday 26 April 2022

Event Summary

What types of digital assets are out there and why would institutional investors be interested in them?

- Digital assets are not new; what we are seeing is a mixture of new digital assets and the usage of blockchain technology to 'digitize' traditional assets
- Though digital assets trading has generally been a retail activity, the institutional market space is beginning to get involved, driven partly by greater trust in the technology and a fear of missing out

Views from our audience:

1. Do you intend to (or do you already) trade any type of digital asset? (Single Choice) *

100/100 (100%) answered

Yes, I do this now

(48/100) 48%

No, but am considering/implementing

(36/100) 36%

No, no plans to do this

(16/100) 16%

How do you trade the different types of digital assets?

- All digital assets are tradable on one or more exchanges
- There are no common technical standards for connecting to these exchanges
- Similarly, the exchanges typically use their own symbology with little use of industry standards (e.g. DTI)
- FIX's [Digital Assets Working Group](#) is finalising proposals for standardising digital asset trade messaging

How does it work end-to-end?

- Many of the workflows required are in theory similar as for traditional assets (e.g. matching, confirmation, netting), even where they may not be used in practice yet
- Credit intermediation and inter-wallet transfers were noted as areas requiring more work

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Views from our audience:

1. What do you see as the biggest threat to the growth of institutional trading in digital assets? (Single Choice) *

85/85 (100%) answered

It's hype over substance and will go away eventually (10/85) 12%



Market infrastructure is too complicated/immature (30/85) 35%



Regulation (45/85) 53%



What are the risks?

- Technical risks – bugs in the software, cybersecurity issues
- The AML/KYC processes in place today have been designed mostly for the retail market and may need some adaptation for institutions
- Regulatory/political considerations, e.g. considering stablecoins as having systemic risk

Watch the recording of the FIXinar on our YouTube channel here:
www.youtube.com/watch?v=CZCRFUph79s

Want to find out more about what FIX is doing in the crypto and digital assets space and be part of the Digital Assets Working Group? Please email fix@fixtrading.org for further information.

To view a list of all upcoming FIX Trading Community events, please visit our website here: www.fixtrading.org/events