SECURITY TOKENS

Overcoming the constraints of legacy infrastructure

In many ways, the situation we are facing right now is not that different from one we faced 30 years ago with the internet. Home internet was initially run using existing phone lines. Intended just to carry voice, speed was severely capped and content delivery had to follow very strict rules.

In 1991, phone lines could handle 14.4 kilobytes per second. 7 years and millions of dollars of R&D later, speed had increased by four times—and the connection was still painfully slow. The industry was constrained by legacy infrastructure that prevented new services from being delivered, or even imagined.

Much like the early internet, attempting to use a pervasive but not fit-for-purpose infrastructure provides slow incremental benefits to securities operations, but leaves the true transformative potential on the table.

To manage security tokens on a general-purpose blockchain, there is a need for:

> **Identity on top of a chain that was built for pseudonymity**

> **Compliance on top of a chain that was built for censorship resistance**

> **Confidentiality and privacy on top of a chain built for transparency**

> **Deterministic finality on top of a chain that relies on probabilistic settlement finality**

Polymath is not a broker-dealer, funding portal, trading platform or otherwise engaged in the business of trading in securities or providing advisory services regarding the issuance, buying or selling of securities.

Instead of going through that painful phase of small incremental improvements, transitioning to purpose-built blockchain for regulated assets enables innovation and gives broker dealers, custodians and other market participants the right tools to get in front of the growing security token market.

About Polymesh

Polymesh is an institutional-grade permissioned blockchain built specifically for regulated assets.

It streamlines antiquated processes and opens the door to new financial instruments by solving the regulatory challenges with public infrastructure around identity, compliance, confidentiality, and governance through key design principles built into the base layer of the chain, rather than as external add-ons.