

UBBMETA Lite Paper

# **UBB Digital Assets Trust**

**Introducing a new breed of underwriter.**

**Protect Preserve Propagate**

**With UBBMETA we are aiming to make privacy a competitive advantage that unlocks new business models, creates growth and transforms industries.**

**"The methods of a traditional custodian may need to be updated to cater for the unique features of digital assets."**

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**"Over the past decade, advances in digital technology have revolutionized the world of finance, spurring innovation and driving major changes across the industry. Looking ahead to the coming decade, these advancements are gaining ground with the help of technologies such as artificial intelligence and blockchain.**

**Cutting-edge fields such as metaverse technology are also growing in prominence; this innovation has the potential to fundamentally transform traditional banking models by enabling banks to interact more effectively with customers and communities.**

**It is clear that we are on the cusp of a new era where digital technology will revolutionize financial systems once again – and make for a more connected financial future."**



# MODERN BANKING FOR THE CULTURE

The digital assets market has been one of the most successful stories in the modern financial world. Its estimated value, measured by total cryptocurrency market capitalisation, was at US\$842bn and continues to grow at an incredible rate.

Despite being relatively young compared to traditional markets, it is already revolutionizing the financial services industry. This is mainly due to its ability to innovate quicker than existing models and provide unbanked consumers with greater accessibility. By creating liquidity and global access, digital assets make a key contribution towards future growth in the sector as a whole.

Labuan International Business and Financial Centre (Labuan IBFC) and the Labuan Financial Services Authority (Labuan FSA), together with offshore investment bank such as UBBIB, are already adapting our business and supervisory practices to incorporate thought leadership in this exciting area of growth.

**UBBMETA aim for Phygital Worlds to be an additional engagement open metaverse to present the next use of emerging technologies.**

In the last 10 years, our lives have become deeply intertwined with technology. As such, it's vital to consider how your digital assets would be managed in case of incapacitation or death without you - and this is where a Digital Assets Trust comes in!

Organizations, businesses and individuals are all recognizing digital assets as part of a comprehensive estate plan. The definition ranges from electronic records to cryptocurrency and everything in between that can be digitally stored. With the rise in popularity of cryptocurrencies such as Bitcoin, Ethereum etc., it is now essential to consider these assets when drawing up plans for your digital future.

By creating a digital estate plan, you are protecting your online assets from risks like identity theft, hacking, and fraud. You are also giving your family greater peace of mind.

**ITS FUTURE**

**IS NOW**

# Categories of digital assets



## Security tokens

These tokens are essentially digital instruments that carry security attributes and rights similar to traditional instruments such as shares, debentures or units in a collective investment scheme.  
Example: Redswan Token



## Utility tokens

Digital tokens seek to provide value to investors by giving them access to a future product or service. For example, a startup may develop a digital product/service and issue utility tokens to investors. Investors may then use those tokens at some future time, to obtain access to the issuer's products/services.  
Example: Filecoin



## Cryptocurrencies

Cryptocurrencies are the most common type of digital asset and they use cryptography for security, designed to work as a medium of exchange.  
Example: Bitcoin



## E-Money tokens

These are tokens that are designed to function as a form of electronic money that represents a claim on the issuer, are issued on receipt of funds for the purpose of making payment transactions, and are accepted by a person other than the issuer.  
Example: Libra



## Stablecoins

Stablecoins are digital assets that attempt to stabilize its volatility by typically pegging themselves to a stable asset such as the US Dollar or gold. They are slowly gaining traction with investors who favour security over high returns.  
Example: Gemini dollar



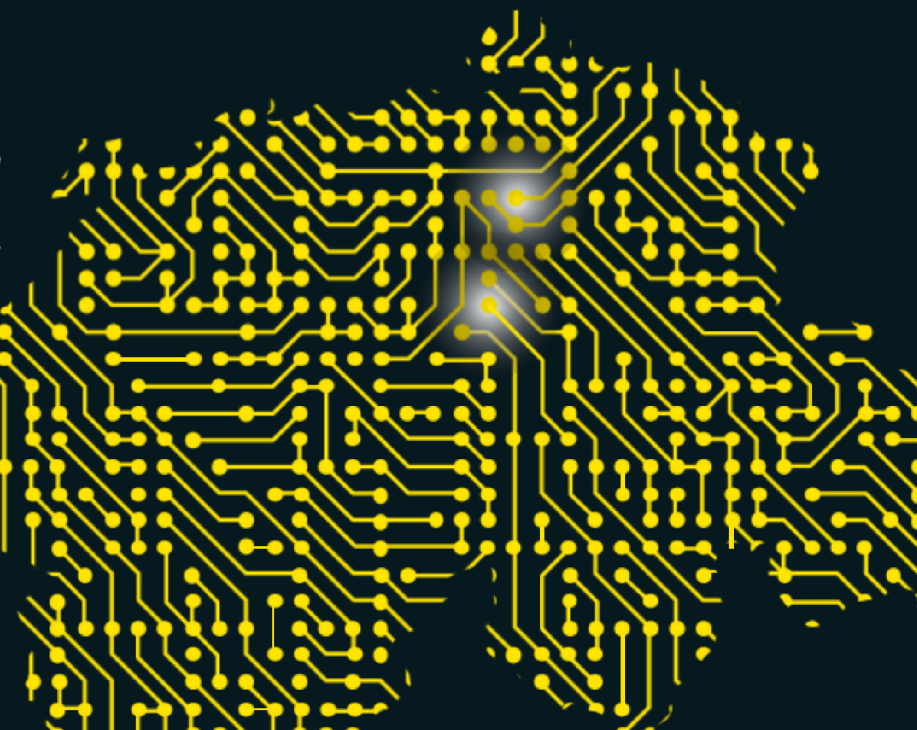
## NON FUNGIBLE TOKENS

NFTs are tokens that can be used to represent ownership of commodities that are one of a kind. They enabled us to tokenise things like artwork, priceless objects, and even real estate. The blockchain protects them, ensuring that no one can alter the ownership record or create a new NFT by copying and pasting an existing one.  
Example: BAYC

# A SMARTER WAY TO CREATE VALUE

Digital assets, as defined by the International Monetary Fund in a digital age, are digital representations of value, enabled by cryptography and distributed ledger technology. They can take on many forms and functions but ultimately digital assets represent exchangeable digital artifacts generated from Internet usage or stored on digital networks.

Organizationally, digital assets are intangible but can be linked to real-world assets and more recently various financial products. The digital asset market has grown significantly over the past few years and is now being broken down into five distinct categories such as cryptocurrencies, commodities, collectibles, utility tokens, and security tokens for the purpose of this paper. These digital assets increase both convenience and liquidity for parties involved in transactions all around the world.



**#1 Misinformation is becoming more widespread and affecting people every day**

**#2 Expectations on privacy and responsible use of data have grown and become mainstream**

**#3 Cybercrimes continue to grow unabated, especially in the Asia-Pacific**

**#4 Data localisation, sovereignty and cross-border data flow issues are high on the agenda for many countries**

**#5 Growing demand for digital trust skills and risk management solutions**



Bank Infrastructure  
Consistent Laws & Regulations  
High Educational Standards  
Modern Democracy  
Level of Innovation



LACKING STANDARDS RELATED TO DIGITAL TRUST

MISLEADING USE INTERFACES

COMPLEXITIES IN CROSS-BORDER COOPERATION

ONLINE SCAMS

FACILITATING DATA FLOWS

MISINFORMATIONS

NAVIGATING COMPLEX REGULATIONS

CONSTRAINTS IN DATA SHARING

INADEQUATE CAPABILITIES

As the digital asset market continues to expand, investors of all sizes have become increasingly focused on securing their assets and ameliorating the ease of transacting. It has become overwhelmingly evident that custodians are a crucial component for achieving this; without them, it would be difficult if not impossible for investors to properly protect and handle their digital assets.

Moreover, due to the inherently vulnerable nature of digital commodities, investment in digital asset custodians is increasing rapidly as investors recognize their worth. Digital asset custodians offer a higher level of security than traditional physical assets, while simultaneously providing a user-friendly platform as trust between users and other market participants increases.

All in all, digital asset custodians are driving the safe and efficient management of investments in this new era of finance.



## REDUCED RISK AND COMPLICATION

Storing digital assets with a custodian is the perfect way to guard against risk and increase convenience. Custodians are guaranteed safe havens for investors due to their enhanced security measures while providing effortless ease of access so one can rest easy knowing all investments remain safeguarded.

## INCREASED SECURITY

Digital assets are a powerful investment option, but investors face certain security risks due to the online nature of their investments. Fortunately, custodians have access to resources that allow them to effectively mitigate these threats and provide customers with secure platforms for storing digital assets in a highly regulated environment.

## RECOURSE FOR INVESTORS

Investors face potential peril if they remain exposed to asset loss from hacking or other unfortunate events. However, licensed custodians provide a safeguard by offering recourse in the event of failure and are commonly backed by trusted insurers – delivering greater peace of mind for those invested.

## SAFER THAN EXCHANGES

Storing digital assets on an exchange can be risky - hackers often target them as they store large amounts of valuable resources. Furthermore, there is the potential for exchanges to face bankruptcy or closure from governing agencies.

## OPERATIONAL EFFICIENCY

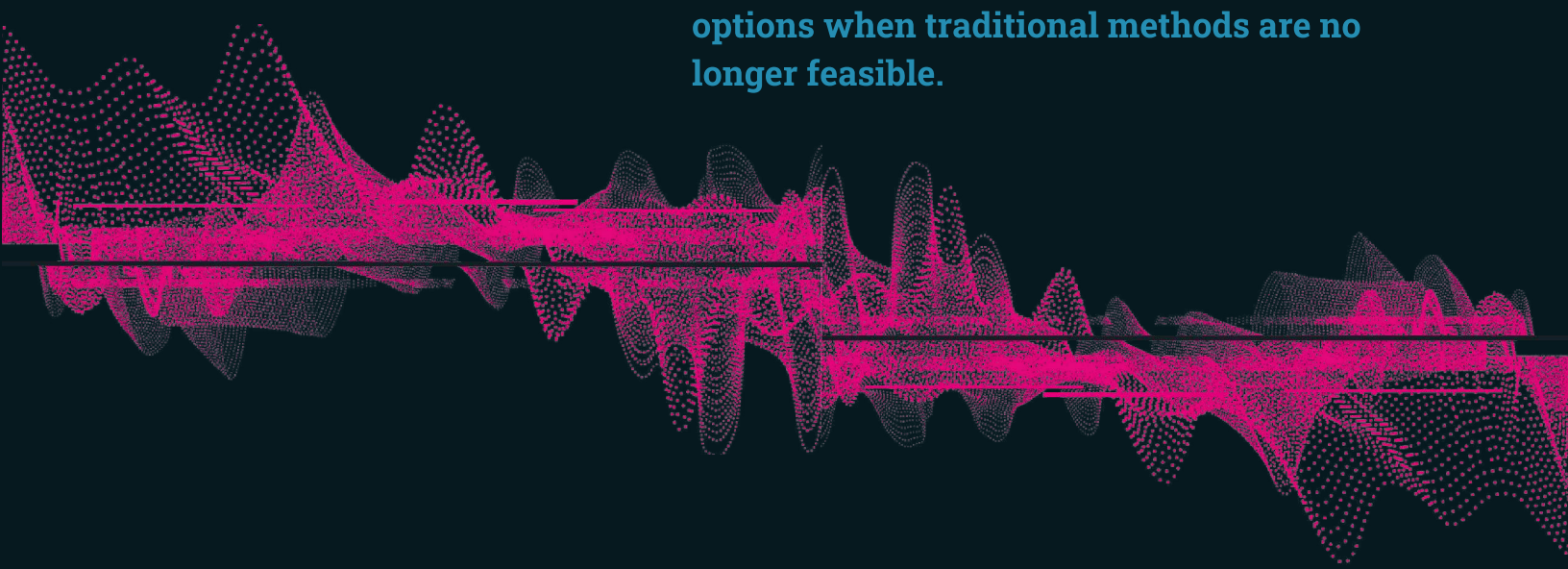
Potential investors may be hesitant to enter the digital assets market, with its perceived complexities. Fortunately, custodians exist and are utilizing their technological prowess and regulatory knowledge to build trust amongst current and prospective participants in the greater investment realm.

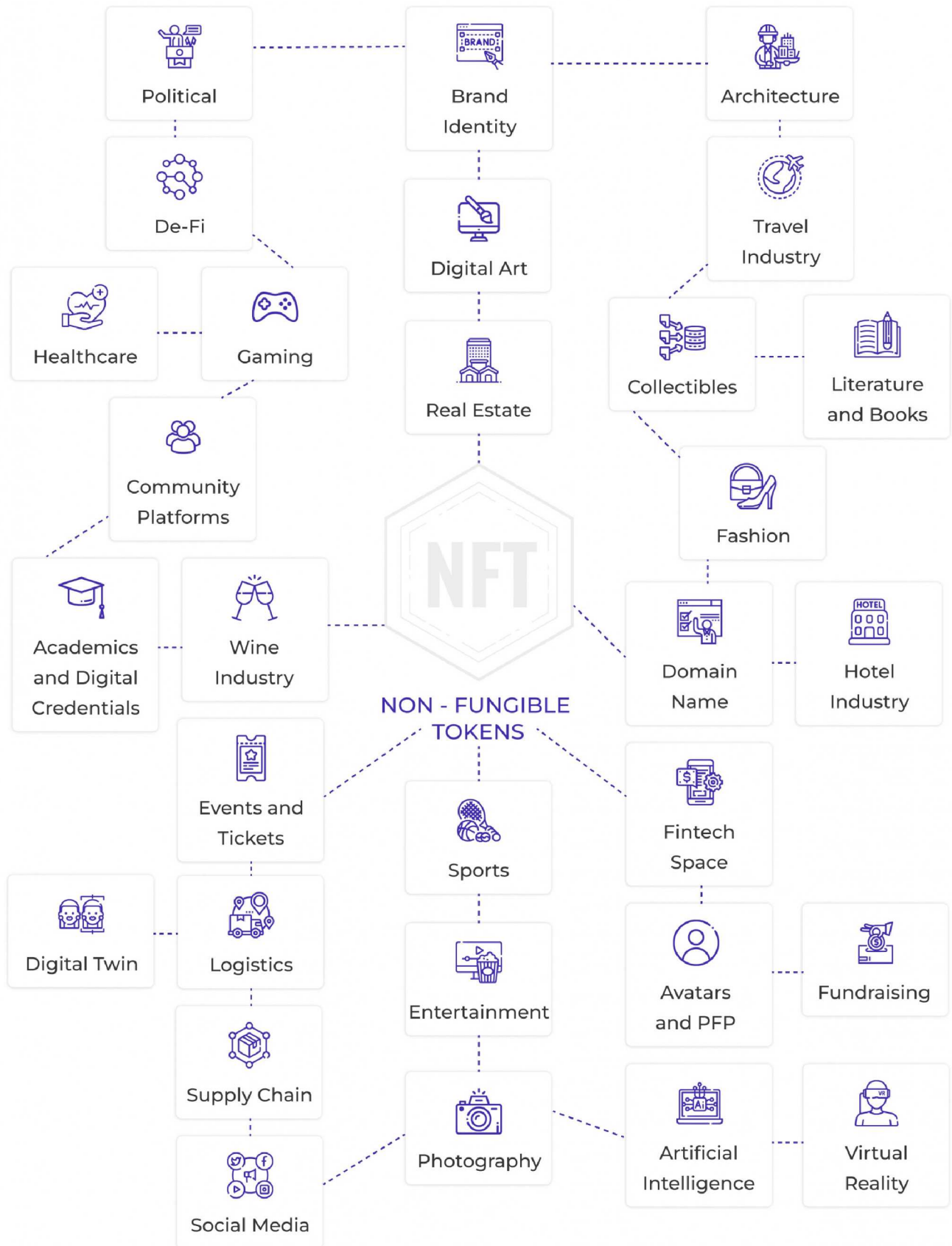
# "Let's use UBBMETA to push the boundary of human potential"

At UBBMETA, we understand that there are two key problems facing institutional crypto borrowers and Defi depositors - the difficulty accessing undercollateralized lending in crypto markets, and the need for high-touch tailored financing solutions.

To solve these issues, we have developed an innovative DEFI CEFI mix of corporate credit marketplace which connects institutional borrowers with secure lending platforms. We offer our clients a range of bespoke structured solutions designed to help them take advantage of digital asset opportunities that match their specific risk/return profiles.

We aim to go beyond basic borrowing operations and provide banks, financial services companies and corporates with a holistic platform to access crucial funding options when traditional methods are no longer feasible.





# The network is the vault

## Money Inflow Structure Diagram

