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From Speculation to Infrastructure: Lim Say Cheong on the Institutional Rise of Digital Assets



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As digital assets steadily evolve beyond their speculative origins, global financial systems are beginning to integrate them into core institutional frameworks. In this exclusive interaction with *World Economic Magazine*, Lim Say Cheong, Chief Advisor for Digital Assets at ComTech Gold and a distinguished Chevening-Oxford Centre for Islamic Studies Fellow, offers a sharp perspective on what will truly drive mainstream adoption. Moving beyond hype, he underscores a critical shift toward utility, regulation, and institutional trust factors that could redefine digital assets as foundational components of modern financial infrastructure rather than standalone innovations.

1. Digital assets are transitioning from fringe innovation to institutional infrastructure. What, in your view, will define the tipping point for their mainstream global adoption?

The tipping point will not be speculation. It will be utility at institutional scale. Mainstream adoption will accelerate when digital assets become embedded in regulated financial workflows such as custody, collateral management, fund distribution, treasury

operations, and cross-border settlement. Once institutions can use tokenized instruments within familiar legal protections, recognized accounting treatment, bank-grade custody, and interoperable market infrastructure, digital assets stop being a separate asset class and start becoming part of mainstream financial plumbing. Recent progress in wholesale tokenization and regulated market experiments by the BIS, ECB, MAS and others shows that the conversation has already shifted from "whether" to "how." ComTech Gold is one example of this already in practice a fully backed, vault-custodied digital gold token built on regulated blockchain infrastructure, designed to meet institutional compliance and custody standards rather than replicate speculative crypto mechanics. The infrastructure exists. The question now is scale.

2. Tokenization is often described as the "next evolution" of capital markets. Beyond the hype, what structural inefficiencies in the global financial system does it genuinely solve?

Tokenisation can address several real inefficiencies. First, it reduces fragmentation across issuance, registry, settlement and servicing by creating a more unified asset lifecycle. Second, it can shorten settlement cycles and reduce reconciliation costs because multiple parties reference a shared record rather than maintaining separate ledgers. Third, it can improve collateral mobility and enable more precise asset fractionalisation, which broadens market access without changing the underlying economic rights. Fourth, it can create better transparency over ownership, transfers and compliance. The IMF has noted that tokenisation can help tackle financial market inefficiencies, while institutions such as the World Bank and BIS have shown its relevance to securities issuance and settlement design. **Among real-world assets, gold is a natural starting point. It is a globally recognised store of value that has historically been difficult to fractionalise, slow to transfer, and opaque in its custody chain. Tokenisation changes that, making gold accessible in smaller units, transferable in seconds, and fully auditable in a way that physical ownership has never allowed.**

3. As financial systems become increasingly digitized, how do you see the balance between decentralization and regulatory control evolving across major economies?

The future is unlikely to be fully decentralised or fully centralised. It will be a hybrid model: decentralised technology operating inside regulated boundaries. Major economies are increasingly distinguishing between open, permissionless innovation and institution-grade financial infrastructure, where identity, governance, compliance, resilience and legal finality remain essential. In practice, this means more tokenised systems will be permissioned or compliance-enabled, especially for capital markets, banking and payments. Regulators are not rejecting digital finance; they are trying to shape it so that innovation occurs without weakening financial stability, consumer protection or market integrity.

4. Cross-border investments remain complex and costly. To what extent can blockchain-based financial instruments realistically reduce friction in global capital flows?

They can reduce friction meaningfully, but not magically. Blockchain-based instruments are most useful where today's system suffers from multiple intermediaries, duplicated compliance checks, delayed settlement, and poor data interoperability. In those areas, tokenised deposits, tokenised funds, tokenised bonds and programmable payment rails can improve speed, transparency and operational efficiency. BIS work on Project Agora and broader cross-border payments research suggests that tokenisation, smart contracts and unified ledgers may materially improve cross-border settlement design. That said, technology alone will not solve capital controls, tax complexity, sanctions screening, legal enforceability or FX regulation. So the gains are real, but they will depend on regulatory coordination and interoperability, not just blockchain adoption. **Gold is a useful illustration. A tokenised gold asset on compliant blockchain infrastructure crosses the same corridor in fractions of seconds, giving full ownership transparency and no intermediary chain.**

5. Different regions—from the United States to the Middle East and Asia—are taking distinct regulatory approaches to digital assets. Do you see convergence or fragmentation shaping the future of this market?

In the near term, I see selective convergence built on regional fragmentation. Different regions are moving at different speeds, but gradually aligning around the same core principles. The fragmentation is obvious, the US remains influential but still politically and legally contested in some areas; the Gulf has moved faster in creating bespoke frameworks; and Asian financial centres such as Singapore are advancing through tightly supervised experimentation. At the same time, there is gradual convergence around core principles: segregation of client assets, licensing of service providers, ~~prudential safeguards~~ maintaining financial buffers, ensuring proper disclosures, sound governance, AML/CFT controls meaning the checks put in place to prevent money laundering and terrorist financing and overseeing stablecoins. The FSB's (Financial Security Board) framework is important because it provides a common reference point, even if implementation remains uneven. So the market will not look uniform, but it will increasingly rest on a shared regulatory vocabulary.

6. Institutional trust is still a barrier in digital finance. What needs to happen technologically and regulatorily for large-scale institutional capital to fully commit?

Institutional capital needs three things: trusted infrastructure, legal certainty and operational familiarity. Technologically, that means resilient custody, secure key management, audited smart contracts, strong cybersecurity, reliable oracle architecture, and seamless integration with existing treasury, risk and compliance systems. Regulatorily, institutions need clear rules on custody, capital treatment, disclosures, insolvency protection, settlement finality, and the legal status of tokenized claims. They also need confidence that regulators will supervise comparable risks in comparable ways. Trust will scale when digital asset infrastructure looks less like an

experimental edge case and more like a regulated extension of established market infrastructure. The rescission of SAB 121 in the US, alongside continuing supervised pilots in Europe, Singapore and the Gulf, reflects that transition.

7. With global markets facing volatility, inflationary pressures, and geopolitical uncertainty, how can tokenised real-world assets contribute to portfolio resilience?

Tokenized real-world assets can contribute to resilience in two ways. First, they can broaden access to traditionally defensive assets that tend to hold value when markets are under pressure such as short-duration government bonds, money-market exposure, gold-linked products and selected private credit strategies, often with better operational flexibility than conventional investment structures. Second, tokenization can improve liquidity management, collateral use and portfolio rebalancing through more efficient transfer and settlement processes. This does not remove underlying asset risk, of course. A tokenized Treasury remains exposed to interest-rate dynamics, and a tokenized real estate instrument still carries property risk. But better transferability, transparency and access can make these exposures more usable in modern portfolio construction. Gold deserves particular attention here. In periods of sustained market uncertainty, gold has historically served as a store of value and a hedge against inflation. Tokenization makes that hedge more accessible and more practical, investors can hold fractional amounts, transfer instantly, and maintain full transparency over the underlying asset. The rapid growth of both tokenised Treasury products and tokenised gold illustrates where institutions are already finding practical value.

8. From infrastructure financing to climate investment, large-scale capital deployment remains a global challenge. Can digital asset frameworks meaningfully accelerate funding for these sectors?

Yes, they can help, especially where the challenge is not lack of capital globally, but lack of efficient intermediation. Infrastructure and climate projects often struggle because of long durations, high ticket sizes, opaque project data, and limited secondary liquidity. Digital asset frameworks can help by making projects more investable through fractional participation, programmable cash-flow waterfalls **meaning automated, rules-based distribution of returns to investors**, improved reporting, and potentially more efficient secondary transfer of investment interests. The World Bank has explored blockchain's role in development and infrastructure finance, while tokenisation models increasingly point toward more transparent project-linked funding structures. The key, however, is that tokenisation must be paired with sound project governance a**ssets that meet the standards institutional lenders and investors require,** bankable underlying assets, and credible legal frameworks. It is an accelerator, not a substitute for project quality.

9. As central banks explore digital currencies alongside the rise of private digital assets, how do you envision the future interplay between public and private monetary systems?

I expect a layered monetary future rather than a winner-takes-all outcome. Central bank money will remain the anchor of trust, especially for wholesale settlement and monetary sovereignty. Private digital money, including tokenised bank liabilities and regulated

stablecoins, will likely provide much of the innovation at the user and market-application layer. In other words, public money will remain the foundation, while private-sector instruments build services, programmability and specialised use cases on top. Current work by the ECB, BIS and Bank of England suggests that public authorities increasingly see central bank money as a stabilising core for a more digital financial architecture, rather than as the sole instrument in circulation.

10. Looking ahead a decade, what will distinguish the global financial leaders from the laggards in adopting and integrating digital asset ecosystems?

The leaders will be the jurisdictions and institutions that combine innovation capacity with regulatory credibility. They will have clear legal frameworks, interoperable digital infrastructure, robust digital identity and compliance architecture, deep pools of institutional capital, and regulators willing to support controlled experimentation. They will also understand that the real opportunity is not merely trading crypto assets, but modernising financial market infrastructure, cross-border payments, fund distribution, collateral management and real-economy financing. The laggards will be those that either overregulate into paralysis or underregulate into mistrust. In the end, leadership in digital assets will not be defined by hype cycles. It will be defined by who builds trusted, scalable and internationally connected financial infrastructure first.