

Tokenization Meets Operations: Four Changes That Matter

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Introduction



Over the past several years, tokenization has moved from a conceptual topic into something firms are actively bringing into production. What once lived mostly in proofs of concept and industry discussion is now starting to operate inside real market infrastructure.

At a basic level, tokenization is the process of representing real-world assets in a digital form on distributed ledger technology. However, its impact has less to do with assets becoming digital and far more to do with what that digitization enables. Tokenization is disruptive because it collapses time, decision-making, and control into the same moment. That decision compression is the core theme of this paper. Settlement happens faster, actions execute automatically, and operational choices that once unfolded over hours or days are pushed into real time.


While there is extensive material that explains how tokenization works from a technical standpoint, this paper is not focused on that. Instead, the focus here is on why tokenization matters from a practical and operational perspective. As markets move closer to real-time execution and continuous availability, operating models designed for batch processing and manual intervention will no longer suffice.

This paper examines four operational shifts emerging as tokenization moves into live environments. These include the shift from T+1 settlement cycles to near real-time settlement, the introduction of programmable collateral, the automation of corporate actions, and the move towards 24/7 markets. These shifts were selected because they are the earliest and most visible ways decision compression shows up in day-to-day operations. Each of these changes has direct implications for how firms manage liquidity, risk, operations, and client expectations.

Operational Shift 1: From T+1 to T+Instant

Even with the recent move to T+1, settlement in traditional markets still relies on batch processing and settlement delays. Tokenization introduces a different model. When assets and settlement logic live on distributed ledger, cash and securities can move together in near real time rather than through end-of-day cycles. Keep in mind, near real-time does not mean frictionless, and operational risk does not disappear entirely.

The value of faster settlement is straightforward. Shorter settlement cycles reduce counterparty exposure, frees liquidity, and lower the amount of capital tied up in margin and clearing processes. In practice, the shift is felt first by teams closest to post-trade execution. This includes trading operations, collateral management, and middle office functions that manage breaks, funding, and intraday risk.



The risk introduced by faster settlement is not speed itself. It is decision compression. Activities that once unfolded over hours or days now occur within much tighter windows, leaving less time to investigate breaks, source cash, or escalate issues. Decisions that were previously sequenced across teams increasingly need to be made simultaneously.

As a result, moving toward real-time settlement is not just a technology change. Firms must rethink how decisions are made, who owns them, and how exceptions are handled when there is no longer slack in the process. Cash management, reconciliation, and intraday controls all need to operate more cohesively and in a time-sensitive manner.

Operational Shift 2: Programmable Collateral


Collateral management remains one of the most operationally complex areas of the trade lifecycle. Assets move slowly, eligibility rules are often static, and margin calls frequently rely on manual coordination across multiple parties. Tokenization introduces the ability to make collateral programmable, not simply faster, where assets can be pledged, substituted, or released automatically based on predefined rules.

In a tokenized model, collateral can respond to changes in exposure in near real time. Margin requirements can be monitored continuously, and collateral can be mobilized without waiting for end-of-day processes. Early efforts have already shown tokenized assets being used to satisfy margin calls and derivatives transactions with far less friction ([DTCC and Digital Asset, 2024](#)).

The operational impact is meaningful. Programmable collateral reduces manual work and improves mobility, but it also changes where judgment happens. Decisions that used to be made during the process now must be agreed in advance. That shift front-loads risk, because mistakes are harder to intercept once execution is automatic. Without strong governance, automated responses can become self-reinforcing, accelerating price moves or consuming liquidity faster than intended. Decisions that used to be handled through judgment and process now need to be defined upfront and built directly into how trades and collateral move.

Operational Shift 3: Programmable Corporate Actions

Corporate actions remain heavily manual across most market environments. Dividends, coupons, splits, and other events rely on static data, multiple handoffs, and post-event reconciliation. Tokenization enables these actions to be programmable, with execution logic embedded directly into the asset itself. That shift often meets resistance, as discretion and manual oversight are replaced with automated outcomes.



In a tokenized model, corporate actions can be triggered automatically when predefined conditions are met. Payments can be distributed in near real time, ownership records can be updated instantly, and downstream processes no longer depend on batch-driven instructions. In a continuous market, this also requires a precise definition of when an action occurs, with instructions either communicated in advance or coordinated to execute at a clearly defined time.

These efficiency gains shift responsibility earlier in the process. Logic that was once reviewed manually must now be designed, tested, and governed before deployment. Exception handling, smart contract controls, and auditability become critical to ensure automated outcomes operate as intended.

Operational Shift 4: 24/7 Markets, 24/7 Expectations

Tokenization removes many of the time-based constraints that exist in traditional market infrastructure. When assets settle on distributed ledger systems, trading and settlement are no longer limited to market hours. This enables continuous markets where assets can be traded and transferred at any time.

Always on markets change client expectations. Access to liquidity becomes immediate, positions are expected to update continuously, and reporting no longer aligns neatly to daily cutoffs. What was once managed within defined windows now unfolds continuously, often without a clear pause between execution, settlement, and servicing.

For firms, this is as much an organizational challenge as it is a technical one. Operating models built around business-day workflows, regional handoffs, and time-based ownership assumptions begin to break down. Roles, decision rights, escalation paths, and coverage models must adapt to support continuous activity. Automation and real-time monitoring become critical, but they only work when paired with organizational structures designed for markets that no longer close. Without market close as a natural pause point, decision compression becomes a standing feature of day-to-day operations.



Why Meradia?

As tokenization moves from experimentation into real operational environments, firms face a familiar challenge. New capabilities are emerging faster than operating models that support them.

Meradia helps firms navigate this transition by focusing on the practical side of adoption. That includes assessing readiness, defining future state operating models, and helping teams understand how tokenized workflows intersect with existing processes, controls, and data. The goal is not wholesale replacement, but thoughtful integration that allows firms to move forward with confidence.

By combining deep experience across investment operations, data, and market infrastructure, Meradia works with clients to turn tokenization concepts into executable strategies. The emphasis is on pragmatic progress, strong governance, and building a foundation that can scale as tokenized markets continue to develop.

Citations

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David Raza, a seasoned financial services professional known for his precision and client-centric approach, brings 6+ years of derivatives focused expertise from roles servicing multiple clients. He adeptly manages Over-TheCounter (OTC) products, including trade settlements, amendments, cash management, and reset reconciliations, within hedge funds and asset managers/owners. David has led teams handling highvolume OTC portfolios, driving operational efficiency through the creation of innovative automated solutions. His extensive experience in derivatives underscores his ability to navigate complex financial instruments with precision and expertise. Adding to that his effective leadership skills with proven experience training and leading teams he is a strong asset to an organization's success.

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