BRIEFING NOTE

Digital assets and traditional banks:

A structural overview for practitioners and asset holders

Summary

Digital assets are real. The language to explain them to traditional banks isn't — yet. This Briefing Note sets out why the gap between digital asset holders and banking institutions exists, and what structural conditions are required to bridge it. It does not prescribe a single solution. It provides a common framework for understanding the problem — applicable across jurisdictions, institutions, and asset types.

1. How banks think

· Banks were built for a world where money has a paper trail.

· Every deposit, every transfer, every account — designed to be explained in writing, verified by an institution, filed in a system. When something doesn't fit that system, it doesn't move forward. Not because it's wrong. Because there's no place for it in the form.

· This was true before crypto. It is true with crypto. And it is true for cash, for international transfers, for inherited wealth, for business income that was never properly documented.

· The bank is not the problem. The form is.

2. How blockchain works

· Blockchain was built to do one thing exceptionally well: record that something happened.

· Every transaction is permanent, transparent, and verifiable. In that sense, digital assets are more documented than cash ever was.

· But documented is not the same as explained. A blockchain record shows movement. It does not tell a story. And banks need a story — one they can read, verify, and file.

· The technology is not the gap. The translation is.

3. The gap

· There are four databases that don't speak to each other.

· The blockchain records what happened. The bank's system records what it can accept. The asset holder knows the full story. The compliance officer knows only what the framework allows them to see.

· None of these are wrong. They were simply built by different people, for different purposes, at different times.

· Most problems — with crypto, with cash, with any non-standard source of funds — happen here. In the space between four databases that have never been introduced to each other.

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4. The bridge

· The bridge is not a form. It is not a technology. It is not a regulation.

· The bridge is the moment when all four databases are in the same room, addressing the same question, at the same time.

· The asset holder's knowledge becomes a document. The document speaks the bank's language. The bank's framework finds a place for it. The blockchain record supports the story rather than replacing it.

· This doesn't happen automatically. It requires someone who understands all four sides — and can close each one without compromising the others.

· That is what good documentation does. Not prove innocence. Close the gap.

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5. Where to succeed

The answer is straightforward.

Go to your bank. Ask exactly what they need to see. Then prepare it — in the format they request, in the language they work with.

That conversation closes most cases.

If it doesn't — we're here.