CV VC

THOUGHT PAPER

The Digital Finance Stack: Where Early-Stage Capital Should Play

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Foreword



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I spent nearly two decades at a major global financial institution. In that time, aside from advising and financing corporations on their most strategic deals, I sat close to where large-scale payment infrastructure was built, maintained, and occasionally reinvented. I left to back early-stage companies at the frontier of what comes next; and co-founded CV VC, one of the most active blockchain-focused venture capital firms in Europe, now expanding our investment focus to the AI native future and investing across digital finance, automation and intelligent B2B.

What I have observed in finance since making that move is a convergence whereby the institutional world I came from is now moving decisively into the digital asset space; not tentatively, not in pilots, but at production scale. Digital asset transaction volumes are in the trillions and tokenised real-world assets have been growing at over 200% year-on-year. Bank-grade settlement tokens now live on public blockchains.

This paper seeks to translate what such institutional signals mean for early-stage investors. Not everything becomes a venture opportunity because a large bank does it, in fact at times the opposite can be true. The task is to find the white space; the infrastructure layers, the vertical markets, and the trust problems that the incumbents may not prioritise initially and/or cannot build credibly, or will simply be too slow to reach.

We have organised our thinking around three conviction areas within this particular space, where we are already deploying capital and where we believe the next generation of durable businesses is being built.

This is a practitioner's view, not an academic one. I hope it is useful.

The Institutional Signal

The debate about whether institutional capital would ever embrace digital assets has been over for a while. The more productive question, the one that matters for early-stage investors, is what institutional adoption actually means for where value will be created, and where it will not.

This section examines the institutional signal in detail: what the leading players are building, why they are building it now, how the regulatory environment has shifted to enable rather than obstruct institutional participation, and what the convergence of these forces means for the venture landscape. The argument is not that institutional adoption creates a rising tide that lifts all boats, but is more specific: institutional adoption creates an ecosystem. Within this ecosystem are layers that the institutions themselves will not adequately serve.

Reading the Kinexys Paper

In May 2026, JPMorgan published an insight paper through its Kinexys platform that deserves careful reading, not as marketing, but as a strategic document from what I regard as a finance end-game winner institution that has been operating live blockchain infrastructure at production scale since 2019.

The paper's central argument is architectural. For years, the institutional blockchain conversation was framed as a binary: private chains for controlled, permissioned environments, or public chains for open markets and new counterparties. Kinexys argues, persuasively and from their own operational experience, that this framing misses the point. The real opportunity lies in deploying both strategically and using each to solve specific problems that neither can address alone.

Private chains solve the treasury drag problem. A multinational corporation managing liquidity across six regional offices prefunds each separately. Capital sits idle in those accounts until a one-to-three-day transfer cycle completes. Treasury teams spend hours reconciling across time zones. Kinexys replaces this cycle with programmable, cross-border payments that move in minutes, with straight-through processing and same-day settlement. Blockchain Deposit Accounts - live across five continents - give treasury teams continuous visibility and control over global liquidity positions without waiting for traditional transfer cycles to clear.

Public chains on the other hand solve a different problem: distribution and access. For asset managers and issuers, public blockchains open new investor pools, enable continuous settlement outside banking hours, and allow programmable compliance to be embedded at the smart contract level rather than bolted on afterwards. Dividend payments that once required manual coordination execute automatically through on-chain logic. Tokenised assets reach on-chain native investors who cannot access them through traditional distribution channels.

JPM Coin on Base is the architectural centrepiece of Kinexys's current position. As a USD-denominated deposit token issued on a public blockchain, carrying the credit risk profile and balance sheet certainty of a deposit with JPMorgan, subject to the existing regulatory deposit framework, and subject to the same transaction monitoring and screening requirements that apply across the bank, it represents something genuinely new: institutional-grade settlement infrastructure operating on a public chain. This allows institutions to settle tokenised asset transactions atomically, converting Blockchain Deposit Account balances into JPM Coin in near real time, even at weekends, executing delivery-versus-payment without multi-day settlement risk or the counterparty uncertainty that comes with most existing stablecoin instruments.

$3T+
Kinexys transaction volume since inception

$31B
Tokenised RWAs on public chains (May 2026)

266%
RWA market growth in 2025 alone

> *The organisations incorporating these tools now are not making a speculative bet. They are deploying tested infrastructure against common capital efficiency problems.*
>
> *Kinexys by J.P. Morgan, May 2026*

JPMorgan Is Not Alone

What makes the Kinexys paper significant is not that JPMorgan is doing something unusual. It is that JPMorgan is the most visible participant in a broad, coordinated institutional shift that has been accelerating since 2023 and reached genuine production scale by 2025.

BlackRock launched its USD Institutional Digital Liquidity Fund (BUIDL) on Ethereum in March 2024. Within its first week it attracted $245 million. By mid-2025 it had peaked at nearly $2.9 billion in assets under management, commanding over 40% of the tokenised US Treasury market. It is now live across seven blockchains: Ethereum, Solana, Polygon, Avalanche, Arbitrum, Optimism, and BNB Chain. Additionally, it is accepted as collateral on major trading platforms including Binance and Deribit, making it a productive asset. BlackRock's CEO Larry Fink has described tokenisation as "the next major evolution in market infrastructure."

Franklin Templeton's OnChain US Government Money Fund (FOBXX), launched in 2021 and expanded continuously since, demonstrated that a regulated mutual fund could be administered entirely on-chain. WisdomTree has launched a suite of 13 SEC-registered tokenised mutual funds across multiple blockchains. Janus Henderson tokenised $1 billion of its AAA CLO ETF strategy in June 2025. The list of institutional participants is no longer a curiosity, it is a who is who of traditional asset management.

In payments and treasury, the picture is equally clear. Axis Bank became the first Indian financial institution to offer near-real-time, 24/7 programmable USD clearing for commercial customers through JPMorgan's Kinexys in March 2025. Mastercard and MTN Group have integrated mobile payment solutions across 13 African markets. Western Union has entered the stablecoin market, targeting the $95 billion African remittance corridor specifically. The infrastructure layer is being built by incumbents with the scale and regulatory oversight to do it.

The Regulatory Tailwind

A critical and frequently underappreciated factor in the institutional shift is the regulatory environment. Institutional adoption of digital assets is not happening despite regulation; it is partly happening because of it. The legislative and regulatory frameworks that have emerged since 2024 have, for the first time, given regulated financial institutions the clarity needed to commit balance sheets and operational resources to digital asset infrastructure.

In the European Union, the Markets in Crypto-Assets Regulation (MiCA) came fully into force in December 2024, the world's most comprehensive regulatory framework for digital assets, covering issuance, trading, and service provision, and creating a single passport for crypto-asset service providers across all 27 member states. For institutional participants, MiCA resolves years of regulatory uncertainty in the EU's $17 trillion asset management market.

In the United States, the GENIUS Act, signed into law on 18 July 2025, established the first comprehensive federal framework for payment stablecoins, requiring 1:1 reserve backing with cash or short-term Treasuries, monthly reserve disclosures, and clear legal protections for holders. The Act passed the Senate 68-30, with bipartisan support that signals durable political consensus rather than a temporary policy window. The CLARITY Act, expected to follow, will establish the respective jurisdictional boundaries of the SEC and CFTC over digital assets, removing the regulatory uncertainty that has constrained institutional market structure participation. Having said that, it is my personal view that the CLARITY Act will still be heavily lobbied in different ways from both the crypto industry and financial institutions, and the process and outcome will be interesting to observe.

Internationally, the Bank for International Settlements has provided the intellectual architecture for the next phase of institutional digital finance. The BIS Annual Economic Report 2025 laid out a blueprint for a unified ledger, a new type of financial market infrastructure that brings together tokenised central bank reserves, tokenised commercial bank money, and tokenised government bonds on a single programmable platform, enabling atomic settlement where all accounts update simultaneously, embedding compliance by design, and supporting smart contract automation. Project Agorá, a BIS-led public-private collaboration involving seven central banks and numerous private financial institutions, is testing exactly this architecture for cross-border payments.

The IMF, in an April 2026 note on tokenised finance, characterised tokenisation as "a structural reallocation of trust within the financial system", noting that unlike previous waves of digitisation, which preserved existing institutional boundaries while improving efficiency, tokenisation reconfigures the architecture itself. We consider this framing from the IMF as highly significant as it positions this not as an incremental technology upgrade but as a fundamental restructuring of how financial infrastructure works.

68–30
US Senate vote for GENIUS Act (July 2025)

27
EU member states covered by MiCA

$35T
Global stablecoin transaction value in 2025 (BIS)

The Crowding-In Effect: Why Institutional Adoption Creates Venture Opportunity

The natural instinct, on observing that JPMorgan, BlackRock, and Franklin Templeton are all building digital asset infrastructure at scale, is to conclude that the venture opportunity is being foreclosed. This instinct is understandable but wrong, or at least, it is wrong about where the opportunity lies.

Institutional adoption does not crowd out venture-scale companies. It crowds them in. What JPMorgan's $3 trillion in Kinexys transaction volume actually signals is that the digital asset stack is becoming real infrastructure, which will in turn require a surrounding ecosystem of specialised services, vertical applications, and foundational trust layers to function. The incumbents may build the rails but they will not build everything that runs on the rails.

Consider the parallel with cloud computing. When AWS, Microsoft Azure, and Google Cloud established cloud infrastructure as the dominant model for enterprise computing, they did not eliminate the venture opportunity in software but created it. The existence of reliable, scalable infrastructure reduced the capital required to build software businesses and expanded the addressable market for every application layer above the infrastructure. The result was the largest generation of software companies in history, built on top of infrastructure that no startup could have built themselves.

The digital asset stack is earlier in this trajectory than cloud computing was in 2010. The infrastructure is being established, but the application layer, the compliance layer, the identity layer, and the vertical payment layer are still in their early formation. That is where the venture opportunity is concentrated: not in competing with major banks on payment rails, but in building what they will not build because it falls outside the scope of what a regulated global financial institution can credibly offer.

There is a second dimension to the crowding-in effect that is specific to the compliance and identity layers. Institutional adoption of digital assets dramatically expands the addressable market for compliance infrastructure. Every bank, asset manager, payment processor, and exchange that commits to on-chain operations becomes a customer for transaction monitoring, sanctions screening, forensic investigation, and audit trail tooling. The growth of the infrastructure layer is directly accretive to the compliance and identity market. The incumbents are building the demand for the ecosystem, not just the rails.

> *Institutional adoption does not foreclose the venture opportunity. It creates the ecosystem within which venture-scale companies become possible. The rails are being built. The question is what gets built on them.*

The RWA Market: Scale and Trajectory

The tokenised real-world asset market provides the clearest quantitative signal of the institutional shift. From $85 million in 2020, the market has grown to $31.4 billion by May 2026, a 370-fold increase in six years. In 2025 alone, the market grew 266%. Standard Chartered projects the market could reach $30 trillion by 2034; Ripple and BCG forecast $19 trillion by 2033. Even the most conservative projections point to a market many times larger than it is today.

The composition of the market is instructive. Tokenised US Treasuries represent the largest category, at approximately 67% of total RWA value, driven by products like BlackRock's BUIDL and Franklin Templeton's FOBXX, demonstrating that institutional-grade, regulated investment products can be issued, distributed, and settled entirely on-chain. Commodities (primarily gold-backed tokens) represent a further 29%. Private credit, real estate fractions, and tokenised equities are still smaller but growing rapidly, as the infrastructure to support more complex asset types matures.

The growth of the RWA market has significant implications for each of the three investment themes developed in this paper. Every tokenised asset requires compliance infrastructure to screen participants and monitor transactions. Many tokenised assets will be distributed through payment channels that require identity verification and settlement capability. And the identity layer - allowlisting, KYC credentials, organisational verification - is a prerequisite for the programmable compliance that makes on-chain asset distribution possible. And keep in mind, the same is true for many other industries and applications, from personal data around healthcare to broader AI applications requiring "truth agents" and adequate process control.

What This Means for Early-Stage Investors

Three conviction areas follow directly from the institutional signal described above. Each addresses a layer of the digital asset stack that is structurally necessary, growing in proportion to institutional adoption, and not adequately served by the incumbents building the infrastructure.

1. **The compliance and forensic infrastructure layer** services the regulated participants who cannot operate on-chain without it
2. **The vertical payment layer** serves the markets and use cases that global rails will not prioritise
3. **The identity and credentialing layer** provides the foundational trust that all of the above depends on

These are not speculative bets on which protocol or asset class wins. They are structural positions in the ecosystem that grows regardless of which infrastructure player dominates.

Three Convictions from a VC Perspective

The sections that follow examine each conviction area in detail: the market dynamics, the structural investment case, and the portfolio companies through which CV VC is currently expressing these views.

1. INFRASTRUCTURE FOR A COMPLIANT ECOSYSTEM

As institutional capital moves on-chain, the compliance layer underneath it becomes non-negotiable. Regulated participants cannot operate without transaction monitoring, sanctions screening, forensic capability, and audit trails built for blockchain-native environments. And the scale of what is required is growing faster than most observers anticipated.

This section examines why the compliance infrastructure market represents one of the most structurally durable early-stage opportunities in digital finance; and why the companies building it natively for on-chain environments are building something that retrofitted web2 tooling cannot replicate.

The Scale of the Problem

According to Chainalysis, illicit cryptocurrency addresses received a record $154 billion in 2025, representing a 162% increase on the prior year's revised figure of $57.2 billion. Stablecoins now account for over 80% of all illicit on-chain transaction volume, as criminal networks have migrated away from Bitcoin toward faster, more liquid, and harder-to-trace settlement layers. The professionalization of crypto crime has accelerated: sovereign states have integrated with established criminal supply chains, fraud cartels operate as structured businesses, and AI-powered scam infrastructure is now available as a service.

The compliance challenge is compounded by the nature of on-chain activity itself. Traditional AML systems were built around correspondent banking relationships, SWIFT message flows, and human-readable transaction records. On-chain transactions are pseudonymous, cross-border by default, settle in minutes, and generate data volumes that no manual compliance process can absorb. The tooling required is fundamentally different; not an upgrade of existing systems, but a new category built from scratch.

$154B
Illicit on-chain volume 2025 (Chainalysis)

84%
Illicit crypto now in stablecoins

73%
Jurisdictions with Travel Rule legislation

A Regulatory Ratchet with No Off Switch

The regulatory environment is tightening in a way that is structural rather than cyclical. The Financial Action Task Force (FATF) Travel Rule, which requires Virtual Asset Service Providers to collect, verify, and transmit originator and beneficiary information for crypto transactions; has now been enacted or legislated in 73% of FATF surveyed jurisdictions, up from fewer than 25 in 2021. The EU's Markets in Crypto-Assets regulation (MiCA), fully in force since end-2024, requires licensed CASPs to implement market surveillance systems, monitor for market manipulation, and maintain detailed transaction records for a minimum of five years. In the United States, proposed rulemaking under the Bank Secrecy Act to extend reporting requirements to DeFi protocols has heightened demand for protocol-level compliance tooling.

The direction of travel is unambiguous: the compliance perimeter is expanding, the penalties for non-compliance are increasing, and the technical complexity of meeting those obligations is growing. For regulated participants; banks, exchanges, payment processors, insurers, and asset managers operating in digital assets; compliance infrastructure is not a discretionary cost. It is a licence to operate.

The EU's Transfer of Funds Regulation, which implements the Travel Rule for crypto-asset transfers with no minimum threshold

for CASP-to-CASP transactions, is a particularly significant development. It creates an obligation not just to monitor transactions but to transmit structured identity data at the point of transfer; a requirement that demands purpose-built technology, not repurposed legacy systems.

A Market Growing at Scale

The global crypto compliance market was valued at approximately $3.8 billion in 2025 and is projected to reach $14.6 billion by 2034, at a compound annual growth rate of 16.1% (DataIntelo, 2026). The broader digital identity and KYC/AML software market adds further scale: the RegTech market as a whole exceeded $22 billion by mid-2025, growing at a 23.5% CAGR.

What is notable about these market projections is that they are relatively conservative assumptions about institutional adoption. As more banks, asset managers, and payment processors commit to on-chain operations; and as regulators extend oversight to DeFi protocols and cross-chain activity; the addressable market for compliance tooling grows correspondingly. The compliance market is, in an important sense, a leveraged bet on institutional adoption of digital assets.

The business model characteristics of compliance software are among the most attractive in enterprise software: high switching costs once embedded in an institution's workflow; recurring revenue; non-discretionary demand; and a customer base (regulated financial institutions) that is both creditworthy and unlikely to disintermediate suppliers. The moat is not just technical; it is regulatory and operational, built through the accumulation of sanctions data, forensic case history, and institutional trust that competitors cannot replicate quickly.

> *Compliance infrastructure is not a feature. For regulated participants operating on-chain, it is a licence to operate; and the cost of getting it wrong is existential.*

Why This Cannot Be Solved by Incumbents Alone

A reasonable objection to the compliance infrastructure thesis is that large established players such Chainalysis, Elliptic, ComplyAdvantage already exist and are well-capitalised. This is true, however we believe three dynamics create sustained space for new entrants.

- First, **the on-chain environment is evolving faster than any incumbent can track**. New chains, new asset types, new transaction structures, and new obfuscation techniques emerge continuously. The companies that win are those that can update their detection logic, their data models, and their chain coverage faster than the threat landscape changes. This favours agile, focused companies over large platforms managing legacy codebases
- Second, **the compliance problem is geographically fragmented** in ways that established players have not yet adequately addressed. Emerging market payment infrastructure; mobile money rails, agent banking networks, peer-to-peer stablecoin flows; generates a different compliance challenge than the developed-market exchange ecosystem that most existing tools were built for. The fraud patterns are different, the data environments are different, and the regulatory frameworks are different. Companies building natively for these environments have a structural advantage
- Third, **the rise of AI-powered fraud and GenAI-enabled scam infrastructure creates a new category of threat that demands AI-native detection**. Legacy rule-based monitoring systems were not designed to detect behavioural patterns that shift dynamically in response to detection. The next generation of compliance tooling is being built on machine learning and real-time intelligence; and the companies building it now are establishing data advantages that will compound over time

CV VC Portfolio Spotlight

Scorechain

scorechain.com | *Blockchain Analytics · AML*

Europe's leading crypto AML compliance platform, trusted by 350+ compliance teams across 45 countries. Scorechain provides real-time transaction monitoring, wallet screening against live OFAC, EU, and UN sanctions lists, source-of-funds verification, and blockchain forensics across 21+ chains. Founded in Luxembourg in 2015, Scorechain is the institutional-grade compliance layer for the digital asset ecosystem.



Scorechain — Founder Commentary from Pierre Gerard

Scorechain is an EU-hosted SaaS platform delivering real-time blockchain analytics and crypto AML compliance. It empowers institutions to track over 22 blockchains, stablecoins, and Real World Assets (RWAs). Looking ahead, Scorechain aims for aggressive scaling and technical leadership by integrating AI/LLM features, launching its pay-per-use Scorechain.ai platform, and pursuing ISO 27001/SOC2 compliance to capture global institutional and self-service demand.

Orca Fraud

orca-fraud.com | *Emerging Markets · Real-Time Monitoring*

Most fraud tools were built with Western assumptions. Orca is built for the world's most complex fraud environments; emerging markets where mobile wallets dominate, agent banking is mainstream, and attacks cross rails faster than legacy systems can respond. Monitoring $5B+ in transactions monthly across 75+ countries and recently backed by the Visa Accelerator, Orca is the real-time intelligence layer that emerging market payment infrastructure has needed.



Orca Fraud — Founder Commentary from Thalia Pillay

Orca is real-time fraud intelligence infrastructure for emerging markets. These markets are vast and badly underserved: the tools that exist were built for Western rails, not evolving digital money use cases. For infrastructure, advantage compounds with reach; every market makes the next one sharper and harder to displace. In this category, we see the durable position as building the deepest layer the whole system comes to trust.

Cybera

cybera.io | *Anti-Scam • Fraud Prevention*

AI-powered mule intelligence and scam response for banks, crypto platforms, and cyber insurers. Cybera stops authorised payment fraud before it leaves the system and coordinates asset recovery when it does. With over 50 million customers secured and $10M+ in assets recovered, Cybera is built for an era where AI-generated scams are indistinguishable from legitimate transactions.

2. PAYMENTS IN SPECIALISED VERTICALS

Large-cap banking will own global B2B payment rails. The venture opportunity is not to compete with them on their own ground; it is to go where they will not. The most durable payment businesses being built today are vertical-first: they go deep into a specific sector, geography, or use case, understand its particular friction points and regulatory requirements, and build rails that are genuinely superior for that context.

This section examines the structural dynamics that make vertical payment infrastructure a compelling investment category; and why the convergence of stablecoins, programmable settlement, and mobile-first financial infrastructure is creating a generational window for specialised operators, in emerging markets and beyond.

$200T+
Global cross-border payment flows 2024

$5.7T
Stablecoin cross-border volume 2024 (Visa/Allium)

3 mins
Avg blockchain settlement vs 3-5 days traditional

The Payments Market: Scale and Structural Friction

The global cross-border payments market was valued at approximately $206 billion in 2024 and is projected to reach $414 billion by 2034, growing at a CAGR of 7% (Allied Market Research). Total cross-border payment flows including the underlying value moved exceeded $200 trillion in 2024 (FXC Intelligence). The B2B segment accounts for around 73% of transaction volume, making it the dominant category by far.

However, the incumbents' grip on this market is more fragile than the headline numbers suggest. Traditional cross-border wire transfers still take three to five business days in many corridors, charge fees of 3-8% per transaction, and operate within banking hours that do not reflect a 24/7 digital economy. The BIS has repeatedly highlighted cross-border payments as one of the most pressing inefficiencies in global finance; slow, expensive, opaque, and inaccessible to large portions of the global population.

Stablecoins are emerging as a structurally disruptive force in this market. According to Visa and Allium, stablecoin-based cross-border payments reached $5.7 trillion in transaction volume across 1.3 billion transactions in 2024. Citi Research projects that stablecoins could reach a multi-trillion-dollar payments market by 2030. Blockchain payments now settle in under three minutes, at any time of day, with fees that are orders of magnitude lower than traditional correspondent banking. And in addition, you can make it programmable, i.e. subject to certain events. The infrastructure advantage is real and growing.

Why Verticals, Not Global Rails

The temptation for payment founders is to build horizontally; to create a platform that serves every sector, every geography, every use case. This is also the strategy of every large bank, every global payment network, and every well-capitalised fintech. For an early-stage company, competing on breadth against players with network effects, regulatory relationships, and balance sheets measured in hundreds of billions of dollars is a path to irrelevance.

The vertical strategy inverts this logic. A payment company that builds specifically for humanitarian aid corridors does not need to compete with SWIFT; it needs to be better than SWIFT for one very specific use case, in markets that SWIFT serves poorly. A company that builds for African gig workers does not need to match the product breadth of a major bank; it needs to be the only credible solution for a population that the major bank is not serving at all.

Domain knowledge is the moat. The compliance requirements for moving institutional funds to conflict zones are fundamentally different from those for processing a corporate invoice. The fraud patterns in sub-Saharan mobile money networks are different from those in European card payments. The regulatory frameworks for creative industry royalty payments are different from those for B2B trade finance. A team that deeply understands one of these environments can build a product that a generalist cannot replicate; and a customer base that a generalist cannot easily acquire.

> *The best new payment companies are not trying to be everything to everyone. They own one vertical, deeply. Domain knowledge that takes years to accumulate is a moat that a balance sheet alone cannot buy.*

Africa: The Fastest-Growing Payment Frontier

Sub-Saharan Africa represents one of the most significant payment infrastructure opportunities globally. Remittance inflows to Africa reached $95 billion in 2024 (Institute for Security Studies), yet Sub-Saharan Africa remains the world's most expensive remittance corridor, with average fees of 8.4% for a $200 transfer; nearly double the global average and almost ten times what stablecoin rails can offer for the same transaction.

The mobile money ecosystem on the continent is growing rapidly; the Africa mobile money market is projected to reach $67 billion by 2034, at a CAGR of 25% (Research and Markets). Critically, mobile money infrastructure is already embedded in daily financial life in ways that create natural on-ramps for stablecoin payment solutions. M-Pesa alone serves 34 million users in Kenya. Chainalysis data shows Africa is the third fastest-growing region for cryptocurrency adoption, with 52% year-on-year growth from 2024 to 2025.

Stablecoins are increasingly the mechanism of choice for cross-border commerce in the region. Sub-Saharan Africa moved over $200 billion in on-chain value between mid-2024 and mid-2025, with stablecoins representing 43% of that activity (Transak). Nigeria accounts for 40% of stablecoin inflows; South Africa, Kenya, Uganda, and Ethiopia are growing rapidly. Corporate stablecoin transfers grew 25% in 2024, as businesses use them for supplier payments and cross-border trade (Yellow Card).

The opportunity for specialised payment operators in Africa is not simply to provide cheaper rails; it is to build the financial infrastructure for an entire generation of digital commerce that has no meaningful legacy system to displace. That is a rare thing in payments: a genuinely open market.

The Creator Economy and New Payment Categories

Beyond geographic verticals, new economic categories are creating payment infrastructure needs that incumbent systems were never designed to serve. The global creator economy is estimated at over $250 billion, with tens of millions of content creators, musicians, and digital artists generating income across multiple platforms, jurisdictions, and currencies simultaneously. Payment cycles in this industry are notoriously slow; creators routinely wait 30 to 90 days for earnings that were generated in real time.

The technical requirements for creator payouts; real-time settlement, multi-currency capability, stablecoin optionality, platform API integration, and compliance across dozens of jurisdictions; are complex enough that no incumbent has built a compelling solution. The companies that solve this problem for creators will build the payment infrastructure for the next generation of digital work.

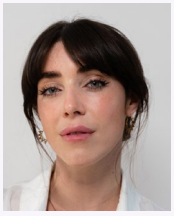
A similar dynamic applies to humanitarian finance. The World Bank estimates that 1.3 billion adults globally remain unbanked (Global Findex 2025), with disproportionate concentration in conflict zones and regions with informal economies. The aid sector moves hundreds of billions of dollars annually through banking infrastructure that was not designed for its use case; high-friction, high-cost, and frequently inadequate for reaching the populations it serves. Programmable, blockchain-native payment rails designed specifically for humanitarian corridors represent both a commercial opportunity and a demonstrable social good.

CV VC Portfolio Spotlight

Coala Pay

coalapay.org | *Impact · Humanitarian Payments*

Aid organisations lose up to 40% of donor funds to banking fees and FX friction before money reaches the frontlines. Coala Pay has built blockchain-enabled payment rails purpose-designed for humanitarian corridors; moving institutional funds to some of the world's most difficult-to-reach destinations in minutes, with full AML-compliant audit trails. A 100% execution success rate since 2023. This is programmable money doing something no SWIFT wire ever could.



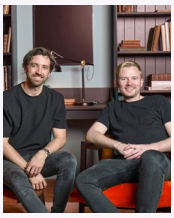
Coala Pay — Founder Commentary from Melyn Mckay

Coala Pay is a blockchain-native payment infrastructure platform purpose-built for the institutional humanitarian sector. The $150B annual aid market has historically been forced to adapt enterprise software built for commercial finance, paying millions to retrofit SAP, Agresso, and legacy banking rails to meet donor compliance, sanctions screening, and last-mile disbursement requirements they were never designed for. Blockchain-native infrastructure now makes it possible to build this stack from scratch, purpose-built for public sector realities. We see a generational opportunity to displace incumbents that captured the market by default, not by design.

Talentir

talentir.com | *Creative Industry · Payouts*

Creators should not have to wait weeks for their earnings. Talentir is financial infrastructure for the creative industry; real-time, automated payouts across 60+ currencies and stablecoin rails for YouTubers, MCNs, labels, and agencies. Winner of Mastercard Fintech Innovation of the Year 2025. Payday is every second.



Talentir — Founder Commentary from Johannes Kares

Talentir is the settlement layer for companies paying creators, artists, and freelancers across borders, with compliance and tax handled. Stablecoins underpin our architecture: every payout, including those arriving via PayPal, settles on stablecoins, clearing in minutes with reliability and materially lower FX and fees. We believe stablecoins are becoming foundational to the digital finance stack. Consumer adoption will take time, but businesses value them today, and that gap is our moat.

Ivorypay

ivorypay.io | *Africa · Stablecoin Payments*

One of Africa's leading stablecoin payment gateways. One integration lets businesses across all 54 African countries accept USDT/USDC from anywhere in the world and settle instantly in local currency via bank or mobile money; at 90% lower fees than traditional processors with zero chargeback risk. The rails that African digital commerce has been waiting for.

TurnStay

turnstay.com | *Africa · Travel Industry*

The travel industry runs on complex, multi-party payments across currencies, time zones, and banking systems; and African safari lodges, tour operators, and villa agencies bear the worst of it. TurnStay is the world's first all-in-one finance toolkit built specifically for African travel businesses: reducing booking fees by up to 70%, boosting checkout conversion by 50%+, and acting as merchant of record so operators can focus on the guest rather than the treasury. Over $1 billion processed to date.

3. ON-CHAIN IDENTITY AND CREDENTIALING

You cannot settle what you cannot verify. On-chain identity is the quiet foundation the rest of the stack is being built on. Atomic settlement, programmable compliance, and allowlisting all depend on knowing who is on the other side of a transaction; and yet most identity infrastructure today was built for a web2 world that assumed centralised authorities, physical addresses, and legacy credit systems as the baseline.

This section examines why on-chain identity and credentialing represents a foundational investment category; structurally necessary, chronically underbuilt, and sitting at the intersection of financial inclusion, regulatory compliance, and the architecture of digital trust.

The Identity Gap in Digital Finance

The global digital identity market was valued at approximately $97 billion in 2024 and is projected to reach nearly $1 trillion by 2035 (Market Research Future). Within this, the decentralised identity segment, systems that enable individuals and organisations to control and present their own credentials without reliance on a central authority, was valued at approximately $3 billion in 2025 and is expected to grow at a CAGR of 70-90% over the coming decade. These growth projections reflect not just market enthusiasm but a structural necessity, in that every layer of the emerging digital asset ecosystem will require a trust layer underneath it, and that trust layer does not yet always exist in a form adequate to the task.

The inadequacy of existing identity infrastructure manifests in two distinct ways. In developed markets, the problem is architecture: identity systems are centralised, siloed, and built around certificate authorities that create single points of failure and do not map onto the trustless, multi-party nature of on-chain transactions. In emerging markets, the problem is more fundamental: large portions of the global population lack the identity infrastructure that traditional finance requires as a prerequisite for participation.

1.3B
Adults unbanked globally (World Bank Findex 2025)

$97B
Digital identity market 2024

90%+
CAGR for decentralised identity to 2034

The Exclusion Problem: Identity as the First Barrier

According to the World Bank's Global Findex 2025 Report, 1.3 billion adults globally remain unbanked; down from 1.7 billion in 2017, but still representing roughly 17% of the world's adult population. Progress has been real, driven substantially by mobile money adoption in Sub-Saharan Africa and South Asia. But the rate of progress is constrained by a fundamental barrier that financial product innovation alone cannot solve: the absence of verifiable identity.

Traditional banking onboarding requires proof of address, government-issued identity documents, and credit history; prerequisites that exclude not just the very poor, but entire categories of economically active people. Think of gig workers with no fixed employer, migrants without local address history or rural populations in countries where formal addressing systems do not exist. All of these are informal economy participants whose income is real but undocumented and these populations are not financially excluded because they lack the income or the motivation to participate in formal finance; they are excluded because the identity infrastructure that serves as the gateway was designed around assumptions that do not apply to them.

Mobile money has demonstrated that financial access can be extended to these populations when the identity barrier is lowered; M-Pesa's contribution to poverty reduction in Kenya (lifting an estimated 2% of the population out of poverty, according to research from Georgetown University and MIT) is one of the most compelling case studies in development economics. But mobile money by itself does not create the identity layer that more sophisticated financial services such as credit, insurance, cross-border payments, digital asset access will require. This layer needs to be built.

The Institutional Problem: Trust Without Central Authorities

At the other end of the market, large institutions face a different identity problem. The architecture of digital trust in enterprise finance still relies primarily on centralised certificate authorities, bilateral KYC processes that are duplicated across every counterparty relationship, and identity verification systems that were built for single-organisation deployments rather than multi-party on-chain environments.

The EU's eIDAS 2.0 framework, which requires each EU member state to issue a digital identity wallet to every citizen and business

by 2026, is establishing a new technical baseline for institutional digital identity in Europe. The Global Legal Entity Identifier Foundation (GLEIF) has extended its identifier framework to digital credentials, creating a standard for cryptographic organisational identity that can be used for KYC and cross-party verification in financial markets. These regulatory and standards developments are creating the conditions for a genuine market in institutional identity infrastructure; one where the question is not whether the infrastructure will be built, but who builds the best version of it.

The rise of AI-driven financial workflows adds further urgency to the identity problem. As financial institutions deploy AI agents for payments processing, reconciliation, audit, and approvals, the question of data provenance becomes critical: How do you know that the data an AI agent acted on was accurate, untampered, and came from an authorised source? How do you create an audit trail that regulators can inspect? The answer requires not just identity at the user level, but verifiable credentials attached to every data handoff in a workflow; a new category of infrastructure that barely existed two years ago.

> *Trust in digital systems does not happen by default. Every layer of the digital asset stack; compliance, payments, tokenisation; requires a foundation of verifiable identity. That foundation is being built right now, and the window to back the companies building it is open.*

The Identity Investment Case

Three characteristics make on-chain identity a particularly compelling investment category from a venture perspective.

First, it is foundational rather than discretionary. Every regulated financial participant that operates on-chain needs identity infrastructure. Every institution that deploys AI agents in financial workflows needs verifiable data provenance. Every payment company operating in emerging markets needs an identity solution that works for the populations it serves. The demand is not contingent on a particular protocol winning or a particular asset class succeeding, it is structural.

Second, the switching costs are high and the network effects are real. An identity system becomes more valuable as more participants accept its credentials. An address verification system becomes more accurate as it accumulates more data. A cryptographic organisational identity network becomes more useful as more institutions join it. These are characteristics of durable, compounding businesses.

Third, the category is genuinely underserved by incumbents. Traditional identity vendors built for web2 environments and large-enterprise deployments. The identity requirements of on-chain finance; cryptographic verification, decentralised authority, multi-chain compatibility, emerging market applicability; are sufficiently different that incumbent solutions require fundamental re-architecture to address them. This creates a window for purpose-built companies that is wider and more durable than in most software categories.

CV VC Portfolio Spotlight

Provably

provably.ai | *AI Agents · Verifiable Data*

Financial workflows increasingly run on AI agents; but how do you know the data an agent acted on was accurate, untampered, and from the right source? Provably creates cryptographic proofs for every tool call and data handoff in AI-powered finance workflows in real time; catching errors and hallucinations before they reach downstream systems. For payments, reconciliations, audit trails, and approval workflows, verifiable data is not a nice-to-have. It is the foundation.



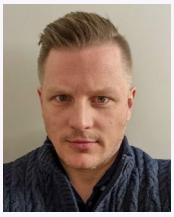
Provably — Founder Commentary from Shyam Duraiswami

Provably helps teams build accurate and reliable agentic workflows in minutes - reducing hallucinations and errors. Its state of the art runtime verification SDKs verify API, MCP, and database responses during tool calls and agent handoffs. Today, only 29% of agent errors are detected after execution; as agentic operations grow toward 1/3 of all AI tokens, Provably makes agents talking to software more reliable.

Vereign

vereign.com | *Enterprise · Digital Authenticity*

HIN (Health Info Net) is the communication backbone connecting every hospital, GP, laboratory, and pharmacy in Switzerland. For 25 years it ran on legacy gateway infrastructure. Vereign replaced it. Today, Vereign's Stargate platform processes 800,000+ verified messages per month across 850+ gateways; each individually authenticated via bilateral cryptographic identity, with no central certificate authority required. GLEIF-validated for KYC and cross-party institutional verification. The same architecture is now validated for finance, defence, and energy. The proof of concept that matters is already running at national scale.



Vereign — Founder Commentary from Georg Greve

Vereign builds the trust layer for digital interactions: Decentralized Key Management (DKMS), which lets any two parties verify who they are dealing with and prove that data is authentic, with no central authority in the path.
SEAL, our first product, secures 800,000+ verified interactions/month in Swiss healthcare. Tokenization, programmable compliance and AI agents rest on one question: who is on the other side? Our Verimesh product matrix is extending that authenticity layer to structured data and autonomous agents.

OkHi

okhi.com | *Emerging Markets · Address Identity*

In most of Africa, a home address cannot be verified because street addressing systems simply do not exist. OkHi solves this with AI-powered digital proof of address; enabling banks, lenders, and fintechs to verify where customers actually live using smartphone GPS and computer vision. Ten times cheaper than traditional agent verification, with a 50% reduction in non-performing loans for lenders who use it. Trusted by Standard Bank, Flutterwave, and Kuda.

Kasi

kasi.money | *Africa · Identity-First Banking*

Think about a Bolt driver in South Africa. Gig worker, earning daily, no fixed employer, no legacy credit history; structurally locked out of every traditional bank account. Kasi changes that. A phone number and a national ID are enough to open a fully compliant, KYC-verified account in five minutes; no proof of address required. Issued on Bank Zero and powered by Mastercard. This is what identity-first financial inclusion looks like in practice.

Conclusion: The Venture Thesis in Plain Terms

The institutional layer of the digital finance stack is real, it is funded, and it is being built by some of the largest organisations in global finance. That is not a threat to early-stage investors; it is a signal. It tells us where the value is flowing, which problems are worth solving, and which markets are large enough to matter.

Our three areas of conviction for service providers building a functioning digital finance ecosystem follow directly from that signal:

Compliance infrastructure is non-negotiable for every regulated participant operating on-chain. The companies building it natively; for blockchain environments, for emerging markets, for AI-powered workflows; are building durable, high-margin, deeply embedded businesses.

Vertical payment infrastructure rewards deep domain knowledge over scale. This white space is large; humanitarian corridors, African digital commerce, the creator economy, sector-specific travel finance. The moat is understanding a vertical better than any generalist ever will.

On-chain identity and credentialing is the foundational layer that everything else depends on. It is underbuilt, underinvested, and structurally necessary. The companies solving it are solving it for billions of people and institutions, not just for the crypto-native minority.

What we are confident of is this: the companies being built right now in these three layers; the compliance infrastructure providers, the vertical payment specialists, the identity and trust builders; are building businesses that will matter regardless of which protocols, tokens, or institutional platforms ultimately win. They are picks-and-shovels for an industry that is no longer asking whether it will exist.

CV VC Startup Activation as a Service

CV VC's investment activity is one part of how we engage with the digital finance ecosystem. The other is Startup Activation as a Service; our practice of designing and running startup activation programs for blockchain protocols, financial institutions, and innovation ecosystems.

These programs range from open startup competitions and structured incubators through to full acceleration programs and co-investment vehicles. We have run programs for leading blockchain protocols and major innovation hubs across multiple geographies; sourcing, screening, and activating early-stage companies at the frontier of digital finance, blockchain infrastructure, and applied AI.

For financial institutions and corporations, Startup Activation as a Service offers a structured path to the startup ecosystem that goes beyond sponsorship or observation. We design programs that are calibrated to the institution's strategic priorities; whether that is sourcing deal flow in a specific vertical, building a branded innovation program, or establishing a co-investment structure that gives the institution direct exposure to early-stage companies alongside CV VC.

Working with CV VC

We work with three types of partners on Startup Activation as a Service engagements:

Blockchain protocols seeking to grow their developer and startup ecosystems through structured activation programs; competitions, hackathons, grants, and accelerators.

Innovation ecosystems and government-backed hubs looking to build startup pipelines in digital finance, blockchain, and applied AI.

Financial institutions and Corporates seeking a structured, credible path into the early-stage ecosystem; whether through branded innovation programs, sourcing partnerships, or co-investment structures alongside CV VC.

If you are exploring any of these models, we would welcome the conversation.

Website: cvvc.com

> *The companies in this paper were not found through databases or inbound dealflow alone. They were found by being embedded in the ecosystems where the next generation of digital finance infrastructure is being built.*

Appendix:

PORTFOLIO COMPANIES COVERED IN THIS PAPER

The following companies from the CV VC portfolio are referenced in this paper. Full profiles are available at: cvvc.com/startups/portfolio.

	COMPANY	WEBSITE	CATEGORY	THEME
CYBERA	**Cybera**	cybera.io	Anti-Scam / Fraud Prevention	Compliant Ecosystem
SCORECHAIN	**Scorechain**	scorechain.com	Blockchain Analytics / AML	Compliant Ecosystem
ORCA	**Orca Fraud**	orca-fraud.com	Emerging Markets / Real-Time TM	Compliant Ecosystem
	Coala Pay	coalapay.org	Humanitarian Payments	Payments / Verticals
ivorypay	**Ivorypay**	ivorypay.io	Africa / Stablecoin Payments	Payments / Verticals
TurnStay	**TurnStay**	turnstay.com	Africa / Travel Industry	Payments / Verticals
talentir	**Talentir**	talentir.com	Creative Industry / Payouts	Payments / Verticals
OkHi	**OkHi**	okhi.com	Emerging Markets / Address Identity	Identity / Credentialing
Provably	**Provably**	provably.ai	AI Agents / Verifiable Data	Identity / Credentialing
	Vereign	vereign.com	Enterprise / Digital Authenticity	Identity / Credentialing
	Kasi	kasi.money	Africa / Identity-First Banking	Identity / Credentialing

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www.cvvc.com