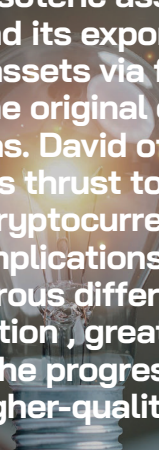


Chintai Founder on Delivering innovative Blockchain Solutions that Enable Seamless Tokenisation of Real-World Assets



David Packham is the Founder & CEO of Chintai, which is a catalyst of the emerging digital assets tokenisation industry. Hubbis has interviewed him regularly in the past several years, and we met up with him again recently to learn of his latest perspectives on this rising tributary that is starting to flow out of the confluence of the global mainstream assets markets. Tokenisation is the digitisation of real-world assets including property, financial and even more esoteric assets such as carbon credits, or collectible art, and its exponents believe it will help democratise access to these assets via fractionalisation, thereby bringing liquidity to both the original owners of the assets and the holders of the tokens. David offered a forthright view of the collateral damage to this thrust towards tokenisation from the catastrophic collapse of cryptocurrency exchange FTX. But he also points to the positive implications that are already accruing in terms of a far more rigorous differentiation between cryptos and asset-backed tokenisation, greater demand for well-regulated digital platforms in the progressive jurisdictions, and more collaboration between higher-quality partners in the emerging digital assets ecosystem.

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DAVID PACKHAM
Chintai

Since late 2021, when all in the world markets seemed rosy, there have been many events in the cryptocurrencies and the digital assets spaces, the most worrying being the collapse of the Bahamas-based cryptocurrencies exchange FTX, and the ensuing fallout from that. David began by discussing how the events have affected Chintai, and then outlined the main messages he wants to convey to the company's existing and potential partners and clients in response.

Silver linings...

"We should acknowledge the challenges around digital assets and cryptocurrencies in the last 18 months or so," he says. "But at the same time, there are some silver linings, and in that regard, we must also highlight the gradual maturation of the digital assets industry, as well as the improving technology and rising adoption of blockchain. We should focus also on the recognition by more parties of the importance of strong licensing in globally respected jurisdictions with strong regulators, as opposed to the likes

of the Bahamas." He added, "The positive side of things is crypto assets created interest from the institutional investors to seriously look at digital assets as a viable new asset class in their overall investment portfolio, which is encouraging."

Chintai is a technology firm empowering tokenisation via the blockchain, and importantly is not itself actually creating tokens or distributing them. "We are a facilitator, a technology provider to release the capabilities for our clients to enter this market," David explains. "We offer a white label solution enabling clients to easily and cost-effectively adopt

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A real market in real assets

Although a Blockchain Platform-as-a-Service provider, Chintai is of course intimately connected to the evolution of the deals and the assets that will represent the tokenisation market as it evolves. Very briefly, David explains that there are certain types of assets and asset classes that lend themselves to tokenisation, including the very topical ESG and

sustainability type investments around carbon, hydrogen, and GreenTech-related investments. Tokenisation of bonds, real estate, and specialist funds are already taking place. And there are plenty of other exciting asset classes that can be added to this list.

"There are many key advantages and efficiencies of tokenisation compared to existing financial assets systems and practices," David explains. Taking the example of a private markets or private assets fund that is obviously a medium to long term for investors, and therefore has little or no liquidity. But

through tokenisation of that fund, intermediaries can achieve both fractionalisation and liquidity for that fund.

Democratising access

This brings that type of fund to a far wider private client market, as investors do not need to lock up money for five, seven or even more years; instead, they can enter at very small fractions of the multi-million dollar commitments those funds require from investors.

"This," says David, "all translates to a win for the fund originators as

well because they are expanding their funding pool and can turn more funds round in shorter timeframes potentially.”

Tough to decide, and tough to implement

For a wealth management firm or private bank to make the decision to go ahead and launch a tokenisation operation is incredibly challenging, and then realising that vision is very tough. “It is there that we as technology provider like Chintai truly add value,” David reports.

Firstly, Chintai is here to provide assistance in educating the market so that companies can properly grasp the complexities, nuances and opportunities of the technology. Once companies, such as independent wealth managers, define their digital asset strategic direction, Chintai is there to work with them to fully deliver on that promise, with a comprehensive set of solutions that meet their needs. This means the right technology, infrastructure, and going beyond proof of concept to growing out new business lines and revenue opportunities.

Working with the wealth market

David then drills down to the core of their proposition, and what they offer to clients, and the wider wealth management market.

“We have been focusing intently on the wealth community, building out a framework upon which asset managers, wealth managers, private banks, or family offices can actually have a stable and reliable engine for their exploration of digital assets and tokenisation,” he reports. “Essentially, we

Key Priorities

David turns his attention to the firm’s top three priorities over the next three years, which he says are very clearly defined.

He says they have the Chintai launch product that handles issuance and secondary and compliance for clients - which today number 10 contracted in commercial deals with the firm. “We will henceforth be helping them with a variety of different forms of issuance and secondary market activity for them in assets within sectors ranging from carbon to real estate and including bonds and funds,” he reports. “Accordingly, priority number one is to ensure that we deploy extremely successfully for our clients, and scale a product based upon their usage and feedback.”

He adds that anybody who says they have a complete and mature product in this space would be inaccurate, so real world practice and honing the offering is part of this process, and that means Chintai will have a two-way dialogue with clients throughout the projects, and as a result will thereby continually deliver better systems and optimised outcomes. Technology is just like human; it gets better over time.

A second mission is to make sure Chintai can handle a larger deal flow. “We exist as a technology partner and service provider, and to ensure that we deliver Blockchain Platform-as-a-service, and full compliance as a service, removing the pressure from these clients, and freeing them up to focus on the origination and the business creation,” he explains. “We will also help them with partnerships to help create or enhance their distribution capabilities and that in turn will help liquidity in these instruments.”

Their third key goal is to increase the options and vertical alignments for our clients. “What does that mean?” he ponders. “It means, for example, being able to provide custody services for them, if required, or to be able to provide them with the ability to access additional jurisdictional licensing, such as in London or Hong Kong.”

He adds a fourth mission, which is to work towards embedding AI into their transaction monitoring and analytics. “We offer a fully on-chain solution, which means that all the activity across the trade lifecycle takes places across our Blockchain, and that in turn means one single, constant and fully accessible source of verification to confirm all activity,” he elucidates. “This in turn can then translate to completely affirmed data that can be mined via analytics to further understand how our clients and their clients’ needs. The result will be continual and non-stop refining of the offering and the service we provide.”

are delivering the capability to issue tokens in a variety of different ways, with those tokens representing real world assets.”

Chintai is now licensed in Singapore for Capital Markets Services and Recognised Market Operator since 2022. “We have been building a secure, multi-jurisdiction blockchain technology platform that is founded on a stable network with extremely low cost as a white label solution, and with comprehensive APIs,” David elucidates.

When David speaks about tokenisation, Chintai and its potential, his strong passion and belief in this future is evident. But his message also extends to what he sees as the many challenges in the existing system for originating, distributing and trading assets, for custody and so forth. “I won’t go into detail here, but I will say the current financial markets distribution, execution and custody processes and protocols are inefficient, not cost-effective, and have many flaws,” he says. “The blockchain technology that permits tokenisation dramatically improved simplicity, clarity and efficiency. And it opens up access to a vast range of real-world assets that simply would not be accessible to most retail, mass affluent or even many HNW investors.”

Opening new business opportunities

For the wealth management industry, there are an array of new business lines and opportunities that become available from this technology, continues David. This includes being able to widen the range of

David Packham – a Snapshot

David founded Chintai in 2018 to promote the adoption of compliant digital assets that utilise blockchain technology to modernise capital markets for banks, asset managers, and SMEs. He describes himself as a financial industry specialist with more than 20 years of experience in banking, finance, and asset management, having worked with leading banks including Credit Suisse, Goldman Sachs, Barclays Wealth and HSBC Global Asset Management.

David has also served on the Board of Advisors to several Singapore start-ups, including Credify Inc and Worbli, and Treasurer on the Board of Trustees for deafPLUS, an organisation championing integration and equality between deaf and hearing people in all areas of life.

David graduated from the City University of London with MSc Business Systems Analysis & Design and before that attained his bachelor’s degree in Business Economics from the University of Exeter.

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products, investment vehicles and also connectivity to their client base.

“Right now,” David elucidates, “any independent wealth management firm will be utterly dependent on the banks and other partners for all types of origination, execution, trading, custody and so forth of both public and private assets. But what we can deliver for them will give them a significant new business

opportunity and a major competitive edge. Those who get in early will enjoy first mover advantages as the adoption scales up.”

Private wealth clients are also getting younger and savvier, and the second or third generations in Asia extremely clued in with digital assets. David believes that for an investor, perhaps 35 or under, to be able to invest easily in tokenised assets of a



Chintai

A leading one-stop solution for modernising capital markets. Regulated and licenced by the Monetary Authority of Singapore, the Chintai platform uses blockchain technology to enable traditional finance and innovative companies to harness the power of digital assets. Gain access to a robust automated compliance engine with an end-to-end white labelling solution.

The product suite includes all features and functionalities to streamline business operations and create a competitive advantage for enterprises. This includes dynamic security token issuance, high performance secondary trading and automated compliance infrastructure for regulated digital assets.

The strategic aim is to bridge the gap between businesses and compliant blockchain technology with a Blockchain Platform-as-a-Service (BPaaS) model. For more information chintai.io

new real estate development project in downtown Singapore, for example, and with liquidity on offer as well, is highly appealing.

Positive disruption

"We believe this technology and these concepts are transformative and highly disruptive in all the right ways," he says. "As a result, we are seeing more clients and partners keen to work with us, including some very large multifamily offices that are building out their digital assets activities."

David then zooms in on why Chintai and why now. He says the digital assets ecosystem is both evolving and maturing, despite headwinds. "The FTX debacle was a wakeup call for greater scrutiny from different parties" he added. "As there is often so much lack of understanding of the difference between crypto and real asset tokenisation, there was of course collateral damage to the growing tokenisation market."

Chalk and cheese

However, he reiterates that it really is vital to understand that cryptos are entirely different from tokenisation of real-world assets, the similarity is the underlying blockchain technology. "The real assets represented by proper tokenisation have real-world valuation metrics," he reports. "Yes, the blockchain technology that supports Bitcoin is similar to the blockchain technology that we use to empower tokenisation. But it is not the technology that is in question, or that has been undermined, it is the practices of rogue players and bad actors in the crypto space, and also the reality that some cryptocurrencies do not represent fundamental value."

David is working hard to get these messages across and reports that at the same time he and colleagues are emphasising the importance for any players

involved of focusing on quality, solidity, the right structures, on ownership, on reputable jurisdictions and so forth. “I can state emphatically that one of the great things that we have is the fact that we have strived long and hard to adopt and follow the highest internal and external standards and practices from day one,” he states.

Reputational sheen

This is also why Chintai came to Singapore, and why they were confident they would attain both the Capital Market Services license and the Recognised Market Operator license from the Monetary Authority of Singapore.

He says Chintai strives to be as rigorous, as orderly and as transparent as possible as possible in its communications, in their operations, their relationships, in reporting and audits, and so forth.

“We fully understand the reputational risks to anyone in the wealth industry, and want to allay any concerns anyone might have,” he says. “Singapore is one of the pre-eminent global markets for regulation and oversight. We greatly value this reputational association

The drive to digital assets tokenisation

David closes the discussion with a brief explanation of the operation

and his role. His family home is in Naples, Florida, but David now spends more and more time in Singapore where there are exciting developments taking place. He says he also spends a lot of time in the main Chintai office, which right now is in Frankfurt, where they have around 18 people thus far.

“Asia is important for Chintai and we launched in Singapore in 2021. We now have a team of six, and we are expanding that in the near future,” he reports. “With the firm is such a rapid evolutionary phase, you will appreciate that I have little time for anything other than work and also spending time with the family at home whenever I can. ■

For further reading on Chintai and on David Packham, see these Hubbis articles:

June 2022: [Chintai Founder David Packham on how the Wealth Management Industry Can Expand their Digital Assets Proposition](#)

April 2022: [The Adoption of Digital Assets & Tokenisation Amongst HNW and UHNW Private Clients in Asia](#)

November 2021: [Blockchain Platform & Enabler Chintai Ready for Explosive Global Growth of Digital Asset Issuances and Secondary Markets](#)

