MINTED

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mUSD

A Canton-Native Institutional Cash and Securities Minting Protocol

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Notice

This document describes the architecture of mUSD as a Canton-native institutional stablecoin and securities minting protocol. It is a technical and product whitepaper, not legal, tax, or investment advice. Where parameters, eligibility lists, and control rights are governance-controlled or subject to service-provider approvals, this paper describes the operating model rather than a binding legal commitment.

Protocol Status

Minted's core protocol is built, audited, and validated. The codebase has been independently audited by Soft Stack across both the Canton Protocol layer and the Institutional Vault architecture. The protocol passed all 27 phases of the Canton 5North sandbox validation and received full technical sign-off from the Canton tech ops and super validator community. The current codebase includes 244 test cases with a 14/14 pass rate on Canton audit checks. Minted is pre-launch and raising its seed round to fund go-to-market and first institutional onboarding.

Abstract

mUSD is the connective tissue on Canton Network. It serves as an institutional cash layer designed first for securities-backed minting, neutral treasury settlement, and deployment into higher-yield Canton-native vehicles.

The protocol does not position itself as a homogeneous retail stablecoin, or a public-chain DeFi primitive. Rather, it is the universal cash and yield layer for the network.

– An institution holds eligible Canton-native tokenized securities — tokenized Treasuries, money-market instruments, and bonds;

– those securities are used to mint mUSD, a non-yield-bearing institutional settlement token;

– mUSD acts as the connective tissue between reserve-grade collateral and higher-yield institutional opportunities on Canton;

– a separate Institutional Yield Vault receives economic exposure to those higher-yield Canton-native vehicles while leaving the core mUSD product clean, legible, and redemption-oriented.

This separation matters. The yield product is explicit, opt-in, and structurally distinct.

Minted's core thesis is that Canton does not need another public-chain stablecoin abstraction. It needs a neutral institutional cash leg that can move between tokenized Treasury collateral, settlement workflows, and native Canton yield vehicles — with the right privacy, workflow controls, and securities oversight.

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PART 1

Protocol Overview

1. Introduction

mUSD is a Canton-native stable settlement token built for institutional balance sheets, treasury workflows, collateral mobility, and repo-adjacent cash movement.

– an institution contributes eligible Canton-native tokenized securities;

– Minted issues mUSD against that collateral under a controlled risk framework;

– Minted can then route that collateral into a separate Canton-native yield path;

– the institution keeps mUSD liquidity while also gaining access to a higher-yield institutional vehicle through its vault structure.

This design gives institutions something they do not currently have in a clean form:

– a neutral Canton-native cash leg;

– a way to unlock liquidity from reserve-grade tokenized securities;

– a controlled pathway into higher-yield Canton-native instruments without forcing the core stablecoin to become a yield product.

2. Why Canton

Canton is the right environment for this product because its native design matches institutional market structure:

– privacy by default;

– multi-party workflow control;

– deterministic settlement;

– explicit participant rights;

– support for tokenized securities, treasury assets, and regulated financial workflows.

Minted is therefore designed as a Canton-native product from first principles. This has several consequences:

– minimal smart contract risk;

– no DeFi routing assumptions embedded in the core stablecoin;

– no public-chain LP or yield-farming logic;

– no collateral references to non-Canton-native securities for the initial product design.

The protocol is designed to look like the infrastructure Canton wants — not a public-chain product awkwardly ported into an institutional network.

3. Product Hierarchy

Minted is a three-layer system, in this order:

3.1 Product 1: Securities Minting

This is the lead product and the core institutional wedge. Institutions holding Canton-native tokenized Treasury or money-market securities can mint mUSD against those assets under an approved collateral and haircut framework.

3.2 Product 2: mUSD

mUSD is the base cash and settlement token. It is designed to be:

– non-yield-bearing;

– institutionally legible;

– useful in treasury, collateral, and settlement workflows;

– clean enough to act as a neutral cash leg across Canton-native applications.

3.3 Product 3: Institutional Yield Vaults

Yield is accessed only through a separate vault architecture. The vault receives economic exposure to higher-yield Canton-native instruments. That structure may issue a separate receipt, claim, or tokenized vault interest, but it is not the same as holding base mUSD.

This separation protects the clarity of the stablecoin while still letting Minted participate in the higher-yield side of the Canton ecosystem.

4. Design Principles

4.1 mUSD must remain clean

mUSD is the simplest product in the stack: stable, liquid, non-yield-bearing.

4.2 Yield must be explicit

Any product that introduces duration, structured credit, private credit, bearer bonds, or any other higher-yield exposure lives in a separate architecture with separate risk and liquidity terms.

4.3 Only Canton-native collateral in the initial design

The initial collateral is limited to Canton-native tokenized securities and other approved reserve-grade instruments. This keeps the product tightly aligned with Canton's native asset base and avoids unnecessary complexity in the first release.

4.4 mUSD is connective tissue, not the yield product

The protocol makes mUSD the cash leg that can move between reserve collateral, treasury operations, and higher-yield Canton-native instruments.

4.5 Securities workflows are treated as securities workflows

Where the product touches issuance, placement, transfer, or distribution of tokenized securities, those workflows are handled with the appropriate broker-dealer, custodian, and legal oversight — rather than being forced into a deflective stablecoin framing.

PART 2

Core Architecture

5. Securities Minting

5.1 Overview

Securities Minting is Minted's first product and primary institutional entry point. It allows institutions holding approved Canton-native securities to mint mUSD without first liquidating the underlying position. The core idea is simple:

– hold reserve-grade tokenized securities on Canton;

– use them to mint mUSD;

– retain mUSD as liquidity;

– optionally route the securities into a separate Institutional Yield Vault architecture for enhanced yield.

This is a more compelling institutional story than simply issuing a Treasury-backed stablecoin. It turns existing Canton-native securities into a source of cash, optionality, and higher-yield deployment capacity.

5.2 Eligible Collateral

The initial collateral set is intentionally narrow and Canton-native:

Asset Type	Example	Role in System
Tokenized Treasury exposure	USYC on Canton	Reserve-grade collateral
Tokenized gov't money market	Franklin Benji / FOBXX on Canton	Reserve-grade collateral
Tokenized sovereign digital bonds	USDM1	Additional institutional candidate
Other approved Canton-native instruments	Governance-approved	Expandable via formal approval

5.3 Minting Model

At a high level:

– the institution contributes or pledges eligible Canton-native securities;

– Minted validates eligibility and applies the appropriate haircut or advance rate;

– mUSD is minted to the institution;

– the underlying collateral can remain ring-fenced for reserve purposes or be routed into an approved Canton-native yield path through the Institutional Yield Vault architecture.

5.4 Collateral Rules

Launch parameters:

Parameter	Range	Purpose
Eligible collateral	Canton-native T-bills / MMFs / approved reserve-grade securities	Keep first product narrow and legible
Initial advance rate	60%–85% depending on collateral type	Protect mUSD against mark and liquidity risk
Margin / top-up rights	Yes	Maintain protection if collateral values move
Liquidation or unwind rights	Controlled / contractual	Preserve orderly risk management
Yield routing	Optional and separate	Prevent contamination of core stablecoin

The exact advance rates depend on: issuer quality, redemption profile, transferability, market depth on Canton, legal and custody structure, and whether the collateral is being held as reserve collateral or deployed into a yield vehicle.

5.5 Why This Matters

This model turns Minted into more than a simple issuer. It makes Minted a liquidity unlock for Canton-native securities, a treasury and settlement layer for institutions already on Canton, and a routing layer into higher-yield Canton-native products.

6. Token Design

6.1 Base Token: mUSD

mUSD is the base token in the system. It is a Canton-native stable settlement token: non-yield-bearing, designed for treasury, settlement, collateral mobility, and institutional cash movement, minted against approved collateral under a defined control framework. The most important design decision is that mUSD itself is not the yield product.

6.2 Yield Receipt Layer

Where Minted offers access to higher-yield Canton-native instruments, that exposure sits in a separate receipt structure, represented as:

– a vault receipt,

– a ledger claim,

– a tokenized beneficial interest, or

– a separately permissioned yield wrapper.

6.3 Why the Split Matters

Legacy token design mixed stablecoin logic, cross-domain logic, and yield logic too tightly. The revised design is simpler:

Layer	Instrument	Economic Role
Stable settlement layer	mUSD	Neutral cash leg
Yield access layer	Institutional Yield Vault receipt	Separate claim on higher-yield Canton-native instruments

This split preserves stablecoin clarity, cleaner regulatory framing, better treasury management, and better institutional explainability.

6.4 What is Explicitly Out of Scope

The revised token model does not assume:

– public-chain DeFi deployment;

– public DEX LP positioning;

– bridge-based supply movement;

– Ethereum-native vault standards;

– blended retail and institutional reserve pools.

7. Institutional Yield Vault Architecture

7.1 Overview

The Institutional Yield Vault is the architecture that lets Minted use mUSD as the connective tissue between reserve-grade collateral and higher-yield Canton-native instruments. The key principle is separation: mUSD remains the base cash layer; the Institutional Yield Vault is the explicit risk-bearing layer.

7.2 Core Workflow

The workflow is:

– an institution uses eligible Canton-native securities to mint mUSD;

– Minted coordinates the movement of that securities position into an approved Canton-native yield partner structure;

– the yield partner uses that collateral to issue a higher-yield tokenized security or structured instrument;

– that yield product is delivered into Minted's treasury / vault wrapper;

– the institution receives the economic benefit of that yield vehicle through the separate Institutional Yield Vault structure;

– the yield partner pays coupon, yield, or maturity proceeds back through the Minted wrapper, net of the Minted spread or coupon.

7.3 Economic Logic

This vault architecture lets one position perform two roles:

– the institution gets mUSD liquidity;

– the same workflow can also create exposure to a higher-yield Canton-native instrument.

That is the core 'connective tissue' thesis. Minted is not merely warehousing collateral. It is creating the cash leg that lets institutions move from low-yield reserve instruments into higher-yield Canton-native structures without abandoning the Canton environment.

7.4 Example

An institution holds Canton-native tokenized T-bills. It uses those T-bills to mint mUSD. Minted then coordinates the transfer of those pledged T-bills into a Canton-native yield partner. That yield partner issues a tokenized security, for example:

– a Swiss Bearer Bond,

– a structured note,

– a tokenized private credit instrument,

– a tokenized PIK bond, or

– another approved Canton-native yield security.

That instrument is delivered into the Institutional Yield Vault, and the institution receives economic exposure through the vault rather than through the base stablecoin.

7.5 Distribution Policy

Yield generated by the underlying instrument is distributed through the Institutional Yield Vault according to the governing terms of that vehicle. At a high level:

– gross yield flows from the underlying Canton-native yield instrument;

– Minted retains its negotiated spread, coupon, or routing fee;

– net proceeds flow to the institutional participant.

This is intentionally different from saying 'mUSD pays yield.' mUSD does not pay yield. The Institutional Yield Vault pays yield.

8. Canton-Native Yield Vehicles

8.1 Target Vehicle Categories

Category	Example Targets	Why It Matters
Canton-native digital bonds	Obligate Swiss Bearer Bonds / eNotes	Clean institutional debt wrapper aligned with Canton workflows
Canton-native structured products	T-RIZE digital bonds / structured notes	Institutional-grade structured yield exposure
Tokenized private credit notes	Emerging Canton-native issuances	Higher-yield credit sleeve without leaving the network
Tokenized trade finance / receivables	Emerging Canton-native issuance partners	Shorter-duration yield opportunities
Tokenized PIK or structured coupon instruments	Future approved partners on Canton	Alternative high-yield credit structures
Tokenized cat bond / reinsurance vehicles	Future Canton-native issuance if available	Differentiated non-corporate risk premium

8.3 Selection Framework

An institutional yield vehicle is considered eligible only if it is:

– natively aligned with Canton workflows;

– legally legible as a security or contractual claim;

– operationally supportable by the relevant custody, control, and securities oversight stack;

– capable of supporting institutional reporting and payout administration.

9. Peg Stability and Liquidity Controls

9.1 Peg Philosophy

mUSD maintains its stability through:

– conservative collateral policy;

– clearly defined advance rates;

– ring-fencing between stablecoin liabilities and yield risk;

– contractual unwind rights where collateral is routed into yield structures;

– disciplined treasury and liquidity buffers.

9.2 mUSD is Not Funded by Yield Assumptions

The peg does not depend on optimistic coupon assumptions, strategy markups, future yield distributions, or speculative liquidity. The stablecoin must remain understandable even if no higher-yield vehicle is active.

9.3 Segregation Rule

The protocol maintains a hard conceptual and operational split between the mUSD reserve and settlement layer and the Institutional Yield Vault layer. This is one of the most important controls in the system.

9.4 Stability Controls

Control	Purpose
Haircuts / advance rates	Protect minting against collateral price movement
Eligible collateral list	Keep the base stablecoin narrow and high-quality
Asset control and custody confirmations	Ensure mUSD is minted only against verified positions
Vehicle-specific contractual rights	Preserve unwind and payout rights where collateral is routed into a yield structure
Separate yield vault accounting	Prevent confusion between stablecoin backing and risk-bearing yield exposure

PART 3

Controls and Compliance

10. Compliance and Securities Oversight

10.1 Why This Matters

The Minted model touches two different regulatory realities:

– a payment / settlement stablecoin; and

– securities workflows around tokenized debt, bearer bonds, structured notes, and similar instruments.

Those are not treated as the same.

10.2 Stablecoin Side

The base mUSD product is designed as a non-yield-bearing stable settlement instrument. That is the cleanest path for institutional adoption and the most coherent regulatory posture.

10.3 Securities Side

Where Minted coordinates issuance, placement, transfer, or distribution of tokenized yield instruments, the protocol may require:

– broker-dealer oversight;

– transfer-agent support where an actual security issuance requires it;

– ATS support where trading or secondary liquidity becomes relevant;

– asset-control, custody, and settlement partners for the underlying security movements.

The purpose of this whitepaper is not to prejudge the precise legal wrapper for every Canton-native yield vehicle. The purpose is to make clear that Minted treats those workflows as securities workflows first, not as crypto routing.

10.4 Institutional Onboarding

Institutional participation in Securities Minting and Institutional Yield Vaults remains subject to:

– KYC / KYB;

– suitability and eligibility checks where required;

– sanctions screening;

– counterparty and asset approval processes;

– program-specific legal documentation.

11. Governance and Asset Approval

11.1 Governance Scope

Governance controls:

– approved collateral types;

– advance rates / haircuts;

– eligible yield vehicle list;

– custody / asset-control partner approvals;

– service-provider approvals where securities workflows are involved;

– concentration limits and risk caps.

11.2 Asset Approval Policy

No asset is accepted into the core minting framework or Institutional Yield Vault framework merely because it exists on Canton. Approval must consider:

– legal form;

– issuer quality;

– redemption profile;

– transferability;

– accounting treatment;

– control and settlement mechanics;

– concentration risk.

12. Security and Operational Model

12.1 Security Model

The design is orders of magnitude safer than conventional cross-domain architecture because it removes:

– bridge risk;

– cross-chain mint / burn synchronization risk;

– public-chain composability risk in the base product;

– DeFi strategy contagion risk.

12.2 Operational Dependencies

The main operational dependencies are:

– Canton contract integrity;

– asset-control and custody confirmations;

– legal and operational integrity of approved yield partners;

– payout, reporting, and reconciliation accuracy;

– service-provider coordination for security issuance and transfers.

12.3 Reliability Principle

Products launch with the minimum viable set of eligible collateral, approved yield vehicles, control partners, and compliance workflows. Institutional credibility improves more from operational clarity than from trying to launch with wrappers and strategies at once.

PART 4

Risk and Roadmap

13. Risk Analysis

13.1 Collateral Risk

Reserve-grade securities can move in value or experience transfer, redemption, or liquidity frictions.

Mitigants:

– conservative eligibility policy;

– advance rates;

– margin rights;

– concentration limits.

13.2 Vehicle Risk

Higher-yield Canton-native vehicles introduce issuer risk, structure risk, duration mismatch, payout timing risk, and security-transfer and settlement complexity.

Mitigants:

– separate Institutional Yield Vault architecture;

– explicit opt-in participation;

– vehicle-specific diligence and approval;

– separate accounting from mUSD.

13.3 Operational Risk

The system depends on coordinated execution across custody / asset-control partners, securities oversight providers, and yield vehicle issuers.

Mitigants:

– narrow first release;

– controlled onboarding;

– formal operating procedures;

– reconciled reporting.

13.4 Regulatory Risk

Stablecoin regulation and tokenized securities regulation continue to evolve.

Mitigants:

– keep mUSD non-yield-bearing;

– keep securities workflows explicit and separately controlled;

– avoid collapsing stablecoin and yield-product logic into a single wrapper.

13.5 Strategic Risk

The biggest strategic risk is trying to be too many products at once. Minted therefore sequences the rollout:

– securities minting;

– mUSD settlement usage;

– Institutional Yield Vault deployment into selected Canton-native vehicles;

– expansion of collateral and yield vehicle coverage over time.

14. Roadmap

Phase 1: Securities Minting Launch

– Finalize eligible Canton-native collateral list.

– Finalize asset-control and custody workflow.

– Launch mUSD as a Canton-native settlement token.

– Onboard first institutional pilot counterparties.

Phase 2: Institutional Yield Vault Launch

– Launch first Institutional Yield Vault structure.

– Route collateral into first approved Canton-native yield partner.

– Support initial tokenized yield product distribution and payout administration.

Phase 3: Expanded Canton Vehicle Coverage

– Add additional approved Canton-native yield vehicles.

– Expand securities workflow support.

– Deepen mUSD's role as the neutral cash leg across Canton treasury and settlement flows.

Phase 4: Network Standardization

– Position mUSD as a standard cash leg for Canton-native collateral and treasury repo workflows.

– Expand the Institutional Yield Vault framework across multiple institutional products and counterparties.

15. Glossary

mUSD

Canton-native stable settlement token designed for institutional cash movement, treasury workflows, and collateral-linked minting.

Securities Minting

Minting pathway where approved Canton-native securities are used to create mUSD.

Institutional Yield Vault

Separate architecture that receives economic exposure to higher-yield Canton-native instruments while remaining distinct from the base stablecoin.

Canton-native collateral

Approved tokenized securities that exist natively within the Canton ecosystem and are eligible for use in the Minted collateral framework.

Canton-native yield vehicle

A tokenized bond, note, structured security, or similar institutional instrument available on Canton and approved for use in the Institutional Yield Vault architecture.

Asset-control / custody partner

The service provider responsible for confirming control, transfer, delivery, or settlement of the underlying securities positions.

BD / TA / ATS oversight

The broker-dealer, transfer-agent, and trading-venue support that may be required depending on how a tokenized security is issued, placed, transferred, or traded within the Minted ecosystem.