

Minted Protocol

Institutional Collateral-to-Liquidity Flow

An institutional operating memo describing Minted's collateral-to-liquidity architecture: what the holder owns, what is posted or encumbered, what is issued or held, when mUSD liquidity becomes available, and how yield, redemption, and liquidity waterfalls work.

mUSD = non-yield-bearing cash leg

smUSD = separate yield vault

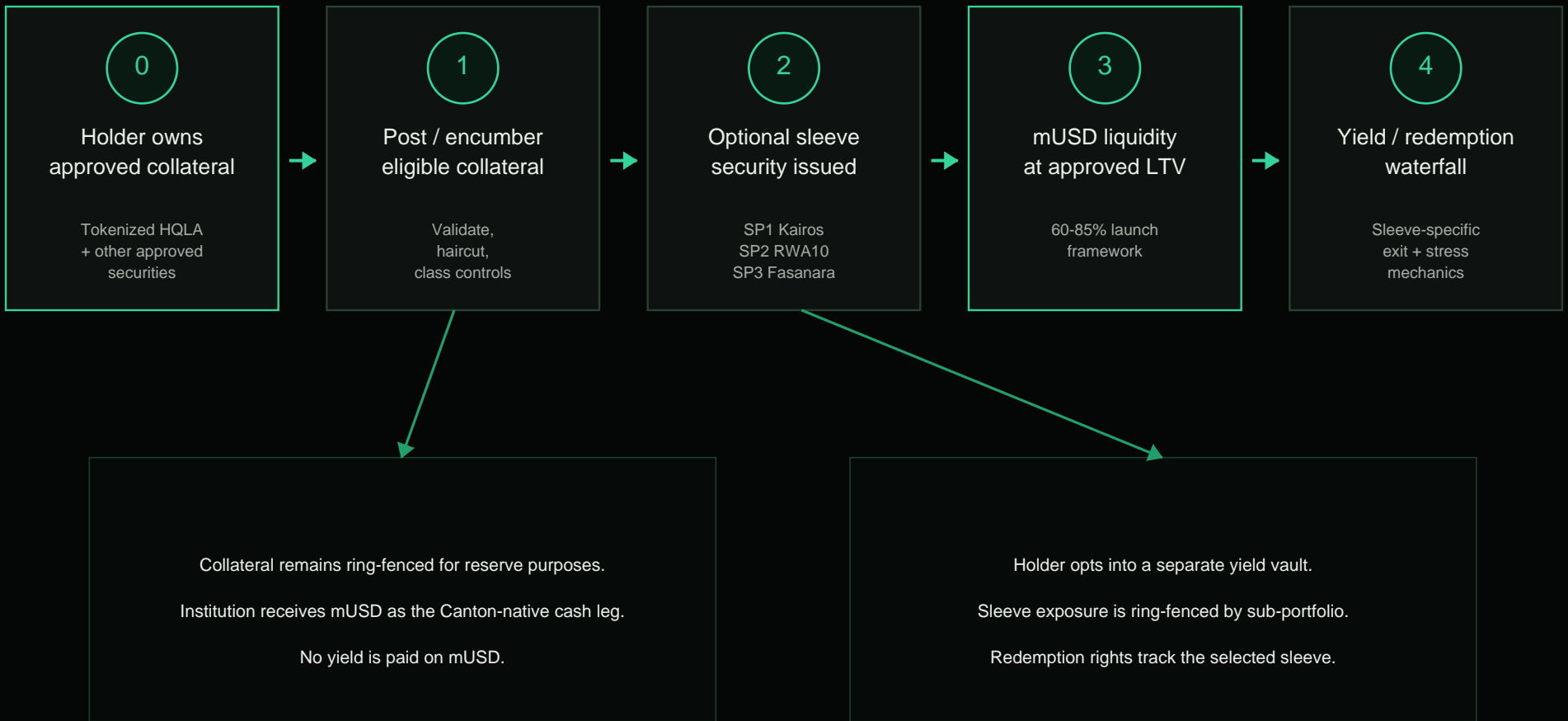
Canton-native institutional flow

Approved tokenized securities can support mUSD liquidity at defined advance rates, while optional smUSD participation provides a separate yield path for eligible institutions. Liquidity, collateral control, and yield exposure remain distinct.

- mUSD remains the stable settlement layer.
- smUSD is optional, separate, and risk-bearing.
- Collateral and sleeve risks are class-scoped.
- First-mint proof is a separate commercial milestone.

Prepared from deck.minted.app data-room sources and the locally generated institutional flow memo.

Five-Step Institutional Flow



Mapped to mUSD Whitepaper sections 5.1-7.5 and Technical Architecture minting flow.

Steps 0-1: Asset Held, Collateral Encumbered

Collateral class	Examples
USD-equivalents	Bank deposits, short-duration U.S. Treasuries, Treasury repo
Tokenized Treasury exposure	Canton-native or approved tokenized Treasury wrappers
Tokenized government MMF	Canton-native or approved tokenized money-market fund interests
Sovereign digital bonds	Approved sovereign-grade tokenized bonds
Other approved securities	Tokenized T-bill / MMF wrappers and other admitted instruments

- Holder contributes, pledges, or encumbers eligible collateral.
- Minted validates eligibility and applies the class-specific haircut / advance rate.
- Each class has its own concentration cap and stress triggers.

- Holders retain custody through qualified custody arrangements.
- Collateral is encumbered, not rehypothecated.
- Daml Finance uses per-owner / per-custodian contracts with their own signatories.

Sources: mUSD Whitepaper 5.2-5.4; architecture-current.md reserve architecture; smUSD economic terms.

Step 2: Optional Yield Sleeve Security

Step 2 applies only if the holder opts into smUSD. It is not required for base mUSD minting.

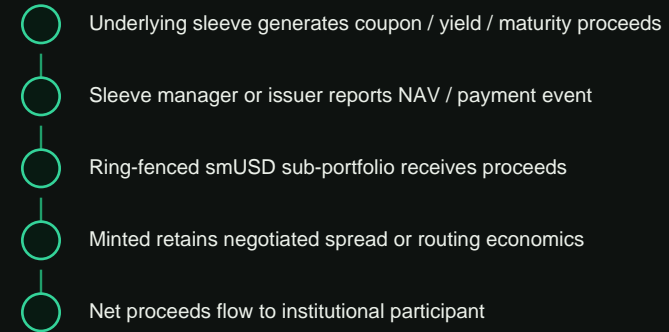
Sleeve	Instrument / strategy	Yield profile	Liquidity	Rating
SP1 Kairos	Tokenized institutional litigation finance via Kairos Litigation Limited; tokenized for Canton by T-RIZE	15% P.A. fixed	18-month bullet; 6-18 month programme	B+ Particula
SP2 RWA10	TradeFlow USD trade-finance notes through Obligate eTracker under Swiss DLT framework	10% target; 8.9% realized	3-6 month tenor; 7-day notice	BBB- notes
SP3 Fasanara	Senior-lender European fintech-platform SME and SaaS receivables	14% indicative fixed	~18-month tenor	Not rated; FCA-regulated manager

Operational point: Minted is not creating a synthetic yield engine. It routes eligible institutional collateral into named, underwritten, legally documented sleeves while keeping mUSD separate from the yield claim.

Sources: smUSD Vault Economic Terms SP1-SP3; mUSD Whitepaper 7.4-7.5; go-to-market-smusd.html.

Steps 3-4: Liquidity and Waterfall

Collateral type	Advance rate
USYC on Canton	80-85%
Franklin Benji / FOBXX	80-85%
Tokenized sovereign bonds	70-80%
Canton-native structured debt	60-75%
Other approved RWAs	Case-by-case



Sleeve	Redemption path
SP1	Scheduled maturity; no early redemption during active tranche
SP2	7-day notice; 3-6 month underlying tenor
SP3	Maturity-driven; ~18-month tenor

- Suspend new minting against affected class.
- Adjust haircut / advance rate.
- Ring-fence affected class or facility.
- Unaffected classes continue redeeming against unaffected reserves.

Sources: mUSD Whitepaper 5.4, 7.5; minted-technical-architecture.html; smUSD Vault Economic Terms.

Product Boundaries and Counterparty Roles

- mUSD is not the yield product. It is the neutral Canton-native cash leg.
- smUSD is optional and separate. It is the institutional yield access layer for eligible participants.
- Collateral and sleeve exposure are class-scoped, with separate controls, redemption paths, and stress responses.

Function	Counterparty / channel	Current status in deck
BD / ATS / TA; U.S. distribution	Texture Capital	Signed LOI dated 2026-04-28
Validator infrastructure	Five North SV, LLC	Executed validator agreement dated 2026-03-23
Yield sleeve SP1	T-RIZE / Kairos	Signed LOI dated 2026-04-28
Yield sleeve SP2	Obligate / TradeFlow	Mutual NDA executed 2026-04-28
Yield sleeve SP3	Fasanara Capital	Forward facility against Sygnum precedent
UK venue / distribution	Archax	Warm; partner-of-record MoU target 60 days
APAC / EU active onboarding	FCX, Black Manta, Hydra X, Ownera, Taurus, Treasury Spring, Allocate, Prometheus, Moat, Wave	Warm / Phase 1 active onboarding

Sources: counterparty-status-ladder.md; go-to-market-musd.html; go-to-market-smusd.html.

Common Diligence Questions Answered

Who is the user?

An institution, family office, wealth platform, private bank channel, or regulated venue client that already holds approved tokenized securities or can access them through a partner-of-record channel.

What asset do they hold?

Tokenized HQLA and/or approved Canton-native securities such as sovereign digital bonds, tokenized T-bill / MMF wrappers, or other admitted instruments.

What do they do with that asset?

They post, pledge, or encumber it. Minted validates eligibility, applies class-specific advance rates, and either ring-fences collateral for mUSD minting or routes it into optional smUSD yield access.

What do they receive?

mUSD liquidity at the approved advance rate. If they opt into smUSD, they also receive a vault interest, receipt, or beneficial claim tied to the selected sleeve.

What happens to yield?

Yield comes only from smUSD sleeve exposure. Gross yield flows from the underlying sleeve, Minted retains negotiated routing economics, and net proceeds flow to the institutional participant.

How do they exit?

Exit depends on the sleeve and collateral class. SP2 has a 7-day notice path; SP1 and SP3 are maturity-driven. If mUSD has been drawn, the mUSD obligation must be repaid or settled before encumbrance release.

Designed as a standing institutional operating memo: transaction flow first, source-backed details second.

Source Appendix

Every load-bearing flow claim maps back to these data-room surfaces. Line ranges below are local deck-deploy references used during construction.

Source	Lines	Supports
mUSD-Whitepaper-v5.html	303-353	Securities minting, eligible collateral, class segregation, advance-rate range
mUSD-Whitepaper-v5.html	359-470	mUSD / smUSD split, vault workflow, sleeve architecture, yield distribution
minted-technical-architecture.html	80-190	Canton / DAML controls, minting flow, LTV, token separation, audit status
architecture-current.md	7-58	Production architecture, reserve classes, stress mechanics, compliance, validation, audits
smusd-vault-economic-terms.html	64-160	Encumbrance, no rehypothecation, custody, stress, sleeve economics and waterfalls
legal-architecture-framework.html	668-760	AIFMD / MiCA split and Asian partner-of-record distribution
legal-architecture-framework.html	1028-1058	mUSD reserves, collateral-class stress response, smUSD sub-portfolio assets
go-to-market-musd.html	69-220	mUSD cash-leg role, Texture, Five North, venues, issuance platforms
go-to-market-smusd.html	68-229	smUSD GTM, yield sources, Texture / Archax / FCX / Black Manta / Hydra X roles
counterparty-status-ladder.md	23-81	Documentary evidence and counterparty status
minted-sandbox-validation.html	98-147	27 phases, 99.3% coverage, 13 DvP cycles, Allocate-to-Settle path

Recommended next materials: Asia/Europe collateral list, first-mint pipeline memo, and runway / sensitivity table.