Digital Assets:

The Sovereign Layer - How Regulators, Depositories, and Tier-1 Banks Embedded Distributed Ledger Technology into the Core in September 2026

The developments described in this edition reflect a month in which institutional digital asset infrastructure advanced across five distinct dimensions simultaneously: regulatory authorization, banking execution, post-trade architecture, enterprise treasury automation, and Layer 1 network validation by the largest financial institutions in the world.

This edition focuses on five developments from September 2026 that may reflect advancing institutional infrastructure across regulatory, banking, post-trade, enterprise fintech, and network adoption layers. On September 17, the Securities and Exchange Commission issued Release No. 34-106402, granting a conditional five-year exemption authorizing Tokenized Securities Venues (TSVs), the first standing regulatory framework for compliant on-chain trading of tokenized NMS stocks, effective through September 17, 2031. On September 3, Standard Chartered launched institutional deliverable spot BTC and ETH trading from its DIFC (Dubai International Financial Centre) branch in the UAE, becoming the first globally systemically important bank (G-SIB) to offer this service in the country and extending the bank's digital asset presence from custody into execution. On September 29, Brazil's CSD BR, operator of record for more than BRL 22 trillion (~$4 trillion) in registered financial assets, began live mirroring of investment fund records on the XRP Ledger using the Multi-Purpose Token standard, with BTG Pactual fund shares as the first instrument class. On September 10, Ripple launched a Governed AI module within its Ripple Treasury platform, enabling AI-automated treasury operations within client-defined compliance constraints, followed by the company's institutional showcase at Sibos Miami (September 28–October 1), SWIFT's annual conference, which drew over 10,000 attendees from 130 countries. Separately, the Solana Foundation published a statement in September naming State Street and Citigroup, among other institutions, as production Solana deployers, as the Solana network's real-world asset (RWA) base reached an all-time high of $4.6 billion across 685,850 wallet addresses.

Taken together, September 2026 demonstrated that digital asset infrastructure is advancing not only at the regulatory and protocol layers but also at the level of the largest sovereign depositories, G-SIB banking franchises, and globally systemically important financial institutions, though outcomes remain subject to regulatory approvals, legislative timelines, implementation outcomes, market conditions, and asset-specific risks.

1. SEC Grants Five-Year Innovation Exemption for On-Chain Trading of Tokenized U.S. Stocks

September 17, 2026

On September 17, 2026, the Securities and Exchange Commission issued Release No. 34-106402, granting a conditional five-year exemption that authorizes certain market venues to operate as Tokenized Securities Venues (TSVs), which are permissioned platforms where tokenized NMS stocks can be traded using on-chain mechanisms, including automated market makers. The exemption is effective through September 17, 2031.

Under the framework, TSVs are authorized to support on-chain trading of tokenized representations of NMS-listed equities, provided those tokens convey full shareholder rights, including dividends and voting, equivalent to the underlying share. Synthetic instruments that merely track equity price performance are explicitly excluded. Venues must operate as permissioned systems with KYC/AML controls and register with the Commission under a new TSV designation. Tier 1 parameters cap participation at 75 eligible symbols and a 0.25% daily volume limit per security, creating a structured, observable scaling framework.

The release follows Nasdaq and NYSE rule changes approved earlier in 2026 that established listing pathways for tokenized equity structures. **Together, these actions mark a shift from ad hoc no-action relief to a standing regulatory framework for on-chain equity markets.** SEC Chairman Paul Atkins described the exemption as part of a broader agency effort to accommodate distributed ledger innovation within the existing securities law structure. Solana, which by some estimates processed approximately $10 billion in tokenized equity volume in June 2026, representing roughly 95% of global on-chain equity trading activity at the time, has the potential to benefit as venues formalize operations under the new framework.

Implications:

1. **The TSV Framework Provides the First Standing Legal Structure for Compliant On-Chain Equity Trading in the United States:** Prior institutional participation in tokenized equity markets has operated under time-limited no-action letters or informal guidance that created regulatory uncertainty for long-term infrastructure investment. Release No. 34-106402 establishes a standing conditional framework through September 2031, enabling venues to build durable compliance infrastructure rather than relying on rolling relief. From a digital asset perspective, this may be relevant to those evaluating the practical regulatory timeline for tokenized equity market development, as TSV registration creates a defined pathway that did not previously exist.
2. **The Full-Shareholder-Rights Requirement and Synthetic Exclusion Set a Meaningful Product Design Floor:** The requirement that tokenized NMS stocks convey full shareholder rights, dividends, voting, and equivalent economic interest, while explicitly excluding synthetics that merely track price performance establishes a substantive distinction between compliant tokenized equity and derivative-like instruments. Institutions evaluating tokenized equity strategies will need to assess whether prospective venue partners are building toward TSV registration and whether the 75-symbol Tier 1 cap covers their relevant exposure universe. From a digital asset perspective, this may be relevant to compliance and product teams responsible for defining tokenized equity instrument eligibility.
3. **The September 17 Release Builds on a Year of Regulatory Scaffolding That Has Progressively Lowered the Barrier to Institutional On-Chain Equity Participation:** The TSV exemption did not arrive in isolation, as it followed the earlier 2026 SEC-CFTC interpretive guidance treating BTC, ETH, SOL, and XRP as digital commodities, Nasdaq and NYSE rule changes establishing tokenized equity listing pathways, and the SEC's August 18 Regulation Crypto Assets proposal, all of which were noted in previous editions of Digital Assets Monthly. Together, these form a layered regulatory infrastructure that addresses offering, listing, trading, and classification within a single 2026 calendar year. From a digital asset perspective, this coordination may be relevant to those evaluating how quickly a functional institutional tokenized equity market could develop under the current framework, though implementation timelines and adoption rates remain subject to market conditions and regulatory developments.

Source: U.S. Securities and Exchange Commission (SEC). Release No. 34-106402. sec.gov, September 17, 2026.

2. BTC/ETH: Standard Chartered Launches First G-SIB Institutional BTC and ETH Spot Trading in the UAE

September 3, 2026

Standard Chartered launched institutional deliverable spot trading in Bitcoin and Ether from its Dubai International Financial Centre (DIFC) branch on September 3, 2026, becoming the first globally systemically important bank (G-SIB) to offer this service in the United Arab Emirates. The service operates under the Dubai Financial Services Authority (DFSA) regulatory framework, with client assets held in segregated custody under an arrangement that builds on the bank's September 2024 launch of institutional digital asset custody in the UAE.

The trading service is structured for institutional counterparties and delivered through execution channels modeled on the bank's established FX infrastructure. Clients can select their custodian of choice for settlement, providing flexibility for institutions that have already designated separate custody arrangements. Standard Chartered had launched a comparable spot trading service in the United Kingdom in July 2025; the UAE launch extends that capability to a second market and marks the first time a G-SIB has offered deliverable spot BTC and ETH execution within the DIFC regulatory perimeter.

The timing is relevant in the context of the broader G-SIB positioning landscape. Citigroup has publicly indicated that it is evaluating digital asset custody arrangements but has not yet extended into spot trading. The Standard Chartered announcement represents a meaningful step ahead of that peer group in operationalizing a full-service digital asset offering, including custody plus execution, within a major institutional banking franchise. For context on the DIFC perimeter, the DFSA (Dubai Financial Services Authority) framework has been one of the most actively developed institutional digital asset regulatory regimes outside the U.S. and EU, and Standard Chartered's selection of it as the venue for its first G-SIB UAE offering reflects the relative regulatory clarity that framework provides.

Implications:

1. **Standard Chartered's UAE Launch Establishes the First G-SIB Reference Point for Deliverable Spot Digital Asset Execution in the Gulf:** For institutions evaluating counterparty options for UAE-based digital asset activity, the DFSA-regulated offering from Standard Chartered provides a credentialed execution and custody framework from a globally systemically important bank (G-SIB) with established DIFC infrastructure. The significance of the G-SIB designation is not merely reputational: G-SIBs operate under Basel III capital surcharges and supervisory intensity that make their institutional product decisions a potential signal of how digital asset services can be structured within the most constrained regulatory perimeters. From an analytical perspective, this may be relevant to those evaluating which institutional counterparties have both the regulatory authorization and the capital structure to support G-SIB-grade digital asset execution in the Gulf.

2. **The Custodian-of-Choice Settlement Model Addresses a Common Institutional Constraint That Has Historically Slowed Digital Asset Adoption:** Many institutional investors have established custody relationships, subject to board approval, compliance review, and counterparty risk assessment, that they cannot or prefer not to migrate without a specific operational reason. Standard Chartered's decision to offer custodian-of-choice settlement at launch removes the asset migration requirement that has historically acted as a barrier to institutional adoption of new digital asset execution venues. From an analytical perspective, this structural choice may be relevant to institutions managing complex custody arrangements across multiple jurisdictions, as it suggests a deliberate positioning decision by Standard Chartered to reduce onboarding friction for institutional counterparties.

3. **The Progression from Custody (September 2024) to Execution (September 2026) Reflects the Typical Institutional Sequencing for Digital Asset Service Buildout:** Standard Chartered's two-year gap between the custody launch and spot trading launch in the UAE is consistent with the sequencing observed across institutional digital asset buildouts, where custody capabilities (which require asset safekeeping infrastructure and regulatory approval) typically precede execution capabilities (which require additional market access, counterparty credit, and operational risk frameworks). The Standard Chartered timeline may inform how institutions model the development trajectory of other G-SIBs currently at the custody stage, though implementation timelines at other institutions remain subject to their own regulatory, operational, and strategic factors.

Source: Reuters. Standard Chartered Launches Institutional Spot Crypto Trading in UAE. September 3, 2026.

3. XRP: Brazil's CSD BR Begins Live Mirroring of Fund Records on the XRP Ledger

September 29, 2026

CSD BR, Brazil's central securities depository (akin to the USA's Depository Trust & Clearing Corporation (DTCC)) and the operator of record for more than BRL 22 trillion (approximately $4 trillion) in registered financial assets, began live mirroring of investment fund records on the XRP Ledger on September 29, 2026. The first phase uses BTG Pactual investment fund shares as the initial instrument class, with the operation conducted under the Multi-Purpose Token (MPT) standard on the XRPL.

Under the architecture announced at launch, CSD BR's internal systems remain the official legal record of ownership and settlement. The XRPL layer functions as an additional audit and verification environment, a parallel, immutable representation of fund positions that can be queried independently of the central depository's proprietary infrastructure. Access to the on-chain layer is permissioned and restricted to KYC/AML-compliant participants, and no new regulatory approvals were required to proceed with the initial phase, as the structure was designed to operate within CSD BR's existing legal authorization.

Subsequent phases are expected to extend the program to native issuance of financial instruments on the XRPL and to support authorized secondary trading. The roadmap also contemplates expansion beyond investment fund shares to cover Brazilian credit receivables instruments (CRI) and agribusiness receivables (CRA), both of which represent significant segments of the Brazilian fixed-income market. The September 29 go-live follows a development and testing phase that included Ripple as a technical partner for the XRPL integration.

Implications:

1. **CSD BR's XRPL Integration May Represent the Most Substantive Live Deployment of Distributed Ledger Technology by a National Central Securities Depository Observed to Date:** Central securities depositories occupy a structurally critical position in financial market infrastructure: they are the legal repositories of ownership records for entire national securities markets. CSD BR's decision to operate a live parallel representation of its fund records on a public distributed ledger, even in a read-and-verify rather than settlement-authoritative capacity, is a qualitatively different category of institutional DLT adoption than isolated pilot programs or proofs of concept. The $4 trillion asset base under CSD BR's management provides a direct measure of the scale at which this architecture is now operating. This may be relevant to those evaluating the maturity of distributed ledger technology as a post-trade infrastructure layer for sovereign-scale financial market systems.

2. **The Dual-Ledger Architecture with CSD BR as Legal Record and XRPL as Audit Layer Provides a Deployable Template for DLT Integration in Regulated Post-Trade Environments:** The initial architecture deliberately preserves CSD BR's existing legal primacy while introducing XRPL as a verifiable, immutable parallel layer. This design choice avoids the regulatory complexity that would arise from migrating legal title onto a distributed ledger, a step that would require legislative changes in most jurisdictions, while still capturing the auditability and transparency benefits of on-chain record-keeping. From an analytical perspective, this approach may be relevant to institutions and market infrastructure operators in other jurisdictions evaluating how to introduce DLT into regulated post-trade environments without requiring changes to existing legal frameworks, though specific outcomes will depend on applicable local legal and regulatory conditions.

3. **The Roadmap Extension to CRI and CRA Instruments Would Bring the XRPL into Contact with Significant Segments of Brazil's Fixed-Income Market:** Brazilian credit receivables (CRI) and agribusiness receivables (CRA) are among the most actively traded fixed-income instruments in Brazil's local market, with combined issuance volumes in the hundreds of billions of reais annually. Their inclusion in subsequent CSD BR phases, if implemented, would extend the XRPL audit layer from registered investment fund shares to a broad asset class with active secondary-market participation. This roadmap may be relevant to those evaluating the potential scope of XRPL deployment across emerging-market fixed-income infrastructure, though the timing and implementation of future phases remain subject to CSD BR's operational and regulatory review.

Source: Ripple. CSD BR and Ripple Use the XRP Ledger Blockchain to Expand Brazil's Financial Market Infrastructure. September 29, 2026.

4. XRP: Ripple Launches Governed AI for Treasury Operations; Presents at Sibos Miami

September 10 & September 28

On September 10, 2026, Ripple introduced a Governed AI module within its Ripple Treasury platform, a suite of AI-automated treasury functions designed to operate within compliance boundaries defined by each client organization. The module was built on the infrastructure acquired through Ripple's $1 billion acquisition of GTreasury, a treasury management software provider. The Governed AI offering is positioned for enterprise treasury teams, with particular emphasis on Fortune 500 CFOs, enabling the automation of operational tasks, including cash positioning, payment routing, and liquidity forecasting, within rule sets that the client defines and controls.

The September 10 launch was followed by Ripple's participation in Sibos Miami, the annual SWIFT-organized conference for the global financial services industry, held from September 28 through October 1. Sibos 2026, themed "Digital Finance for AI-driven Economies," drew more than 10,000 attendees from over 130 countries, making it one of the most attended events in the conference's history.

Implications:

1. **The Governed AI Module Addresses the Central Concern in Enterprise AI Deployment: How to Automate High-Stakes Financial Operations While Preserving Human-Defined Guardrails:** Enterprise treasury functions, including cash positioning, payment routing, and liquidity forecasting, involve decisions with direct profit-and-loss and compliance implications, which has made risk and compliance functions reluctant to accept AI autonomy in these workflows, even where automation would reduce operational error rates. The client-controlled constraint architecture embedded in Governed AI is a direct response to this constraint: automation executes within boundaries that the client's own treasury and compliance teams define, rather than operating with open-ended AI discretion. From an analytical perspective, this design approach may be relevant to institutions evaluating enterprise AI deployments in regulated financial operations, as it positions the human oversight function at the constraint-setting stage rather than the transaction review stage.
2. **The GTreasury Integration Context Is Analytically Significant:** Ripple Is Embedding Digital Asset Infrastructure Into a Mainstream Enterprise Treasury Platform, Not Building a Standalone Crypto Tool: GTreasury had an established enterprise client base, including Fortune 500 companies, prior to Ripple's acquisition. The Governed AI module is being introduced into that existing client base rather than built into a new product with no installed base. This distinction matters for assessing commercial velocity: Ripple does not need to acquire new enterprise treasury clients from scratch to demonstrate adoption of Governed AI, as the offering is available to GTreasury's existing client roster.

Source: Ripple, September 10, 2026. SWIFT — Sibos Miami 2026 Program; Ripple Events.

Ripple, "Ripple Treasury Brings Industry's First Governed AI for Enterprise Treasury," September 10, 2026; Sibos, "Sibos 2026 Conference Programme," September 28–October 1, 2026; and Ripple Treasury, "Sibos Miami 2026," 2026.

5. SOL: State Street and Citigroup Among Named Solana Deployers as Breakpoint London Prepares for November

September 2026

In September 2026, the Solana Foundation published a statement naming globally systemically important banks, including State Street and Citigroup, as institutions that have deployed production-grade applications or financial infrastructure on the Solana network. The disclosure was made in the context of Breakpoint 2026, the Solana Foundation's annual developer and institutional conference, scheduled for November 15–17 at Olympia London, under the theme "Token Supercycle."

The naming of five major global financial institutions, including State Street and Citigroup, as active network participants represents a substantive shift in how the Solana ecosystem is presenting itself to institutional audiences.

Separately, on-chain data from September 23, 2026, showed Solana-based real-world asset tokenization reaching an all-time high of $4.6 billion across 685,850 unique wallet addresses, approximately double the 350,000 addresses recorded in August 2026. The metric suggests accelerating participation at the holder level, not merely at the issuer level. These on-chain developments follow the August edition's coverage of Schwab adding SOL, Western Union's Stablecard launch, and the MoneyGram Ramps distribution infrastructure, which is now showing up in holder-base expansion metrics.

Implications:

1. **The Solana Foundation's Naming of Multiple G-SIB-Level Institutions as Production Deployers Could, If Confirmed by Those Institutions, Represent the Most Concentrated Public Disclosure of Tier-1 Financial Institution Participation on Any Single Permissionless Blockchain:** State Street and Citigroup are among the most stringently regulated financial institutions in the world, subject to Federal Reserve, OCC, and SEC oversight, and, in the case of the bank holding companies, to the highest tier of Basel III capital requirements. Their disclosed participation as production Solana deployers, if operationally confirmed at the institutional level, would represent a qualitatively different category of adoption than retail or mid-market engagement. This disclosure may be relevant to institutions conducting infrastructure due diligence on Layer 1 networks, as peer-institution adoption patterns are frequently used as a component of technology risk assessment in regulated financial environments.
2. **The RWA Address Count Doubling from August to September Suggests Broadening Holder-Base Participation Beyond Issuer-Level Adoption:** The increase from approximately 350,000 to 685,850 unique wallet addresses holding Solana-based RWAs between August and September 2026 is analytically distinct from an increase in total value locked. TVL growth can be driven by a small number of large issuers or a rising underlying asset price; address count growth at this rate seems more likely to reflect an expanding holder base, which is a different signal about market depth. A broadening holder base may reduce concentration risk metrics and may indicate improving conditions for secondary market liquidity, although these outcomes remain subject to market conditions and asset-specific risks. This metric may be relevant to those tracking participation depth in the Solana RWA ecosystem rather than simply aggregate issuance volume.

Source: Solana. Breakpoint 2026: Solana Conference. September 23, 2026.

Conclusion

September 2026 may be characterized as the month in which institutional digital asset infrastructure reached the level of sovereign financial market operators, globally systemically important banks, and the largest asset managers and custodians simultaneously. The SEC's TSV Innovation Exemption created the first standing U.S. regulatory framework for compliant on-chain equity trading, converting a fragmented landscape of no-action relief into a durable five-year conditional structure that venues can build upon. Standard Chartered's UAE launch established the first G-SIB execution presence for deliverable spot BTC and ETH within the DIFC regulatory perimeter, extending the bank's two-year progression from custody to execution and positioning it ahead of the G-SIB peer group in Gulf digital asset services. CSD BR's live XRPL mirroring of fund records brought a national central securities depository operating with ~$4 trillion in registered assets into direct contact with public distributed ledger infrastructure, at scale and in production, not in a pilot environment.

At the enterprise layer, Ripple's Governed AI launch and Sibos Miami presence demonstrated how digital asset infrastructure providers are embedding AI-automated capabilities into mainstream enterprise treasury platforms, through the acquisition of established providers rather than greenfield development and are presenting those capabilities to institutional procurement audiences at the highest-concentration event in correspondent banking. And at the network layer, the Solana Foundation's disclosure of five G-SIB-level production deployers, combined with an RWA holder base that doubled from August to September to reach $4.6 billion across 685,850 addresses, confirmed that Solana's institutional adoption narrative is now backed by on-chain holder-base evidence alongside distribution partnerships.

Across all five developments, the dominant pattern is consistent with prior editions of Digital Assets Monthly: digital asset infrastructure continues to be integrated into traditional financial market plumbing at the regulatory, banking, post-trade, enterprise, and network levels simultaneously, with each month's developments building on the scaffolding established in prior months. The convergence this month is notable in that the five stories span five different asset focuses (cross-asset regulatory, BTC/ETH banking, XRP post-trade, XRP enterprise fintech, and SOL network adoption), suggesting that the institutional infrastructure buildout is no longer concentrated in any single asset or use case. As with all digital asset developments, outcomes remain subject to regulatory approvals, legislative timelines, implementation outcomes, market conditions, and asset-specific risks.

For informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any security. The views and opinions expressed are those of Kevin Kelly, portfolio manager of several of Amplify's digital asset-focused ETFs, as of the date indicated, and are subject to change. These views should not be construed as investment advice. Consult your financial professional for guidance specific to your situation.

Carefully consider the Fund's investment objectives, risks, charges and expenses before investing. This and other information can be found in the Fund's statutory and summary prospectuses, which may be obtained at AmplifyETFs.com. Read the prospectus carefully before investing.

Investing involves risk, including the possible loss of principal. Investments in blockchain technology and digital assets are subject to a variety of risks, including high volatility, lack of regulation, cybersecurity incidents, theft or loss, developmental risk, and the potential for competing platforms or technologies. The technology is new and many uses may be untested. Investments concentrated in a single industry, such as blockchain, may exhibit higher volatility and be more vulnerable to factors affecting that industry.

Exposure to cryptocurrencies is highly speculative and may be subject to extreme volatility and risk of total loss. Investors should be prepared to lose their entire investment. The regulatory and tax treatment of digital assets and cryptocurrencies is uncertain and evolving.

Amplify ETFs are distributed by Foreside Fund Services, LLC.

DAM-COM-1026