

# Innovation on the capital market

Bankhaus Scheich, Cashlink and Finoa replicate a DAX share on the blockchain for the first time

- **Together with Cashlink and Finoa, Bankhaus Scheich has replicated a German DAX share as a digital security on a blockchain, similar to an equity-linked note.**
- **With this tokenization, Bankhaus Scheich offers a solution for the increasing demand for digital securities.**

Frankfurt am Main, February 12, 2020: Bankhaus Scheich Wertpapierspezialist AG, together with Cashlink Technologies GmbH, one of Europe's leading infrastructure providers for digital securities, has for the first time created a share package of a DAX company on the blockchain. In the pilot project, a digital security (ISIN: DE000A276T93) similar to an equity-linked note, a so-called 'asset-linked token', was successfully issued to selected market participants within the framework of a private placement. Finoa GmbH is responsible for the custody of this digital security. The underlying of the digital security was a share package of a DAX company, whereby each share was represented by a certain number of tokens.

The implementation of this digital securities issuance was supported by various partners: Cashlink Technologies GmbH, located in the Deutsche Börse Fintech Hub in Frankfurt am Main, has developed the technical infrastructure of the digital security. This infrastructure includes Smart Contracts on the blockchain as well as all tools for issuing digital securities. Legal advice on the issuance of this digital security was provided by the internationally

renowned law firm Ashurst LLP, which focuses on the digital economy. With its technological infrastructure, Finoa GmbH also ensures the highest security standards in the custody of digital securities.

Bankhaus Scheich Wertpapierspezialist AG is working on further issuances of digital securities, to which other underlying assets will be used. This enables scenarios in which the securities can be traded directly against each other. This significantly simplifies the clearing and settlement process.

'As a securities trading bank, we see great potential of blockchain technology to revolutionize the securities business. This is also made clear by the federal government's blockchain strategy. We are pleased to note that Germany is playing a pioneering role here. Our pilot project shows that the technology is already applicable in practice and offers many advantages. In the long term, digital securities offer many more possibilities than today, such as the mapping of assets that could not previously be securitized', explains Boris Ziganke, COO of Bankhaus Scheich Wertpapierspezialist AG.

'Especially at the beginning of the year, numerous experts have predicted the growing influence of digital securities', explains Michael Duttlinger, managing director of the Frankfurt based startup Cashlink. He continues: 'The fact that Bankhaus Scheich, as an established market participant, is working with us to implement the idea of a digital security, which is based on a DAX share, is not only a benefit for us as a company, but also confirms the entire ecosystem around digital securities.'

Finova Managing Director Henrik Gebbing has created a custodian solution for digital assets with his company that is particularly suitable for institutional investors: 'We are very happy to support this pilot project of Bankhaus Scheich and welcome a very renowned partner. The project is a good start to 2020, in which we will deepen our partnership with the infrastructure provider Cashlink.'

*What is an asset-linked token?*

In the issue, which was carried out by Bankhaus Scheich, a security was issued as part of a private placement, which is represented on a blockchain and behaves similar to a classic tracker certificate. The value of this digital security is linked to a classic security and reflects its performance one to one. In the present case, the shares are those of a DAX company.

*What are the advantages of a digital securities issue?*

The issuance of traditional securities requires numerous processes and interfaces, which are significantly reduced by digital securities. Transactions are processed much faster. In future, settlement will take place almost in real time. The transparency of transactions can also be increased. Digital securities make it possible to increase the efficiency of the entire securities business and open up completely new asset classes. A further advantage is that buyers can acquire digital securities in almost any small denomination. This increases the attractiveness of digital securities.

### **About Bankhaus Scheich Wertpapierspezialist AG**

Bankhaus Scheich was founded in 1985 as Scheich & Partner Börsenmakler and is today one of the leading securities trading banks on the Frankfurt Stock Exchange (FWB). The owner-managed bank is active in the business areas of Capital Markets, bond trading for institutional clients, sales trading, consulting and as a market maker on the Frankfurt Stock Exchange.

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## **About Cashlink Technologies GmbH**

The financial technology startup (Fintech) Cashlink is one of Europe's leading providers of digital securities. The company's infrastructure, which is based on a blockchain, enables individually configurable digital securities, such as bonds, certificates or profit participation rights, to be issued completely digitally. With Cashlink, securities issuers benefit from a more efficient issuing process and significantly easier processing.

Cashlink is supported by renowned partners such as the listed FinLab AG and the early-stage VC seed + speed of the Maschmeyer Group. The company completes its comprehensive range of digital securities by cooperating with internationally experienced partners such as the law firm Ashurst. Cashlink is an official partner of Deutsche Börse Venture Network.

The company is committed to increasing the use of block-chain-based applications in the financial industry. As a founding member of the International Token Standardization Association and the European forum "International Association for Trusted Blockchain Applications" (INATBA), Cashlink is actively shaping the future of the securities business.

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## **About Finoa GmbH**

Finoa provides custody and asset-servicing solutions for Digital Assets, customized to institutional investors, HNWI and corporations. The custody platform enables its users to store and manage their cryptographic tokens under military-grade security standards, while providing a directly accessible, highly intuitive and unique user-experience. The custody infrastructure serves as the base to a growing product portfolio, such as Prime Brokerage, Lending and Staking. Finoa was founded in 2018, is based in Berlin and granted a

preliminary license approval (§64y KWG) by German Federal Financial Supervisory Authority (BaFin). Finoa is backed by renowned investors like Coparion, Venture Stars and Signature Ventures.

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