

A Closer Look at Digital Assets

What are Digital Assets?

Digital assets are anything associated with a value existing in the digital world. A physical counterpart may be partnered with the digital asset, but that is not true in all cases. These assets are typically purchased through crypto transactions and accessed in their virtual location on a distributed ledger. Asset ownership can be transferred from one party to another with records added to the distributed ledger/blockchain.

Digital Asset Examples

 <p>NFTs</p> <p>Non-fungible tokens are unique digital identifiers recorded on a blockchain to certify ownership and authenticity.</p>	 <p>Cryptocurrency</p> <p>Digital currency that can be used as a medium of exchange through an online experience, such as via a blockchain.</p>	 <p>CBDC</p> <p>Central Bank Digital Currency. A form of digital funds backed by mainstream currency, which stabilizes the value.</p>
 <p>Digital Space</p> <p>An area of a digital environment that can be owned or shared.</p>	 <p>Tokens</p> <p>Cryptographic information housed on a blockchain. Tokens are transferable.</p>	 <p>Smart Contracts</p> <p>A digitized self-executing contract based on code/triggers.</p>
 <p>Media</p> <p>Materials such as videos, photos, books, music, logos, etc.</p>	 <p>Digital Documents</p> <p>A document, such as text, converted to an electronic format.</p>	 <p>Content</p> <p>A form of proprietary data, information or intellectual property.</p>




Digital Asset Management

A digital asset management (DAM) system is software that allows businesses to organize, distribute, collaborate on, and securely store digital files that make up a digital asset library. DAM platforms contain permission controls, rights management, and asset performance analytics features.

Digital Asset Management Use Cases include:

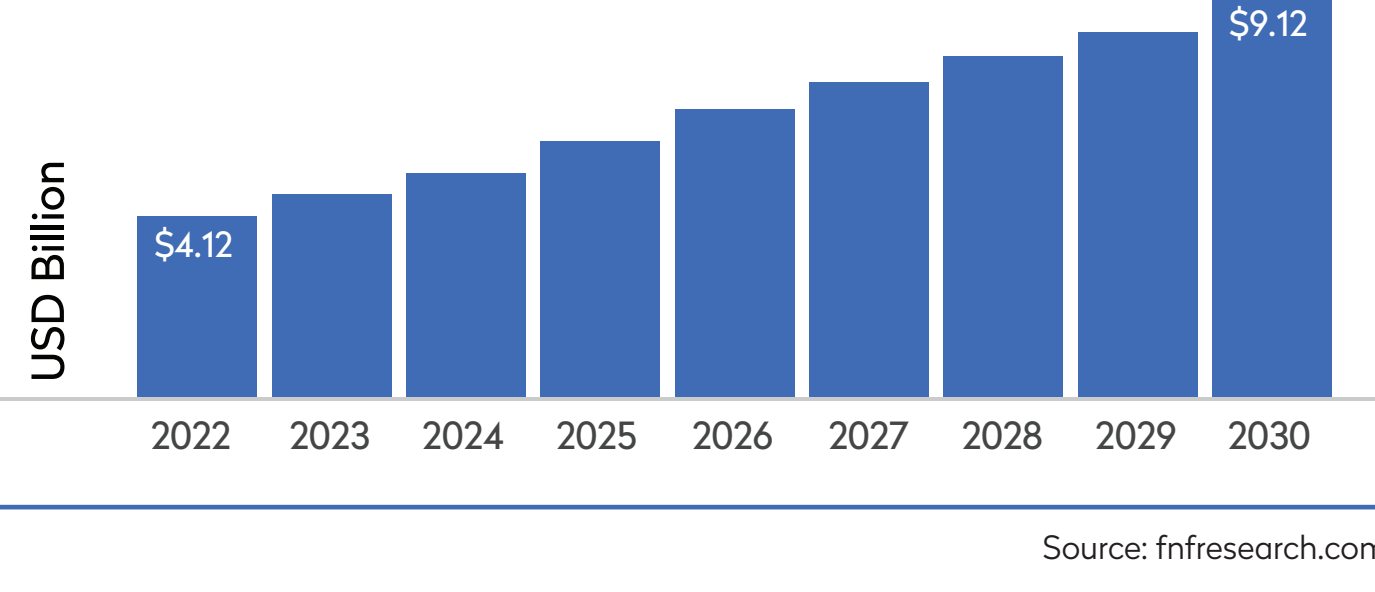
Compliance documentation management • File and data movement
File management • Marketing campaigns • Internal communications

Growth Rate for Digital Asset Management

-  The DAM software market size is expected to grow from USD 4.1B in 2023 to USD 9.1B by 2028 at an 18.1% CAGR.
-  The retail & eCommerce vertical is anticipated to grow at the highest rate.
-  The DAM market in North America is expected to grow, but the Asia-Pacific region is expected to experience the highest Compound Annual Growth Rate through 2030.

Global Digital Asset Management (DAM) Market Size, 2022 – 2030

CAGR 18.1% (2023-2030)



Source: fnfresearch.com

Digital Asset Statistics



Sixteen percent of adult Americans have purchased digital assets, reaching a market capitalization of \$3 trillion globally in November of 2022.

Source: FACT SHEET: White House Releases First-Ever Comprehensive Framework for Responsible Development of Digital Assets | The White House



22,904 cryptocurrencies in existence (as of March 2023).

More than **14,000** are “dead” cryptocurrencies.

18,832 are active cryptocurrencies.

More than **300 million** cryptocurrency users across the globe.

About **18,000** businesses now accept a form of crypto as payment.

Source: [How Many Cryptocurrencies Are There In 2023, explodingtopics.com](#)



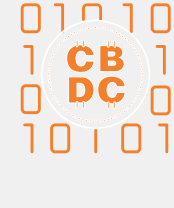
In 2022, the NFT market saw approximately **\$24.7 billion in trading volume** across different platforms.

Source: [NFT Sales in 2022 Nearly Matched the 2021 Boom, Despite Market Crash, Decrypt](#)

The most expensive NFT sold for nearly **\$92 million**.

4 percent of the US population owns an NFT.

Source: [NFTs Statistics - Sales, Trends and More \[2023\], influencermarketinghub.com](#)



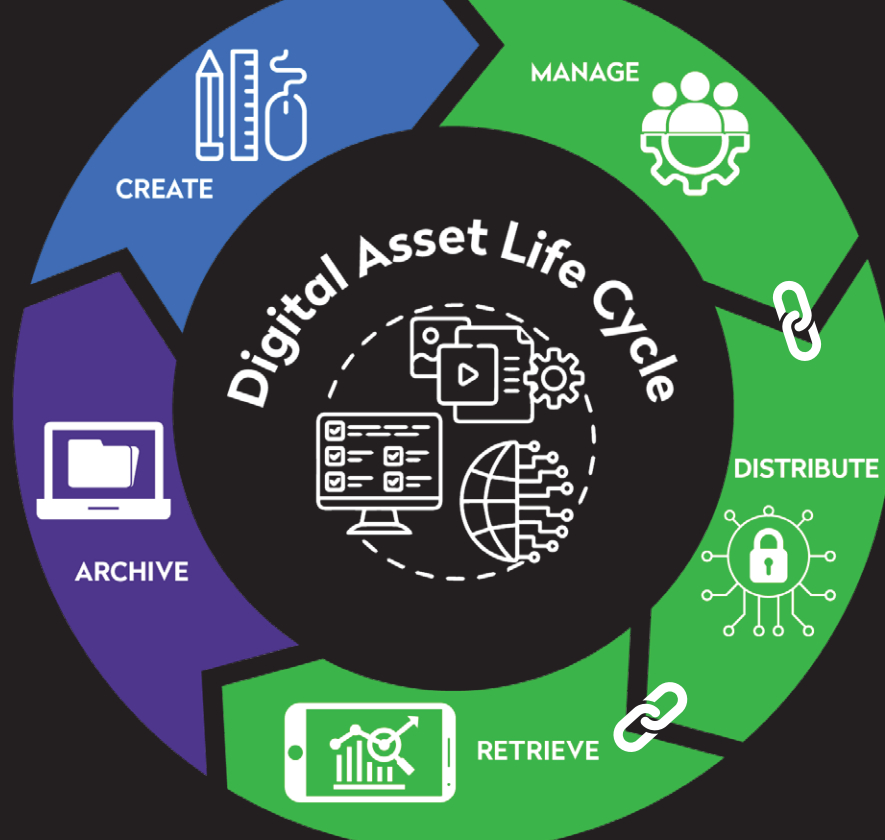
130 countries, representing **98 percent of global GDP**, are exploring a CBDC.

11 countries have fully launched a digital currency.

Source: [Central Bank Digital Currency Tracker – Atlantic Council](#)

Digital Asset Life Cycle

The digital asset life cycle refers to the stages that a digital asset goes through throughout its existence, including creation, management, distribution, retrieval, and archive.



START

The digital asset lifecycle starts at the “create stage”, which encompasses designing, capture and tagging.

Key consideration: 

- Creating media, including pictures, videos and more, is relatively straightforward and easy. However, it is more complex to create digital assets encompassing cryptocurrencies, NFTs, blockchain tech, etc.

LIFE


The lifecycle encompasses **managing, distribution and retrieval**.

Key considerations: 

- Managing includes reviewing, annotating, developing and implementing an approval process.
- Distributing involves sharing and delivering assets both internally and externally.
- A search function can make it easier to retrieve an asset and encourage reuse.

END

End of life encompasses either **archiving** the digital asset, or allowing it to expire, due to non-value.

Key consideration: 

- Holding a digital asset can come with costs. It can make sense to archive, retire or expire digital assets to help offset costs.

What's Next?

Payment-related activity involving digital assets and transactions is an area we expect to continue to see growing. With digital presence and e-commerce expanding in an environment like the Metaverse, with an expected **\$5 trillion in value creation by 2030**, the nature of payments as we know them will likely change and understanding this new realm including how it impacts their business.

Source: [Unlocking Commerce in the Metaverse, McKinsey & Company](#)

Payments Innovation Alliance Navigating Through Digital Payments Project Team

The Payments Innovation Alliance is a membership program that shapes the future of the payments industry and develops thought leadership relevant to financial service institutions. In 2023, the Alliance established a Navigating Through Digital Payments Project Team, tasked with tackling the challenges of money movement related to transactions in the physical and digital worlds. The team is working towards defining these transactions, exploring how new and existing payment channels are being leveraged, exploring the role of digital currencies in these transactions and finding an answer to what this means to financial services and the greater payments ecosystem. Team resources may be downloaded and shared with employees, colleagues and clients as appropriate.

Stay tuned as the Navigating Through Digital Payments project team continues to explore this area and provide the industry with more information and guidance in helping drive a future filled with digital payments. [Visit www.nacha.org/navigating-through-digital-payments-project-team](http://www.nacha.org/navigating-through-digital-payments-project-team) for more information.

Read more 

If you'd like more information on the Payments Innovation Alliance, including programs and how your organization can get involved, please visit nacha.org/payments-innovation-alliance