WORLD
BLOCKCHAIN BANK

Digital Infrastructure vs. Digitized Legacy

Why Global Capital Requires a New Asset Class

Executive Framing

Global capital is increasingly reallocating away from jurisdiction-dependent systems toward infrastructure that remains credible, enforceable, and operational independent of political alignment or discretionary permissioning.

Some platforms are attempting to digitize legacy financial products inside tightly controlled regulatory sandboxes.

We are building the digital infrastructure the global economy already operates on.

Over the past decade, financial markets have attempted to adapt legacy securities models to a digital environment. While these efforts have improved efficiency within domestic regulatory frameworks, they have not addressed a more fundamental shift: **the global economy now operates on digital infrastructure that precedes markets, platforms, and intermediaries themselves.** This paper outlines why that shift necessitates a distinct, infrastructure-native asset class — and why attempts to digitize legacy products cannot fulfill that role.

The distinction between **digitized securities** and **digital infrastructure** is no longer semantic — it is structural. As capital markets globalize, the limitations of broker-dealer–centric, custodial models become increasingly visible.

At the same time, a new class of infrastructure-native assets is emerging to meet the operational reality of a borderless, digitally mediated world.

---

1. The Controlled Sandbox Model (Digitizing the Old Shoe)

Platforms such as U.S.-regulated digital broker-dealers are designed to **extend legacy securities frameworks into digital form**. Their architecture is shaped primarily by domestic regulatory requirements rather than global infrastructure needs.

Core characteristics of this model include:

- Centralized, broker-controlled custody
- No private key or registry-level authority for asset holders
- Book-entry ownership rather than native on-chain sovereignty
- Trading restricted to a single approved venue
- Exclusive reliance on U.S. jurisdiction and enforcement
- Assets classified strictly as securities under domestic law

This model serves an important purpose:
It allows regulators to **contain digital assets within familiar legal boundaries**.

However, by design, it cannot support:

- global capital coordination,
- non-custodial infrastructure,
- or registry-level authority systems.

In effect, it is an attempt to make **an old shoe digital** — functional within a small, controlled room, but unsuitable for the terrain the world now walks on.

---

2. The Infrastructure-Native Model (Building the Road System)

True digital infrastructure does not begin with securities.

It begins with **coordination, identity, routing, and registries** — the layers that economic activity depends on *before* transactions occur.

Infrastructure-native assets share several defining features:

- **Non-custodial or trust-segregated control**
- **Registry-level authority** rather than intermediary dependence
- **Jurisdictional flexibility**, typically structured outside U.S. domestic gravity
- **Cashflows derived from system usage**, not speculative adoption
- **Durability across political, regulatory, and market cycles**
- **Venue-agnostic design**, compatible with multiple regulated environments

These assets behave less like financial products and more like:

- ports,
- clearing systems,
- land registries,
- root namespaces,
- or settlement infrastructure.

They are not built to be "traded first."
They are built to **be depended upon**.

---

3. Why the Difference Matters to Institutional Capital

Institutional allocators increasingly differentiate between:

- **intermediated exposure** (products wrapped by platforms), and
- **infrastructure exposure** (systems that others must use).

From a risk and underwriting perspective:

Dimension	Digitized Legacy Platforms	Infrastructure-Native Assets
Custody	Centralized broker control	Non-custodial / registry-native
Jurisdiction	Single-country gravity	Structurally global
Risk Type	Regulatory & venue risk	Usage & durability risk
Liquidity	Venue-dependent	Structurally flexible
Classification	Security-first	Infrastructure-first
Longevity	Policy-cycle dependent	Cycle-agnostic

Global capital — particularly sovereign, infrastructure, and long-duration allocators — increasingly prefers the latter.

---

4. The Gap That Legacy Platforms Cannot Cross

Importantly, this is not a question of innovation speed or regulatory compliance.

It is a question of **structural permission**.

Broker-dealer platforms operating under domestic custody doctrine are **explicitly prohibited** from:

- enabling non-custodial authority,
- supporting registry sovereignty,
- or operating as neutral global infrastructure.

That prohibition creates a structural gap.

This gap is not a flaw in the system — it is the reason a new infrastructure system must exist.

---

5. Positioning Statement (The Naked Truth)

> **Digitized legacy platforms solve a domestic compliance problem.**
> **Infrastructure-native systems solve a global coordination problem.**
>
> **They are not competing approaches.**
> **They are answers to entirely different questions.**
>
> **One makes old shoes digital.**
> **The other builds the road system the world actually walks on.**

---

6. Why This Matters for Partners

> **For market intelligence platforms:**
> This represents a **new asset class** requiring classification, not promotion.
>
> **For private markets and distribution groups:**
> These assets resemble **infrastructure, private credit, and ILS-style cashflow logic**, not venture or crypto.

For regulated venues:
They demand **jurisdictionally neutral, infrastructure-aware listing frameworks**, not ATS-style containment.

Closing Thought

Digital infrastructure is no longer emerging.
It is already the substrate of global commerce.

The question facing institutions is no longer *whether* to engage —
but **whether their frameworks are built for the road, or for the room**.

For institutions, venues, and market intermediaries, this distinction carries practical consequences. Digital infrastructure assets require different classification frameworks, different listing logic, and different capital narratives than digitized legacy securities.

Those who adapt to this distinction early will help shape the category itself; **those who do not will remain confined to domestic sandboxes that no longer reflect how the global economy operates.**

About the Author

Stephan Schurmann is the Founder and Executive Chairman of **World Blockchain Bank**. Over more than 35 years, he has worked on the establishment and structuring of banks, trusts, captive insurance vehicles, and cross-border financial architectures across over 80 jurisdictions.

Throughout this work, he repeatedly encountered the same systemic patterns: jurisdiction-dependent financial structures failing under regulatory change, political pressure, correspondent withdrawal, or discretionary permissioning. These failures were not isolated incidents, but predictable outcomes of systems designed to function only while approvals remained intact.

Rather than attempting to optimize within those constraints, his work has focused on identifying why permission-based financial architectures break — and on designing infrastructure that remains operational when licenses are revoked, accounts are frozen, or access is withdrawn.

World Blockchain Bank was established to address this structural gap: the absence of infrastructure-native financial systems capable of operating independently of discretionary intermediaries and jurisdictional fragility.

Contact: executive@worldblockchainbank.io