



Canton
STRATEGIC HOLDINGS

+ CANTON NETWORK

Q2 2026 Ecosystem Report



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Executive Summary

The second quarter of 2026 advanced the Canton Network's position as the definitive infrastructure layer for institutional capital markets. In addition to widening participation across the world's largest banks, asset managers, and trading firms, new applications emerged with broad utility. Canton Native applications and service providers have optimized their products to better serve the needs of the institutional community, all braced for traditional finance to move onchain.

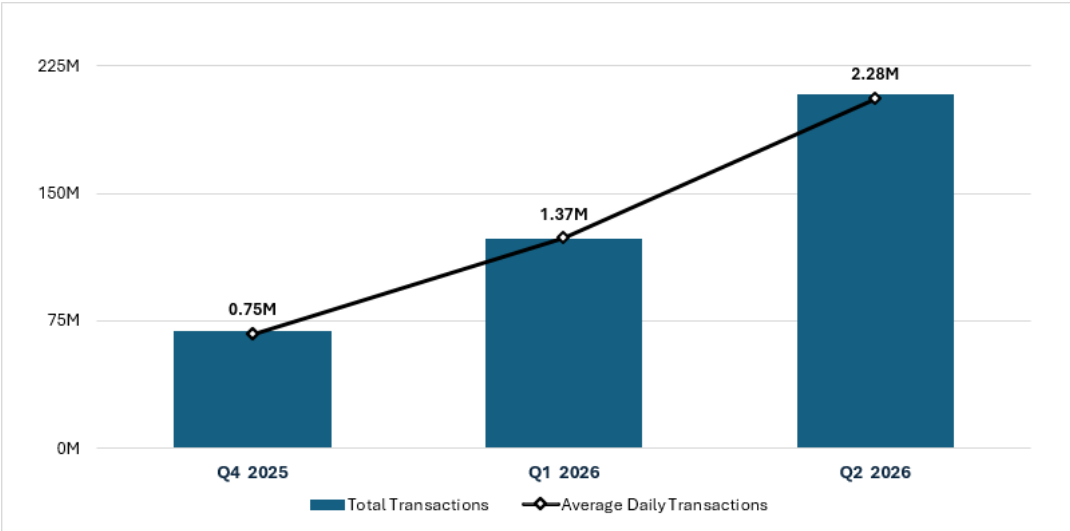
As an investor and active participant in the Canton ecosystem, Canton Strategic Holdings provides both capital and insights to further the integration of the Canton Network into modern financial systems. The following report outlines the most significant milestones in Q2 for the Canton Network from this vantage point.

Q2 Highlights

- **Institutional Chain:** New Super Validators and Validators in Q2 represent every functional layer of institutional finance, including custody, prime brokerage, trading, post-trade clearing, issuance, and regional capital aggregation. This pipeline demonstrates commitment from institutions whose infrastructure and activity drive global markets. Societe Generale ("SocGen") secured approval as a Super Validator, reaffirming the firm's commitment to accept assets tokenized on Canton as eligible collateral for clients within their prime brokerage unit. Franklin Templeton also deepened its involvement through Super Validator approval, kicking off its activity expansion with the completion of the first onchain U.S. Treasury sale on Canton. Additional institutional conviction is reflected across the validator set, where the likes of US Bank, HSBC, Northern Trust, LSEG, CME, and Citadel have been approved as Validators with first and additional node operations. This infrastructure-level investment speaks to their commitment to moving workflows onchain through Canton.
- **Capital Markets Activity Goes Broader and Deeper:** Onchain repo, tokenized deposits, and digital collateral migration advanced in Q2, with institutional participants executing live transactions and further prioritizing production-scale infrastructure on Canton. On July 15th, DTCC launched the first production phase of its tokenization service on Canton, with a broader launch slated for October 2026. Over 50 firms spanning custodians, asset managers, brokers, trading venues, and service providers are part of DTCC's tokenization working group, and much of the building that defined Q2 was in direct preparation for this moment.
- **Builders Continue to Drive Network Adoption:** The Canton application layer expanded dramatically this quarter, with new infrastructure going live across trading, lending, tokenized equities, private credit, payment rails, and yield products. The Network is now home to a full-spectrum financial ecosystem, one where institutions and crypto-native builders are deploying alongside each other and across major asset classes and financial functions.
- **Governance Accountability and Infrastructure Maturity:** Onchain lockup requirements for Super Validators and Featured Apps tied network influence to durable economic commitment, while the release of Canton Protocol 3.5 further enhances the upgrade process, allowing validators to switch to the latest infrastructure in seconds.



The State of the Canton Network



	Q4 2025	Q1 2026	Q2 2026
Average Transactions Per Second (TPS)	9 TPS	16 TPS	26 TPS

*Note: Methodology for transaction-based data updated to ‘verdict based’ from ‘update based’. Figures may be different than previous reports.

\$191M

in fees generated throughout Q2¹

Per Messari, Canton was the **#1 fee chain globally** in Q1, capturing 42% of all crypto fees.²

BURN-MINT EQUILIBRIUM

One of the most important metrics within the Canton Network is Burn-Mint Equilibrium (“BME”), the tokenomics approach that seeks to achieve equilibrium between tokens burned and minted. In Q2, BME, as expressed by the burn-to-mint ratio, trended higher towards equilibrium alongside the increase in activity, with an average of 0.662 compared to 0.596 in Q1. At the end of Q2 2026, four billion \$CC, representing 10% of circulating supply, has been burned.³

INSTITUTIONAL CAPITAL FLOWS

The quarter's activity tells two parallel stories: tangible onchain activity validating the real-world utility of the network, and a continuously developing pipeline as additional industry participants align themselves with the Canton Network. With infrastructure commitments from firms whose core business is collateral and settlement, greater connectivity is enabling transactions to take place at scale.

Milestone Transactions →



MILESTONE TRANSACTIONS

- **Franklin Templeton and Virtu Financial execute the first real-time onchain U.S. Treasury transaction on Tradeweb, settled on Canton.**⁴ Franklin Templeton transferred a tokenized U.S. Treasury to Virtu Financial in exchange for USDCx in a landmark real-time onchain transaction. Tradeweb provided execution and price discovery, with further support from Blockdaemon and SocGen. The transaction serves as a direct precursor to DTCC's Tokenization Services launch in the coming months, which will bring DTC-custodied assets onto the network at scale.
- **HSBC tested Canton's role in connecting tokenized cash with institutional asset settlement while expanding the commercial availability of its Tokenized Deposit Service.**⁵ Building on its 2025 tokenized deposit work, HSBC completed a controlled pilot on Canton. This pilot demonstrated interoperable issuance, transfer, and atomic settlement of tokenized deposits, including how Canton could connect additional settlement rails and support delivery-versus-payment across cash and asset legs.⁶ In parallel, HSBC made its Tokenized Deposit Service available to eligible corporate and institutional clients in the United States, extending the platform's commercial reach.⁷
- **Canton ecosystem participants demonstrated institutional onchain repo workflows.** A repo transaction was executed using Tradeweb's established multi-dealer RFQ protocol, preserving the competitive pricing and dealer-to-client workflow used in traditional repo markets. HiFi, a featured app on Canton, provided the cash leg against U.S. Treasuries supplied by DRW, with Marex serving as the prime broker. The transaction demonstrates how Canton supports institutional-grade market structure while enabling native onchain applications to participate alongside incumbent financial institutions.⁸

PIPELINE DEVELOPMENT

- **HQLAx to scale its institutional digital collateral platform on Canton:** HQLAx announced the planned migration of its digital collateral registry platform to Canton. This partnership further expands Canton's role as the infrastructure powering regulated securities finance and repo markets.⁹ HQLAx enables the onchain ownership transfer of high-quality liquid assets, such as government bonds and agency securities, to improve collateral mobility while mitigating counterparty and settlement risk.
- **Transcend Street to extend its institutional collateral network onto Canton:** Transcend Street serves as a key connectivity layer between major banks, custodians, clearinghouses, and triparty agents. It creates a bridge between legacy collateral systems and Canton's onchain infrastructure through its deployment of node infrastructure and two-way APIs, accelerating the adoption of tokenized collateral by leveraging existing institutional relationships without requiring participants to rebuild existing workflows.¹⁰



Securing The Network

Institutional Commitment as Super Validators

Throughout the second quarter, some of the strongest, most structurally important institutions joined the Network, some as Validators, and others as Super Validators. As a network of networks, Canton requires this two-tier validation model to provide privacy, scalability, and institutional control while maintaining decentralization. Where operating as a Validator allows an institution to transact on the Network privately and securely, a Super Validator plays a critical role in governance, helping strengthen the whole ecosystem. The increasing number of institutional participants operating either Validators or Super Validators demonstrates meaningful adoption and enables the Network to continue to grow its utility.

Many ecosystem Super Validators delivered on key integrations in collateral management, data services, trading platforms, security and more in the second quarter of 2026. These efforts advanced prior CIP commitments and translate into growth across the network.

BITGO, BLOCKDAEMON, and FIREBLOCKS served as wallet and node infrastructure providers, and **TALOS** served as an execution venue in the DTCC's pilot. Their commitment to Canton and building for institutional adoption finds its clearest proof point, with October's full production launch set to scale further.

In total, three new Super Validators joined the ecosystem this quarter, bringing the total count to 58. Notably, SocGen and Franklin Templeton, two firms that have historically operated as Validators, deepened their stake in the Network through their approvals as Super Validators in April and June, respectively.

SOCIETE GENERALE gained approval to operate a Super Validator, committing to integrating Canton-native tokenized assets into their prime services and clearing offerings as eligible collateral.¹¹ The company's dedicated digital asset subsidiary, SG Forge, announced plans to launch its institutional-grade USD and Euro denominated CoinVertible stablecoins (EURCV/USDCV) on Canton in the next year.¹²

FRANKLIN TEMPLETON expanded beyond iBenji, outlining planned milestones in CIP-0118, which established the company as a Super Validator. Planned activity centers around onchain treasury management, 24x7 creation and redemption functionality, onchain delivery of digital cash, and production-scale usage, all strengthening Canton's position within the next generation of institutional financial infrastructure.¹³

Further Asset Management →



FURTHER ASSET MANAGEMENT operates as a regional aggregation layer across the United Arab Emirates and broader Gulf Cooperation Council, becoming a Super Validator in April 2026. In CIP-0113, Further Asset Management notes its plans to establish an institutional footprint for the Canton Network in this economically significant region by coordinating sovereign-aligned capital and regulated settlement workflows.¹⁴

VALIDATOR EXPANSION

Running a Validator on Canton is a meaningful operational and strategic commitment for any market participant. Becoming a Validator requires substantial due diligence across legal, compliance, operations and risk, well in advance of any “go-live”. The approximately 200 new Validators launched on the Canton Network in Q2 2026 are evidence that the transition of financial systems onto blockchain rails is well underway, as institutions prioritize the integration of their internal systems with Canton’s distributed ledger technology.

As Validators, these firms can build and run applications to offer onchain services to their clients and leverage other applications across the Network. For example, **Northern Trust’s** validator will provide custody services to their customers on Canton, while **Citadel Securities** and **CME** each stood up validator infrastructure to facilitate trading activity. Other new Validators signal the addition of new tokenized assets coming onchain, from deposits and stablecoins denominated in major currencies, to securities regulated across multiple jurisdictions, as well as the venues to trade them.

OTHER NOTABLE NEW VALIDATORS:

- Clearing Corporation of India
- Deutsche Bank
- Eleox
- HSBC
- HQLAx
- Interchange Financial Technologies
- LSEG
- Taishin Bank
- Transcend Street
- U.S. Bank



Building On The Network

Application Growth and Activity

In the second quarter, Featured Apps on the Network more than doubled, from 47 in Q1 2026 to 107 at the end of Q2 2026, representing an impressive 127% increase.

TOP APPS BY TRAFFIC BURN

FEATURED APPLICATION	Q2 BURN (\$CC)
Temple	269M
Cantor8	176M
Cantex	93M
PixelPlex	54M
CopperClearLoop	41M
Modulo	34M

Marketplaces including lending and trading platforms have far and away dominated activity on Canton, led by Temple, Cantor8, Cantex, and Modulo. Temple intends to expand into other asset classes, partnering with Chainlink Data Streams to bring new asset classes including commodities and equities onto the platform.¹⁵ A June partnership between Temple and HiFi added direct USD funding and settlement from bank accounts into Canton wallets, stablecoin volumes on the network in the weeks that followed. In the wake of CIP-0116's approval, lending apps like Cashen, Helios and 7Lock launched peer-to-peer marketplaces to connect Featured Apps with \$CC supply. Of note, Cashen originated \$215M in CIP-0116-related \$CC deals in their first week.

Private credit and other RWA-based yield products are also going live on the Network. T-RIZE announced its Kairos Digital Loan Notes program, bringing U.K. Litigation finance onchain,¹⁶ while Chicago-based Newity selected the Canton Network to support distribution of small business credit, expanding capital access for 33 million enterprises across America.¹⁷

Payments continue to stay top of mind, particularly as Visa, an existing Super Validator, expanded privacy-preserving payment rails with the addition of the Canton Network to its Global Settlement Pilot Program.¹⁸ Visa has partnered with Brale to evaluate how to best leverage the privacy and programmability on the Canton Network to help financial institutions and payments companies settle sensitive transactions. Additionally, Helios Finance launched the first \$CC-backed credit card, allowing its users to spend USD via their Visa credit card while retaining their \$CC holdings.



Infrastructure providers on Canton continued expanding at the intersection of traditional and decentralized finance. Copper deployed Clearloop in May, allowing its clients to use custodial wrapped assets for spot trading, settlement and as collateral for OTC derivatives margining on the Canton Network. Adoption of Copper ClearLoop scaled quickly, closing out the quarter as one of the network's highest-volume applications. Kraken launched institutional, qualified custody for \$CC, unlocking the network for RIAs and fiduciaries. Amina Bank became the first FINMA-regulated bank to offer \$CC custody and trading services.¹⁹

NEW ECONOMICS FOR FEATURED APPS

Canton Network rewards Featured Apps for the activity they generate on the network. While historically apps self-reported this activity manually through 'markers', the approval of CIP-0104 created a structure to automatically measure actual network traffic and disburse rewards accordingly, formally tying rewards to real network contribution. With this change, asset issuers, institutions that tokenize their stablecoins, deposits, bonds, or other collateral on Canton, will capture a new benefit. These entities co-sign every contract representing their asset, generating rewards alongside its broad use and adoption.

Existing Validators also benefit from this update. Previously, Validators paid network fees for both their users' transactions and their own mandatory protocol responses. CIP-0104 makes those mandatory responses free, so Validators only pay for what their users actually submit. That alignment makes Validator economics more predictable, lowers barriers to entry, and supports a more decentralized network.



Governance

The second quarter of 2026 marked significant momentum for network governance with the approval of CIPs aimed at ensuring accountability, seamless protocol enhancements, and shared responsibility for Network health among Featured Applications and Validators.²⁰

SUPER VALIDATOR AND FEATURED APP LOCKING: CIP-0105 AND CIP-0116

- Two of the most consequential governance proposals enacted in Q2 2026 focused on accountability. CIP-0105 and CIP-0116 created lockup frameworks for Super Validators and Featured Apps respectively. Both share the same underlying principle: to align incentives and foster long-term commitment to the network. CIP-0105 requires Super Validators to lock a defined percentage of their earned \$CC rewards to maintain their governing weight on the network. CIP-0116, approved in May, applies similar logic to Featured Apps. To maintain Featured App status and continue to earn the rewards that come with it, applications must lock either 5M or 25M \$CC depending on their role; Asset issuers face the higher threshold, locking 25M \$CC, reflective of their greater earning potential post CIP-0104 and the broader responsibility they carry on the network.

LOGICAL SYNCHRONIZER UPGRADES: CIP-0117

- On most public blockchains, major protocol upgrades are high-stakes, ecosystem-wide coordination events, requiring client teams, node operators, exchanges, and developers to align on a hard deadline, often months in the making, where a single actor's unreadiness can jeopardize the whole process. CIP-0117, approved in June 2026, replaced that model. Under Logical Synchronizer Upgrades ("LSUs"), new infrastructure is deployed alongside the existing network, allowing Validators to independently adopt the latest software on their own schedule before automatically transitioning to the new infrastructure in a matter of seconds. After successful deployments on DevNet and TestNet, Canton Protocol 3.5 was deployed to MainNet on June 27, establishing the foundation for the full implementation of CIP-0104 (see page 8) and future protocol enhancements to be delivered using the same streamlined process.

OTHER NOTABLE GOVERNANCE APPROVALS IN Q2 2026:

- CIP-0111** *Process for Reducing Super Validator Weight*: Introduces a structured, transparent governance process for reducing a Super Validator's weight under circumstances such as failing to meet milestones, insufficient ongoing activity, or non-compliance with locking requirements laid out in CIP-0105.
- CIP-0112** *Canton Network Token Standard V2*: Improvements for Privacy, Performance and Traditional Accounting: Outlines enhancements that make the CIP-0056 token standard more suitable for integration with trading and settlement venues across the TradFi and DeFi spectrum, as well as for onchain securities that model holding and settlement via custody chains.
- CIP-0114** *Digital Asset Treasury (DAT) SV Program*: Creates a time-bound Super Validator program to encourage the formation and growth of Digital Asset Treasury companies that provide investor access to Canton Coin and commit to long-term \$CC ownership.
- CIP-0119** *Free Canton Coin Transfer-Preapproval Base Duration*: Introduces a free 90-day base duration for Canton Coin transfer preapprovals, allowing users to create or renew preapprovals without paying \$CC fees beyond standard traffic costs. This removes a key onboarding barrier; enabling Validators and other participants to receive \$CC from exchanges more easily, while preserving fees for longer-lived preapprovals to protect network resources.



Outlook for Q3 2026

In addition to continued institutional adoption within the U.S. and EMEA, we expect significant momentum with expansion into APAC in the third quarter and beyond. Specifically, innovation within Japan and South Korea present particularly interesting opportunities. The Japanese Securities Clearing Corporation (JSCC) in partnership with Mizuho, Nomura and Digital Asset announced plans for a tokenized collateral trial for Japanese government bonds (JGBs) on the Canton Network. This collateral pilot tests 24/7 tokenized collateral mobility and automated margining under Japanese law. What's more, Japan's largest banks have joined with Blackrock and State Street to announce the launch of a joint study to investigate the methodologies and transaction types pertaining to tokenized JGBs.²¹ The consortium is also backed by Zenith, creator of Ethereum-compatible digital asset infrastructure on Canton Network.²²

South Korea has emerged as a key growth region for the Canton Network. In April 2026, Hanwha Investment & Securities signed a strategic MOU with Digital Asset to explore collaboration on Canton. This momentum continued as the Canton Foundation established partnerships with Shinhan Asset Management, Shinhan Securities, KB Securities, and Wavebridge. Separately, collaborations among EDENA Capital Partners and SK Securities as well as KB securities plan to leverage Canton Network infrastructure via Cantor8 Technology.

These partnerships reflect a coordinated push by some of South Korea's largest financial institutions to position themselves at the forefront of digital asset infrastructure. As these groups navigate evolving local regulations, their engagement provides a compliant pathway to tokenization, Security Token Offerings and cross border settlement. Canton's privacy-preserving design and institutional-grade interoperability make it particularly well-suited for Korean institutions seeking to modernize capital markets while maintaining strong regulatory alignment.

Alongside the strategic initiatives set into motion, interest and demand for \$CC has grown. Korean exchanges Upbit and Bithumb listed \$CC pairs (CC/KRW, CC/BTC, CC/USDT) and established Korean research firms like Four Pillars are moving into active validation roles on the network. Notably, Kresus is bringing enterprise wallet stack, tokenization tools, and KITE middleware into Canton as an implementation partner, with South Korean Asset Manager, Hanwha Investment & Securities, as its flagship customer.

This wave of activity strengthens Canton's footprint in Asia and signals growing momentum toward broader onchain adoption in one of the world's most dynamic financial markets.

About the Authors

Canton Strategic Holdings, Inc. (NASDAQ: CNTN) is the first publicly traded company to leverage Canton Coin and support the Canton Network to advance institutional blockchain adoption and the digitization of financial markets. Canton Strategic Holdings executes a differentiated digital asset strategy that seeks to create long-term shareholder value through initiatives including \$CC acquisition, operation of a Super Validator, and continued investment in applications that support network utilization and expand institutional adoption of the Canton Network. The Company established this strategy through a \$545 million private placement in November 2025. As a Super Validator on the Canton Network, Canton Strategic Holdings helps secure the more than one million daily transactions on the network, while also actively participating in governance through membership on the Canton Foundation Board of Directors.

For more information, visit: cantonstrategic.com →

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