

Concept Note

11 September 2025

From Luxury to Liquidity: Making Diamonds and High-End Jewelry Truly Bankable

Prepared by:

Alexander Teocharides, Founder & CEO, AKTS & Partners, Geneva, Switzerland

Hans J. Schwab, Co-Founder, OriginAll & ORIGINALLUXURY

1. The Opportunity: Redefining Bankable Assets in the Luxury Sector

Luxury assets, especially diamonds, colored precious stones, and luxury jewelry, are increasingly part of the investment portfolios of family offices, UHNWIs, and collectors. However, they remain largely invisible to traditional financial institutions. This is not because of their intrinsic value but due to the lack of frameworks for establishing verifiable trust, consistent valuation, and regulated liquidity.

The convergence of tokenization, blockchain infrastructure, and Digital Product Passports (DPPs) offers a timely and transformative opportunity to position high-end jewelry as **a new investment-grade asset class that** can be collateralized, divided, and traded across both traditional and decentralized financial systems.

Vision: To turn jewelry from a static possession into a flexible wealth tool that can be worn, held, traded, or borrowed against, without sacrificing its emotional value.

2. What Must Be Built: The Core Pillars of a Bankable Jewelry Ecosystem

While traceability and authenticity are critical, they are only the beginning. The true financialization of jewelry requires a robust and interdisciplinary ecosystem with four foundational layers:

- **Digital Product Passports (DPPs):** These are the invisible infrastructure of trust. As demonstrated by ORIGINALLUXURY's collaboration with PGI, DPPs link origin, craftsmanship, certifications, ownership, valuation, and maintenance history into a single, transferable digital twin. Eternal by design, the DPP evolves with the asset, enabling resale, collateralization, and even inheritance. Market Insight: In a 4-country study, 63% of consumers preferred a DPP-backed jewel, even at a price premium (9–20%).

- **Tokenization & Smart Contracts:** By linking jewelry to digital tokens on regulated blockchain platforms, these luxury goods become Real-World Assets (RWAs) that can be fractionalized, traded, or used as collateral. Tokenization enables interoperability with both DeFi and TradFi systems, expands ownership models, and increases access for younger, digitally native investors.
- **Valuation & Appraisal Registry:** A transparent, auditable registry of historical appraisals, resale transactions, and market comparables is essential to establish credible price discovery and LTV ratios for lending. This dynamic valuation layer is currently missing from all existing jewelry financial models and must be built in collaboration with insurers, auction houses, and independent appraisers.
- **Custodian Banks & Institutional Oversight:** Jewelry will only become truly bankable when trusted custodians offer safekeeping, redemption services, and transaction validation. Just as Swissquote did for early crypto, future custodian banks for jewelry will offer escrow, insurance, redemption tracking, and reporting — key to building institutional and regulatory confidence.

3. The Role of DMCC: From Marketplace to Market-Maker

As the world's leading free zone for commodities and home to over 1,300 diamond-related companies, DMCC is uniquely positioned to architect the regulatory, commercial, and technological infrastructure needed to make jewelry a bankable asset class.

DMCC can lead the transition from experimentation to execution by:

- **Providing the Regulated Sandbox:** DMCC can serve as a **regulatory sandbox** for jewelry-backed financial products, whether tokenized, insured, or lent against, facilitating dialogue with VARA, UAE Central Bank, and global standard-setters.
- **Activating the Vault-to-Token Ecosystem:** With existing vault infrastructure, DMCC can partner with ecosystem actors (e.g., Billiton, OriginAll, and tokenization platforms) to ensure **real-time custodial pairing** between physical jewels and digital tokens — enabling redemption, traceability, and compliance by design.
- **Launching a Pilot Exchange Framework:** DMCC can coordinate the launch of a **pilot trading mechanism**, initially private, potentially institutional, where verified DPP-backed jewelry can be posted, appraised, priced, and traded. This will showcase the viability of jewelry as a liquidity-generating instrument.
- **Forming a Global Working Group:** By convening stakeholders across the luxury, banking, crypto, and regulatory sectors, DMCC can form a **Bankable Luxury Assets Working Group**, accelerating the codification of standards and scaling Dubai's role as a **global orchestrator** of this new asset class.

4. Next Steps: Toward a Global Standard for Bankable Jewelry

The panel “**Gems of the Future: Crypto x Diamonds**” highlights a convergence of readiness: technological maturity, consumer appetite, and institutional curiosity. What is missing is **structured coordination** and **market-backed pilots**.

We propose the following immediate steps:

- Establish a DMCC Working Group, hosted at the DMCC Luxury Innovation Center, for jewelry tokenization and financialization.
- Design a multi-party pilot involving a vault-backed, tokenized high-jewelry asset.
- Draft a global Jewelry Valuation Registry Framework with key stakeholders.
- Explore custodian bank partnerships with private banks or fintech-led platforms.
- Submit a strategic proposal to DMCC leadership for ecosystem scaling in 2026.

Trust is the currency of luxury. Provenance is its language. Tokenization is its syntax. But it is **DMCC’s ability to unite market players and regulate** that can transform this new language into a globally accepted, credible, and bankable form of wealth.