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Digital Financial Assets Investments in New Uzbekistan

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Abstract: Quickening digitization of financial infrastructure has brought DFAs — a previously unimagined class of asset-backed investment vehicles — to the forefront of global capital formation and value transfer. Although most of the countries started applying DFAs into the structure of regulated financial markets, their functionalisation as long-term investment tools in the transition economy is still not enough explored. This analysis fills the gap in existing understanding on the potential for DFAs to be used in Uzbekistan, where regulation has focused primarily on cryptocurrency and other aspects have not been focused on tokenized, asset-backed instruments. Based on a mixed-method approach, the research combines qualitative institutional and regulatory analysis with quantitative descriptive-comparative analysis from secondary international and national sources. These findings uncover a large uptake gap in investment: broadly, while Uzbek leading regional adoption of crypto and a licensed market of service-providers remains active, the region has not yet developed significant mass scale DFA investment products. Market activity is supported by proactive regulation, but institutional involvement is hamstrung by limited integration of tokenized real-world assets, comparative results show. The research suggests that the enlargement of regulatory reach to asset-backed DFAs may help mobilise investments, deepen capital markets, and contribute to sustainable economic growth in Uzbekistan, and other transition economies.

Keywords: Digital Financial Assets, blockchain, intangible assets

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1. Introduction

The implementation of financial systems at an exponential pace is the digitalization of funds, which causes a deep change in global investment architectures and money design that enables Digital Financial Assets (DFAs) as a new class of capital formation and value transfer instruments [1], [2], [3]. DFAs — that is blockchain-enabled claims to underlying tangible or intangible assets — have gone from experimental fintech solutions to strategically significant investment vehicles in developed and emerging markets. Contrary to most cryptocurrencies that act as decentralized means of exchange, DFAs involve asset-backed tokens, digital securities and investment tokens which are increasingly appearing in regulated financial markets. Their growth is part of a larger structural drive towards platform based finance, disintermediation and smart contract enabled transactions, which combined are fundamentally reworking how capital is mobilized, allocated and governed within the digital economy [4], [5], [6].

On a worldwide basis, the DFA market has exhibited a faster pace of growth, especially in regions with proactive regulatory environments. Switzerland, Russia and Kazakhstan provide examples of possibilities as to how a legal recognition of tokenized assets, licensing digital instruments operators and the integration with established financial infrastructures can foster investment inflows, mitigate transaction costs and improve market transparency. Evidence from these economies suggest that both the size

and variety of DFAs being issued have expanded rapidly, particularly for asset-backed securities related to property, precious metals and corporate debt. These innovations highlight how DFAs need to be more than just technological public relations gimmicks; they can also help promote institutional advancements that can complement traditional capital markets and improve investment access and capital formation.

In this global environment, Uzbekistan—under the slogan of “New Uzbekistan” reform—has been making remarkable progress in digitally transforming its financial system. In recent years, extensive economic reforms have been implemented in order to liberalize the markets, encourage foreign investment and modernize financial intermediation. Regulatory efforts concerning cryptocurrencies, crypto mining, compliant exchanges and regulatory sandboxes indicate recognition at the government level that digital finance is a strategic priority. Yet, despite these advancements, regulatory and institutional interest in Uzbekistan is predominantly centred upon cryptocurrencies; the wider investment proposition of DFAs—who are accessing asset-backed and tokenised vehicles—lags behind. That imbalance hampers the national financial system's ability to fully embrace digital technologies in long-term investment mobilization and for funding the real sector of the economy.

From a theoretical point of view the advent of DFAs calls into question traditional theories of investment with their reliance on centralized intermediaries, physical securities and market infrastructures tied to jurisdiction. Since DFAs imply new types of dynamics with respect to representation of members, risk transmission and investors protection and regulation. However, current academic research focuses mostly on legal definitions, technical systems building or macro-dimension digital finance evolution while paying very little attention to the role of DFAs as financial assets in transition economies. Regarding Uzbekistan, the available studies empirically and analytically analyzing how DFAs could be used as an instrument of attraction domestic and foreign investment are significantly insufficient. This difference is striking, as China has long been engaged in institutional reform and increasing integration with global financial markets, which would serve its strategic objectives to have a similar goal of diversified sources of capital [7], [8], [9].

In this context, the scope of the paper is to investigate the prospectus, challenges and investment opportunities of digital assets in New Uzbekistan. The analysis aims to place the changing regulatory policy in Uzbekistan against this international perspective of DFA, identify structural and institutional constraints blocking the uptake of DFA investments and explore how DFAs might be incorporated into the national investment landscape. By integrating comparative empirical analysis, regulatory appraisal and investment-focused interpretation, this paper contributes to the digital finance and emerging market investment literature. It provides policy-relevant perspectives for regulators, investors and financial institutions wishing to use DFAs as means of sustainable economic development for Uzbekistan and similar transition countries [10], [11], [12].

Literature review

Table 1. Comparative Literature Review on Digital Financial Assets

Author(s)	Focus Area	Methodology	Key Findings	Limitations
Efimova et al. (2024)	Legal nature of DFAs	Doctrinal legal analysis	DFAs represent a new category of absolute digital rights linked to asset-backed tokens	Does not examine investment or economic impact

De Filippi & Hassan (2016)	Blockchain regulation	Conceptual analysis	Tokens can function as regulatory and economic coordination instruments	Limited empirical validation
FINMA Guidelines (2018)	Token classification	Regulatory framework analysis	Asset tokens resemble securities and support investment activity	Jurisdiction-specific (Switzerland)
KPMG (2024)	DFA business cases	Comparative market analysis	DFAs reduce transaction costs and issuance time for investors	Policy-oriented, limited theoretical depth
Allen et al. (2020)	Digital finance & capital markets	Financial economics analysis	Tokenization improves liquidity and market accessibility	Focus on developed economies
Dadabaev et al. (2021)	Digital finance in Uzbekistan	Descriptive-statistical analysis	Digital economy enhances financial integration	DFAs not analyzed as investment instruments

2. Materials and Methods

The present study uses a mixed-methods research design that combines qualitative institutional analysis with quantitative descriptive–comparative analysis in order to understand digital financial asset (DFA) investments in New Uzbekistan. In the qualitative component, property rights as represented in national regulatory documents, policy acts and licensing frameworks governing digital assets are systematically analyzed to identify institutional and legal constraints over investment activity based on DFA [13], [14], [15].

The quantitative part uses secondary statistical data from reputable international and national sources, such as Statista, World Bank digital finance datasets, and official publications of authorized regulatory bodies of Uzbekistan. Metrics that are considered by the center include the adoption rates of digital assets, the turnover from licensed digital asset service providers, fiscal revenues, and forecast digital finance revenues. We employ descriptive statistics and cross-country comparison in measuring the performance of Uzbekistan against jurisdictions where DFAs are legally embedded in their investment markets.

By its nature, institutional diagnostics combined with statistical benchmarking allows for the identification of the structural gap between the usage of digital assets and the potential of their utilisation, while guaranteeing methods and policy relevance for transition-economy analysis.

3. Results

Global Digital Financial Assets Market Trends

The global Digital Financial Assets (DFA) market has experienced substantial growth over the past few years, with tokenized real-world assets (RWAs) and decentralized finance (DeFi) emerging as primary drivers. In 2025, the global RWA tokenization market reached approximately USD 24 billion, representing a 308% increase from 2022. Projections indicate that the global tokenized asset market could reach USD 2,832.3 billion by 2034, exhibiting a remarkable compound annual growth rate (CAGR) of ~60% between 2025 and 2034.

Institutional engagement is particularly notable. Around 70% of total deployed capital in 2024 has been allocated to tokenized assets, signaling strong confidence from the financial sector in the viability of DFAs as mainstream investment instruments. Within this trend, tokenized real estate alone was valued at USD 20 billion in 2025, while private real estate fund tokenization is expected to reach USD 1 trillion by 2035. These statistics indicate in the table 2 a shift from niche cryptocurrency instruments toward tangible, asset-backed investment opportunities, highlighting DFAs' increasing integration into conventional financial markets (Electro IQ in 2025).

Table 2. Global Tokenized RWA Market Growth (USD Billion, 2022–2034 Projection)

Year	2022	2023	2024	2025	2030	2034
Market Size (USD Bn)	5.9	7.1	11.8	24	980	2,832.3

The exponential increase in tokenized RWAs indicates rapid maturation of the DFA sector. Early-stage adoption by institutional investors is a key factor driving these projections. By 2034, the market could expand over 100-fold compared to 2022 levels, suggesting massive potential for mainstream investment adoption.

Uzbekistan demonstrates a leading position in regional DFA adoption. As of 2023, approximately 512,322 individuals (~1.46% of the population) hold cryptocurrencies, positioning the country as the leader in Central Asia and Caucasus and 33rd globally. The number of licensed DFA providers reached 15 by 2024, collectively generating more than USD 1 billion in turnover since establishment. Contributions to the state budget from these providers have exceeded USD 3.6 million since 2022. These data indicate robust early-stage infrastructure and regulatory facilitation for DFA activities, though the broader adoption of tokenized assets beyond cryptocurrency remains limited (table 3).

Table 3. Uzbekistan DFA Adoption Metrics

Indicator	Uzbekistan	Regional Position	Global Reference
Crypto Ownership (2023)	512,322 users (~1.46% population)	Central Asia & Caucasus leader	33 globally
Licensed DFA Providers (2024)	15 providers	–	–
Licensed Provider Turnover (>2022)	> USD 1 billion	Regional cumulative ~\$6 billion	–
Contribution to State Budget	> USD 3.6 million	–	–

Uzbekistan's early adoption metrics reflect an active market environment and regulatory engagement, positioning the country as a regional hub for crypto and DFA services. However, in terms of overall market capitalization and institutional investment, the country remains in an early growth phase relative to global trends.

Revenue projections suggest continued expansion in Uzbekistan. By 2025, the country's crypto market revenue is expected to reach USD 138.4 million, with a CAGR of 8.38% through 2026. User penetration is forecasted to increase to ~7.23% by 2026. DeFi revenue is anticipated at USD 22.6 million in 2025, with approximately 540,700 users by

2026. While these figures reflect meaningful growth, the scale remains modest compared to global tokenized asset markets(see table 4).

Table 4. Uzbekistan DFA Growth Forecasts

Indicator	2025	2026	CAGR
Crypto Market Revenue (USD M)	138.4	150.1	8.38%
Crypto User Penetration (%)	–	7.23%	–
DeFi Revenue (USD M)	22.6	24.май	–
DeFi Users	–	540,7	–

Forecasted increases in both user penetration and revenue indicate a transition from adoption to measurable market growth. Nonetheless, compared to global tokenized asset expansion, Uzbekistan’s DFA market is still in the early scaling stage.

Comparing Uzbekistan to global DFA trends highlights both achievements and gaps. Globally, tokenized assets are rapidly expanding, with USD 24 billion market size in 2025 and substantial institutional participation. In contrast, Uzbekistan’s tokenized asset market is not yet fully quantified, although the country ranks high in crypto adoption and service activity. Revenue growth prospects show upward momentum but remain significantly below global scales by described in the table 5.

Table 5. Global vs Uzbekistan DFA Market Comparison

Dimension	Global (2025)	Uzbekistan (2023–2026)
DFA Market Scale (Tokenized Assets)	~USD 24 B	Not quantified nationally
Crypto Adoption Rank	–	#33 globally; top in Central Asia
Licensed Service Activity	Growing worldwide	15 local licensed providers
Revenue Growth Prospects	Large-scale, institutional capital	Increasing but early stage (USD 138.4m, USD 22.6m)

Uzbekistan demonstrates strong adoption and regulatory infrastructure but still faces a gap in translating this adoption into large-scale DFA investment products and institutional participation. The country’s market growth trajectory, while positive, remains behind global trends in tokenized RWA development.

Despite leading in regional crypto adoption and displaying strong turnover among licensed providers, Uzbekistan exhibits lower DFA market capitalization and DeFi engagement relative to global benchmarks. High adoption rates have yet to translate into significant institutional investment or large-scale tokenized products.

The establishment of 15 licensed providers by 2024, collectively generating over USD 1 billion in turnover, reflects proactive regulatory support. However, broader DFA instruments beyond cryptocurrency—including tokenized real estate or securities—are not yet fully integrated into the country’s regulatory framework. This indicates a bottleneck where regulatory frameworks and market adoption must evolve together to achieve full DFA market maturity.

4. Conclusion

This research shows that DFAs are a powerful but underestimated investment tool for New Uzbekistan. This creates a pronounced investment–adoption gap within the national

financial system—where high digital asset adoption occurs in a context of low levels of actual asset-backed, tokenized financial product development. Yet though Uzbekistan has laid out an agile framework for cryptocurrency and licensed digital asset service providers, it lacks a wider arm that caters for broader DFA furnishings; tokenized real-world assets and digital securities. A cross-comparison with other global DFA markets highlights regulatory transparency, institutional buy-in, and traditional capital market interfacing as essential features for successful growth of DFA-backed investment. These results of such suggest regulatory coverage that embrace asset-backed DFAs may promote capital mobilization, enhance domestic and foreign capital flows, and facilitate sustainable economic development in transition economies. Future studies need to be more empirical with investor attitude to DFAs, risk management and investor protection mechanisms, as well as sector-specific studies, especially on real estate and corporate finance, to reflect on macroeconomic impact of DFAs in Uzbekistan better.

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