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Tough-to-Disrupt Municipal Market Attracts Blockchain Developer.

- **ConsenSys buys Heritage Financial Systems; Terms undisclosed**
- **Firm seeks to ease issuance of tokenized bond offerings**

The municipal-bond market, with roots dating back to an 1800's New York City canal project, has a reputation for being stuck in a different century.

The $400-billion-a-year market, used by some 50,000 U.S. issuers, is known for small-sized deals that sometimes don't trade again for years after they're sold. Financial filings are often late and outdated. And hiccups with technology and human error can sometimes cause officials to forget to make bond payments on time.

That's why ConsenSys, a blockchain-application developer started by Ethereum co-founder Joseph Lubin, sees an opportunity to expand into the $3.8 trillion state and local debt market. The Brooklyn-based firm said on Tuesday that it acquired the broker-dealer Heritage Financial Systems, betting that governments can more efficiently raise funds and gain local investors by tokenizing municipal bonds on its Codefi platform.

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Bloomberg Cryptocurrencies

By Amanda Albright

February 4, 2020, 6:00 AM PST

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