

A 117-Year-Old Rating Agency Quietly Legalized \$40 Trillion of Crypto Buying

Moody's Aaa-mf: BUIDL on May 13, FILQ on May 14. The Wall Between Regulated Capital and Tokenized Finance Is Gone. — Q2 2026

Moody's Ratings was founded in 1909. For 117 years it has been the institution that determines whether a financial product is safe enough for the world's most conservative capital — the pension funds, insurance carriers, sovereign wealth funds, and regulated reserves that collectively manage approximately \$40 trillion under mandates that legally prohibit holding any instrument below AA rating. On May 13, 2026, Moody's assigned its highest money market fund rating — Aaa-mf — to BlackRock's USD Institutional Digital Liquidity Fund, BUIDL, more than two years after its March 2024 launch. On May 14, 2026, Moody's assigned the same Aaa-mf rating to Fidelity International's USD Digital Liquidity Fund, FILQ — a fund that had launched just eight days earlier on May 6. The methodology Moody's applied to both funds is the identical scorecard used for conventional legacy money market funds. Moody's did not invent a crypto framework. It applied its existing framework and concluded that tokenized and traditional are legally and analytically indistinguishable. Before May 13, every tokenized fund on earth was off-limits to approximately \$40 trillion of regulated capital that cannot hold unrated instruments. That wall came down in two days.

01 — WHAT THE AAA-MF RATING ACTUALLY MEANS AND WHY IT MATTERS

The Aaa-mf rating is the highest designation in Moody's money market fund rating scale — a six-level system running from C at the bottom to Aaa-mf at the top, with the mf suffix distinguishing it from the standard long-term debt rating scale. The Aaa-mf designation specifically assesses a money market fund's ability to preserve capital and maintain liquidity rather than simply evaluating default risk — making it the rating that directly determines whether a fund can be held by the most conservative institutional investors.

The legal significance of the Aaa-mf rating for regulated institutional capital is absolute and non-negotiable. Pension funds operating under ERISA fiduciary standards are legally required to document the credit quality of every instrument in their portfolio and to ensure that cash-equivalent and short-duration holdings meet minimum credit quality thresholds — typically AA or better for money market instruments. Insurance carriers are regulated under state insurance codes that similarly mandate minimum credit quality for their investment portfolios. Sovereign wealth funds and central bank reserves operating under their own investment policy statements typically require the same minimum credit quality thresholds for liquidity instruments. Before May 13, 2026, no tokenized fund on earth held an Aaa-mf rating from any of the three major credit rating agencies — Moody's, S&P, or Fitch. The

absence of this rating did not reflect any fundamental deficiency in the underlying assets of tokenized Treasury funds, which invest in the same short-term US government securities as their traditional equivalents. It reflected the absence of a rating process that had been applied to tokenized fund structures — a process gap rather than a quality gap.

The process gap is now closed. Moody's application of its standard money market fund methodology to BUIDL and FILQ — and its conclusion that both funds merit the highest possible rating — is the institutional certification that the quality gap does not exist. Tokenized and traditional money market funds investing in the same US Treasury instruments, operated by the same asset management institutions, under the same regulatory frameworks, merit the same credit rating. Form does not change substance. A Treasury bill is a Treasury bill whether it is wrapped in a traditional fund share or an ERC-20 token.

AAA-MF IN ONE LINE: The rating that \$40 trillion in regulated capital legally requires before it can hold any money market instrument. Moody's awarded it to two tokenized funds in two days — using the same scorecard as legacy funds. The wall is gone.

02 — BUIDL: 14 MONTHS TO QUALIFY. WHAT MOODY'S ACTUALLY EVALUATED.

BlackRock's BUIDL — the BlackRock USD Institutional Digital Liquidity Fund — launched on Ethereum in March 2024 with Securitize as its transfer agent and tokenization platform. It received its Aaa-mf rating from Moody's on May 13, 2026 — approximately 26 months after launch. The 26-month timeline from launch to top rating is not a reflection of concerns about BUIDL's credit quality. It reflects the time required for Moody's to develop, test, and validate its analytical framework for evaluating tokenized fund structures — a process that had no precedent in 117 years of credit rating history.

The evaluation criteria Moody's applied to BUIDL are identical to those applied to traditional money market funds: the credit quality of the portfolio's underlying assets, the fund's liquidity management and redemption procedures, the operational resilience of its management infrastructure, the legal framework governing investor rights and fund operations, and the track record of the fund's management team. BUIDL's portfolio — short-term US government securities, Treasury bills, and overnight repurchase agreements — is indistinguishable from the portfolio of any traditional Aaa-mf rated money market fund. The management institution — BlackRock, with \$14 trillion under management — is among the most institutionally credible asset managers on earth. The operational infrastructure — Securitize's transfer agency, BNY Mellon's custody, Ethereum's settlement layer — had demonstrated 26 months of reliable, secure operation by the time the rating was issued.

Moody's announcement was confirmed through Securitize, the platform handling BUIDL's tokenization and transfer agency work. Securitize posted on X on May 13: BUIDL secures AAA rating from Moody's, setting the standard for tokenized funds — framing the rating explicitly as a standard-setting event rather than a product-specific milestone. The implication is direct: BUIDL's Aaa-mf rating establishes the analytical and operational template that every subsequent tokenized fund can follow to achieve the same rating — creating a replicable pathway to institutional-grade credit quality certification for the entire tokenized fund industry.

03 — FILQ: LAUNCHED MAY 6, RATED MAY 12 — THE TEMPLATE IN ACTION

Fidelity International's USD Digital Liquidity Fund — FILQ — launched on May 6, 2026 and received its Aaa-mf rating from Moody's on May 12, 2026. Six days from launch to top rating. The compressed timeline is not an accident. It is the direct consequence of Moody's having developed and validated its tokenized fund rating methodology through the BUIDL process — meaning FILQ could be evaluated against an established, precedent-tested framework rather than requiring a novel analytical development process.

FILQ's infrastructure architecture is different from BUIDL's and represents the second major institutional configuration for tokenized money market funds — confirming that the Aaa-mf rating is accessible through multiple infrastructure stacks, not just the specific Securitize and BlackRock combination that BUIDL represents. Fidelity International — a separate entity from the US-based Fidelity Investments that launched FIDD — manages more than \$1 trillion in assets and brings over three decades of expertise in liquidity and short-duration fixed income management. FILQ is built on Swiss digital asset bank Sygnum's Desygnate tokenization platform, which enables on-chain fund registries, smart contract-based settlement, and stablecoin subscriptions and redemptions.

The infrastructure partners for FILQ represent a who's-who of the institutional tokenized finance ecosystem. JPMorgan Chase provides custody and fund administration — connecting FILQ to the same institutional banking infrastructure that powers traditional money market funds. Apex Group serves as transfer agent — confirming that Securitize is not the only compliant transfer agent capable of supporting Aaa-mf rated tokenized funds. And Chainlink publishes the fund's net asset value and distribution data on-chain — providing the real-time, tamper-resistant price data that makes FILQ usable as collateral in DeFi protocols, as settlement currency in institutional transactions, and as a treasury management instrument that can be valued and transferred in real time.

Emma Pecenicic, head of digital assets distribution at Fidelity International, stated directly: there is no tokenized finance without tokenized liquidity. Once markets settle in real time, cash must settle in real time too. This statement captures the structural imperative that FILQ is designed to address — the requirement that as the tokenized asset market scales, the cash instruments used to settle tokenized asset transactions must themselves be available on-chain in real time. FILQ is the real-time cash settlement layer for the tokenized finance ecosystem that FILQ's institutional peers are simultaneously building.

FILQ FACTS: Launched May 6 2026. Rated Aaa-mf by Moody's May 12. Six days. Built on Sygnum Desygnate. JPMorgan custody. Apex Group transfer agent. Chainlink NAV data on-chain. Fidelity International \$1T+ AUM. The template is established. Six days from launch to top rating is the new standard.

04 — THE \$40 TRILLION COMPLIANCE GATEWAY: WHO CAN NOW BUY

The \$40 trillion figure represents the approximate combined assets under management of the institutional capital pools that are legally or contractually prohibited from holding instruments below

investment-grade or AA credit quality. This capital pool includes defined benefit pension funds in the United States — approximately \$10 trillion — defined contribution plans including 401k assets — approximately \$10 trillion — life insurance company general accounts — approximately \$8 trillion — property and casualty insurance reserves — approximately \$3 trillion — and sovereign wealth fund and central bank reserve allocations to short-duration instruments globally — collectively several trillion dollars.

The Aaa-mf rating does not automatically mandate that these institutions buy BUIDL or FILQ. What it does is remove the legal and compliance barrier that prevented them from doing so. Before May 13, a pension fund chief investment officer who believed that tokenized Treasury funds were commercially attractive could not recommend them to their investment committee because no rating agency had certified them as meeting the minimum credit quality standard required by the fund's investment policy statement. After May 13, the same CIO can present BUIDL and FILQ to their investment committee with the same Aaa-mf credential that their existing traditional money market fund holdings carry. The fiduciary barrier has been removed.

The practical adoption timeline from Aaa-mf rating to significant allocation will not be immediate — institutional investment policy statement reviews, custodial infrastructure updates, and investment committee approvals typically require months to years rather than days. But the sequencing that blocked adoption is now resolved. Rating agencies rate the instruments. Investment policy statements reference the rating agencies' standards. Investment committees approve instruments that meet those standards. Custodians settle those instruments. The institutional adoption pathway for BUIDL and FILQ is now as structurally clear as it is for any traditional Aaa-mf rated money market fund.

The tokenized US government debt market had already grown from \$1 billion to \$15.29 billion in approximately two years before the Moody's rating — representing organic institutional adoption by the subset of institutions that could participate without the rating requirement. As of May 12, 2026, the market was up 6.25% over the prior 30 days and accelerating. BUIDL alone accounts for approximately 15% of the \$15 billion tokenized government debt market with its \$2.58 billion in assets under management. The Aaa-mf rating opens the market to the much larger institutional capital pool that was previously legally excluded.

05 — CHAINLINK AS CRITICAL INFRASTRUCTURE: THE NAV DATA LAYER

Chainlink's role as the provider of on-chain NAV and distribution data for Fidelity's FILQ fund is the most commercially significant Chainlink partnership announced since the DTCC Collateral AppChain integration confirmed on May 12, 2026. Understanding why Chainlink's role in FILQ is structurally important — rather than simply a technical implementation detail — requires understanding what on-chain NAV data actually enables.

A money market fund's NAV is calculated daily in traditional finance — a process that involves end-of-day pricing, portfolio valuation, fee accrual calculations, and formal record publishing. The result is a once-daily NAV that is authoritative but 24 hours old for most of the time between publications. For a tokenized fund to function as genuine on-chain financial infrastructure — usable as collateral in DeFi protocols, settleable in real time in institutional transactions, and accessible to AI agents operating

through the x402 payment protocol — it needs continuous, real-time NAV data that is reliable, tamper-resistant, and available to any on-chain application that needs it.

Chainlink's oracle infrastructure provides precisely this: continuous NAV and distribution data published on-chain, sourced from authoritative off-chain data providers, with cryptographic attestation that the data has not been manipulated between source and on-chain publication. Any DeFi protocol that accepts FILQ as collateral can use Chainlink's NAV data to calculate collateral values in real time. Any institutional settlement system that uses FILQ as a cash leg can access Chainlink's NAV data to determine the exact value of the position at any moment. Any AI agent executing transactions through x402 payment rails can reference Chainlink's on-chain FILQ NAV to calculate whether FILQ positions satisfy a payment requirement.

The Chainlink-FILQ integration extends the same infrastructure that the DTCC Collateral AppChain partnership represents at the wholesale finance level to the tokenized fund market — confirming Chainlink's position as the universal data layer for institutional on-chain finance regardless of which specific asset class or fund structure is involved.

06 — CONCLUSION: TOKENIZED AND TRADITIONAL ARE NOW LEGALLY INDISTINGUISHABLE

The single most important sentence in the Moody's May 2026 rating actions is not a quote from any executive or any formal rating rationale. It is the implicit conclusion of the rating process itself: Moody's applied the same analytical methodology used for conventional money market funds to two tokenized fund structures and arrived at the same highest possible rating. The methodology did not need modification. The rating did not require qualification. Tokenized and traditional money market funds investing in the same assets, managed by the same institutions, under the same regulatory frameworks, are analytically indistinguishable.

This conclusion has consequences that extend far beyond BUIDL and FILQ. Every tokenized Treasury fund structured on the same template — same underlying assets, same management institution credentials, same regulatory framework, same operational infrastructure — can now pursue an Aaa-mf rating through the same process that BUIDL and FILQ completed. The tokenized fund industry has a replicable pathway to institutional-grade credit quality certification. The \$40 trillion compliance gateway is not a single door that has been unlocked for two specific products. It is a structural opening that any qualifying tokenized fund can walk through.

The sequence is now complete. The SEC innovation exemption legalized tokenized securities trading on DeFi. The DTCC selected Stellar and Chainlink as settlement infrastructure. The NYSE and Nasdaq got tokenized equity approvals. BlackRock filed two new tokenized Treasury products with the SEC. The Aaa-mf rating from Moody's removed the compliance barrier for \$40 trillion in regulated capital. Each event built on the previous one. The infrastructure is built. The ratings are issued. The capital is cleared to move.

Moody's was founded in 1909. On May 13 and 14, 2026, it gave crypto-native tokenized funds its highest money market rating. BUIDL took 14 months. FILQ took six days. The \$40 trillion compliance wall is gone. Tokenized and traditional are legally indistinguishable.

This report is for informational and educational purposes only and does not constitute financial advice.