Tokenisation Industry Working Group

Terms of Reference

Considerations, benefits, risks and strategic implications associated with tokenisation in the Australian financial markets

Background

Tokenisation and enabling technology are receiving increasing global attention from market operators, regulators, financial institutions and technology providers. As the technology continues to develop across global markets, the focus is now shifting from whether tokenisation can work, to where it can deliver tangible value for market participants.

As a steward of critical market infrastructure, the ASX Group (ASX) plays an important role in supporting the efficient, safe and resilient operation of Australia's financial markets. As part of its responsibility to monitor emerging trends and technologies that may affect the future of financial market infrastructure, ASX is developing a public Discussion Paper exploring opportunities, challenges and implications of tokenisation for the ASX's market infrastructure services.

Accordingly, ASX is establishing a Tokenisation Industry Working Group (Working Group) to provide diverse perspectives, practical insights and constructive challenge to support the Discussion Paper's development. The Working Group is intended to facilitate informed, market-wide discussion on practical use cases and the associated benefits, risks, dependencies and industry considerations associated with tokenisation adoption in the Australian financial ecosystem.

Overview & Approach

The Discussion Paper aims to build on recent initiatives, including the RBA's Project Acacia and ASIC's Financial Markets and Innovation Roundtable, by focusing industry discussion on the practical implications of tokenisation for market structure, IPOs/capital raising, asset issuance, trading/market access, clearing, settlement and post-trade infrastructure.

The Working Group's role is advisory and will adopt a neutral, exploratory and evidence-based approach. Engagement may include thematic workshops, targeted expert input and consideration of relevant international developments and case studies.

Workshops will be structured around practical use cases to focus discussion on real market problems, potential tokenisation applications and the conditions required for benefits to be realised. Ultimately, this informs the Discussion Paper and supports further evidence-based consideration of tokenisation opportunities in the Australian market.

These Terms of Reference detail the Working Group's scope, governance and participant roles.

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Purpose

The purpose of the Working Group is to provide a structured industry forum to inform ASX's public Discussion Paper on tokenisation in the Australian financial markets.

Objectives

The Working Group will support the development of the Discussion Paper by considering practical use cases, identifying potential market benefits and risks, testing key dependencies and implementation considerations, and capturing a balanced range of industry perspectives.

Industry Involvement

Formation & Participation

ASX is seeking expressions of interest from industry, including existing ASX and industry committees, working groups and industry associations, to join the Working Group. Invited organisations may nominate one representative with appropriate expertise for each workshop. Individuals are encouraged to participate in sessions that are most relevant to their interests and expertise. Attendance at every session is not required, and organisations may nominate different representatives for each session based on the subject matter and relevant experience.

ASX will chair the Working Group. Where relevant, the Chair may invite third parties to attend meetings or provide information that would support the Working Group's objectives.

Subject to the above, the Working Group's composition, including its size and member appointment or removal, will be determined at the Chair's discretion.

Roles & Responsibilities

The Working Group will operate in accordance with the following roles and expectations:

- ASX will convene and facilitate the Working Group, prepare materials, co-ordinate workshops, develop workshop summaries, prepare the Discussion Paper, and retain final editorial control over its structure, content, publication timing and treatment of member input.
- The Chair will guide discussions, manage participation, confirm agendas and support balanced consideration of relevant issues.
- Members are expected to contribute relevant expertise, participate constructively, review and provide input into the draft Discussion Paper where requested and may elect to remain anonymous or be identified as contributors as part of publication.
- Participation in the Working Group will be voluntary.

Proposed Scope

The Working Group will undertake a structured series of workshops to explore the potential role of tokenisation across Australian financial markets, with a focus on areas where the technology may deliver meaningful benefits for market participants and market infrastructure.

The workshops will examine use cases across collateral and margin mobility, settlement modernisation, asset issuance and market access. An initial workshop will seek to establish a common industry understanding of tokenisation concepts, global developments, market structure implications and key enabling factors. Across all workshops, consideration will be given to foundational themes such as infrastructure requirements, interoperability and scalability, data management, governance and control frameworks, risk management implications, and the respective roles and responsibilities of participants in a tokenised ecosystem.

Discussions will be led by relevant ASX business and product specialists and informed by a broad cross-section of market participants. The objective is to identify practical opportunities, challenges, dependencies and preconditions relevant to the potential adoption of tokenised market infrastructure and services.

Proposed working group sessions:

Workshop	Topic
WS1	Industry Overview & Strategic Context
WS2	Fixed Income Collateral & Settlement Lifecycle Modernisation
WS3	Derivatives Collateral & Margin Mobility
WS4	Cash Equities Settlement Lifecycle Modernisation
WS5	IPO Process / Capital Raising
WS6	Asset Issuance & Products
WS7	Trading / Market Access

Out of scope

The Working Group's remit does not extend to:

- the detailed design or implementation of specific tokenisation solutions;
- commitment to adoption timelines or delivery programs;
- determination of regulatory or policy changes that may be required; or
- binding industry decisions or standards.

Key Principles

The Working Group will be guided by the following principles to ensure the process remains balanced, practical and focused on market-wide outcomes:

- **Industry-led, ASX-facilitated**

  Discussions will be shaped by industry perspectives and practical market experience, with ASX facilitating the process and supporting development of the public Discussion Paper.

- **Neutral and non-advocacy based**

  The Working Group will not advocate for a particular technology, provider, market design or implementation pathway.

- **Evidence based and use-case driven**

  Discussions will be anchored in tangible market problems, opportunities and use cases, rather than theoretical technology capability alone. Views and insights should be informed by practical experience, relevant data, global developments, case studies and constructive challenge.

- **Market-wide outcomes**

  Considerations will focus on systemic implications, shared industry benefits, interoperability and the potential impact on financial market infrastructure, participants and end users.

- **Regulatory and financial stability awareness**

  The Discussion Paper will be cognisant of regulatory expectations, policy considerations and financial stability implications, while recognising that detailed regulatory or policy design is outside the Working Group's scope.

- **Inclusive and balanced participation**

  The process will seek to reflect a range of perspectives across market participants, infrastructure providers, technology experts and end users.

Working Group Operations & Governance

Workshops & Timing

Workshops are expected to be conducted between August and November 2026. A workshop summary will be provided to Working Group members after each session to capture key discussion points and confirm that industry feedback and perspectives have been accurately reflected. Workshops will be recorded (but not minuted) to support the preparation of session summaries and development of the Discussion Paper. Workshop summaries may also be made available on ASX's website.

Governance

The Working Group's activities will be conducted in accordance with these Terms of Reference. ASX may update these Terms of Reference as the work progresses, including following input from the Chair or Working Group. Material changes will be shared with Working Group members where appropriate.

Decision-making and consensus

The Working Group is advisory and will not make binding decisions on behalf of ASX or the industry. Where areas of broad consensus, differing views or unresolved questions arise, these may be reflected in workshop summaries and/or the Discussion Paper as appropriate.

Confidentiality and use of information

Information shared through the Working Group may be used to inform the Discussion Paper, workshop summaries and related ASX analysis. Unless otherwise agreed, comments may be reflected in the Discussion Paper and workshop summaries on an unattributed basis and will not include confidential, commercially sensitive or proprietary information.

Competition law and conduct expectations

Participants should be aware of their competition law obligations and must not discuss competitively sensitive information, including pricing, customer allocation, trading strategies, market conduct, future commercial strategy or other matters that may raise competition law or conduct concerns.

Conflicts of interest

Members must disclose any relevant interests that may give rise to an actual, potential or perceived conflict of interest that may affect their contribution to the Working Group, particularly where discussion relates to specific technologies, services, providers or commercial models. Where appropriate, the Chair may determine it is not appropriate for the member to participate in a Working Group.

Publication

The Discussion Paper will be made public at a time determined by ASX.