

ASX Tokenisation Working Group

Asset Issuance & Products Workshop Summary | 28 October 2026

Workshop overview

The Asset Issuance & Products workshop explored where tokenisation could deliver practical benefits across product issuance, distribution, settlement and ongoing servicing, drawing on global developments and potential Australian applications.

Discussion highlighted opportunities in money market and cash funds, warrants, commercial paper, ETF creation and redemption, and private-market interests. Participants were encouraged to assess whether tokenisation enables a differentiated investor proposition, improves access without weakening market quality, or creates measurable lifecycle efficiencies.

The session did not establish a single domestic implementation priority. A recurring message was to define the underlying problem first and assess tokenisation alongside commercial, regulatory and operational requirements, rather than treating the technology as the objective.

Key takeaways

The workshop discussion highlighted four overarching messages:

1. **Focus on demonstrable product and lifecycle value**

   Warrants, commercial paper, money market funds and ETF creation and redemption offer areas for exploration, but the case should be grounded in issuer needs and measurable improvements rather than tokenisation alone.

2. **Look beyond fractionalisation**

   Access to digital wallets and new distribution channels may be valuable, but fractionalisation alone has not consistently generated investor demand. A broader proposition may include cash management, collateral use and automated transactions.

3. **Preserve investor protection and market quality**

   Wallet identity, KYC/AML, sanctions screening, beneficial ownership and transfer eligibility must be addressed alongside liquidity, market-making and price formation.

4. **Design for coexistence and build the evidence base**

   Native issuance and digital twins serve different objectives. Conventional and DLT markets are expected to coexist, with further case studies and regulatory clarity needed before selecting a domestic implementation pathway.

Key Themes

1. Product opportunities should be grounded in practical needs

The global overview identified several products where manual workflows, rapid issuance or demand for on-chain assets may support a tokenisation case. These were opportunities for further assessment, not an agreed Australian product roadmap.

- Warrants: rapid issuance, monitoring and withdrawal, together with high volumes and manual processing, make workflow automation an area of interest.
- Commercial paper and tokenised deposits: potential benefits include intraday issuance, real-time maturity and redemption updates, faster transfer of proceeds and wholesale collateral mobility.
- Money market and cash funds: global activity reflects demand for yield-bearing assets on-chain, flexible denominations and potential collateral applications, subject to eligibility requirements.
- Private markets and unlisted interests: tokenisation could support alternative infrastructure for products that may not be economical to list conventionally, including nominee-based structures discussed internationally.
- Commodities and real assets: these may be relevant to Australia, although the presenter cautioned that physical settlement makes development more difficult and less advanced than for financial products.

Prior workshops had identified collateral mobility as a strong fixed-income and derivatives theme. Cash equities had not produced one immediate market-led priority, reinforcing the need to assess each product on its own merits.

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2. ETF creation and redemption offer a lifecycle opportunity

ETF creation and redemption were highlighted as manual processes where tokenisation could potentially deliver more value than simply adding a tokenised form for secondary trading.

- An end-to-end DLT workflow could connect subscription funds, acquisition of underlying assets, digital representation, servicing and redemption.
- Digitally represented underlying assets could enable faster ownership tracking, valuations and the allocation or accrual of distributions.
- Smaller, fractional creation baskets could support access and liquidity, but would still require reductions in creation, redemption, custody and settlement costs.

Participants questioned how much benefit is achievable when the ETF and its underlying securities remain on conventional infrastructure. Native issuance and digital twins address different objectives. Native issuance may support a broader change to books, records and asset servicing; a digital twin can open a distribution channel while retaining conventional operations, but introduces reconciliation between on-chain and off-chain records.

The choice likely depends on whether an issuer is seeking operational transformation, new investor access, or both.

3. Fractionalisation is more compelling within a broader access proposition

Participants considered whether fractionalisation could broaden access to investments, including green bonds, and provide a gateway to investment platforms and digital wallets.

The international perspective cautioned that smaller investment denominations alone have generally not generated strong additional demand. For tokenised bonds, faster settlement and earlier availability of proceeds were described as stronger drivers in many cases.

- Wallet-based distribution may reach investors seeking assets that interact with existing digital holdings.
- A broader wallet proposition could connect investments, banking, lending, borrowing and collateral use, rather than offering fractional units in isolation.
- Interoperability between wallets and conventional infrastructure may be important to sustained adoption.

The group considered whether tokenisation provided new products from new features or distribution channels for existing instruments. Any access benefit must be supported by investor demand, appropriate education, safeguards and a viable commercial case.

4. Wallet identity and transfer controls are essential

Discussion examined where KYC/AML and sanctions checks would occur when investors acquire or transfer tokenised products through wallets rather than through conventional broker arrangements.

- International approaches commonly restrict asset deposits and transfers to whitelisted wallets, with due diligence conducted when wallets are approved.
- Wallets can be linked to an identified beneficial owner or to a participant responsible for maintaining underlying client records.
- Onward transfers need corresponding identity and compliance requirements; initial issuance checks alone do not address subsequent ownership changes.
- Embedded eligibility could support investor-class and wholesale-access restrictions, but the ownership and identity architecture must make these controls enforceable.

The group also considered whether firms should operate wallets themselves or use third-party providers. International practice varies, and outsourcing introduces custody, security and regulatory obligations rather than removing them.

These examples illustrated possible design approaches, not a confirmed Australian compliance framework. Responsibilities for wallet approval, ongoing checks and client transparency remain important implementation questions.

5. Beneficial-owner transparency can coexist with nominee structures

Participants explored the relationship between the legal owner of an underlying asset and the holder of its tokenised interest. In the international nominee models described, the nominee remains the registered owner while the token holder has the beneficial interest.

A distributed ledger could maintain more granular beneficial-ownership information without necessarily eliminating the nominee structure. Wallet-linked identity records could help connect digital holdings to identified investors or intermediaries and their client registers.

- Greater ownership visibility could support governance, tax compliance, investor protection and default management.
- Nominee arrangements may remain useful for wrap platforms and other established product structures.
- The relationship between name-on-register holdings, nominee accounts and digital beneficial interests would need to be defined for Australian products.

Tokenisation does not itself determine legal ownership or guarantee full investor transparency. The legal structure, ledger records and identity arrangements must work together, including where a wallet represents an intermediary with underlying clients.

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6. Liquidity and price formation must guide market design

Participants raised the risk that a separate tokenised market could split liquidity from ASX or OTC venues, resulting in thinner order books and weaker support for investors, particularly outside normal market hours.

- A centralised venue may concentrate activity and provide more direct control over market-making and pricing arrangements.
- Interoperable distributed venues may connect participants and liquidity across platforms, but their ability to sustain depth requires assessment.
- Smaller creation baskets and lower processing costs could improve liquidity and spreads, but do not automatically eliminate differences between retail and institutional pricing.

The Hong Kong tokenised money-market-fund example was presented as an initiative focused on product availability. Market-maker obligations, minimum quotations, withdrawal notice requirements and indicative NAV were described as ways to address liquidity and retail pricing concerns.

No single architecture was endorsed as universally preferable. The appropriate model should follow the specific objective—such as broader access, extended availability or better pricing—rather than precede it.

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7. Settlement flexibility matters more than speed alone

Settlement efficiency was identified as a potential domestic use case. The discussion emphasised that flexibility could mean either faster settlement or a longer settlement period where the underlying market is closed. An ETF remaining available while its underlying overseas market is closed was used to illustrate the mismatch that variable settlement might address.

- Institutional workflows may need coordinated, non-atomic settlement to manage the sequencing of asset sales, purchases and cash movements.
- Interfaces with conventional securities and payment systems remain important while DLT and traditional markets coexist.

Trading availability, liquidity and settlement are related but distinct design questions. Each should be assessed against the product's underlying assets, investor needs and operational dependencies.

8. Recurring lifecycle value depends on regulatory and operational readiness

Recurring value after issuance was highlighted as a potentially important opportunity, particularly through embedded compliance, automated servicing and more efficient post-trade processes. Participants also raised future agentic transactions as a possible catalyst for tokenised investment and treasury workflows.

- Ongoing servicing and corporate-action automation could offer more sustained benefits than creating a token solely for a new distribution channel.
- Machine-readable product terms, distributions, coupons, voting, tax and reporting, corrections and recovery were identified in the supplied session summary as further lifecycle areas for consideration.
- Tokenised money market funds and FX solutions were discussed in connection with real-time investment, yield and potential automated treasury activity.

These opportunities remain difficult to quantify where implementation at scale is limited. The commercial assessment must distinguish potential efficiency from demonstrated savings and include reconciliation, custody, wallet management and connectivity costs.

Clarity on tax and regulatory treatment was desired so tokenised products can remain within an appropriate regulated-instrument framework. Client transparency, KYC/AML and retail investor protection must be preserved as product structures and distribution models evolve.