

ASX Tokenisation Working Group



WS4 – Cash Equities Clearing & Settlement

14 October 2026



Acknowledging Country

ASX acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past and present.

Artwork by Lee Ann Hall
My Country My People



Session Overview

1

Welcome & housekeeping

5 min

2

Recap and Approach

What we have heard in previous sessions and how we will approach today's session

10 min

3

Clearing & Settlement

Collateral mobility & eligibility, securities lending and settlement optionality

45 min

4

CHESS Subregister

Transfers, cross-market holdings and fractionalisation

20 min

5

Summary and next steps

Key takeaways and upcoming sessions

10 min

Housekeeping

Competition law protocol

Working Group members are reminded to have regard to their obligations under Competition law. Please note that the Competition and Consumer Act prohibits a corporation from engaging with one or more persons in a concerted practice that has the purpose, effect, or likely effect of substantially lessening competition

Reminder: Regulators are attending as observers only. The ASX tokenisation initiative is separate from any regulator-led Tokenisation program(s).

HOW TO PARTICIPATE

**Be active.
Be constructive.
Keep it relevant.**

Use the chat or raise questions during the session. Customer-specific matters will be taken offline to keep the forum focused for all participants.

Participation

Cameras on where practical, microphones muted unless speaking. Questions and discussion are encouraged. Polls may be used to gather feedback and understand customer sentiment.

Non-attribution & Recording

Unless expressly advised, views may be used and reported; but they are not attributed to any member or firm outside this room. Sessions will be recorded for minute-taking purposes only.

Session Materials

Materials will be distributed at least one business day before each session. Session summaries and supporting materials will be provided only to attendees of the relevant session(s).

Actions

Any actions will be captured, assigned and tracked by ASX. Outstanding questions may be followed up after the session via email or future working group updates.

Welcome

WS4 Cash Equity Clearing, Settlement, Subregister Deep Dive

Today's Presenters

Speakers leading today's discussion



Andrew Jones

Chair • Group Executive, Securities & Payments, ASX

Industry SME



Barney Nelson
CEO, The ValueExchange

ASX

ASX



Fraser Moodie
Senior Manager,
Equities, Securities &
Payments

ASX



Lisa Briggs
Senior Product
Manager, Equities,
Securities & Payments

ASX



Schubert Gomes
Senior Manager, Issuer
Services, Securities &
Payments

ASX



Ricky Budd
Senior Manager,
Equities, Securities &
Payments

ASX



Catherine Michael
Senior Manager,
Stakeholder
Engagement, Markets

Additional ASX business representatives will be online to field any relevant questions.

Why Now

The conversation has moved from “Can tokenisation work?” to “Where can it create measurable value?”

01



GLOBAL MOMENTUM

From experimentation to implementation

Global financial market infrastructures are progressing tokenisation initiatives beyond proofs of concept.

02



VALUE FOCUS

From technical feasibility to measurable outcomes

The conversation is shifting toward market design, confidence and demonstrable value.

03



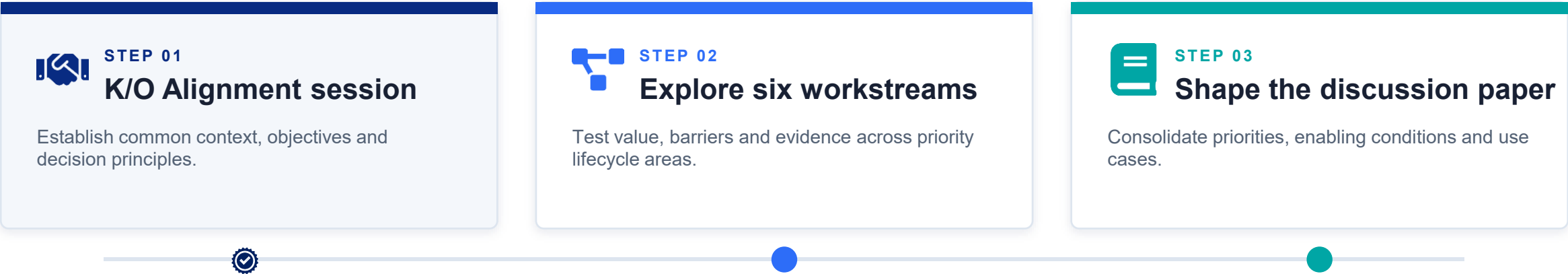
AUSTRALIAN OPPORTUNITY?

From evidence to an Industry alignment

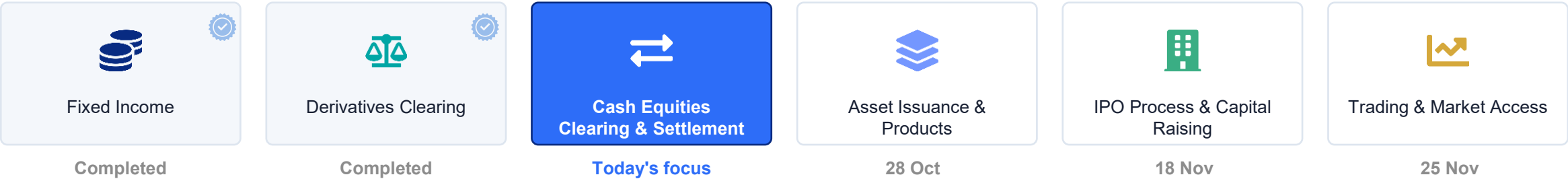
The next step is developing a shared industry perspective on the implications for Australian market infrastructure.

Where are we?

Build alignment, explore priority opportunities and consolidate industry views



SIX TARGETED SESSIONS



Align • explore priority opportunities • consolidate industry input

Emerging Themes

Adoption turns on legal certainty, a safe settlement asset, resilience and interoperability - rather than technology benefits alone.

WS1 - INTRODUCTORY SESSION

What must be true first

- Likely initial adoption of Tokenised representations of existing securities, not a wholesale market redesign
- Equivalent legal rights and settlement finality required
- Appropriate settlement asset(s) to underpin the future ecosystem

WS2 - FIXED INCOME

Where the value sits

- Collateral mobility is the clearest near-term opportunity
- Asset servicing offers a strong recurring value case
- Digital issuance is primarily an enabler
- Same-ledger digital cash unlocks the broader future potential

WS3 - DERIVATIVES CLEARING

Where the value sits

- Overnight margin friction, including the 2am USD call, warrants further exploration
- Austraclear a potential near-term pathway
- Eligibility and mobility are related considerations
- Future development informed by industry priorities and global standards

SHARED ADOPTION CONDITIONS

Legal certainty and an authoritative record

Interoperability and standards

Cash and settlement rails

Governance, controls and resilience

Identity, permissions and data

Adoption economics

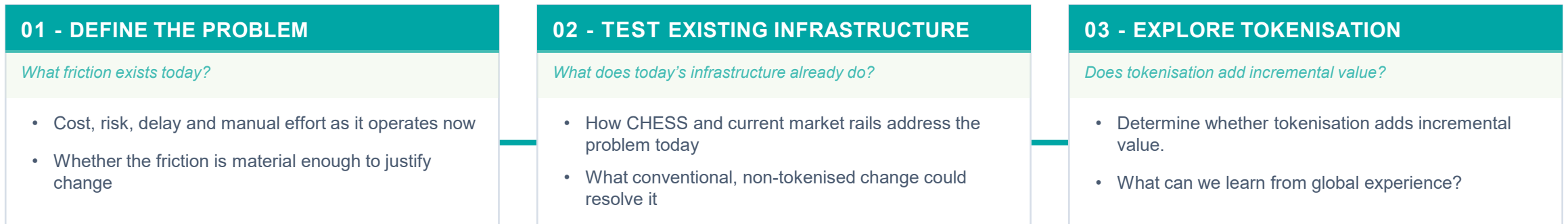
Approach

Exploring tokenisation in Cash Equities Post-trade

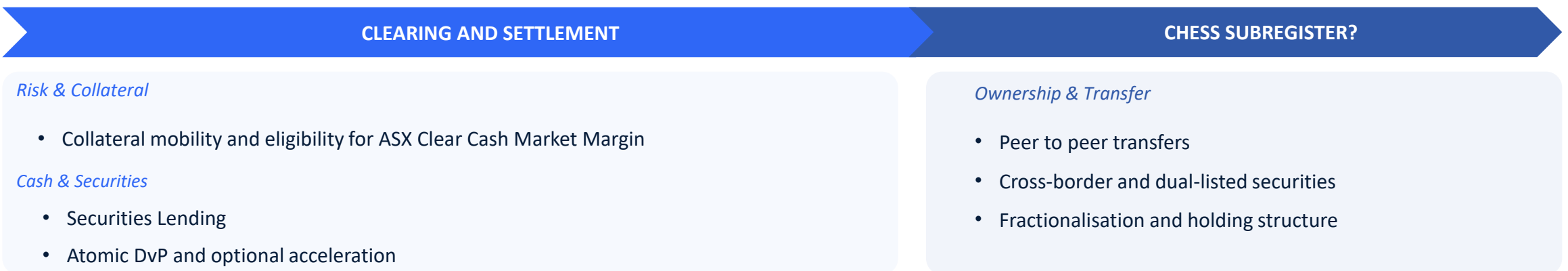
Exploring tokenisation in cash equities post-trade

Where may tokenisation provide a feasible solution to existing market frictions and what adoption conditions would be required?

► EXPLORATION APPROACH



► WHERE MIGHT VALUE ARISE?



Global Overview

ValueExchange

Global perspective

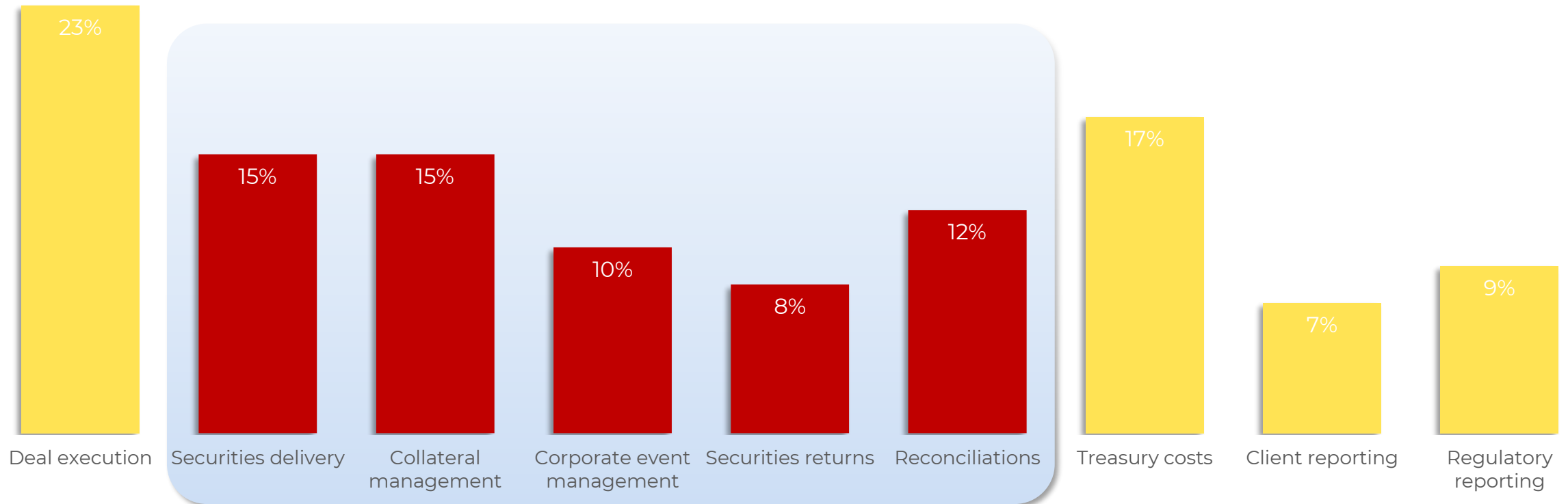
Key problem statements



Operational costs are up to 60% of the costs of a securities lending trade today



Average breakdown of the costs of an SBL transaction

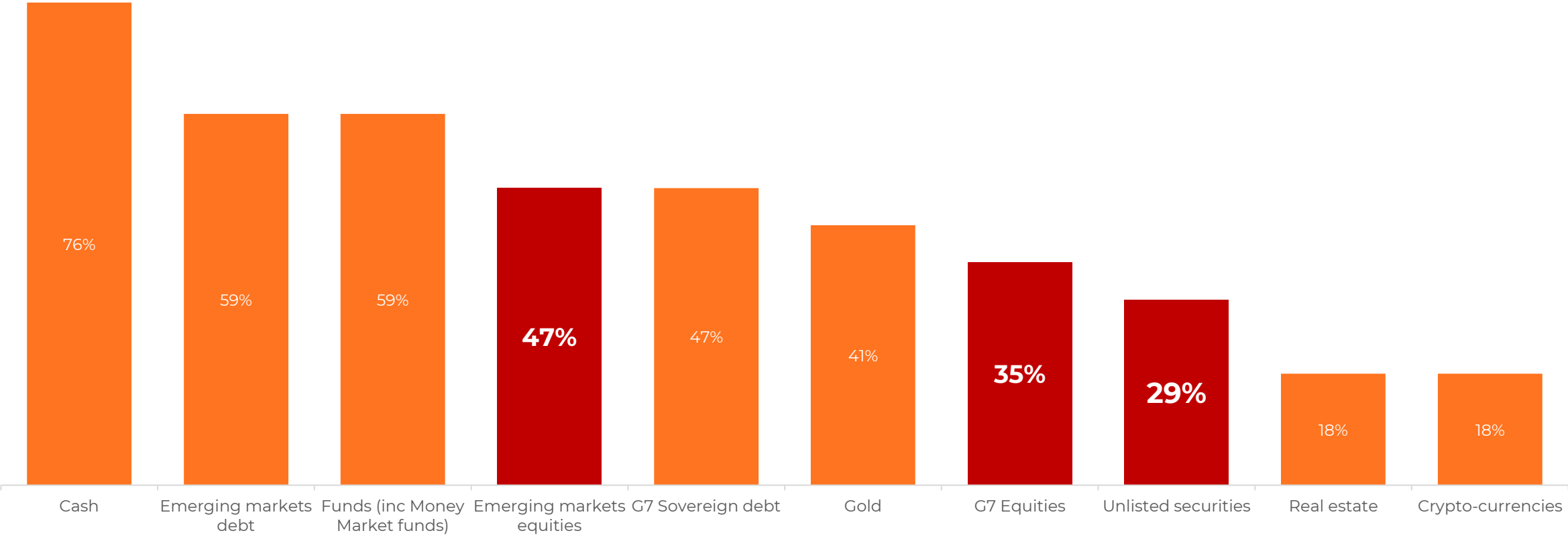


What collateral to tokenise?

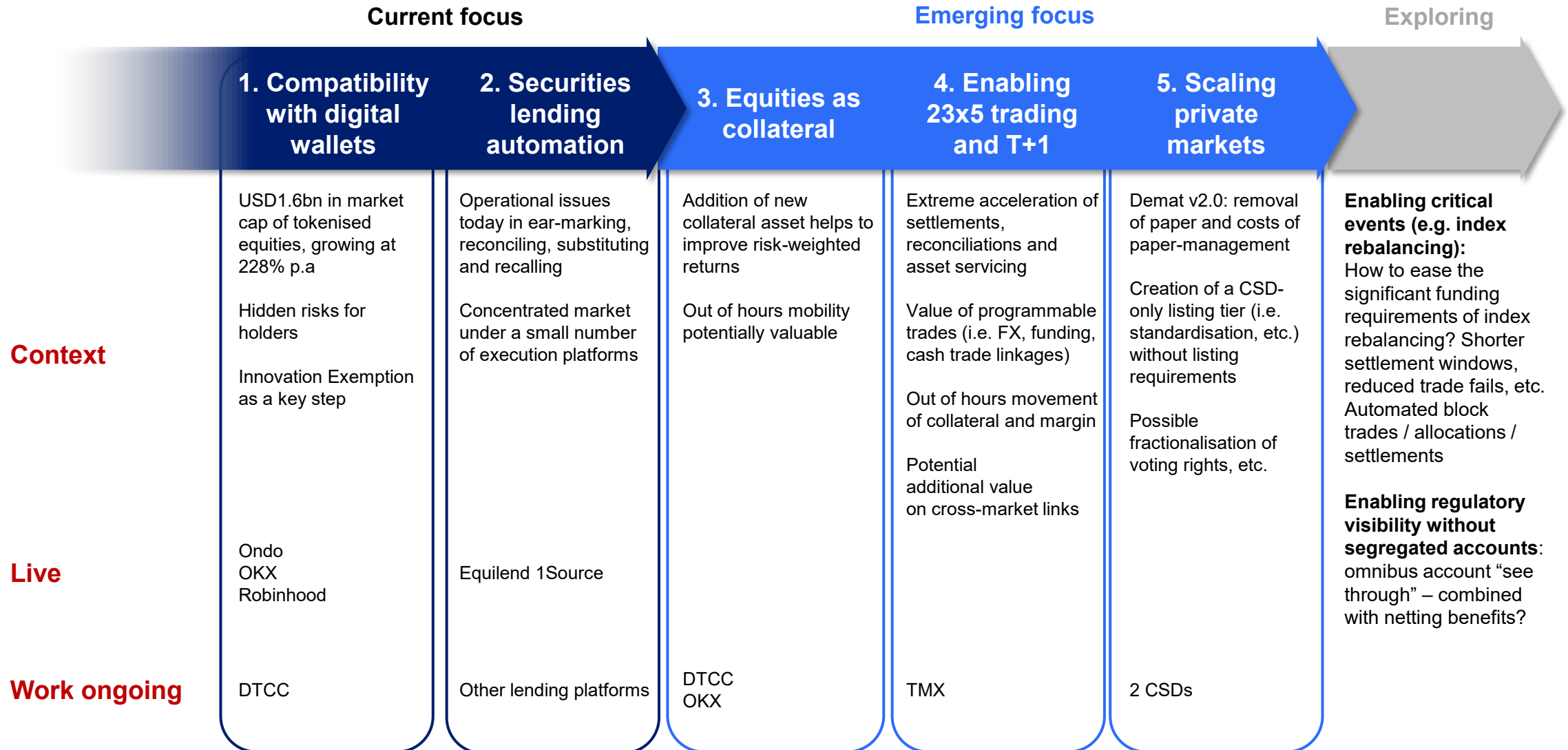
Cash, funds and HQLA are the core targets for 50% of respondents in every region



% of total respondents in Asia-Pacific looking to tokenise each asset as collateral



Global perspective



Clearing and Settlement

CONSIDERATIONS

Risk & Collateral

- Collateral mobility and eligibility for ASX Clear Cash Market Margin

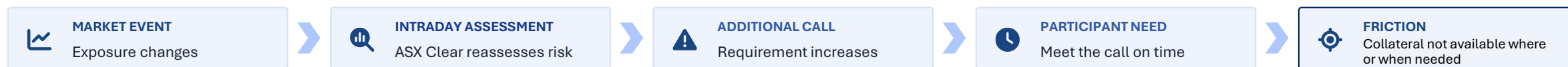
Cash & Securities

- Securities Lending
- Optional settlement acceleration

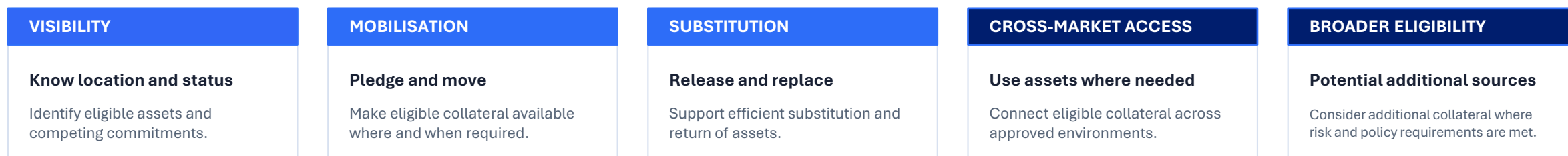
Margin calls: could better collateral mobility reduce friction?

A market event may increase the margin requirement; the opportunity is to improve timely access to eligible collateral without weakening CCP controls.

01 - FRICTION: DAILY CMM IS THE BASELINE > AN ADDITIONAL CALL ARISES WHERE AN INTRADAY ASSESSMENT INCREASES THE REQUIREMENT



02 - CAPABILITIES / POTENTIAL APPLICATIONS



03 - POTENTIAL APPROACHES



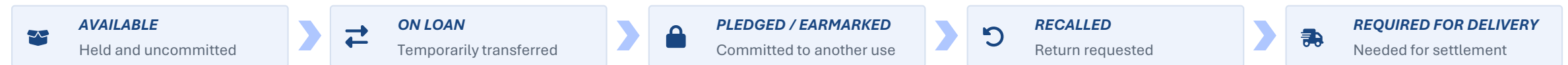
FOR DISCUSSION

- Which collateral capabilities matter most, and where could digital representation add incremental value?

Securities Lending: Could Better Visibility Reduce Post-Trade Friction?

Could tokenisation improve coordination across securities lending and connected post-trade processes?

01 - FRICTION: SECURITIES STATUS CHANGES ACROSS THE TRANSACTION LIFECYCLE AND MAY BE HELD BY DIFFERENT PARTIES AND SYSTEMS



02 - CAPABILITIES / POTENTIAL APPLICATIONS

LENDING LIFECYCLE	COLLATERAL	SETTLEMENT	CORPORATE ACTIONS	BROADER AVAILABILITY
Availability and recalls Allocation, recalls, substitutions and returns.	Pledge and release Assets available to mobilise, substitute or release.	Delivery readiness Potential shortfalls and competing commitments.	Rights and entitlements Clarify rights while securities are lent, pledged or recalled.	Expand lendable supply Could holder permissions and controls support a broader securities pool?

03 - POTENTIAL APPROACHES



FOR DISCUSSION

- Where is the greatest friction in securities lending today, and would better visibility, broader securities availability or digital representation create material value?

Potential settlement options

Tokenisation is not required to shorten settlement cycles, but becomes increasingly relevant for elective, programmable or atomic settlement.

SETTLEMENT CONTEXT

The common settlement cycle coordinates funding, securities preparation, clearing and netting, but some participants may need different timing, earlier asset access or greater certainty. Any alternative must address a sufficiently material need that justifies trade-offs in netting, margin, liquidity, securities availability, operations and risk.

SETTLEMENT MODELS	T+X NETTED	OPTIONAL ACCELERATION	ATOMIC DvP / (24x7)
Three models, assessed against the same enabling requirements.	Common market-wide settlement cycle (e.g. T+0, T+1) Compression results in less time to fund and resolve exceptions.	Selected trades settle earlier by election Eligibility and coexistence rules add complexity.	Cash and securities exchange with finality Digital cash, prefunding or CCP facilities may be required.
ENABLING ARCHITECTURE			
SECURITY ASSET MODEL	Existing CHESS holding	Existing CHESS holding or token representation linked to the authoritative CHESS record	Compatible digital representation: digital twin or token-native
CASH ASSET MODEL	Existing cash rails with intraday availability	Existing cash rails and/or tokenised settlement asset, depending on the model	Compatible final cash asset: synchronised or tokenised
TECHNOLOGY CAPABILITY	Enhanced scheduling and processing	Existing rails, synchronisation layer or DLT Bridge*	Atomic coordination across both legs; DLT where required

*DLT Bridge links the authoritative CHESS holding with its token representation and coordinates movement, synchronisation and return between conventional and DLT environments.

FOR DISCUSSION

• Which settlement problems warrant a different model, and where does tokenisation provide incremental value over conventional solutions?

Cash settlement asset options

Different settlement mechanisms may require different cash settlement assets; the key distinctions are the issuer, underlying claim and settlement risk.

01  COMMERCIAL BANK MONEY Bank deposit token A tokenised claim on a deposit held with the issuing commercial bank. ISSUER Commercial bank CLAIM Deposit liability of that bank KEY RISK Issuer credit and operational risk	02  PRIVATE MONEY Stablecoin A privately issued token designed to maintain a stable value against fiat currency. ISSUER Usually a regulated non-bank CLAIM Reserve assets held by the issuer KEY RISK Issuer, reserve, liquidity and redemption risk	03  CENTRAL BANK MONEY Wholesale central bank money A direct claim on the central bank for use by eligible wholesale institutions. ISSUER Central bank, such as the RBA CLAIM Direct central bank liability KEY RISK Lowest credit risk settlement asset	04  CENTRAL BANK MONEY Tokenised exchange settlement balances Existing ESA balances at the RBA made available for DLT-based settlement, without issuing a separate wCBDC. ISSUER RBA through existing ESA arrangements CLAIM Existing central bank money in a new operational form KEY RISK Operational, access and interoperability design
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WHY IT MATTERS

- The settlement asset affects risk, access and whether synchronised or atomic DvP can be supported.



FOR DISCUSSION

- What characteristics should the cash settlement asset have to support future settlement models?

Note: the availability/eligibility of these settlement assets is a matter for regulatory policy — not an ASX decision. They are presented here to inform industry discussion only.

CHESS Subregister

CONSIDERATIONS

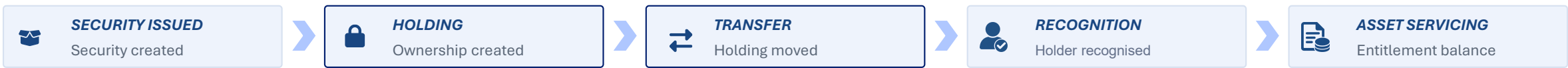
Ownership & Transfer

- Peer to peer transfers
- Cross-border and dual-listed securities
- Fractionalisation and holding structure

CHES Subregister: could tokenisation add value to an already-digital holding model?

Could new capabilities add value while preserving authoritative ownership, registered-holder recognition and HIN characteristics.

01 - FRICTION: HOLDING AND TRANSFER MAY NEED TO WORK ACROSS DIFFERENT SECURITIES REPRESENTATIONS



02 - POTENTIAL APPLICATIONS

01 TRANSFER + CONTROL

Peer to Peer transfer
Enable authorised transfers of registered holdings or entitlements between permitted parties.

POTENTIAL VALUE Faster transfer, clearer status and fewer hand-offs or reconciliations.

02 CONNECTED MARKETS

Cross-market holding mobility
Support recognised movement or representation across dual-listed, cross-border and conventional/tokenised environments.

POTENTIAL VALUE Less re-registration, duplication and reconciliation across market boundaries.

03 NEW STRUCTURES

Fractional + new holding structures
Represent smaller units or alternative holding structures that are difficult to administer efficiently today.

POTENTIAL VALUE Potential broader access, flexible product design and simpler administration.

03 - POTENTIAL APPROACHES

ENHANCE EXISTING INFRASTRUCTURE ?

Connected data and workflows
Improve records, APIs, messaging, permissions and workflow integration.

TOKENISED REPRESENTATION ?

Shared status and controlled activity
Test whether tokenised representation adds visibility, coordination or programmability.

FOR DISCUSSION

- Where could tokenisation deliver value in holding or transfer processes, and which registered-holder and HIN characteristics must be preserved?

Summary



Questions

Next Steps

Next steps

Consolidate today’s cash equities input, continue the workshops and shape the discussion paper.



01 WHAT HAPPENS NEXT

Cash equities follow-up

Follow-up email to attendees with:

1. Presentation materials and key themes: collateral mobility, settlement and cash options, and CHES holdings.
2. ASX responses to outstanding questions, including evidence of value beyond conventional change.
3. Priorities, barriers and enabling conditions to inform the industry discussion paper.



02 UPCOMING SESSIONS

Targeted, invitational workshops

28 Oct 3.00–5.00pm
Asset Issuance & Products

18 Nov 2.00–4.00pm
IPO Process / Capital Raising

25 Nov 2.00–4.00pm
Trading / Market Access

All sessions at the ASX office / MS Teams. Dates and times subject to change.



INTERESTED IN PARTICIPATING?
Express interest via the Tokenisation@asx.com.au mailbox - Expressions of interest will help inform participation in relevant future sessions.



Thank you

ASX

Get in touch

For information on the tokenisation working group visit the ASX tokenisation [website](#) or email tokenisation@asx.com.au.

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