



ASX Tokenisation Working Group

Cash Equities Clearing & Settlement Workshop Summary | 14 October 2026

Workshop overview

The Cash Equities Clearing and Settlement workshop considered where tokenisation might add practical value across the Australian cash equities lifecycle, including collateral, securities lending, settlement, payments and subregister.

The discussion indicated a demand-led approach to further tokenisation exploration, suggesting that near-term priorities should remain on existing market initiatives while giving the industry time to observe and learn from global developments. Earlier targeted exploration would be warranted where a specific friction, committed customer need and/or credible industry benefit emerges.

This summary reflects the workshop discussion and does not represent an ASX commitment to pursue, prioritise or implement any tokenisation model or use case.

Key takeaways

The workshop highlighted four overarching messages, while also indicating that participants did not identify an immediate priority for tokenisation across the cash equities post trade lifecycle:

1. Prioritise demonstrable frictions

The discussion did not reveal a compelling use case. Any further work should be triggered by a clearly evidenced friction in areas such as collateral substitution, securities-lending lifecycle management, cross-market mobility or transfer processing – not by a desire to replicate existing digital records.

2. Preserve netting and trusted ownership

T+1 remains the practical near-term settlement target. Atomic settlement may suit selected transactions, but broad adoption could replace settlement risk with funding and liquidity risk.

3. Keep models interoperable and incremental

If customer demand develops, solutions should minimise industry change, use ISO 20022 and APIs where practical, and expose additional token functionality progressively rather than require an early shift to ledger-native workflows.

4. Resolve governance before scale

Given the limited current appetite, detailed governance design should be proportionate to the maturity and validation of the relevant use case. Before scaling, any model would still need to clarify the authoritative record, token issuer, legal holder, permissions, reversals, corporate-action treatment and alignment with issuer and registry obligations.

Key themes

1. The value case is broader than digitisation

Global activity is concentrated in tokenised fixed income and collateral, while equities present a range of possible – but not yet strongly demanded – opportunities. The workshop referenced on-chain investor access, securities lending, equities as collateral, support for near-continuous trading, private-market administration, index rebalancing and more sophisticated record keeping. These were discussion areas rather than clear customer commitments or near-term priorities.

- Risky wrapper products demonstrate demand for on-chain equities but may separate investors from direct legal ownership.
- Private-market benefits may be achieved through conventional dematerialisation rather than distributed ledger technology.
- Programmability was viewed as a potentially important differentiator, although neither a sufficiently defined business case nor strong customer demand emerged.

2. Cash-market collateral benefits depend on the underlying model

The discussion explored whether tokenisation could improve collateral visibility, mobilisation, substitution and eligibility. Existing cash-market collateral remains predominantly cash, while equity collateral is available but rarely used.

- For retail activity, pre-funded cash and available stock could potentially reduce or remove margin if both sides can be reliably locked.
 - Institutional users may value broader collateral choices, but assets may sit in affiliates and be costly to transfer.
 - The inability to attribute margin cleanly to individual client transactions is primarily a risk and calculation issue, not a tokenisation issue.
 - There was limited support for prioritising highly volatile digital assets as collateral.
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3. Securities lending has identifiable operational frictions

Participants did not consider the current decentralised lending model as an industry friction point but identified opportunities for connected digital workflows to improve efficiency.

- Non-cash collateral substitution can create exposure during sequential give-and-receive processes; delivery-versus-delivery could reduce this gap.
 - Dividend and corporate-action reconciliation on loaned securities remains operationally burdensome.
 - A more visible or centralised source of lendable stock could expand supply, including for market makers, but may conflict with established market structures.
 - T+1 could amplify current sourcing and lifecycle-management pressures.
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4. T+1 remains the preferred near-term settlement target

Participants reaffirmed the importance of netting and the practical constraints created by Australia's time zone and offshore funding flows.

- Moving broadly to T+0 or atomic settlement could make the market effectively pre-funded and create barriers to participation.
 - Atomic settlement removes some counterparty and margin risk but shifts risk toward funding and liquidity.
 - Optional acceleration could preserve the batch while allowing faster settlement where stock and cash are pre-authorised or can be borrowed.
 - Short-duration borrowing may not be commercially attractive to lenders, and optional outcomes could be unpredictable.
 - A gradual or transaction-specific approach was preferred over a market-wide switch.
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5. Digital money options serve different purposes

Central-bank money remains the preferred settlement asset for cash equities.

- A wholesale central bank digital currency could eventually complement existing central-bank settlement arrangements.
 - Stablecoins or tokenised deposits may support bilateral wholesale transactions or targeted use cases where counterparties accept the risk.
 - A digital cash asset linked to a HIN could support unclaimed dividends, multi-currency distributions and more automated payments, provided investors have a simple off-ramp.
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6. The holding model must preserve authoritative ownership

Three potential models were considered: CHES remaining the authoritative record, a digital twin linked to CHES, or a token-native ledger becoming authoritative.

- Any approach must identify the source of truth, legal holder, token issuer and required issuer approval.
 - Legal equivalence between tokenised and conventional holdings was treated as a core principle.
 - Peer-to-peer transfers could modernise paper-based processes, but identity, AML/CTF, permissions, reversals and dispute controls remain necessary.
 - Fractional interests raise additional questions about voting, corporate actions, aggregation, investor protection and tax treatment.
 - The operating model would need to establish clear accountability for issuing, maintaining, reconciling, reversing and where necessary, recovering tokenised holdings.
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7. Issuers, registries and cross-market bridges are central

The workshop emphasised that tokenisation cannot be designed solely as a subregister technology change. Issuers and registries retain critical roles in issuance, ownership records and cross-market transfers.

- Tokenisation should not obscure issuer visibility or create an unnecessary intermediary layer.
 - Cross-market mobility must accommodate differing legal systems, depositories, currencies and authoritative records.
 - Registry-led bridges may remain necessary until connected markets can interoperate directly.
 - Un-sponsored wrapper or omnibus structures can fragment liquidity, distance investors from legal ownership and add fees to corporate actions.
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8. Interoperability should minimise market uplift

Participants supported using established messaging and connectivity standards before requiring the market to adopt fully ledger-native workflows.

- ISO 20022 and APIs could support initial interaction with tokenised assets.
- Token and wallet standards must be selected to enable interoperability rather than proliferate incompatible models.
- Functionality should be introduced progressively as demand and market readiness develop.
- Real-time synchronisation between legacy and token records may be complex; lock-and-mint or mint-and-burn approaches may provide clearer control.

9. Further work should be use-case led

The discussion did not identify a dominant near-term tokenisation use case for cash-equities. Securities-lending lifecycle improvements, targeted collateral mobility, optional settlement acceleration, digital transfer workflows and cross-market interoperability remain possible areas to revisit, but none currently appear to warrant a major standalone program.

Accordingly, further work should be proportionate and demand-led: monitor market developments, capture specific customer problems as they emerge, and assess a targeted proof of value only where there is a committed participant base and a clear benefit beyond existing digital infrastructure. Any candidate should then be tested against legal feasibility, commercial value, participant demand, risk controls, operational readiness, interoperability and integration with CHES replacement.