

ASX Tokenisation Working Group

IPO Process & Capital Raising Workshop Summary | 18 November 2026

Workshop overview

The IPO Process and Capital Raising workshop, the sixth in the Tokenisation Working Group series, explored where tokenisation could improve the front end of equity markets, including pre-IPO set-up, IPO origination, application and allocation, and settlement.

The discussion reinforced that tokenisation is not a solution in isolation. Its value will depend on addressing the underlying legal, constitutional, KYC, registry and commercial settings alongside the technology.

Participants broadly saw the strongest potential in workflow automation, pre-IPO standardisation, improved investor access and better post-allocation experience, rather than in a copy-and-paste adoption of global models.

Key takeaways

The workshop discussion highlighted three overarching messages:

1. **Focus on workflow, not just settlement**

   The clearest benefits relate to automating and standardising multi-party IPO workflows, rather than the transfer of value at the point of settlement.

2. **Consider a tokenised pre-IPO pathway**

   A tokenised pre-IPO or unlisted register could allow a company to progressively meet listing requirements, making it easier to become IPO ready.

3. **Solve legal, KYC and constitutional questions together**

   Tokenisation only delivers benefits if the share remains "a share", the HIN-style KYC benefits are preserved, and the technology is aligned with the legal framework.

Key Themes

1. Global precedents point to workflow efficiency

The ValueExchange outlined global developments and noted there is not yet an obvious copy-and-paste opportunity for Australian equity issuance. The international examples presented pointed toward using tokenisation to simplify the multi-party issuance workflow rather than simply creating a tokenised version of today's share.

Key points included:

- around $30 billion of digital assets have been natively issued on-chain, largely debt, with workflow efficiency a key driver;
- automating the emails and hand-offs between law firms, issuers and agents has delivered an estimated 30 to 40 percent workflow and time efficiencies on the debt side;
- faster issuance could reduce funding periods and balance sheet cost;
- some CSDs are creating digital records for unlisted securities, giving pre-IPO companies standardised cap table management without meeting listing requirements; and
- Nasdaq, Computershare and others are bringing out new US issuer-sponsored token listing models from December through to Q2 next year.

The expectation is that these models will deliver workflow benefits, a single book of record and an improved issuer-to-investor experience, including corporate actions, AGMs and programmable investor incentives.

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2. A tokenised pre-IPO phase could help companies become IPO ready

The group explored whether securities could exist digitally before listing, creating a more standardised environment for private companies.

Key points included:

- the token could progressively change as the company takes on more shareholders, ultimately resembling a listed share;
- the ledger could record each step (registry, ASX and shareholder-spread checks) so that all parties can see when the company is IPO ready;
- this could act like a secondary board, helping smaller companies raise capital and prepare for listing; and
- manual certification steps, such as confirming 300 shareholders, could be reduced.

Participants noted the register is already split between CHESS and issuer-sponsored holdings, and a tokenised sub-register could become a third holding type. Practical views differed on how large the pre-IPO shareholder base typically is, and on whether spread is still a real issue in Australia.

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3. Retail access to IPOs is a significant opportunity

Participants observed that IPOs have shifted from broad public participation to largely institutional and retail broker firm distribution.

Key points included:

- investors outside a broker relationship face onboarding and KYC delays which is an impediment to participation;
- digital wallets and fractional investing platforms could reconnect a broader investor base; and

- tokens could give investors a visible record of their application and allocation, and allow earlier trading in conditional or deferred settlement markets.

Participants also noted that compressed IPO timetables leave little time for traditional public offers, whereas tokenisation may remove the need for timely manual processes.

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4. Digital identity / KYC is critical

The HIN effectively provides an investor with a reusable identity within the CHESS/broker environment: once onboarded with a broker, the investor does not need to recreate their identity relationship for every listed company they invest in.

A tokenised solution that sits outside this framework could inadvertently create more friction rather than less if issuers or intermediaries needed to perform additional identity/KYC processes.

Key points included:

- a token model outside this framework could require KYC for every issuer;
- applicants who give registration details that do not match their HIN may be issued issuer-sponsored holdings, delaying trading by days or weeks;
- registries lack transparency of CHESS registration details;
- custodial positions for loyalty or bonus-share structures have required manual processes;
- ASX's format requirements for proving spread were also raised as a source of friction.

If a token operates within a HIN-like structure, the existing principles should carry over. If not, the issuer is issuing a financial product and wider regulatory requirements, including KYC, would apply. Some participants suggested tokens could replace certain statements, subject to rule changes and where the holding lives.

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5. Legal and constitutional alignment is essential

Participants emphasised that tokenisation is a technology discussion that sits alongside a legal discussion.

Key points included:

- ASX listing rules require all shares to be shares, with constitutions that avoid the special rights common in private equity and infrastructure;
- tokenising a share without changing the underlying constitution does not change its rights;
- tokens must still be fungible once listed, without a visible history or provenance that makes one share different from another;
- escrow, whether voluntary or ASX-imposed, would need to be represented in tokenised form, as it is currently managed by registries through separate holding classes; and
- bespoke terms and programmability could help match issuers and investors, provided common standards exist for how terms are encoded and disclosed.

It was noted that if tokenisation delivers the lowest cost of capital, issuers will adapt their constitutions accordingly.

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6. Programmability could improve the investor experience

Tokenisation may also enable functionality beyond simple ownership.

Examples discussed included:

- loyalty benefits;
- tracking eligibility for shareholder benefits;
- programmable corporate actions;
- investor-specific incentives; and
- more direct issuer-to-investor engagement.

Historical IPO loyalty arrangements were cited as examples where registries had difficulty identifying original holders, particularly through custodial structures. A programmable security could potentially make such attributes and eligibility rules easier to administer.

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7. Funds flow, stablecoins and digital money

Participants, including a stablecoin issuer and legal advisers, discussed the role of stablecoins in the IPO process.

The concept is attractive because tokenised securities combined with tokenised money could ultimately enable more immediate or atomic exchange of cash and securities, rather than moving funds through separate processes. But several issues were identified:

- not all stablecoins have equivalent risk;
- central-bank money remains the benchmark settlement asset;
- stablecoin reserve structures and licensing matter;
- legal requirements around IPO application monies remain relevant; and
- volatility or redemption risk could undermine the one-for-one value required for an issuance.

It was also noted that the current requirement for issuers to hold application money in an ADI trust account would be a barrier to be addressed for digital-money models, and that any difference between the value of a stablecoin and the underlying currency could affect an issuer's ability to issue the shares applied for.

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8. Cross-border and dual listings

Cross-border and dual-listed securities were identified as an area where distributed ledger technology could theoretically provide greater benefit because complexity increases when multiple markets, currencies or registries are involved.

However, discussion of Australia/New Zealand IPOs suggested that existing mutual-recognition arrangements already remove some friction.

Key points included:

- trans-Tasman mutual recognition and listing rule relief already reduce much of the legal burden, so the incremental benefit may be limited;
- dual listings are relatively infrequent;
- a more fungible pool of stock between ASX and NZX issuers may enhance liquidity; and
- New Zealand regulators are expected to take a substance-over-form approach, and a High Court decision supports digital assets being capable of being property.

Participants also noted that Australian and New Zealand registries are already fungible, so the question is whether settlement (DvP) becomes easier with tokenisation.

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9. Adoption barriers: custody, standards and the existing market

Participants identified several challenges to adoption.

Key points included:

- self-custody raises risks for individual investors, including loss and theft, whereas CHESS offers a guarantee fund and the ability to unwind transactions;
- tokenisation will require standards, trading off flexibility against benefits;
- a solution is more likely to succeed if it is adjacent to and connected with CHESS, rather than replacing it;
- the problems solved need to be large enough to justify the cost of change, and a token that must be converted back into CHESS to be sold diminishes value; and
- distribution of offers from retail brokers to clients was not covered in detail and may warrant further exploration.
