

Evolving Technologies Working Group

11 February 2025 Teams Call

Meeting Minutes

Participants (in attendance in bold):

Bill Hodash, Colin Parry (PMO)

Ludivine	Chaulier	Banque Internationale à Luxembourg SA
Claudio	Calderon	Deposito Central de Valores (DCV)
Glen	Fernandes	Euroclear
Charu	Jain	S&P Global
Rok	Šketa	KDD Central Securities Clearing Corporation
Karine	Taquet	SWIFT SCRL
Giles	Elliott	Tata Group
Steve	Everett	TMX Group Limited
Juerg	Unger	Swiss Re Ltd
Sandra	Ro	The Global Blockchain Business Council
Abiko	Ryosuke	MUFG Bank, Ltd
John Andrew	O'Brien	Citi
Richard Simon	Shepherd	MYRIAD Group Technologies Ltd
Hema	Cederhage	The Mauritius Commercial Bank Ltd.
Shuta	Okawara	MUFG Bank, Ltd
Thomas	Small	U.S. Bank, N.A.
Daniel	Slenders	Accenture Plc
Ian	Pledger	BNY
Gilles	Papadopoulos	Swiss Re Ltd
Terry	Gibson	Archax Holdings Ltd
Anna	Matson	Northern Trust Corporation
Kelly	Mathieson	Digital Asset Holdings, LLC
Smratee	Jain	Deutsche Bank AG
Fergal	Keavey	Northern Trust Corporation
Pedro	Wajchman Moriyama	B3 Brazilian Exchange and OTC
Juergen	Hofbauer	Taurus
Richard	Young	Bloomberg LP
Herbert	Barth	NowCM
Vassili	Lavrov	Taurus
Michele	Pitts	Citi
Vic	Arulchandran	Deutsche Börse Group
Louise	Waterhouse	TMX Group Limited
Thomas	Koehler	Hong Kong Exchanges and Clearing Limited
Peter	Hubli	Zürcher Kantonalbank

Yan	Lam	The Central Moneymarkets Unit of the Hong Kong Monetary Authority
Miguel	Espinoza	Montran
Alexandre	Kech	Global Legal Entity Identifier Foundation GLEIF
Steve	Briscoe	ClearToken Holding Limited
Svetlana	Javakhyan	State Street Corporation
Cécile	Kougblenou	BNP Paribas S.A.
Romuald	Morel	BNP Paribas S.A.
Hakim	Harrach	DZ Bank AG
Marco	Rodrigues	BNP Paribas S.A.
Thomas	Durif	BNP Paribas S.A.
Jaikishan	Kumar	Deutsche Bank AG
Vera	Gligoric	Royal Bank of Canada
Malte	Zellmer	DZ Bank AG
David	Khachidze	Acupay System LLC
Mariano	Graf von Plettenberg	DZ Bank AG
Fabian	Schwiering	DZ Bank AG
Daniel	Le	Deutsche Bank AG
Jerome	Andrews	The Depository Trust & Clearing Corporation
Qian	Jiang	SWIFT SCRL
Piyush	Vaishnav	Deutsche Bank AG
Gagan	Arora	S&P Global
Rakesh	Mahajan	S&P Global
Reggie	Clothier	Rand Merchant Bank - Custody Services
Ganesh	Borse	Deutsche Bank AG

Agenda

1. CMTA and UBS Presentation
 2. 2025 Topics for the WG
1. **Capital Markets Technology Association (CMTA) and UBS Presentation - Jurgen Hofbauer and Ben Hattar Ariel of CMTA and Schepens Laurens of UBS**

Key Points Addressed

- Colin introduced the speakers from CMTA and UBS - - Jurgen Hofbauer, Ben Hattar Ariel and Schepens Laurens who presented on the Capital Markets Technology Association token standard, which UBS recently used for a transaction to tokenize an investment fund on Ethereum.
- The goal of CMTA is to create standards for the use of the distributed Ledger technology in financial markets.
- CMTA started in 2018 with equity tokenization for Swiss corporations and prepared what was essentially a legal document with a list of requirements. CMT assumed that smart contracts would be created by the industry and that CMTA would only need to explain at a high level how the smart contract needs to work for it to be compliant with the requirements of Swiss law. This evolved to creating a common point of reference from a code/smart contract perspective leading to the creation of the CMTA Token (CMTAT) - - a block chain agnostic smart contract framework for the tokenization of securities. CMTAT is Open Source and available on GitHub and the CMTA website.
- CMTA is also now a formal participant of Project Guardian, which is a project led by the Monetary Authority of Singapore to define standards for the tokenization, an opportunity to build out the CMTAT globally.
- UBS started testing different blockchain applications in 2016 and first tokenized securities in 2019. UBS tested quite a lot of different frameworks and has landed on the CMTA and the adoption of the CMTAT. Tokenization only works if you have a legal framework, as well as a technical implementation.
- UBS uses 4 pillars to guide building its service.
 - Developing product frameworks by and bringing them to a blockchain by leveraging the existing knowledge we have of structuring and launching products.
 - Structuring in a way that they're compliant across all the jurisdictions we're working on.
 - Structuring them in a digital native way that you can really leverage the DLT in a blockchain agnostic fashion.
 - Building an institutional grade B-to-B service.
- All of this points to using a global standard to achieve true interoperability, and the CMTAT provides all of this and allows us to satisfy our 4 pillars. UBS sees the CMTAT as a family of smart contracts with a rules engine that enforces the policies you want to structure around. Allowing you to define different actors, such as a custodian, a distributor, an issuer, etc. and then force different rules on what can they then actually do, or their role is in the smart contract.
- UBS's first launch of a CMTAT based token was a money market fund in Singapore, under Singapore law, on Ethereum.
- The cash leg of the trades has thus been processed in the traditional way off chain, but the goal is to evolve to on chain.
- In response to a question about the ICMA taxonomy - CMTA and ICMA are complementary pieces of work. ICMA defines what the data should look like, but they didn't go as far as actually producing an implementation within a smart contract. They also wanted to keep it open for different smart contract standards for different networks. The CMTA Tech board is looking into how we can apply that on a technical level.
- In response to a question about how to get started on adopting CMTAT - For issuers who want to demonstrate that they have followed the standards, we do offer for equity securities under Swiss law and we will offer for debt securities as well, the ability to certify that the issuance is compliant with the standard, so a rubber stamp from the association that the tokenization process has done has been done correctly. To get started on an in-depth conversation contact the CMTA secretariat through our website or to get in touch with a member of the Tech Committee, its chair is Jean Filippo Masson from Taurus.
- In response to a question on interoperability, CMTA is talking TO Digital Asset Holdings and is very open generally to discuss with those who are building projects that are more private blockchains or a mix of public and private as interoperability is key for us.

2. 2025 Topics for the WG

Key points Addressed

Colin and Steve showed a slide deck with the suggested priority areas for the WG in 2025. *In red font we call out for WG members to please volunteer to join these teams.*

- **Year of the DLT in Real World Survey - Chaired by Glen Fernandes**
 - In conjunction with Value Exchange
 - Sponsors to be identified (Barney and Colin) – volunteers?
 - Longitudinal view – so changes rather than re-write
 - Needs to capture new trends in questions but at the margins
 - *Small group of volunteers needed to review questions*
 - Big group to push within their organisations to complete and increase validity yet further.
 - 2025 February – April design, May - June deployment, September publish

- **Digitalisation – Completion - Co-Chaired by Michael McPolin and Ian Pledger**
 - Outline published - - What is currently not digitised and what of that should be?
 - *WG Members needed to:*
 - *Complete drafting*
 - *Incorporate client service examples particularly C/I and C/X*
 - 2025 Feb – May document creation and revisions, June publish

- **Best Practices for Collaboration with Big Tech - - Chair TBC**
 - Presentations have shown:
 - Risk management needed especially ability to avoid lock-in and data security
 - Multiple future models of working possible
 - Ensuring service provision does not fall within regulated activities
 - Value accretion models vary
 - *WG Members needed:*
 - *Start drafting – including the correct chapters*
 - *Experts per theme thereafter*
 - 2025 Feb – October document creation and revisions, year-end publish

- **DLT Use Case #1 – Supporting Securitisation and/or collateral management - - Chair TBC**
 - Examples of various use cases using DLT for securitisation and collateralisation
 - Lessons learnt from these use cases (positive and learning experiences)
 - *WG Members needed:*
 - *Start drafting – including the correct chapters*
 - *Experts per theme thereafter*
 - 2025 Feb – September document creation and revisions, November publish
 - This would potentially be the first in a number of DLT Value Chain Transformation examples

AOB and Close

Going forward, we will have monthly meetings featuring updates from the four teams and a presentation by an interesting provider. Next month: Snowflake.

No other business raised. The meeting was then closed.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Join the four teams/topics	WG Members	By end of February