

Meeting Minutes

Bill Hodash, (PMO)

Participants (in attendance in bold):

Steve	Briscoe	ClearToken
Steve	Everett	TMX Group Limited
Peter	Hubli	Zurcher Kantonalbank
Patrick	Kropp	Deutsche Börse Group
Kelly	Mathieson	Digital Asset Holdings
Jiang	Qian	SWIFT
Juerg	Unger	Swiss Re
Martin	Watkins	Archax Holdings Ltd
Simon	Wong	HKEX

Agenda

1. Review Objectives
2. Preview Collateral Tokenisation Survey Key Findings – Guest: Barney Nelson of The Value Exchange

1. Review Objectives

Key Points Addressed

- We agreed the following two measurable objectives for the Workstream:

1. Define 3–5 Viable Implementation Models for Collateral Use Cases

- We'll map out a small set of feasible DLT deployment models for securities services. These will be practical configurations that make sense from an operational, legal, and regulatory standpoint—thinking something like hybrid models, permissioned ledgers with tiered access, or FMI-operated nodes. The goal is to publish a comparative view showing strengths, weaknesses, and preconditions for each.

2. Identify and Categorize the Top Ten Legal/Regulatory; Operational and Technology Friction Points (where the technology is related to operational or legal/regulatory frictions)

- We'll catalogue the top legal/regulatory and operational issues (plus technology matters that relate to these) that would impact rollout—whether it's finality, asset definition, data sharing, or liability models—and organize them by jurisdiction and level of complexity. This gives us a working map of what needs advocacy or further exploration depending on the region.
- It was agreed that each member will bring to the next meeting an implementation model for a Collateral use case to discuss (DTCC presented their Operating Model for Tokenisation of Collateral at the October 14 meeting of the Evolving Technologies WG).

2. Preview Collateral Tokenisation Survey Key Findings – Guest: Barney Nelson of The Value Exchange

Key Points Addressed

- The Key Findings will be published by both The Value Exchange and ISSA during the week of November 17, but Barney previewed some highlights.
- The average firm is pledging \$74 billion.
- 25% of a firm’s collateral is either excess or not renumeralated
- Collateral tokenisation is expected to deliver across the full trade lifecycle reducing fails by over 13%.
- Firms are moving quickly - 52% expect to be live by year-end.
- The Economic Challenges include:
 - Operational costs are up to 57% of a trade’s total costs.
 - Complexity.
 - Lost Mobility.
 - Low percentage of firms’ collateral being renumeralated.
 - Overprovisioning of collateral.
 - \$2.8 billion average lost earnings for large firms.
- 70% of firms believe tokenisation will significantly decrease costs.
- 30% of firms see Repos as the highest priority.
- Cash, money market funds, G7 Sovereign Debt are key targets for tokenisation.
- CSDs, CCPs, Exchanges, Custodians, Brokers and Tech Providers are all taking significant steps this year and next year.
- Legal clarity is an obstacle for many firms and they expect governments and/or regulators to weigh in, as has happened in the U.S.
- 68% of North American firms expect to make significant progress on tokenisation this year.

AOB and Close

No other business raised. The meeting was then closed.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Identify an Implementation Model for a Collateral Use Case for discussion at our future meetings	All Members	November 19