

PRESS RELEASE

Tokenisation Could Revolutionize Traditional Finance

ASIFMA Releases Industry White Paper Examining Impact of Tokenised Securities

Hong Kong, 5 November 2019 – [ASIFMA](#), the financial industry's leading regional trade association, today released its new industry white paper "[Tokenised Securities – A Roadmap for Market Participants and Regulators](#)".

The report analyzes how tokenisation will impact market participants, including incumbent financial institutions (FIs) and issuers, and looks at issues they need to consider in the various stages of the securities lifecycle.

The aim of the paper is threefold:

- to act as a roadmap for incumbent FIs who wish to understand how a tokenised offering can be executed
- to inform issuers about the key issues that will be relevant to their stakeholders (including incumbent FIs and buy-side firms with whom they will need to work)
- to articulate what is needed from a regulatory and technology perspective to build a strong and enabling environment

The report was developed in collaboration with ASIFMA members Citi, Clifford Chance, Herbert Smith Freehills, King & Wood Mallesons, Latham & Watkins, Linklaters, Mayer Brown, Nomura, Norton Rose Fulbright, PwC, Standard Chartered and UBS and with input from several exchanges and technology platforms.

"A lot has been written about tokenised securities and security tokens, and the differences between them. According to digital evangelists they are the next megatrend of the blockchain revolution and will disrupt the financial world completely, but scepticism abounds and they have yet to be adopted by mainstream users," said Laurence Van der Loo, Director of Technology and Operations at ASIFMA.

"Our new report looks at how tokenised securities could represent an innovative new financing and capital raising model that is efficient and scalable, and provides liquidity that is evolutionary to traditional finance".

Whilst it is early stage, and the extent and timescale of future adoption is still uncertain, the paper suggests that tokenised securities will impact traditional finance and act as a bridge between legacy finance and the new digital world, taking benefits from each system.

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The report examines the key aspects of the tokenised security lifecycle end-to-end, i.e., structuring, issuance, distribution, primary listing, secondary trading, custody, portfolio management, advisory and market making and how these processes compare to traditional securities. It also considers what a benign, enabling environment for tokenised securities will look like from regulatory, tax, technology and liquidity perspectives. Although the report is jurisdictional-neutral, it provides examples of specific issues in certain jurisdictions.

The full report can be downloaded [here](#).

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About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 125 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region.

More information about ASIFMA can be found at: www.asifma.org.