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MAS Expands Industry Collaboration to Scale Asset Tokenisation for Financial Services

Singapore, 27 June 2024... The Monetary Authority of Singapore (MAS) today announced the expansion of initiatives to scale asset tokenisation for financial services. This includes partnering with global industry associations and financial institutions to drive common asset tokenisation standards in fixed income, foreign exchange (FX) and asset & wealth management. MAS, with international financial institutions, also announced the successful completion of the first phase of the [Global Layer One \(GL1\) initiative](#) and plans to develop standards, market practices and governing principles of foundational digital infrastructure for tokenised assets.

Developing industry standards and risk management frameworks

2 Over the past two years, MAS has worked with 24 financial institutions¹ to pilot promising asset tokenisation use cases under Project Guardian. These financial institutions include asset managers, market operators, custodians, credit rating agencies and commercial banks. To promote greater traction in these use cases, MAS is pleased to welcome the Global Financial Markets Association (GFMA), International Capital Market Association (ICMA) and the International Swaps and Derivatives Association (ISDA) as the first global industry associations to join Project Guardian’s industry group.

3 Building on the successes of industry pilots, three workstreams will be set up to foster the development of standards and frameworks across key asset classes.

- **Fixed Income** workstream will work with ICMA to develop protocols and data specifications building on ICMA’s Bond Data Taxonomy, and consider the types of risk factors and disclosures required in a tokenised bond offering document. Workstream members will also partner GFMA to develop standard clauses for implementing smart contracts of fixed income products.
- **FX** workstream, in partnership with ISDA and the Global Foreign Exchange Division (GFXD) of the GFMA, will develop FX data specifications, risk management frameworks, and FX documentation.

¹ See Annex A for the full list of financial institutions under Project Guardian’s Industry Group.



- **Asset & Wealth Management** workstream will deepen collaboration with global custodians and asset managers, focus on common data models, and model risk considerations specific to fund tokenisation.

Fostering the development of shared ledger infrastructure

4 To effectively scale tokenised asset transactions globally, there is a need for a shared ledger infrastructure that can host multiple types of tokenised financial assets while meeting relevant regulatory requirements and preserving the policy autonomy of participating jurisdictions. Under the GL1 initiative, MAS is collaborating with international policymakers and financial institutions including BNY, Citi, J.P. Morgan, MUFG Bank, Ltd., and Societe Generale-FORGE (SG Forge) on the business, governance, risk, legal and technology considerations of a shared ledger infrastructure. International policymakers observing the GL1 initiative include staff from the European Central Bank, Banque de France and the International Monetary Fund.

5 A [whitepaper](#) which details the design principles, objectives, considerations and potential uses of GL1 was published today.

6 GL1 plans to expand collaboration with more policymakers, central banks, regulators, international standards setting bodies and financial institutions as work on GL1 progresses. In the next phase, GL1 would explore the establishment of a non-profit organisation (GL1 Org) to develop common principles, policies and standards for operating a global shared ledger infrastructure. This would complement the potential future establishment of independent operating companies that would build and deploy the GL1 infrastructure.

7 Mr Leong Sing Chiong, Deputy Managing Director (Markets and Development), MAS, said, "Project Guardian provides a useful platform for central banks, regulators and financial institutions to understand the opportunities and risks of asset tokenisation while operating within a safe environment. The GL1 initiative is an important next step to realise the potential of asset tokenisation and reap efficiencies in capital markets. Such public-private partnerships are fundamental to ensure financial infrastructures continue to serve the needs of market participants and consumers, while maintaining market integrity and financial stability."

8 Ms Caroline Butler, Global Head of Digital Assets at BNY, said, "We are pleased to collaborate with MAS and our industry peers on this unique GL1 initiative that brings together resiliency, risk management and innovation through blockchain technology to address the evolving opportunities and challenges in building the market infrastructure of the future."

9 Mr Puneet Singhvi, Global Head of Citi Digital Assets, said, "We are excited to partner with MAS and other financial institutions on the GL1 initiative and to have the opportunity to explore bringing digital asset applications onto a common shared digital infrastructure. Digital



assets have the power to bring new capabilities and efficiencies across the financial value chain, and this initiative could accelerate the modernisation of legacy systems through interoperability, increased asset mobility, and new business models. The future establishment of the GL1 Org would mark a key milestone in developing this vision through private-public dialogue and broad engagement around open standards.”

10 Mr Naveen Mallela, Global Head of Coin Systems and Liink at Onyx by J.P. Morgan, said, “At Onyx, we believe in the transformative power of blockchain technology, and the benefits of bringing multiple currencies, assets and financial applications onto a global shared ledger infrastructure. For a global network to succeed, there is a need for strong support from both the public and private sector, and we see GL1 as a valuable avenue to foster greater collaboration.”

11 Mr Masashi Watanabe, Managing Director/Digital Strategy Division of MUFG Bank, said, “We are excited about being a part of the initial movement of GL1 along with the experienced institutions of this area in the industry, and moreover about sharing the whitepaper, which describes several aspects we have observed as essential to actualizing the shared ledger infrastructure. The concept has the potentiality of evolving the global financial industry with close collaboration of the public and private sector.”

12 Mr Jean-Marc Stenger, Chief Executive Officer of SG Forge, said, “We are excited to be a founding member of GL1 as we work to bridge the gap between traditional market infrastructures, private siloes and permissionless blockchain environments. GL1 presents an opportunity to scale Distributed Ledger Technology (DLT) based use cases for regulated financial institutions, creating a truly end-to-end, interoperable environment for onchain securities and payments transactions.”

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Annex A – List of Participants in Project Guardian Industry Group

The table below provides the list of financial institutions participating in Project Guardian.

S/N	Financial Institutions	Asset Class	Use Case Summary
1	ADDX	Fixed income, Asset and wealth management	Liquidity provision and secondary trading of securities and private market funds
2	Alta Exchange	Asset and wealth management	Tokenisation of private credit fund to improve access and distribution
3	Ant Group	Foreign Exchange (FX)	Global treasury management
4	Apollo	Asset and wealth management	Scalable portfolio management including VCCs
5	BNY	FX	Cross-border FX settlement
6	Citi	FX, Fixed income	Price and execute trades on-chain
7	DBS	FX, Fixed income	Native issuance of digital bonds financed with a repo facility
			Buying and selling, as well as secured borrowing and lending of tokenised bonds and deposits
8	Deutsche Bank	Asset and wealth management	Aggregation of investment servicing activities for asset and wealth managers launching tokenised/digital funds
9	Euroclear	Fixed income	Digitalisation and standardisation of loan products to streamline loan processing and servicing.
10	Franklin Templeton	Asset and wealth management	Digital issuance of VCC funds
11	Hamilton Lane	Asset and wealth management	Tokenisation of private credit fund to improve access and distribution
12	Hongkong and Shanghai Banking Corporation	Asset and wealth management	Native digital issuance of structured products
			Digital issuance of VCC funds (asset servicing)
13	J.P. Morgan	FX, Fixed income	Buying and selling, as well as secured borrowing and lending of tokenised bonds and deposits
		Asset and wealth management	Scalable portfolio management including VCCs
14	Moody's	Fixed Income	Risk analysis of tokenised fixed income



S/N	Financial Institutions	Asset Class	Use Case Summary
			products
15	OCBC Singapore	FX	Cross border FX settlement
16	Phillip Securities	Asset and wealth management	Tokenisation of private credit fund to improve access and distribution
17	S&P Global	Fixed income	Analytic frameworks, assessments and benchmarks in digital assets and tokenized markets.
18	SBI Digital Asset Holdings	FX, Fixed income	Native issuance of digital bonds financed with a repurchasing agreement (repo) facility
			Buying and selling, as well as secured borrowing and lending of tokenised bonds and deposits
	SBI Digital Markets	Asset and wealth management	Digital Issuance of VCC funds (asset servicing)
19	Schroder Investment Management Limited	Asset and wealth management	Digital issuance of VCC funds
20	SGX Group	Fixed Income	Listing framework for debt securities
21	Standard Chartered	Fixed Income	Native issuance of asset-backed security tokens
		Asset and wealth management	Digital issuance of VCC funds (asset servicing)
22	T. Rowe Price Associates, Inc.	FX, Fixed income	Price and execute trades on-chain
23	UBS AG	Fixed Income	Native issuance of digital bonds financed with a repo facility
	UBS Asset Management	Asset and wealth management	Digital issuance of VCC funds
24	United Overseas Bank Limited	Asset and wealth management	Native digital issuance of structured products



The table below provides the list of global industry associations participating in Project Guardian.

S/N	Association Partners	Asset class
1	Global Financial Markets Association (GFMA)	Fixed income
2	Global Financial Markets Association's Global Foreign Exchange Division (GFXD)	FX
3	International Capital Market Association (ICMA)	Fixed income
4	International Swaps and Derivatives Association (ISDA)	FX