



## **ASX Selects Digital Asset To Develop Distributed Ledger Solutions For The Australian Equity Market**

NEW YORK, January 21, 2016 -- Digital Asset Holdings today announced that it has been selected by ASX Limited (ASX) to develop solutions for the Australian market utilizing Distributed Ledger Technology. The initial focus will be on post-trade (clearing and settlement) services in the cash equities market. ASX has also joined 12 other global financial services leaders and made a minority investment in Digital Asset.

In February 2015, ASX announced that it would replace or upgrade all of its main trading and post-trade platforms. Phase 1 of the program runs to the end of 2016 and will replace ASX's existing trading and risk management systems.

Phase 2 focuses on ASX's post-trade services, including clearing and settlement of the cash equities market. The system that currently provides the clearing and settlement services to the Australian equity market is known as CHESS (Clearing House Electronic Sub-register System).

ASX has recognized the potential that Distributed Ledger Technology could provide and after a rigorous evaluation process selected Digital Asset as the business partner for the development of a solution for the Australian market.

The initial 6 to 12 months will be used to develop a solution that demonstrates the benefits that Distributed Ledger Technology brings to a broad range of users – including investors, listed companies and intermediaries.

ASX and Digital Asset will engage with Australia's financial market regulators and Government agencies to assess the benefits that a new solution could deliver to them, and the implications for the regulatory framework that underpins the strong reputation of Australia's financial markets.

Digital Asset's post-trade solutions will meet the high regulatory, operational and security standards that apply to Australia's financial markets. Digital Asset software is designed to materially improve post-trade processing efficiency, reducing costs, latency, errors, risk and capital requirements. Any future solution for ASX will be based on a cryptographically secure private network, whereby all parties that participate will be permitted to do so – as they are today when they connect to CHESS for clearing and settlement of cash equities.

Distributed Ledger Technology provides the opportunity to radically simplify and speed-up post-trade processing. For ASX clients it could remove risk and reduce back-office administration and compliance costs, while investors could experience significantly faster settlement of equity transactions – potentially in near real-time.

The design should allow for greater innovation by ASX and third parties to build new services for intermediaries, end-investors and listed companies. This would create a more competitive marketplace across a broad range of services.

“Digital Asset is delighted to be selected to design the world’s first national scale post-trade solution utilizing Distributed Ledger Technology,” said Blythe Masters, CEO of Digital Asset. “The Australian equities market could benefit tremendously from this new technology and enable ASX to better serve existing clients and create new opportunities.”

“Distributed Ledger Technology could provide a once in a generation opportunity to reduce cost, time and complexity in the post-trade environment of Australia’s equity market,” said Elmer Funke Kupper, Managing Director and CEO of ASX. “Moreover, it could stimulate greater innovation by ASX and other providers of services to issuers, investors and intermediaries. ASX and Digital Asset will work together to design a solution and share the potential benefits with clients and regulators.”

### **About Digital Asset Holdings**

Digital Asset builds distributed, encrypted straight through processing tools. Our technology improves efficiency, security, compliance and settlement speed.

The New York headquartered firm has offices in San Francisco, Tel Aviv, Budapest, and recently announced the addition of a London office. Since launch, Digital Asset has sought complementary talent and technology by acquiring three companies: Hyperledger, Bits of Proof and Blockstack. The firm recently announced it is moving Hyperledger to the open-source Linux Foundation to drive the adoption and standardization of Distributed Ledger Technology.

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