

Project Acacia Industry Advisory Group (IAG) Meeting

29 July 2025

Agenda

1. Welcome
2. Synchronisation/reservation operators (or Model A): Introduction
3. Presentations on use cases from Westpac and Northern Trust
4. Update on European work testing synchronisation operators from the Bank of England
5. Project update
6. Results from survey of IAG members
7. Next steps for the IAG

Competition law guidance

- This Industry Advisory Group meeting will be conducted in accordance with RBA Competition Law Guidance for RBA convened meetings.
- You should have received the Guidance via email and a hard copy is available upon request. You must ensure you are familiar with the Guidance.
- The RBA and DFCRC are committed to ensuring that all meetings are conducted in compliance with all applicable competition laws.
- If you have a concern about today's discussion from a competition law perspective, you should make your concerns known to the Chair of this meeting and the discussion giving rise to such concerns should cease.

Project Acacia Consultation Paper

Question 11: Could asset tokenisation in wholesale markets be effectively supported by a settlement model that uses a ‘synchronisation coordinator’ to coordinate delivery versus payment across tokenised asset platforms and existing RTGS infrastructure? Do you support the further exploration of a synchronisation coordination function for a potential tokenised economy? If so, what should be the focus of that exploration in the short term? For example, the role, functions and governance of the synchronisation coordinator, the technical channels for interaction between the synchronisation coordinator and the RBA’s infrastructure, or the viability of this model for tokenised asset platforms.

Consultation responses:

- There was consensus that a ‘synchronisation coordinator’ could support asset tokenisation in wholesale markets. It was viewed as a pragmatic first step towards enabling interoperability between legacy systems and tokenised platforms by synchronising transactions between a tokenised asset platform and a money platform.
- However, since money and assets still exist on separate platforms, it was generally agreed that it would compromise on some of the long-term goals and key benefits of wholesale tokenised asset markets, such as on-chain direct settlement and programmability, and there is contention around whether it can achieve true atomicity.
- Respondents generally supported further exploration of a synchronisation coordinator and noted that particular focus should be placed on operational and governance standards as well as how it fits into the longer-term roadmap for developing wholesale tokenised asset markets.

Synchronisation/reservation operators (or Model A)

- How to enable 'off-chain' non-DLT-based money to settle on-chain asset transactions?
- To safely settle, you need to trust a coordinator who can lock the assets (or lock the money) and who can get transfer receipts for the remaining leg
- A limitation is that settlement can't be safely composed with other financial service functions, unless the same coordinator is also trusted to do those functions at the same time
- Examples from research by foreign central banks
 - Bundesbank: 'trigger solution' is a Bundesbank-operated DLT infrastructure which serves as a bridge between the T2 RTGS system and market DLTs
 - Banca d'Italia: 'TIPS Hash-Link' service uses hash-link contracts and an oracle to connect the TIPS fast payment system to market DLTs
 - Bank of England: Meridian synchronisation operator sent and received ISO messages to reserve funds in BoE RTGS and coordinate transfer of assets on an external ledger (real estate registry)
- RITS has had its Reservation Batch functionality since 2014, facilitating settlement of property transactions by PEXA and Sympli in traditional registries

High-level questions for today

- Do you agree with the summary of consultation responses? (i.e. is synchronisation a pragmatic short-term solution, though a compromise on some key goals?)
- To support the development of wholesale tokenised asset markets in Australia, and given their current maturity, should the industry invest in developing a tokenised asset ‘synchronisation coordinator’ as a pragmatic first step? Or would it be more effective to focus resources on a longer-term solution where both tokenised money and assets exist on the same platform? (i.e. does it have a place in the roadmap for developing wholesale tokenised asset markets?)
- If a tokenised asset ‘synchronisation coordinator’ is deemed necessary, how should it be established, who should operate it, what governance model should apply, and could the Reservation Batch be utilised? A practical starting point could be to adopt existing industry models—such as those used for Austraclear, PEXA or Sympli—or to assess whether a fundamentally different approach is required.

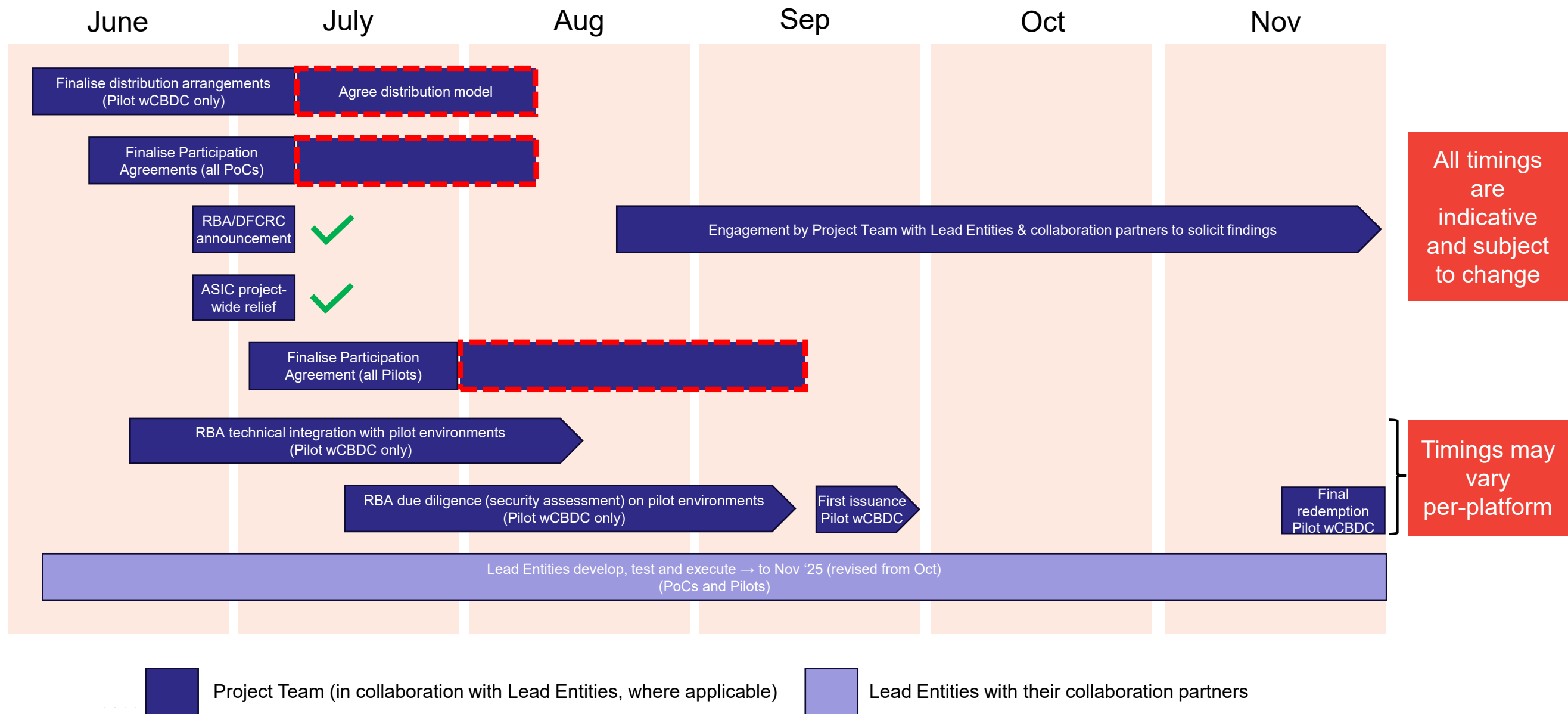
A conversation with the Bank of England on synchronisation

John Jackson, Head of Payment Strategy Division, Payments Directorate will join us.

Topics to include:

- What are the Bank of England's plans for synchronisation?
- What about elsewhere in Europe?
- What should we do in Australia?

Project update: looking ahead



Project update: looking further ahead

- Engagement with Lead Entities and their collaboration partners to solicit findings from the experimentation – to be scheduled through to end of project
- RBA and DFCRC to distribute 'Research Information Guidelines' to Lead Entities and IAG

Project update: Deposit Token Working Group

- As part of Project Acacia, three Australian major banks – ANZ, CBA and Westpac – are forming a working group to explore the potential benefits and technical, business and regulatory considerations associated with interoperable ‘deposit tokens’.
- The working group will prioritise an externally-led analysis, funded by the banks, of the extent to which current Australian legal and regulatory frameworks can support and would influence the design and deployment of deposit tokens, and recommendations for any legislative or regulatory reform that may be required.
- The working group will be chaired by the Digital Finance CRC, with ASIC, APRA, Treasury and the RBA attending as observers.
- Insights gained from the working group’s activities will be shared by the RBA and DFCRC in the Project Acacia report.

IAG member survey

Members were asked to indicate priorities for future work among the following:

- Are there viable alternatives to wCBDC: Synchronisation operators (Model A)? What might be the governance arrangements?
- Possible RITS enhancements: eg omnibus accounts (Fnality-like)?
- Liquidity issues for tokenised money and tokenised asset market
- The pros and cons of transaction privacy; the choice between public and private networks
- What are the priorities regarding AUD deposit tokens?
- What are the priorities regarding AUD stablecoins?
- Insights from related projects that members have been involved in elsewhere (eg HK, Singapore)?
- Which asset classes are most likely to see tokenisation in the near term and what are the key drivers/benefits?
- Regardless of what happens with tokenised money, what should be done to support the development of tokenised asset markets?
- Cross-border payments and transactions: how might future work address this?
- Priorities for future work: RBA, DFCRC, industry, regulators?
- Other (please outline)

IAG member survey results

Members responses on 12 possible topics for discussion at future meetings suggested:

- Strong interest in the way ahead/what comes next: 6 votes for which asset classes are most likely to see tokenisation in the near-term and 5 votes for priorities for future work
- Strong interest in more focus on central bank money: 5 votes for each of Model A and possible RITS enhancements
- Significant interest in stablecoins and deposit tokens: 3 votes for each, plus 2 “other” which reference these
- Significant interest in transaction privacy and public/private chains: 5 votes.

Free text responses often echoed responses on priorities. They also point to a desire to keep the momentum going so that Acacia leads to real market and regulatory change. Most responses were very positive about the IAG and didn't suggest any consistent or strong arguments for changing our format.

Ideas common to a few responses included:

- Interest in getting more information on the selected use cases and the challenges they are encountering
- Interest in having more material ahead of the meetings
- Some interest in having whiteboards/breakout sessions/role-based discussions etc.

Next steps for IAG

- 3 more meetings scheduled (8 Sept, 14 Oct, 12 Dec). Likely that we will schedule an additional meeting for early 2026 to discuss the draft project report.
- We hope to also schedule a Demo day (probably late November), where Use Cases can present on what they have built
- Project team will shortly distribute material on how we plan to capture research learnings from use cases

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