RESERVE BANK OF AUSTRALIA

The Role of RITS in Supporting Settlement in a Tokenised Ecosystem

Consultation Paper

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Executive Summary

Tokenisation has the potential to enhance the efficiency, functionality and resilience of Australia's wholesale financial markets. This consultation seeks stakeholder views on how the Reserve Bank of Australia's (RBA) settlement services could support the development of tokenised finance in Australia. The consultation is one of the 11 initiatives identified in the Project Acacia Final Report to support the responsible development and scaling of tokenised markets in Australia.[1] It is also part of a larger strategic priority for the RBA aimed at shaping the future of money in Australia.

Project Acacia demonstrated that some of the benefits of tokenised finance could be realised through arrangements that synchronise tokenised platforms with the RBA's existing central bank settlement services. These platforms supported tokenised assets, stablecoins and/or commercial bank deposit tokens. Project Acacia also highlighted industry interest in using central bank reserves to support stablecoin arrangements and identified potential future opportunities associated with tokenised central bank reserves.

As a risk-free settlement asset, central bank reserves enable interbank obligations to be settled with finality and without exposure to the credit risk of a private issuer. This is particularly important in systemically important financial markets, where participants need confidence that settlement will occur as expected, including during periods of stress. The RBA's settlement services, comprising the Reserve Bank Information and Transfer System (RITS) and the Fast Settlement Service (FSS), enable financial institutions that maintain Exchange Settlement Accounts (ESAs) with the RBA to settle obligations with one another in central bank reserves through these accounts. By facilitating transfers of value in a common settlement asset, RITS and the FSS also support the ability of different forms of private money (i.e. deposits issued by different banks) to be exchanged at par value, underpinning the 'singleness of money'. As tokenised assets, stablecoins and tokenised bank deposits begin to circulate, a key challenge for central banks will be preserving the role of central bank reserves in supporting settlement finality, mitigating settlement risk and maintaining the singleness of money, while continuing to foster innovation and efficiency in financial markets.

The primary focus of this consultation is on how existing services offered by the RBA could support tokenised finance use cases in the near term, including through synchronisation arrangements. It also seeks views on potential longer-term capabilities and the role that tokenised central bank reserves might play in the financial system of the future. It seeks input on use cases that may emerge, the settlement arrangements they may require, and how the RBA's settlement services may need to evolve as tokenised markets scale and mature. The RBA is interested in the technical design considerations associated with these arrangements, and the broader implications for settlement operations, liquidity management and financial stability. The consultation seeks views in four broad areas:

- **Synchronisation with existing central bank settlement services to support delivery-versus-payment (DvP) settlement of tokenised asset transactions.** The consultation considers how RITS and the FSS could support settlement of transactions in tokenised wholesale assets. It explores different approaches to synchronising settlement in central bank reserves with actions occurring on tokenised platforms. These include alternative models for achieving DvP, the role of synchronisation providers, options for interfacing with RITS and the FSS, and the messaging, connectivity, information and notification capabilities required to support these arrangements. The consultation seeks views on the extent to which existing settlement services and supporting infrastructure can accommodate anticipated use cases and where enhancements may be required to support near-term implementation and the scaling and efficiency of tokenised wholesale asset markets as they mature.

1 RBA (2026), 'In Brief: Project Acacia', May.

- **Exchange between tokenised private money issued by different institutions using existing central bank settlement services.** The consultation considers how RITS and the FSS could support at-par exchange of tokenised private money issued by different institutions, as well as exchange between traditional bank accounts and tokenised private money. It explores alternative exchange models, including mechanisms for synchronising transfers of tokenised private money with settlement in central bank reserves. The consultation seeks views on the operational, messaging and connectivity requirements for these arrangements, and whether enhancements to existing settlement services may be required to support both implementation and adoption and use at scale.
- **The role of potential access to central bank reserves in stablecoin arrangements.** The consultation explores how stablecoin issuers might use central bank reserves if access were made available in the future, including for holding backing reserves, liquidity management, issuance and redemption activities, and exchange with other forms of money. It also seeks feedback on the account structures, access models and operational arrangements that could support these use cases in a manner consistent with financial system stability and the safe operation of the payments system.
- **Key high-level design considerations relating to tokenised central bank reserves.** The consultation seeks views on the use cases that may benefit from the circulation of tokenised central bank reserves, the outcomes stakeholders consider most important, and some of the high-level design considerations associated with issuance, distribution, interoperability, funding, liquidity management and interaction with existing central bank settlement services.

The insights from this consultation will inform the RBA's future policy development and consideration of how RITS can support the needs of an evolving financial system. Rather than proposing a preferred model, the consultation seeks evidence on emerging use cases, requirements and design choices to help shape the next generation of Australia's settlement services. In considering how its settlement services may evolve, the RBA is guided by its objectives for safety, efficiency, resilience and financial stability, and is interested in understanding the trade-offs that may arise between innovation, interoperability, liquidity efficiency, operational complexity and risk management. By bringing together perspectives from across industry, the consultation aims to support the development of tokenised finance while preserving the confidence and stability that underpin Australia's financial system.

1. Introduction

This consultation seeks stakeholder views on how the Reserve Bank Information and Transfer System (RITS) and the Fast Settlement Service (FSS) can support the development of tokenised finance in Australia. It forms part of the Reserve Bank of Australia's (RBA) broader post-Project Acacia work program to support the responsible adoption and scaling of tokenisation in wholesale markets.[2] The consultation will inform the future direction of the RBA's central bank settlement services, helping to ensure that they remain capable of supporting innovation while maintaining safety, resilience and efficiency. The RBA seeks feedback on the extent to which the existing capabilities provided by RITS and the FSS can support tokenised finance use cases, and whether (and if so, what) enhancements may be required over time. The focus is on understanding practical settlement, operational and implementation considerations rather than promoting a particular tokenisation model or market structure.

Project Acacia found that some of the benefits of tokenisation could be realised using existing central bank settlement services through synchronisation arrangements linking tokenised platforms to RITS and the FSS. Participants viewed this as a practical and potentially cost-effective pathway to enable the growth of tokenised finance. At the same time, Project Acacia highlighted potential future opportunities associated with tokenised central bank reserves, including enabling enhanced programmability and atomic settlement.[3] The project also identified industry interest in the use of central bank reserves as backing assets for Australian dollar-denominated stablecoins. Participants noted that this could enhance confidence in the use of these instruments for settlement in tokenised asset markets by limiting the credit and/or liquidity risk of backing assets.

The RBA is interested in how tokenisation may affect the future provision of settlement services and the role of central bank money in wholesale financial markets. In considering potential enhancements to RITS and the FSS, the RBA is guided by its public policy objectives, including supporting the efficiency, safety and resilience of the payments system; maintaining confidence in settlement through the use of central bank reserves; and promoting arrangements that support financial stability. The RBA is particularly interested in understanding any trade-offs between innovation, interoperability, operational complexity, liquidity efficiency, resilience and access arrangements that may arise as tokenised markets develop.

Consistent with the findings from Project Acacia, the primary focus of this consultation is how synchronisation between tokenised platforms and the existing RBA settlement services could support emerging tokenised finance use cases. The consultation seeks views on how existing services could support implementation in the near term, as well as the capabilities and enhancements that may be needed in the longer term to support the scaling and operational efficiency of tokenised markets as they mature. It also explores the potential role of access to central bank reserves in supporting stablecoin arrangements. In addition, the consultation seeks views on key high-level design considerations relating to the possible issuance of tokenised reserves in the future.[4]

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2 Tokenisation refers to the creation and recording of a digital representation of financial and other real-world assets on programmable platforms. These platforms are often built using distributed ledger technology (DLT), which can integrate asset records with rules and logic governing the transfer of the tokens. Once created, tokenised assets can be issued, held, traded and settled directly on these platforms. See BIS (2024), 'Tokenisation in the Context of Money and Other Assets: Concepts and Implications for Central Banks', Report to the G20, October.

3 Project Acacia referred to tokenised central bank reserves as wholesale central bank digital currency, or wCBDC.

4 A similar approach, exploring both synchronisation with existing settlement services and the issuance of tokenised reserves, has been taken by several peer central banks, including the European Central Bank (ECB), Swiss National Bank (SNB) and Hong Kong Monetary Authority (HKMA). The Bank of England (BoE) is also developing a synchronisation solution, while the Monetary Authority of Singapore is exploring the use of tokenised reserves.

1.1. The role of this consultation in informing future RITS development

The feedback received from this consultation will be one input into the RBA's broader RITS Modernisation program, a multi-year initiative aimed at ensuring that RITS remains fit for the future. Stakeholder feedback will contribute to the RBA's assessment of stakeholder needs and priorities in relation to the current RITS environment and the RITS Modernisation program. Accordingly, respondents are encouraged to consider both near-term implementation requirements and the potential for more transformative capabilities that may be needed as tokenised finance matures and scales over time. Broader public consultation on RITS Modernisation is expected in 2027 and may consider a wider set of strategic issues, including settlement services, technology architecture, access arrangements, operating hours, resilience and user experience.

The issues and options presented in this consultation do not represent a commitment by the RBA to make any particular enhancement to current settlement services, to issue tokenised reserves or to extend access to central bank reserves. Given that the smooth operation of RITS plays a critical role in maintaining the safety and stability of the financial system, any significant changes would need to be very carefully considered. Any potential changes to RITS and the FSS, and any future approach to tokenised reserves, would require further technical analysis, policy consideration and stakeholder engagement. Similarly, questions relating to access to central bank reserves will be considered as part of a broader review of the RBA's Exchange Settlement Account (ESA) Policy, to be undertaken following the passing of the Australian Government's proposed reforms relating to the regulation of payment service providers, including stablecoin issuers.

1.2. How the consultation aligns with other initiatives

This consultation supports the RBA's objective of ensuring that interbank settlement services remain efficient and reliable and continue to meet the needs of the payments system while promoting the public interest. It also contributes to the RBA's strategic priority to shape the future of money in Australia by examining how tokenised assets, tokenised forms of money and supporting infrastructure may enhance wholesale payments and settlement arrangements.

The consultation forms part of a broader program of work, outlined in the Project Acacia Final Report, to support the responsible development and scaling of tokenised finance in Australia. This program includes engagement with industry and regulators to support coordination across the public and private sectors, consideration of experimentation environments for tokenisation use cases, and exploration of how tokenised money and related infrastructure could improve cross-border payments.

The work is being undertaken against a backdrop of rapid global developments in tokenisation and digital asset infrastructure, alongside the Australian Government's focus on supporting innovation in Australia's wholesale financial markets.[5] It also complements other payments system initiatives, including the Vision for Account-to-Account Payments in Australia, which recognises that future payment systems may need to support secure interaction between account-based money and tokenised forms of money while maintaining safety, trust and efficiency.[6]

5 Australian Government (2026), 'Budget 2026–27 Productivity Package', Fact Sheet.
6 RBA (2026), 'Payments Roundtable Releases Vision for Account-to-Account Payments in Australia', Media Release, 8 July.

1.3. Who should respond to the consultation

The RBA welcomes submissions from:

- current and prospective ESA holders with an interest in tokenised asset markets and/or tokenised forms of money
- financial institutions and industry bodies involved in, or interested in, asset tokenisation, financial market infrastructure, or the issuance or use of private forms of tokenised money
- technology providers supporting tokenised finance and related infrastructure
- other stakeholders with an interest in the future role of RITS or FSS in supporting a tokenised financial ecosystem.

In addition to technical design considerations, the RBA is seeking feedback on operational, commercial, risk and governance implications associated with the issues and options presented in this paper. Accordingly, stakeholders with relevant business, operational, technology, risk and policy functions within their organisations are encouraged to coordinate across these functions when preparing submissions. The RBA is particularly interested in understanding implementation, settlement operations, liquidity management, connectivity and workflow considerations from teams that would be responsible for operating these arrangements in production. The RBA also welcomes views on any implications for financial stability and the safe operation of the payments system.

The deadline for submissions is **30 October 2026**.

The RBA welcomes engagement with stakeholders throughout the consultation period. All enquiries and submissions should be directed to TokenisationSettlementConsultation@rba.gov.au.

1.4. The structure of this consultation paper

This consultation paper is structured as follows:

- **Chapter 2** outlines the existing services provided by RITS and the FSS, including a high-level overview of settlement services and arrangements for submitting settlement instructions.
- **Chapter 3** considers how tokenised asset platforms could be synchronised with RITS and the FSS to support DvP settlement in central bank reserves.
- **Chapter 4** considers how RITS and the FSS could support at-par exchange between traditional bank accounts and tokenised private money, and between tokenised private money issued by different institutions.
- **Chapter 5** seeks to understand the role of potential access to central bank reserves for stablecoin issuers.
- **Chapter 6** seeks views on key high-level design considerations relating to the potential issuance of tokenised central bank reserves.
- **Chapter 7** outlines the submission process and next steps.

Appendices A to C provide additional information on RITS and FSS services, an overview of international approaches, and the consultation response template, respectively.

2. Overview of current RITS and FSS functionality

RITS is Australia's payments settlements system. It enables financial institutions to settle payment obligations with one another in central bank reserves through ESAs. Institutions hold funds in their ESA to facilitate timely settlement and to meet prudential requirements. Transactions are delivered to RITS via a range of connected systems and services and are processed through either the RITS core settlement engine (the RITS System Queue) or the FSS. Settlement is final and irrevocable, achieved through the simultaneous debiting and crediting of ESAs.[7]

RITS supports settlement on a real-time gross settlement (RTGS) basis, enabling the immediate and final settlement of interbank obligations. By reducing the build-up of settlement risk between participants, RTGS is a critical mechanism for supporting financial stability and confidence in the payments system. RITS also supports settlement on a net (batch) basis and has functionality to reserve ESA funds in advance of settlement.

This chapter highlights existing RITS and FSS capabilities that may be relevant to the settlement, liquidity, connectivity and operational requirements of tokenised finance arrangements.[8] Respondents to this consultation are invited to consider whether the functionality outlined in this chapter can support anticipated tokenised finance use cases, and, where relevant, explain how it does so. Respondents are also invited to consider whether and how enhancements to existing services could improve efficiency, interoperability or scalability for tokenised finance.

2.1. Core settlement services

2.1.1. RTGS settlement on the RITS System Queue

The RITS System Queue supports settlement on an RTGS basis, whereby transactions are settled individually in central bank reserves with immediate finality and irrevocability. It is the primary service used for the settlement of high-value payment obligations such as correspondent banking and customer payments, the Australian dollar legs of foreign exchange (FX) transactions, transactions in debt securities and some money market derivatives, and cash lending flows between financial institutions. The finality of settlement, together with a range of liquidity management and liquidity-saving mechanisms, makes RTGS settlement on the RITS System Queue well suited to these high-value and time-critical transactions.

The key liquidity management tool on the RITS System Queue is a next-down looping mechanism, which sequentially tests transactions for settlement in the order received but may settle transactions in any order to provide for efficient use of liquidity. Transactions submitted to the queue settle when sufficient funds are available and configurable transaction statuses allow. Transactions that cannot settle immediately, due to

7 The point at which transactions settled in RITS and the FSS become final and irrevocable is set out in the RITS Regulations (see RBA (2026), 'RITS Regulations', 1 July). Settlement in RITS is also protected under the *Payments Systems and Netting Act 1998* (PSNA), under which RITS is an approved RTGS system. Without the protections of the PSNA, if a participant in an RTGS system goes into external administration, a court may date the administration to have occurred at the start (midnight) of the day, such that all transactions executed on that day that involve the participant may be rendered void and can be reversed (commonly referred to as the 'zero-hour' rule). Protection from the zero-hour rule supports the stability of the financial system by limiting disruptive reversals of high-value payments and helping to limit spillovers in the case of participant failure.

8 For additional detailed information on existing RITS functionality, see RBA (2025), 'RITS Overview of Functionality User Guide', November.

insufficient funds or a 'deferred' transaction status, remain queued and are periodically re-tested.[9] The RITS System Queue can also automatically identify bilaterally offsetting payment obligations between participants and settle them simultaneously, with the gross value of each payment posted to the relevant ESAs. This reduces liquidity requirements.

RTGS settlement on the RITS System Queue operates within defined settlement hours aligned to the Australian business day. An evening settlement session, used by only some ESA holders, supports the completion of certain interbank obligations after the completion of settlement of client transactions for the day.

2.2. RTGS settlement on the FSS

The FSS enables immediate and irrevocable settlement of individual transactions on an RTGS basis in central bank reserves and is available 24/7. It is currently used only for account-to-account transfers via the New Payments Platform (NPP). While these are primarily low- to medium-value payments, the FSS is technically capable of supporting higher-value settlements. However, as the FSS prioritises the speed of settlement, it does not have any liquidity-saving features like those available on the RITS System Queue. Payments are either settled immediately if sufficient funds are available or rejected if funds are insufficient.

ESA holders' balances are split between RITS (to support settlement via the RITS System Queue) and the FSS. RITS provides functionality for an ESA holder to manage their liquidity allocation between core RITS and the FSS, including automated transfers of ESA balances between the two services during the day, and the sweeping of balances into the FSS outside of core RITS operating hours. This helps to ensure participants have sufficient liquidity available for settlements through the FSS.

2.3. Batch settlement on the RITS System Queue

The RITS batch settlement service enables final and irrevocable settlement of interbank obligations that are multilaterally netted outside RITS and subsequently submitted as a batch for settlement. It is only available on the RITS System Queue, not on the FSS. By netting obligations across participants, batches reduce liquidity requirements and improve liquidity efficiency. Settlement will only complete if all payer participants in the batch have sufficient ESA funds, with unsettled batches remaining on the queue for further settlement testing.[10]

- **Settlement-only batches.** Settlement-only batches allow for payment obligations to be multilaterally netted outside of RITS and settled on a net deferred basis (e.g. Monday's obligations are settled on Tuesday). Settlement-only batches are tested for settlement at specified times. They are currently used to settle payment obligations arising from some card schemes and the equities market.
- **Reservation batches.** Reservation batches allow ESA funds to be locked in participants' ESAs ahead of settlement, allowing for related processing (e.g. in relation to an asset transfer) to take place between reservation and settlement. Funds can be reserved simultaneously across multiple participants. When a reservation batch request is received, RITS tests if sufficient funds are available in all (net) payer participants' ESAs, and if so, places a reservation on those funds until a subsequent settlement instruction is received. Funds that have been reserved remain in the payers' ESAs but cannot be used for settlement of other transactions, guaranteeing that settlement will be able to complete upon receipt of the corresponding settlement instruction.

9 Any transactions not settled by the end of the RITS day are removed from the queue.

10 For detailed information on the batch facility, see RBA (2020), 'Enhanced Batch Processing in RITS – Information Paper', January.

Once the related processing has been completed, the administrator of the reservation batch will send a settlement instruction, and RITS releases the reserved funds and completes settlement.[11] If a settlement instruction is not received by the end of the day, the reserved funds will be released.

Reservation batches are tested on the RITS System Queue continuously throughout the day. They are currently used to facilitate near-DvP settlement of property transactions, where ESA funds are reserved before asset transfer instructions are lodged with land titles offices, and only settled after confirmation of lodgement.[12]

2.4. Multilateral group settlement on the RITS System Queue

The RITS System Queue supports the final and irrevocable settlement of transactions submitted through the RITS Low Value Settlement Service (LVSS). The service is used for a range of obligations, including those arising from the exchange of direct entry transactions through the Bulk Electronic Clearing System (BECS) and some card schemes.

Settlement instructions are submitted to RITS as bilaterally netted obligations. They may be flagged for settlement immediately as individual transactions or for settlement as part of a multilateral group in one of six daily settlement runs. Multilateral group settlement enables instructions to be settled simultaneously by the RITS System Queue. When testing for settlement, the RITS System Queue calculates a multilaterally netted position for each participant so only the net debit position for an ESA has to be funded.[13]

11 Some reservation batches may include only a single payer bank obligation, and a single receiver bank. Combined with continuous settlement testing, this means that the transaction effectively settles on an RTGS basis.

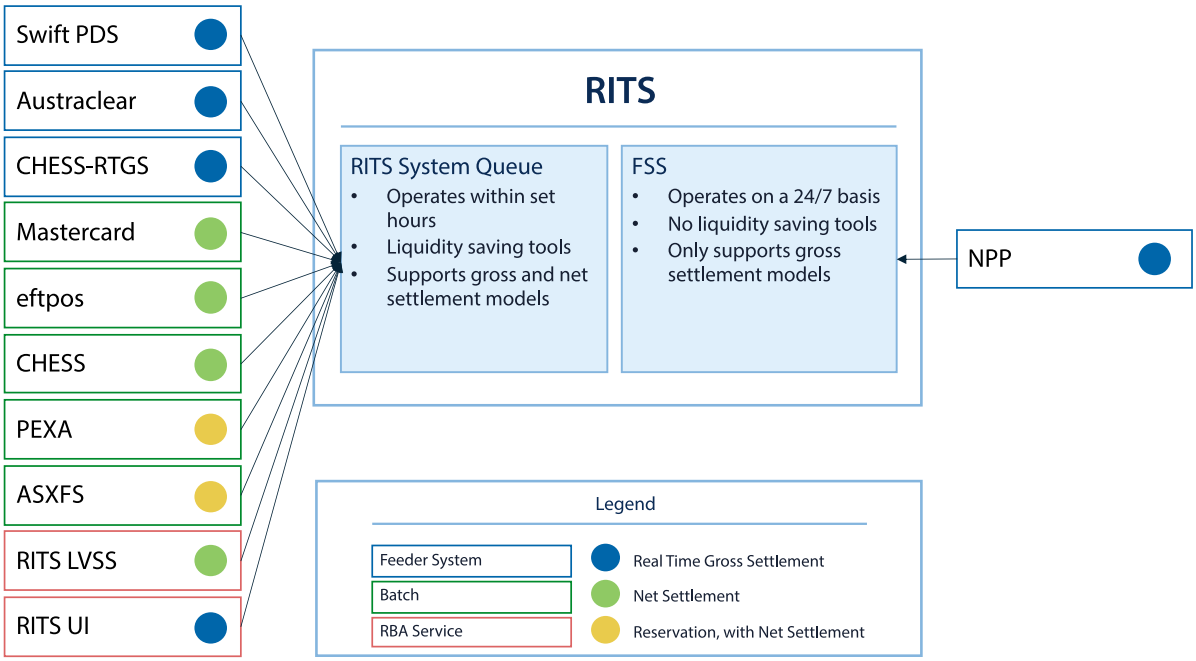
12 'Near-DvP' refers to the fact that under the existing arrangements the transfer of property titles requires an additional step by the land registry following lodgement of transfer instructions to complete the transfer of ownership.

13 For further information on the LVSS and multilateral group settlement, see RBA (2024), 'RITS Low Value Settlement Service (LVSS) – User Guide', November.

2.5. Entering transactions into RITS

Settlement instructions can be entered into RITS via several different channels, including via feeder systems, batches, the LVSS and the RITS User Interface (RITS UI) (Figure 1).

Figure 1 – Entering transactions into RITS[14]



Source: RBA.

2.5.1. Feeder systems

A feeder system is an external system that is connected to RITS, through which instructions can be sent to RITS for settlement across ESAs. The existing feeder systems are outlined below, with further details in Appendix A.

- **Austraclear.** Used to settle interbank cash obligations from the Austraclear system, relating to transactions in debt securities, certain derivative products and some central clearing margin payments. Settlement across ESAs is via the RITS System Queue.
- **Swift Payment Delivery System (Swift PDS).** Used for high-value interbank payments exchanged through the Australian Payments Network's (AusPayNet) High Value Clearing System (HVCS), including the Australian dollar legs of cross-border transactions. Settlement occurs via the RITS System Queue.
- **NPP.** Used to settle interbank obligations relating to real-time, primarily retail, payments exchanged via the NPP, which is administered by Australian Payments Plus (AP+). This is currently the only feeder for settlement via the FSS.

In addition, RITS has an RTGS feeder for ASX's CHESS system (CHESS-RTGS), allowing settlement in RITS of individual transactions arising from the CHESS system. This feeder system is currently not in use. Similar functionality could potentially be used to provide a feeder interface for other external systems requiring settlement on an RTGS basis on the RITS System Queue, although this would require some development effort.

14 This figure is illustrative and simplifies many of the scheme, network and other arrangements that enable settlement instructions to be entered into RITS. For example, the RITS UI, which primarily supports the manual entry of transactions for gross settlement, also supports the entry of settlement only and reservation batches in contingency scenarios.

2.5.2. Batches

Batches are used by a range of entities to submit interbank obligations for settlement on a multilaterally netted basis. Settlement-only batches are submitted by ASX Settlements (CHESS) for equity transactions, as well as by Mastercard and eftpos for transactions in their card schemes. Reservation batches are submitted by Property Exchange Australia (PEXA) and ASX Financial Settlements (ASXFS) for property transactions arising from e-conveyancing processes.[15] The RITS System Queue supports both settlement-only batches and reservation batches.

2.5.3. LVSS

The RITS LVSS service enables the submission of settlement instructions relating to obligations accruing in various low-value payment systems. This includes obligations arising in BECS (which include wages and salaries, government welfare payments, direct debits and bill payments) and some card schemes (other than Mastercard and eftpos transactions). LVSS transactions settle via the RITS System Queue.

2.5.4. RITS UI

Through the RITS UI, participants can enter RITS Cash Transfers, which are simple settlement instructions that do not contain clearing or remittance information. These transfers are primarily used to move funds between institutions, including for the settlement of interbank overnight cash market transactions and obligations arising where one institution acts as a settlement agent for another (see Section 2.8) in low value clearing systems.

2.6. Messaging types and networks

RITS does not provide a single, common interface across all services. Instead, it supports a range of connectivity channels, with arrangements varying according to the method used to submit transactions and the settlement service involved. At a high level, most feeder systems and settlement-only batches use (or are being upgraded to use) ISO 20022 messages over the Swift network. Reservation batches and LVSS, however, use proprietary XML message formats that are usually submitted as files over the Community of Interest Network (COIN), administered by AusPayNet (and operated by Transaction Network Services). The Austraclear feeder uses a proprietary direct network link. Further details on messaging standards and connectivity arrangements are provided in Appendix A.

2.7. Information and notifications

RITS provides ESA holders with notifications confirming when transactions have settled. For some feeder systems, such as Swift PDS and the NPP, these notifications are generated automatically and delivered through the feeder system. In other cases, ESA holders may elect to receive notifications through the RITS Automated Information Facility (AIF).[16] RITS also provides settlement confirmations to batch administrators and, where relevant, feeder system operators (e.g. Austraclear). Batch administrators can also monitor the status of their batches through the RITS user interface. See Appendix A for details.

15 ASXFS submits to RITS reservation batches arising from property transactions completed using the electronic conveyancing system managed by Sympli Australia (Sympli).

16 The AIF is a closed user group operating over SwiftNet.

ESA holders can monitor their transactions and liquidity positions through the RITS UI, including ESA balances, reserved funds and transaction settlement status. ESA balances and statements can also be obtained by querying RITS through the AIF. In addition, RITS provides a range of end-of-day reports.

2.8. Indirect access to RITS

Eligibility to hold an ESA for settlement in RITS is set out in the RBA's ESA Policy (see Chapter 5). While many institutions are eligible to hold an ESA, not all may choose to settle obligations across their own ESAs, reflecting the operational, technology and liquidity requirements involved in direct settlement in RITS. Instead, some institutions rely on settlement agents to settle obligations on their behalf.[17] In these arrangements, where both parties are represented by the same settlement agent, obligations may be settled across the books of the settlement agent. Where a transaction involves a party represented by a different settlement agent or a direct RITS participant, the resulting interbank obligation is submitted to and settled in RITS or the FSS.

17 See RBA (2025), 'Exchange Settlement Accounts for ESA Holders Eligible to Use an RTGS Agent – Information Paper', November.

3. How RITS or FSS could support cash settlement in tokenised wholesale asset markets

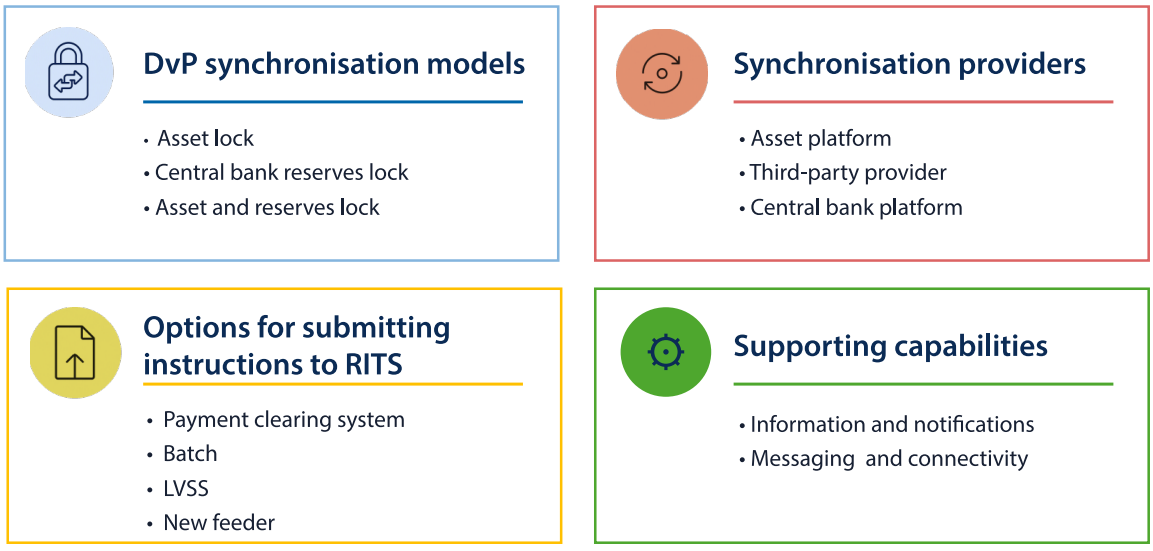
A foundational mechanism in wholesale asset markets is DvP, which links the transfer of an asset with the corresponding transfer of funds, thereby eliminating principal risk.[18] RITS provides central bank reserves settlement for the interbank cash leg of DvP arrangements used in a range of Australian asset markets.

Importantly, the role of RITS in DvP is limited to the interbank cash settlement leg. It enables funds to be transferred between participating financial institutions conditional on the corresponding asset movement occurring in external asset registries and market infrastructures. However, RITS does not govern the end-to-end transaction or the sourcing or allocation of funds from or to customer accounts. Financial institutions and custodians remain responsible for posting, reconciling and maintaining the corresponding debits and credits in their clients' accounts. Some payment scheme rules, such as the NPP, require funds to be made available to customers within a specified time.

Several key Australian market infrastructures use current RITS functionality to settle the interbank cash leg in central bank reserves as part of broader DvP arrangements. These include Austraclear for debt securities, CHESS for equities, and property settlement platforms such as PEXA and Sympli.

This chapter considers how existing RITS and FSS functionality can be applied to support DvP settlement (at the interbank level) of tokenised wholesale assets. It draws on learnings from Project Acacia, examines relevant international models, and explores how current capabilities could be adapted to enable settlement in a tokenised environment. Figure 2 summarises the options explored in this chapter.

Figure 2 – Summary of options for DvP settlement explored in this chapter



Source: RBA.

18 'Principal risk' is the risk that one party to a transaction delivers cash or assets but does not receive the corresponding cash or assets expected in exchange, resulting in an outright loss of the full value of a trade.

3.1. Findings from Project Acacia

Two proofs of concept in Project Acacia investigated how existing RITS and the FSS functionality could support DvP settlement of tokenised assets. Neither identified changes to the current functionality; however, the proofs of concept did not involve testing in a RITS or FSS environment.

Northern Trust: This use case explored DvP settlement of tokenised carbon credits, with the asset leg recorded on a Northern Trust-operated tokenised platform and the interbank cash leg represented as settling in RITS via the Swift PDS feeder. DvP was coordinated by Swift acting as an orchestration layer: first sending an instruction to the asset platform to 'lock' or earmark assets (represented by tokens); then to the buyer bank to initiate the interbank cash leg in RITS; and finally (upon confirmation of RITS settlement) to the asset platform to complete the transfer of the asset to the buyer. Swift messages were used with minor adaptations to incorporate transaction identifiers, token references, and details of the asset wallets involved to enable pairing and coordination.

Westpac: This use case demonstrated how the NPP's PayTo service could support DvP settlement of tokenised asset trades, with real-time cash settlement occurring in the FSS. DvP orchestration was undertaken by the asset platform, which initiated a PayTo request-to-pay message to the buyer's bank. The buyer's bank then initiated an NPP payment to the seller's bank.[19] The asset platform was notified once the NPP payment had settled through the FSS, which triggered the transfer of ownership of the tokenised asset to the buyer.

3.2. DvP synchronisation

3.2.1. DvP synchronisation models

Where assets and central bank reserves reside on separate platforms, a mechanism is required to synchronise the interbank cash and asset legs of a transaction so they are tightly coupled, ensuring that DvP (at the interbank level) is achieved and neither leg can complete without the other.

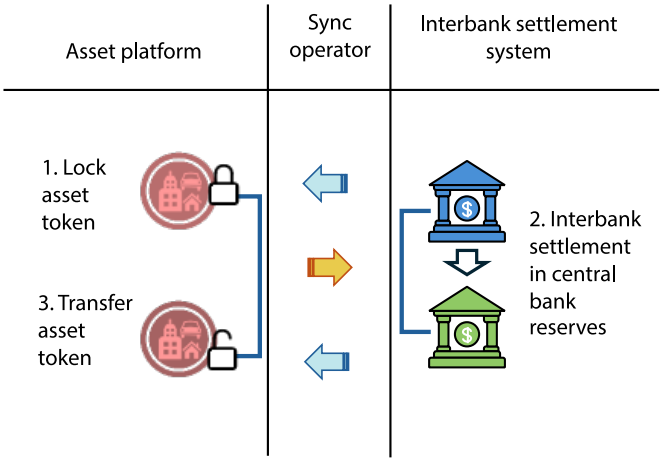
The effectiveness of any synchronisation arrangement will depend not only on operational processes, but also on the legal framework supporting settlement finality and the enforceability of transactions. Where tokenised asset platforms, synchronisation operators and central bank settlement services interact, stakeholders may wish to consider how responsibilities are allocated between parties and how confidence in final settlement outcomes can be maintained across the different platforms involved.

There are three broad types of synchronisation model that rely on interbank settlement in central bank reserves (Figure 3).

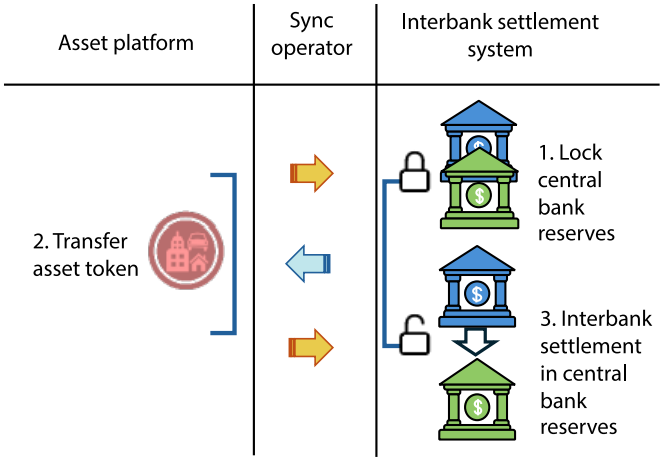
19 The request-to-pay message was routed from the asset platform to the buyer's bank via an integration layer (using Chainlink), which facilitated communication between the tokenised asset platform and the bank's systems.

Figure 3 – DvP synchronisation models

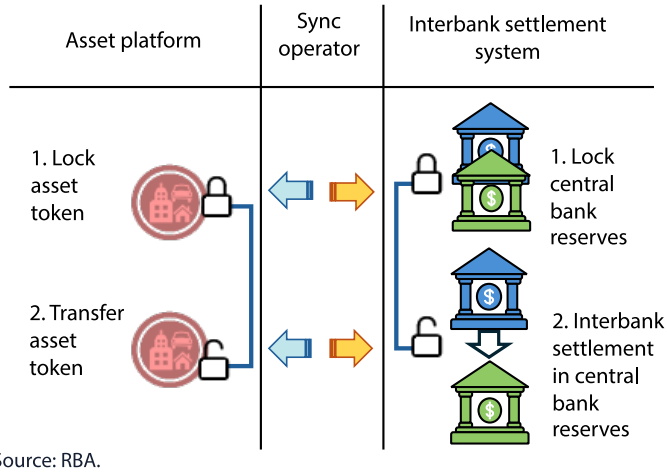
Asset lock



Central bank reserves lock



Asset and central bank reserves lock



Source: RBA.

(a) **Asset lock.** The asset is locked on the asset platform, the interbank cash leg is settled through the interbank settlement system, and the asset is transferred only after settlement across the interbank settlement system is confirmed. This model is widely used in existing market infrastructures, including Austraclear and CHESS for debt and equity settlement respectively. Within Project Acacia, this approach was applied in both the Westpac and Northern Trust use cases, demonstrating that it could potentially be supported by both the RITS System Queue and the FSS.

Asset locks are also used in some of the international models exploring DvP settlement of tokenised assets through traditional payment systems. This includes the Banca d'Italia TIPS Hash-Link and the Swiss National Bank's (SNB) Project Helvetia, which both rely on the locking of assets on a tokenised platform and the subsequent completion of the asset transfer following confirmation of settlement in central bank reserves (see Appendix B).

(b) **Central bank reserves lock.** This model locks central bank reserves first (such that they cannot be used for other transactions), transfers the asset, then settles the reserves. It relies on a locking mechanism on the interbank settlement platform, rather than on the asset platform. While not explored in Project Acacia use cases, it is currently used by PEXA and Sympli for interbank settlement arising from property transactions settled in their electronic conveyancing platforms.

The reserves locking approach is particularly suited to e-conveyancing platforms as they operate across multiple asset registries that do not have asset lock mechanisms, and property settlements usually involve several banks. The reserves locking model addresses this complexity by securing all required ESA funds upfront before proceeding with lodgement and settlement. The high-level flow is as follows:

- The e-conveyancing platform submits a reservation batch to RITS to reserve funds in the ESAs of all banks with a net payment obligation in a given property transaction. If sufficient funds are available, they are reserved in the ESAs and can only be used for reservation transactions.
- The e-conveyancing platform lodges the registry instruments with the relevant land registry.
- Once lodgement is confirmed, the e-conveyancing platform submits a settlement request to RITS, and settlement occurs immediately using the reserved funds. If lodgement fails, the reservation can be cancelled, and the reserved funds released.

Currently, reserves locking capability is available on the RITS System Queue only, and not on the FSS.

(c) **Asset and central bank reserves lock.** A more advanced design would enable the locking of assets and central bank reserves, and then settling both legs simultaneously (or near simultaneously). Ensuring that both assets and reserves are available before proceeding with settlement provides additional confidence that settlement will complete as intended. Locking both legs also supports more complex transaction scenarios involving multiple assets and multiple paying institutions. This model is being considered in some international initiatives, including the Bank of England's (BoE) Synchronisation Operator and the Bundesbank's Trigger Solution (see Appendix B). While not tested in Project Acacia, this model could be achieved using an asset lock mechanism combined with the RITS reservation batch functionality.

The above models all assume that DvP at the interbank level would be achieved through real-time settlement in central bank reserves. A fourth option, which is explored, for example, by the Hong Kong Monetary Authority's (HKMA) Project Ensemble, is for DvP settlement to occur on-chain in commercial bank deposit tokens, with only exchange between different banks' deposit tokens being settled in the interbank settlement system (see Chapter 4 for a discussion of exchange).

3.2.2. Synchronisation providers

DvP synchronisation models rely on having a synchronisation operator – an entity that coordinates, or synchronises, the steps required to achieve DvP settlement. Depending on the design of the synchronisation arrangement, the synchronisation operator may simply coordinate participants' settlement actions or, alternatively, have authority to perform certain locking and settlement actions on participants' behalf.

Under any of the models, the synchronisation operator role could be performed by a range of different entities.

- **Asset platform.** Under this model, the asset platform acts as the DvP synchronisation operator. It is the model used by both Austraclear and CHESS today, with the asset platforms on which bonds and equities reside, respectively, coordinating the sequencing and conditional execution of the asset and interbank cash settlement legs. In Project Acacia, Westpac's use case demonstrated asset platform-led orchestration for tokenised asset settlement. A similar approach is being explored in the SNB's Project Helvetia (see Appendix B).
- **Third-party provider.** Under this model, a separate intermediary coordinates the sequencing of asset transfer and interbank cash settlement. PEXA and Sympli are examples of this approach in Australia. While operating independently of the underlying land or asset registries, they play a central coordinating role by managing lodgement workflows and synchronising property transfers with the settlement of interbank obligations in RITS.

  In Project Acacia, Northern Trust used a similar model, with Swift coordinating the sequence of steps to lock a tokenised asset, initiate interbank cash settlement in RITS, and then trigger the asset transfer. Westpac also observed that the synchronisation functions demonstrated in its Project Acacia use case could be performed by third-party providers, such as Swift or decentralised networks like Chainlink. A payment scheme operator could also act in a coordinating role. A similar third-party synchronisation model is being explored by the BoE through its proposed Synchronisation Operator (Appendix B).
- **Central bank platform.** A third alternative, not explored in Project Acacia, would be for the RBA to provide an orchestration layer that helps to synchronise settlement between external tokenised asset platforms and central bank reserves. The Bundesbank Trigger Solution and Banca d'Italia's TIPS Hash-Link pilot relied on central bank-built infrastructure to help coordinate DvP settlement for tokenised asset platforms (see Appendix B).

3.3. Options for submitting synchronisation instructions to RITS or the FSS

Facilitating synchronised settlement requires an arrangement to submit settlement-related instructions to RITS or the FSS. Asset platforms and third-party synchronisation providers could potentially use existing feeder systems, batches or the LVSS, or consider a new feeder system. A range of factors may influence the suitability of a particular submission model. These include the settlement model being supported (e.g. RTGS, batch settlement, locking requirements), operating hours and liquidity requirements, participant access arrangements, and whether settlement instructions are submitted by participants themselves or by the synchronisation service on their behalf (i.e. whether the synchronisation operator can directly initiate locking and settlement actions or merely coordinates those actions). In addition to these model-specific considerations, synchronisation operators may wish to consider broader issues relating to connectivity, messaging, governance and operational resilience.

The following sections outline the principal options for submitting synchronisation instructions to RITS or the FSS and provide high-level information to support consideration of the factors that may influence the choice of model. Further details are in Chapter 2 and Appendix A.

3.3.1. Payment clearing system model

Under this model, synchronised settlement is supported using an existing payment clearing system connected to RITS or the FSS. In Project Acacia, the Northern Trust and Westpac proofs of concept explored the use of existing feeder systems (Swift PDS and NPP respectively) to support settlement on an RTGS basis. Under this model, the synchronisation operator would coordinate DvP settlement, but participants in the transaction would submit their own settlement instructions to RITS or the FSS and subsequently confirm settlement to the synchronisation operator. The key characteristics of the model are:

- **Settlement.** Both the Swift PDS (settling on the RITS System Queue) and the NPP (settling via the FSS) enable interbank settlement on an RTGS basis through existing payment system infrastructure. However, they do not support DvP models requiring the reservation of ESA funds.
- **Operating hours.** The NPP operates 24/7 whereas the Swift PDS is largely confined to RITS business hours. Access to after-hours liquidity is a consideration when using the NPP.[20]
- **Instruction origination.** Instructions to RITS or the FSS would be sent by the participants in the synchronisation operator (or their settlement agents) rather than by the synchronisation operator itself.
- **Participant access requirements.** Participants in the synchronisation operator need to be members of the clearing system (i.e. the HVCS if using the Swift PDS, or the NPP) and ESA holders, or appoint a settlement agent.
- **Synchronisation operator role.** The synchronisation operator would coordinate DvP settlement but would not directly submit settlement instructions to RITS or the FSS. If the NPP is used, the synchronisation operator may consider becoming (or having a commercial relationship with) an NPP Connected Institution, which connects to the NPP infrastructure directly and can send payment initiation instructions to NPP participants to process payments.
- **Control, governance and resilience.** This model relies on the governance arrangements, participation requirements, operating rules, technology infrastructure and future development priorities of the relevant payment clearing system. This may reduce the operational burden on the synchronisation operator by leveraging established infrastructure but may also limit its control over participant access, new functionality or system changes, as these would be partly dependent upon the clearing systems.

3.3.2. Batch model

Under this model, a synchronisation operator could connect to RITS as a batch administrator, to submit multilaterally netted settlement obligations on behalf of its participants. This can include settlement-only batches or reservation batches. The synchronisation operator would need to apply to the RBA to become a batch administrator and meet a range of governance, legal and operational requirements.[21]

- **Settlement model.** This model supports multilateral net settlement, and DvP models requiring reservation of ESA funds. Reservation batches involving only two financial institutions could effectively be used for RTGS with reservation of ESA funds. Batches operate on the RITS System Queue only and are not currently supported on the FSS.

20 For example, the RBA's SF Repos, which enable ESA holders to access intraday liquidity to meet settlement obligations in a timely manner throughout the day, are not available outside of RITS operating hours.

21 RBA (n.d.), 'Eligibility Criteria for the Batch Administrator', Website.

- **Operating hours.** Operation is largely confined to business hours. Settlement-only batches are tested for settlement at pre-specified times, whereas reservation batches are tested continually throughout the business day.
- **Instruction origination.** Settlement instructions are generated and sent to RITS by the synchronisation operator on behalf of its participants (or their settlement agents).
- **Participant access requirements.** Participants in the synchronisation operator would not need to join a separate clearing system but must hold an ESA (or appoint a settlement agent).
- **Synchronisation operator role.** The synchronisation operator would coordinate DvP settlement. It would also net obligations and submit settlement instructions to RITS on behalf of participants.
- **Control, governance and resilience.** This model provides the synchronisation operator with significant flexibility to design participant access, netting, reservation and settlement arrangements, and to evolve the service independently of a separate payment system. However, responsibility for operational resilience, governance and ongoing service operation would also primarily rest with the synchronisation operator.

3.3.3. LVSS

A synchronisation operator or its participants could submit settlement instructions to the RITS System Queue via the LVSS. The key characteristics of this model are:

- **Settlement model.** Transactions are tested for settlement on the RITS System Queue, either individually or as a multilateral group.
- **Operating hours.** Individual transactions are tested for settlement during RITS business hours. Multilateral grouped transactions are tested for settlement during the six multilateral group runs per day, with the first occurring at approximately 9am, and the last at approximately 9pm.
- **Instruction origination.** Settlement instructions may be submitted by the participants in the synchronisation operator (or by their settlement agents). Alternatively, the synchronisation operator could act as an LVSS agent, submitting settlement instructions on its participants' behalf.
- **Participant access requirements.** Participants in the synchronisation operator would need to hold an ESA (or appoint a settlement agent). In models where participants submit instructions, they also need to become members of the LVSS and join the COIN or Swift FileAct service.
- **Synchronisation operator role.** The synchronisation operator would coordinate DvP settlement and may also act as LVSS agent to submit settlement instructions on behalf of participants. In the latter case, the synchronisation operator would need to join the LVSS, as well as the COIN or Swift FileAct service.
- **Control, governance and resilience.** The synchronisation operator would have flexibility over the design of its own participant access and orchestration arrangements, and be responsible for operational resilience, governance and ongoing operation of its service.

3.3.4. New feeder

If existing feeder systems, batches and the LVSS cannot support a synchronisation service, and cannot be readily enhanced to do so, a synchronisation operator could consider establishing a new feeder system that submits instructions to the RITS System Queue or the FSS. This could involve:

- **Adapting the RTGS feeder built for CHESS.** This may be suitable for feeder systems that wish to settle on an RTGS basis via the RITS System Queue, with the synchronisation operator submitting settlement instructions on behalf of participants. Similar to the existing arrangements for batch administrators, this option would give the synchronisation operator control over settlement design, participant access arrangements and future functionality of their feeder systems, but would also require them to meet operational resilience, change management, connectivity and compliance-related RBA requirements. It would also require RITS to establish an RTGS feeder interface independent of CHESS.
- **New feeder built to submit instructions to the RITS System Queue or the FSS.** This would require development in RITS or the FSS to build a new interface and connectivity to enable the receipt and processing of messages from the new feeder, as well as the provision of relevant acknowledgements, status updates and settlement notifications.

The eligibility, legal and operational requirements for a new feeder system would be assessed by the RBA on a case-by-case basis. As a minimum, a prospective feeder operator would be expected to demonstrate appropriate business rules, legal and operational arrangements, contingency and business continuity arrangements, financial and operational capacity, and the integrity and organisational capability necessary to operate its service.

3.4. Information and notifications from RITS

RITS and the FSS provide participants, feeder system operators and batch administrators (as relevant) with information relating to the status and outcome of instructions. Depending on the submission method used, this may include settlement confirmations, queue status information, reservation status information and batch settlement outcomes (see Chapter 2 and Appendix A for further details). Existing notifications may be sufficient, or enhancements may be required to support synchronised settlement of tokenised asset transactions.

3.5. Messaging and connectivity considerations

Existing feeder systems, batch arrangements and the LVSS rely on established connectivity and messaging frameworks to exchange payment, settlement, reservation and batch instructions, as well as settlement confirmations and status information. As outlined in Chapter 2, current RITS arrangements use a range of messaging standards, including ISO 20022 messages and proprietary XML-based message formats for various settlement streams. Connectivity is provided through a variety of network channels, including Swift network services and the COIN. Further details of existing connectivity and messaging arrangements are provided in Appendix A.

While existing arrangements may be sufficient for many synchronisation use cases, some may require enhancements, which could include, for example:

- **Standardising networks and messaging formats.** Respondents may wish to consider whether greater standardisation of networks/connectivity and messaging arrangements would simplify integration and reduce complexity.
- **Additional connectivity options.** For example, Application Programming Interfaces (APIs) could complement existing messaging arrangements, by supporting real-time submission of instructions, status enquiries and event notifications.[22] API functionality is not currently available in RITS.

22 APIs are mechanisms that enable software components to communicate with each other using a set of definitions and protocols. See Amazon (n.d.), 'What is an API? – Application Programming Interfaces Explained – AWS', Website.

Consultation questions

Question 1

What DvP synchronisation models (asset lock, central bank reserves lock, or asset and central bank reserves lock) should RITS and/or the FSS be capable of supporting? Please include in your response:

- A description of the current and anticipated use cases the models would support.
- The timeframe within which they should be supported (1–3 years, 3–5 years, or 5+ years).
- The advantages of your preferred model for your use case(s) compared with the alternative models.

Question 2

What types of synchronisation arrangements (asset platform-led, third-party or central bank-supported) would best support your use cases? Please include in your response:

- Which current and anticipated use cases are best suited to each type of arrangement and why? Please explain whether operational, governance or scalability requirements drive your preference and whether different arrangements may be appropriate at different stages of market development.
- If central-bank supported arrangements are required, what functions would provide the greatest value (e.g. technical interface, workflow coordination, reservation management, exceptions handling).

Question 3

To what extent do existing RITS and FSS capabilities and services enable the DvP synchronisation models and synchronisation arrangements that are needed to support current and anticipated use cases? This includes:

(a) Existing core settlement and reservation services.

(b) Existing options for submitting settlement instructions to RITS or the FSS (feeder systems, batches, LVSS).

(c) Connectivity and messaging, and information and notification arrangements.

Please include in your response:

- Which use cases can, or cannot, be adequately supported using existing functionality, and why.
- Current gaps or limitations.
- Operational and implementation challenges.

Question 4

What enhancements to the existing services and capabilities are required to support tokenised asset settlement use cases that cannot be adequately supported using existing functionality? Please include in your response:

- What enhancements are required and how they would support current and anticipated use cases.
- Whether these enhancements are:
  - essential for the implementation of tokenised asset use cases, or would materially reduce the effort required for implementation
  - important for scale and operational efficiency as markets mature
  - desirable long-term enhancements.

Over what timeframe the enhancements would be needed (1–3 years, 3–5 years, 5+ years).

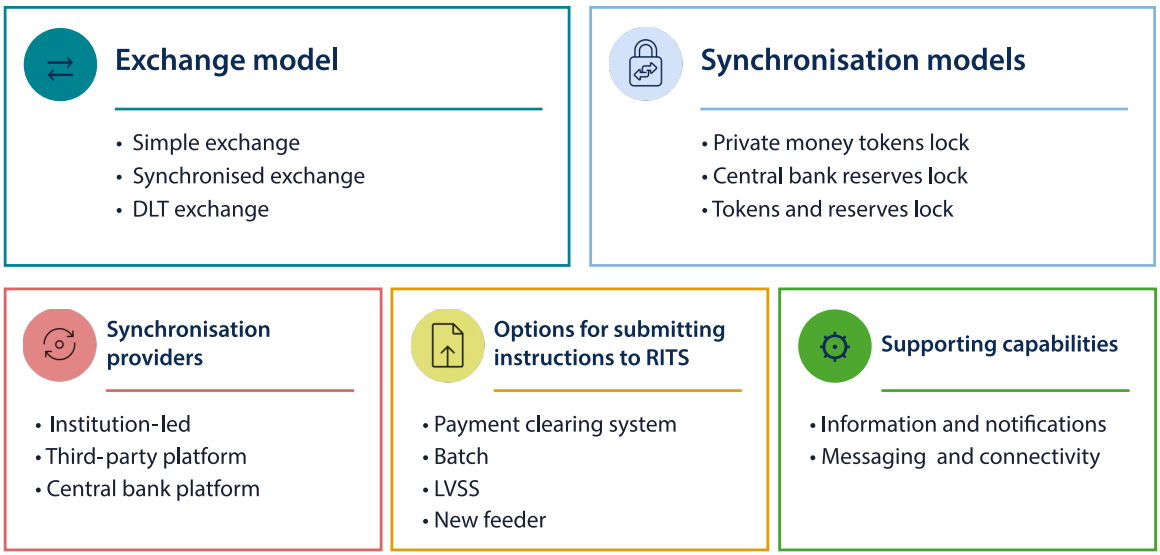
4. How RITS and FSS could support at-par exchange of private tokenised money

RITS plays a foundational role in supporting the exchangeability of private money at par in Australia by providing for settlement in central bank reserves. This underpins confidence in private money and the singleness of money, allowing different forms of private money (e.g. deposits at different commercial banks) to be converted on a one-to-one basis. Private money exchange can occur as part of asset settlement, or as a stand-alone exchange.

Tokenised forms of private money (e.g. stablecoins and commercial bank deposit tokens) issued by a range of financial institutions are emerging alongside traditional commercial bank money held in deposit accounts. Efficient mechanisms for conversion and exchange between these forms of money will be important to support the singleness of money and the ability of different forms of private money to be exchanged at par value, reducing the risk of fragmented liquidity across separate payment and settlement ecosystems.

As with existing payment arrangements, settlement in central bank reserves will continue to play a fundamental role. This chapter examines how existing RITS and FSS functionality could support at-par conversion between commercial bank deposits and tokenised private money, as well as exchange between tokenised private money issued by different institutions. Drawing on learnings from Project Acacia and relevant international developments, it explores how current RITS and FSS capabilities could be adapted to support these arrangements. Figure 4 summarises the options explored in this chapter.

Figure 4 – Summary of options for exchange explored in this chapter



Source: RBA.

A range of exchange models may emerge over time. The consultation does not propose or seek feedback on specific solutions. Rather, it considers how RITS and/or the FSS could support different models and use cases should they develop. While many use cases remain at an early stage of development, respondents are encouraged to consider how requirements may evolve if tokenised forms of private money become more widely used.

4.1. Findings from Project Acacia

Several use cases in Project Acacia examined exchange models, with settlement supported by central bank reserves. This included the conversion between traditional commercial bank deposits and private tokenised money, as well as the exchange of tokenised private money issued by different institutions.

4.1.1. Conversion between traditional commercial bank deposits and tokenised private money

AP+ considered how the purchase of a stablecoin or deposit token could be funded from an NPP-connected bank account, and later redeemed back into a bank account, using the 24/7, real-time payment capability of the NPP. The design involved two legs: payments of traditional commercial bank money held in deposit accounts processed via the NPP and settled through the FSS, and token operations (minting, burning or transfer) on a tokenised platform. A synchronisation operator (provided by Swift) coordinated the two legs. While the use case did not identify any required changes to FSS functionality, exploration was limited to a conceptual desktop exercise and no testing was conducted.

4.1.2. Exchange between different forms of tokenised private money

Several Project Acacia use cases demonstrated exchange between private money tokens, with central bank reserves serving as the common settlement asset. While these use cases used pilot tokenised central bank reserves issued for the purposes of the project, several participants noted that existing ESA balances could perform a similar role.

- In the ANZ and Fireblocks use cases, a payer's private money tokens were redeemed by the issuer. The issuer (or its settlement agent) then made an interbank transfer in central bank reserves to the issuer of the payee's preferred private money tokens (or that issuer's settlement agent). Upon receipt of the reserves, the receiving issuer issued corresponding private money tokens to the payee. CBA demonstrated a similar model in a repo transaction, with one counterparty holding central bank reserves rather than privately issued tokens.[23]
- AP+ created and managed digital twin representations of central bank reserves on a public tokenised platform to facilitate settlement through an industry-wide exchange utility.[24] A synchronisation coordinator kept the digital twins and actual central bank reserve holdings aligned by updating each when changes occurred.

4.2. Simple exchange models

Some exchange models could rely on a simple payment process that closely mirrors today's account-to-account payment arrangements. Under the current model, where a customer of Bank A wishes to pay a customer of Bank B, Bank A debits the payer's account and makes an interbank payment to Bank B, which subsequently credits the payee's account on its own books.

23 In Project Acacia, the interbank transfer was conducted using tokenised central bank reserves, with the redemption and issuance of private money tokens and the reserve transfer executed through smart contracts. Using traditional reserves held in ESAs, the reserve transfer would instead be facilitated through settlement in RITS or the FSS.

24 Digital twins are token-based representations of claims to entitlements, but are not the authoritative record of the claim to those entitlements. The authoritative record is held in a different platform that may be based on either conventional or distributed ledger technology.

In a tokenised money environment, where customers hold deposit tokens issued by their bank rather than balances in traditional deposit accounts, a similar process could be followed. Bank A would redeem or burn the payer's deposit tokens and make an interbank payment to Bank B via RITS or the FSS. Upon receipt of the interbank payment, Bank B would issue its own deposit tokens to the payee customer. The interbank settlement instruction could be sent to RITS or the FSS using existing methods, such as the Swift PDS, NPP or BECS.[25]

4.3. Exchange models with synchronisation

4.3.1. Synchronisation models

Other private money exchange models may require a more complex orchestration, with synchronisation between the various elements of the exchange to ensure that they occur simultaneously or are tightly coupled, such that no part completes without the other parts also completing. An example could be where one bank is buying stablecoins from another bank using its ESA balances. In this case, the bank buying stablecoins would want to ensure that it makes the interbank cash settlement if, and only if, it is certain that it will receive the stablecoins (and vice versa). Furthermore, the various elements of the exchange may also need to be synchronised as part of an asset settlement, which would involve additional orchestration with required actions on the asset platform.

Synchronised exchanges could be designed in a variety of ways to serve different use cases. Similar to the DvP models described in Chapter 3, there are three broad approaches to synchronising interbank settlement with the other actions required to complete an exchange:

(a) **Locking the private money tokens.** Under this model, private money tokens are locked on external tokenised money platforms. Resulting obligations between issuers (or their settlement agents) then settle in the interbank settlement system. Once settlement has been confirmed, the tokenised money platforms release, transfer, issue or redeem the money tokens as required to complete exchange. This is analogous to DvP settlement models using an asset-lock mechanism (see Chapter 3).

(b) **Locking of central bank reserves.** Under this model, the first step is to lock reserves in the interbank settlement system. The required token transfers, issuances or redemptions are then executed on the relevant tokenised money platforms. Once these actions are completed, the reserved funds are released to complete the interbank settlement. This is a similar concept to the reservation of funds for asset settlement, like in the e-conveyancing settlement model currently supported by RITS (see Chapters 2 and 3).

(c) **Locking of both tokens and central bank reserves.** Under this model, the tokens are locked on the tokenised money platform and corresponding funds are locked in the interbank settlement system. Once both locks have been established, the token transfers and interbank settlement are completed in a coordinated manner, such that they occur simultaneously or near simultaneously. In RITS, this model could be achieved by combining an external token locking mechanism with the RITS reservation batch functionality.

25 As with existing account-to-account payment arrangements, this would need to be supported by relevant payment system rules, membership arrangements and reconciliation processes to ensure that token movements and interbank settlement obligations remain aligned.

This approach is similar to existing and experimental arrangements for payment-versus-payment (PvP) settlement of FX transactions, where funds are committed or reserved prior to coordinated settlement. For example, CLS requires participants to pre-fund their net short currency positions in central bank reserves before those balances are used for settlement of individual FX transactions across CLS's books, effectively committing the funds needed to complete settlement. The Bank of International Settlements (BIS) Innovation Hub's Project Meridian FX explored the synchronisation of interbank settlement systems for PvP settlement by reserving funds in each system and settling both sides in a coordinated manner.[26]

4.3.2. Synchronisation providers

For exchange models that require synchronisation and locking of either tokenised money or central bank reserves, the synchronisation role (whether limited to orchestrating participants' actions or extending to directly initiating locking and settlement actions) could be performed by a range of entities. One option may be for individual institutions to orchestrate exchange between themselves and submit any required settlement instructions to RITS or the FSS. Based on the evidence in Project Acacia and international models, however, a model using a central synchronisation operator, which can support multilateral exchange between tokenised money from a range of issuers, is likely to emerge. There are two options for this central synchronisation operator:

- **Third party platform.** Under this model, an independent intermediary coordinates the sequencing and synchronisation of the stages involved in money exchange between participants. The synchronisation operator may have different levels of involvement in the settlement process. At one end of the spectrum, it may act solely as a neutral coordination layer that orchestrates settlement actions across the interbank settlement system and tokenised money platforms, without itself becoming a settlement venue. This approach is demonstrated in initiatives like Project Meridian FX and the AP+ use case in Project Acacia.

  In other models, the intermediary may perform additional roles. In the Swift DLT platform (currently a minimum viable product), obligations accruing from token exchange are recorded on the Swift DLT ledger, with Swift periodically requesting participants to submit net interbank obligations to the interbank settlement system. CLS represents a model where the third-party intermediary performs settlement functions on its own platform or books, in addition to coordinating payments.[27]
- **Central bank platform.** As an alternative to a third-party, synchronisation services could be provided by the central bank. An example of this approach is the HKMA's RTGS pilot solution as part of Project Ensemble, which provides an interoperability layer between commercial bank deposit tokens and the interbank settlement system (see Appendix B).

4.3.3. Options for submitting instructions to RITS

The options and considerations for submitting reservation or settlement instructions to RITS or the FSS for the purpose of facilitating exchange are similar to those discussed for the synchronisation of DvP asset settlement in Chapter 3. The information, connectivity and messaging considerations outlined in Chapter 3 are also relevant in this context. See Sections 3.3 to 3.5 for details.

26 BIS Innovation Hub (2025), 'Project Meridian FX – Exploring Synchronised Settlement in FX', Report, 24 April.
27 CLS coordinates funding and payouts through interbank settlement systems, while also settling FX transactions on its own books.

4.4. DLT exchange models

Exchange could also occur directly on a tokenised platform using a tokenised exchange asset that is issued by a private entity and fully backed by central bank reserves, similar to the approach demonstrated in the AP+ token exchange pilot.[28] To support this model, the central bank reserves backing the tokenised exchange asset would need to be segregated from the issuer's other reserve holdings (e.g. through an escrow or dedicated settlement account arrangement). A synchronisation mechanism would also be required to maintain alignment between the quantity of the exchange asset on the tokenised platform and the underlying central bank reserves. RITS does not currently provide this functionality.

Consultation questions

Question 5

What exchange models (simple exchange, exchange with synchronisation, or DLT exchange) should RITS and/or the FSS be capable of supporting? Please include in your response:

- For models requiring synchronisation, which locking arrangement (asset lock, central bank reserves lock, or asset and central bank reserves lock) RITS and/or the FSS should be capable of supporting.
- Description of the current and anticipated use cases the models would support, including whether these use cases are actively being developed today, expected within 3 to 5 years, or are longer-term possibilities.
- The timeframe within which the models should be supported (1–3 years, 3–5 years, or 5+ years).
- The advantages of your preferred model for your use case(s) compared with the alternative models.

Question 6

For exchange models requiring synchronisation, what types of synchronisation arrangements (bilateral, third-party, central bank-supported or other) should be supported? Please include in your response:

- Which current and anticipated use cases are best suited to each type of arrangement and why.
- If central-bank supported arrangements are required, what functions would provide the greatest value (e.g. technical interface, workflow coordination, reservation management, exceptions handling).

Question 7

To what extent do existing RITS and FSS capabilities and services enable the exchange models that are needed to support current and anticipated use cases? This includes:

(a) Existing core settlement and reservation services.

(b) Existing options for submitting settlement instructions to RITS or the FSS (feeder systems, batches, LVSS).

(c) Connectivity and messaging, and information and notification arrangements.

Please include in your response:

- Which use cases can, or cannot, be adequately supported using existing functionality, and why.
- Current gaps or limitations.
- Operational and implementation challenges.

28 While not an exchange arrangement, the UK-based Fnality Payment System (FnPS) uses a similar concept, whereby tokenised settlement assets are fully backed by central bank reserves held in a pooled (omnibus) account. Participants transfer central bank reserves to the omnibus account and receive corresponding tokenised settlement assets for use on the FnPS platform.

Question 8

What enhancements to the existing services and capabilities are required to support exchange use cases that cannot be adequately supported using existing functionality? Please include in your response:

- What enhancements are required and how they would support current and anticipated use cases.
- Whether these enhancements are:
  - essential for the implementation of exchange arrangements or would materially reduce the effort required for implementation
  - important for scale and operational efficiency as markets mature
  - desirable long-term enhancements.
- Over what timeframe the enhancements would be needed (1–3 years, 3–5 years, 5+ years).

5. Access to central bank reserves for stablecoin issuers

The RBA provides eligible financial institutions with access to central bank reserves through ESAs held at the RBA. ESAs are primarily used by these entities to settle financial obligations between each other arising from their participation in payment systems and financial markets.[29] They may also be used to hold reserves and meet certain prudential liquidity requirements. ESAs do not operate like general commercial bank accounts. Rather, funds can be moved between ESAs through instructions submitted via feeder systems, batches or the LVSS, or input directly into RITS as RITS Cash Transfers (as described in Chapter 2). This requires participants to maintain the necessary technical, operational and liquidity arrangements to manage their settlements.

All authorised deposit-taking institutions (ADIs) licensed in Australia are eligible to apply to hold an ESA (though some choose not to do so because of the associated costs and operational requirements, using a settlement agent instead – see Chapter 2). While some non-ADI entities are eligible to apply to hold ESAs, non-ADI issuers of stablecoins, a form of tokenised private money explored in Project Acacia, are generally not. However, some stablecoin issuers and participants in Project Acacia expressed a preference for stablecoins to be partially or fully backed by central bank reserves to enhance their safety and credibility as settlement instruments in wholesale markets. Direct access to central bank reserves by stablecoin issuers in Australia is becoming a live policy issue as the Australian Government advances its proposed regulatory framework for tokenised stored value facilities (SVFs).[30]

This chapter seeks feedback on the role that central bank reserves could play in supporting stablecoin arrangements, consistent with system-wide financial stability. This includes feedback on how such access might be used and the account structures, features and operational arrangements that would be most appropriate to support such access. While the discussion mostly focuses on ESAs, respondents are also invited to consider whether other account types or arrangements may be warranted. The feedback from this consultation will inform the RBA's consideration of future access arrangements as part of its review of the ESA Policy to commence following the passage of the Government's proposed regulatory framework. Decisions regarding access remain at the discretion of the RBA.

5.1. Findings from Project Acacia

Findings from Project Acacia revealed an interest in access to central bank reserves by stablecoin issuers. For example, non-ADI stablecoin issuer Forte explored an arrangement intended to approximate backing for its AUDF stablecoin by central bank reserves. Forte deposited funds with an ADI, which in turn maintained ESA balances equivalent to those funds under a private contractual arrangement between Forte and that ADI. However, such an arrangement would not provide a clear legal or operational separation between the assets backing the stablecoin and the ADI's other ESA holdings. Project use cases led by Imperium Markets and NotCentralised explored an alternative model, whereby stablecoins were backed by the issuer's holdings of pilot tokenised central bank reserves that were issued specifically for the purposes of the project.

29 For further information on the role of ESAs, see RBA (1999), 'The Role of Exchange Settlement Accounts', RBA *Bulletin*, March.
30 Australian Treasury (2026), 'Payments Licensing Reforms', Website, 12 March.

5.2. The current ESA framework

The eligibility and application requirements for ESAs are set out in the RBA's ESA Policy.[31] Under the current policy, an applicant for an ESA must be an ADI, a provider of third-party (customer) payment services that needs to settle clearing obligations with other service providers, or a provider of certain financial market infrastructures.[32] These criteria reflect the purpose of ESAs to enable interbank settlement to take place using central bank reserves. Given their role in the financial system and their prudential obligations, ADIs may also use their ESAs to hold balances as a form of high-quality liquid asset, as required under prudential liquidity standards. Access to central bank reserves is only provided to the ESA holder. Under the RITS Regulations, ESA holders act as principal, and not as agent or trustee or in any other capacity. Accordingly, end-customers of an ESA holder (e.g. a non-ADI issuer such as Forte) do not have a direct claim against the RBA in connection with the ESA.

In addition to meeting the basic eligibility criteria, ESA applicants that wish to operate their own ESA either for settlement or to hold reserves must meet a range of governance, operational, business continuity and liquidity requirements. These are designed to ensure that participation promotes the RBA's objectives of ensuring that the settlement system remains efficient, reliable and secure.[33]

ESA holders may be eligible to access the RBA's standing facility to execute repurchase agreements (SF Repos), to assist them in meeting their settlement obligations as required, thereby supporting the orderly functioning of RITS. Access to this facility is subject to the RBA's discretion. At a minimum, ESA holders wishing to enter into SF Repos would need to be subject to an appropriate level of regulation and be direct members of Austraclear.[34] In practice, this means that the SF Repos are typically not available to non-ADIs.

5.3. Account models

5.3.1. Account types

One approach to potentially providing stablecoin issuers with access to central bank reserves would be to extend existing ESA eligibility to include these entities, giving them a means of settlement as well as holding central bank reserves as a backing asset. Depending on the intended use of central bank reserves, however, alternative account models could also be considered. Some alternative account models in other jurisdictions include:

- **Settlement only accounts.** These accounts are designed primarily to support interbank settlement. Variations of this model are offered or under consideration in several jurisdictions, including the US Federal Reserve's proposed payment account framework.[35] These accounts may restrict the balances that can be held overnight, and are not remunerated. They may also exclude access to central bank liquidity facilities. Settlement accounts would not be suitable for stablecoin issuers wishing to hold central bank reserves as

31 RBA (2024), 'Exchange Settlement Account Policy', Website, 11 November.

32 Eligible financial market infrastructures are Australian-licensed central counterparties and securities settlement facilities whose payment arrangements require settlement in Australian dollars.

33 Among other things, applicants must demonstrate that they have: sound risk management and compliance practices; financial resources and skills to support the settlement of obligations arising from their business; the operational capacity and capability to operate and manage an ESA, including complying with RITS operational, business continuity and security standards; and appropriate liquidity arrangements and competencies to ensure that they can settle obligations in RITS in a timely manner.

34 RBA (2026), 'Liquidity Facilities', Website, 25 August; and RBA (2020), 'Eligible Counterparties', Website, 5 June.

35 US Federal Reserve (2026), 'Federal Reserve Board Requests Public Comment on a Proposal to Establish a "Payment System"', Press Release, 20 May; Sveriges Riksbank (2025), 'Account Terms for RIX', April; and SNB (2011), 'Payment, Clearing and Settlement Systems in Switzerland – CPSS Red Book'.

backing assets but could be used for payment activity (e.g. relating to issuance). However, it is not clear that this model would offer functional advantages or lower participation requirements relative to existing ESAs.

- **Reserve only accounts.** These accounts are designed primarily to hold central bank reserves rather than to support direct participation in payment settlement. They could allow stablecoin issuers to hold backing reserves at the central bank while continuing to conduct payment, issuance, redemption and reserve-management activities through commercial banks or settlement agents.[36] Depending on their design, reserve accounts may only require limited operational connectivity and liquidity management capabilities.
- **Omnibus accounts.** Omnibus accounts enable a payment system operator or other intermediary to hold a pooled balance at the central bank on behalf of multiple participants (e.g. stablecoin issuers), while preserving participants' beneficial interests in the underlying reserves. The BoE has introduced an omnibus account framework for payment system operators.[37] A notable example is the Fnality Payment System, which uses central bank reserves held in a BoE omnibus account to support the issuance and transfer of digital representations of those reserves for wholesale settlement purposes.

The RBA recognises that alongside the functional features of central bank accounts, whether or not balances are remunerated will be an important factor in the commercial viability of using them for holding stablecoin reserves, and that central banks around the world are considering different approaches to this issue.

5.3.2. Moving funds into and out of accounts

Regardless of the type of account held at the RBA, a stablecoin issuer would need a mechanism to move funds into and out of that account. For accounts held directly by the stablecoin issuer (e.g. an ESA, settlement-only account or reserve-only account), several options are available (see Chapter 2 and Appendix A for further detail):

- **Direct participation in a payment system (e.g. HVCS, NPP, BECS or Austraclear).** Stablecoin issuers could join one or more payment clearing systems and submit settlement instructions to RITS or the FSS. In the case of Austraclear, direct Austraclear participants may be able to use Austraclear cash transfers to move funds between their ESA and a commercial bank account held with a settlement agent.[38]

  Direct participation in any of these systems may involve significant operational and compliance costs and, for some systems, participation is currently limited to ADIs. Access would require membership of the relevant payment clearing system and ongoing compliance with its eligibility and operating requirements. As a result, this option is likely to be more suitable where an issuer expects to process a high volume of transactions, such as frequent issuance and redemption activity, than where the primary objective is simply to hold reserves with only occasional transfers into or out of the account.
- **Cash Transfers entered directly in RITS.** While this is a relatively straightforward mechanism, its operational features mean it is not suited for regular use and would require arrangements with the issuer's commercial bank, as the transfer does not include remittance information. Accordingly, this option is likely to only be suitable for infrequent transfers associated with reserve management, rather than routine payment activity.

For omnibus account arrangements, the BoE model would require a stablecoin issuer to hold an ESA or settlement account from which to fund the omnibus, so the considerations above would apply. However, if the stablecoin issuer were not required to hold a separate central bank account, it could instead be able to move funds to and from an omnibus account by instructing its commercial bank to make a transfer to the omnibus

36 BoE (2025), 'Access Policy for RTGS Settlement Accounts and Services', Website, April.
37 BoE (2021), 'Bank of England Publishes Policy for Omnibus Accounts in RTGS', News Release, 19 April.
38 This option may be attractive for issuers that actively manage reserve portfolios and split their reserves between debt securities and central bank accounts.

account operator. In this case, it would be the account operator that would be responsible for connecting to the relevant feeder system or batch stream and managing settlement activity through the account.

Consultation questions

Question 9

How might stablecoin issuers use access to central bank reserves if it was made available, both today and as arrangements scale? For example to:

- hold backing reserves
- settle issuance and redemption flows
- manage liquidity
- settle transactions related to reserve assets
- support exchange with other forms of private money.

In your response, please explain how your preferred use would be consistent with supporting financial stability.

Question 10

What account features would be most valuable to stablecoin arrangements, both today and as they scale? Please distinguish between features that are essential to support a viable business model and those that would improve efficiency, scalability or resilience. For example:

- ability to settle or hold reserves in own account
- access to a pooled omnibus account, or ability to segregate funds within existing ESAs to support models where stablecoin issuers have beneficial claims on central bank reserves held by other institutions on their behalf
- operating hours.

Question 11

What barriers, other than eligibility, would stablecoin issuers face in accessing and using central bank reserves? For example:

- operational requirements
- access to payment systems to move funds into or out of the account (for liquidity management and/or payment purposes)
- technical connectivity requirements
- liquidity management
- cost associated with operating a central bank account.

6. Tokenised reserves

Beyond synchronisation with traditional interbank settlement systems, Project Acacia also explored the use of tokenised central bank reserves (referred to in Project Acacia as wholesale central bank digital currency, or wCBDC) to support settlement in tokenised asset markets and exchange between forms of tokenised private money. Other central banks are similarly exploring tokenised reserves as an alternative or complement to synchronisation approaches. Compared with synchronised settlement models, tokenised reserves could potentially unlock additional benefits from tokenisation on a 24/7 basis, including enhanced programmability and composability of payments, and atomic settlement.

Depending on the enhancements required to enable current RITS or FSS services to support tokenisation use cases, the international experience suggests that it may be some time before formal decisions on the issuance of tokenised reserves are taken, and that in the interim, synchronisation-based approaches may be a more incremental way for tokenisation activity to gather momentum.

This chapter seeks to explore key design considerations for the issuance of tokenised reserves and how they could interact with existing RITS or FSS services and infrastructure, and ESA balances. Many of these design choices involve trade-offs between interoperability, liquidity management, operational resilience, access arrangements and implementation complexity. The considerations outlined below are intended to help identify which outcomes are most important to respondents, rather than to propose a preferred model.

6.1. Token issuance

There are a range of design considerations relating to the issuance of tokens representing central bank reserves.

6.1.1. Digital twin or digitally native tokens

One design choice is whether tokenised reserves would be structured as digital twins of existing balances or as digitally native reserves. Under a digital twin model, tokens represent a claim on reserves held within an existing RBA account structure. One implication of a digital twin model is the need to ensure ongoing two-way synchronisation between tokenised reserves and the underlying account balances.

Under a digitally native model, tokenised reserves would constitute a direct liability of the RBA, which could be separate from existing ESA arrangements.[39] A digitally native approach could offer greater flexibility in access arrangements, as eligible participants could potentially hold tokenised reserves without maintaining an ESA. It could also increase operational resilience by providing an alternative settlement service to RITS and the FSS. Depending on where it is issued, however (on an RBA-controlled or third-party platform, as discussed below) digitally native reserves may not overcome the need for synchronisation.

6.1.2. RBA-controlled or third-party platform

Another design choice is whether tokenised reserves are issued on an RBA-operated platform or on third-party platforms. The former approach was explored in the CBDC Pilot, while the latter (which has been less commonly used in international experimentation) was examined in Project Acacia.

39 Project Acacia and the earlier CBDC Pilot led by the RBA and the DFCRC were digitally native.

An RBA-operated platform could provide a high degree of control over issuance, governance and settlement processes. However, if the platform operates independently of tokenised asset platforms, the benefits of tokenised reserves may be relatively constrained. In particular, settlement may still need to be synchronised across platforms, potentially reducing the opportunities that tokenised reserves could provide for atomic settlement, programmability and composability.

Tokenised reserves issued on an RBA-operated platform could be connected to external networks through bridging arrangements. This may preserve a centralised issuance model while improving access to multiple networks and enabling a greater degree of interoperability with asset platforms to support the benefits of tokenisation. However, it would require decisions about which networks can connect to the RBA platform, the rules governing those connections, and mechanisms to synchronise activity between the RBA-operated platform and external networks. It may also result in liquidity being distributed across multiple platforms, and introduce additional operational, governance and oversight considerations associated with the external networks and interoperability arrangements.

Issuance directly onto third-party platforms would enable tokenised reserves to reside on the same platforms as tokenised assets, readily supporting atomic settlement and enabling greater programmability and composability of payments. Similar to the bridging option, however, it would also distribute liquidity across multiple platforms, and require decisions about which networks are eligible to support final settlement in tokenised central bank reserves. As settlement would occur on infrastructure outside the RBA's direct control, the RBA would need to establish sufficient assurance that the third-party platforms can consistently satisfy settlement integrity requirements, potentially necessitating a higher level of controls, monitoring and oversight.

6.1.3. Single-tier or two-tier distribution

A further consideration is the distribution model. Under a single-tier model, the RBA would issue tokenised reserves directly to eligible holders only, similar to current ESA arrangements. These eligible holders would use their tokenised reserves, while their customers continue to use (traditional or tokenised) commercial bank money.

Under a two-tier distribution model, the RBA would issue tokenised reserves to approved intermediaries, which would then distribute them to other eligible participants. This approach may be more scalable where there are larger numbers of tokenised reserve holders and was the model adopted in both the CBDC Pilot and Project Acacia. However, it would introduce an additional layer of intermediation, potentially increasing operational complexity and creating dependencies on intermediary arrangements.

6.2. Integration with ESAs

There are a range of considerations regarding how tokenised reserves would interoperate with RITS to prevent the fragmentation of liquidity, ensure there are efficient ways of allocating liquidity between different forms of central bank reserves, and enable entities to manage their total central bank reserves balance.

6.2.1. Funding and defunding tokenised reserves

Tokenised reserves could be funded and defunded through ESAs. In a digitally native model, funding would involve debiting a participant's ESA balance and issuing an equivalent value of tokenised reserves (and defunding would involve redeeming tokenised reserves and crediting the participant's ESA balance). Alternatively, tokenised reserves could be funded directly, for example, through transactions with the RBA settling in tokenised reserves. Direct funding would be required under a model in which participants who are permitted to hold tokenised reserves are not required to maintain an ESA balance.

In a digital twin model, funding tokenised reserves would require the segregation of ESA balances corresponding to the amount tokenised. This could be achieved, for example, through a reservation mechanism or by transferring reserves to a separate account held by the participant. Once the underlying reserves have been set aside, an equivalent value of tokenised reserves would be issued to represent those segregated balances.

6.2.2. Visibility and allocation of liquidity

Effective liquidity management across ESA balances and tokenised reserve balances will depend on participants having visibility of both individual balances and aggregate available liquidity across the two environments. This functionality could be provided within RITS or through a separate liquidity management solution integrated with RITS.

Effective liquidity management will also depend on mechanisms that enable the efficient allocation and transfer of liquidity between ESA balances and tokenised reserves. It will be important to consider whether tokenised reserve liquidity management, especially issuance and redemption of tokenised reserves, needs to be available on a 24/7 basis to match the operating hours of the tokenised platform. In addition, a liquidity management capability, similar to the existing RITS/FSS liquidity allocation arrangements, could use configurable thresholds and triggers to rebalance funds between the two environments. This would help ensure liquidity is available where needed, while reducing the need to maintain separate liquidity buffers across settlement environments. This capability could be more readily incorporated into RITS where tokenised reserves are issued on an RBA-operated platform. Automating rebalancing processes where tokenised reserves are issued on a third-party platform may give rise to additional operational, technical and governance considerations.

Consultation questions

Question 12

Which use cases would become materially easier or more efficient if tokenised reserves were available? Please include in your response why existing synchronisation approaches may be insufficient.

Question 13

What functional outcomes should the design of tokenised reserves, and the issuance and distribution model need to support? For example:

- atomic settlement
- programmability
- composability
- interoperability
- 24/7 liquidity management
- cross-platform settlement.

Question 14

Based on the use cases that require tokenised reserves and the outcomes that need to be supported, what issuance and distribution approaches would be appropriate?

Question 15

What funding, redemption and liquidity-management capabilities would be required between ESAs and tokenised reserve holdings? Please include in your response which capabilities would need to operate: in real time; extended hours; or 24/7.

7. Next steps

7.1. Consultation process

Following the release of this consultation paper, stakeholders will have eight weeks to make a written submission. The RBA may reach out to stakeholders to discuss their submission in further detail. Stakeholder views from written submissions and discussions will contribute to the RBA's assessment of stakeholder needs and priorities in relation to the current RITS and FSS environment and the RITS Modernisation program.

7.2. Making a submission

Written submissions to the consultation should be submitted by email to TokenisationSettlementConsultation@rba.gov.au by 30 October 2026. Respondents are invited to use the template in Appendix C.

Submissions in PDF format must be accompanied by a version in an accessible format such as .rtf or .doc.

7.3. What happens to submissions

Submissions will be read by RBA staff working on, or involved with, this consultation.

In the interests of informed public debate, the RBA is committed to transparency in its processes and open access to information. Accordingly, the RBA aims to publish submissions on its website where it is appropriate to do so. However, the RBA reserves the right to redact (e.g. remove defamatory material or, where appropriate, de-identify personal or sensitive information), publish or not publish submissions on its website at its own discretion. The RBA's publication of a submission is not an indication of the RBA's endorsement of any views or comments contained in that submission.

Most submissions that are published on the RBA website will include the name of the submitter (unless requested otherwise). If a submission is published, the information in it, including the respondent's name and any contact details, can be searched for on the internet. Respondents cannot withdraw or alter submissions once they have been published by the RBA.

7.4. Submissions may be kept confidential

Respondents who do not wish for some or all of their submission to be published by the RBA should clearly indicate this (e.g. by including the word **confidential** prominently on the front of their submission) and provide reasons for their request. Automatically generated confidentiality statements in emails are not sufficient for this purpose.

Where some parts of the submission are considered to be confidential, the RBA requests that respondents provide two versions of the submission at the same time prior to the closing date – one for consideration by the RBA and one, with confidential information removed, for publication (this latter version may also have contact details or other personal information removed). Please also note that any submission provided to the RBA may be the subject of a request under the *Freedom of Information Act 1982* (Cth). Any request for access to a confidential submission will be determined by the RBA in accordance with that Act, including any applicable exemptions (e.g. those relating to material obtained in confidence or involving an unreasonable disclosure of personal information).

7.5. Privacy

Unless requested otherwise, published submissions will usually include contact details and any other personal information contained in those documents. Where respondents provide a separate version of their submission for publication with contact details or other personal information redacted or removed, this will be taken as a request for the RBA not to publish such personal information.

For information about the RBA's collection of personal information and approach to privacy, please refer to the Personal Information Collection Notice for Website Visitors and the RBA's Privacy Policy, which are both available at the RBA's website.[40]

7.6. Intellectual property

In making a submission to the RBA, respondents grant a permanent, irrevocable, royalty-free licence to allow the RBA to use, reproduce, publish, adapt and communicate to the public their submission on the RBA's website (except to the extent that they have specifically requested that all or part of their submission is kept confidential), including converting the submission into a different format to that submitted for the purposes of meeting relevant accessibility requirements.

To the extent that a respondent's submission contains material that is owned by a third party, the respondent warrants that they have obtained all necessary licences and consents required for the use of those materials (including for the RBA to use, reproduce, publish, adapt or communicate to the public such material), and have made arrangements for the payment of any royalties or other fees payable in respect of the use of such material.

40 RBA (n.d.), 'Privacy', Website.

Appendix A – RITS and FSS functionality

Existing feeder systems, batches and LVSS

	Typical existing transaction types	Parties submitting instructions to RITS	Settlement process	Operating hours[41]	Connectivity	Messaging types	Settlement notifications
RITS User Interface	RITS Cash Transfers	Payer participant (or its settlement agent)	RTGS (RITS System Queue)	Institutional payments: 7:30–22:00	Internet or ASX Net (operated by ASX)	n/a	Settlement outcomes available in RITS UI
Austraclear	Debt securities transactions settled in the Austraclear System	Austraclear System, on behalf of participants	RTGS (RITS System Queue)	Institutional payments: 7:30–18:30 (AEST)/20:30 (AEDT) Client payments: 9:15–16:30	Direct link to RITS	Proprietary	Austraclear notified of settlement outcome. Payer and payee banks may elect to receive settlement notifications
Swift PDS[42]	High-value payments exchanged through HVCS	Payer participant (or its settlement agent)	RTGS (RITS System Queue)	Institutional and client payments: 9:15–16:30 Institutional payments between authorised ESA holders can also be input 16:30–18:05 (AEST)/20:05 (AEDT)	SwiftNet InterAct (Y-Copy)	ISO 20022 messages under AusPayNet HVCS Usage Guidelines (UG2025), aligned with HVPS+ market practice	Payer and payee bank notified of settlement outcome

41 Unless otherwise indicated, the operating times indicated refer to days when banks are generally open for business in Sydney and Melbourne. For further information, see RBA (n.d.), 'RITS Business Hours', Website.

42 For further details, see RBA (2025), 'RITS/SWIFT Interface User Guide', November.

	Typical existing transaction types	Parties submitting instructions to RITS	Settlement process	Operating hours[41]	Connectivity	Messaging types	Settlement notifications
Adapted CHESS-RTGS Feeder	Transactions generated by external systems requiring settlement on an RTGS basis in central bank reserves	Operator of the relevant external system (although, depending on the system design, participants could potentially submit instructions directly).	RTGS (RITS System Queue)	Institutional and client payments: 9:15–16:30	Swift FIN service, but being upgraded to Swift InterAct	Swift Message Type (MT) messages, but being upgraded to ISO 20022	Party submitting instruction to RITS is notified of settlement outcome
NPP[43]	Retail payments exchanged through the NPP (and potentially high-value transaction types where appropriate liquidity arrangements are in place)	Payer participant (or its settlement agent)	RTGS (FSS)	24/7/365	NPP Basic Infrastructure (a domestic Swift network)	ISO 20022 messages under AP+ implementation guidelines	Payer and payee bank notified of settlement outcome
Settlement-only Batches[44]	Obligations arising in external systems, including CHESS and some card schemes	Batch administrator (the operator of the relevant payment or asset system, or an agent acting on its behalf) submits multilaterally netted obligations on behalf of participants	Batch settlement (RITS System Queue)	Settlement once per day, 7:30–16:30. May be configured to settle multiple times per day	Swift FIN, but being upgraded to Swift InterAct	Swift Message Type (MT) messages but being upgraded to ISO 20022	Batch administrator notified of settlement outcome. Participants may elect to receive settlement advices. Batch administrator can identify paying participants who are not ready to settle

43 For further details, see RBA, n 42 above.

44 For further information, see RBA, n 10 above; RBA (2017), 'RITS Batch Administration User Guide', November; and RBA (2019), 'RITS Batch Participant User Guide', December.

	Typical existing transaction types	Parties submitting instructions to RITS	Settlement process	Operating hours[41]	Connectivity	Messaging types	Settlement notifications
Reservation Batches[45]	Obligations arising in systems supporting DvP settlement of property transactions (e.g. PEXA and Sympli)	Batch administrator (the operator of the relevant payment or asset system, or an agent acting on its behalf) submits multilaterally netted obligations on behalf of participants	Funds reservation and subsequent settlement (RITS System Queue)	7:30–18:05 (AEST)/ 20:05 (AEDT)	COIN, administered by AusPayNet	Proprietary XML-formatted messages	Batch administrator notified of reservation and settlement outcomes. Participants may elect to receive settlement advices
LVSS[46]	Low-value payment obligations, including direct entry (BECS) and some card scheme transactions	Participants in the relevant payment system (or agents acting on their behalf) submit bilateral settlement instructions	Settlement of individual instructions OR settlement as part of a group of transactions based on multilaterally net funding requirements (RITS System Queue)	Some payment types settle 8:45–9:15 AEST/AEDT Direct entry payments also settle at 5 other times during the day, starting at: 10:45, 13:45, 16:45, 19:15 and 21:15 AEST/AEDT	COIN, administered by AusPayNet, or Swift FileAct	Proprietary format XML files	Participants (both as originator of the instruction and as the counterparty) can elect to receive confirmation of settlement

45 For further information, see the references at n 44 above.

46 For further details on LVSS, see RBA, n 13 above.

Joining a feeder or batch system

	Operator	ESA holders	Synchronisation operators
Austraclear	Austraclear	ESA holders wishing to settle transactions through the Austraclear feeder must be direct settling participants in Austraclear (i.e. be set up to act as their own participating bank).	Conceptually, other synchronisation operators seeking to use this settlement pathway would need to establish arrangements with Austraclear under which transactions originating on those systems could be represented and settled via Austraclear members' accounts on the books of Austraclear (and so submitted to RITS via the Austraclear feeder).
Swift PDS	AusPayNet	ESA holders wishing to use the Swift PDS must become members of the HVCS and of the Swift closed user group administered by AusPayNet. They must also have the necessary Swift infrastructure.	Synchronisation operators may not require direct membership of the Swift PDS, as payment messages and settlement instructions could be sent by participating financial institutions.
NPP	AP+	ESA holders wishing to use the NPP must become direct participants in the NPP administered by AP+ and have the necessary NPP infrastructure.	Synchronisation operators wishing to use the NPP to settle transactions arising in their systems may not need to join the NPP, as payments could be sent by the participating financial institutions. However, they may wish to join the NPP (or have a commercial relationship with) a 'Connected Institution' which can send payment initiation instructions to NPP participants to process payments.[47]
Batch	RBA	ESA holders wishing to participate in batch settlement must become direct participants in the relevant payment or settlement system.	Synchronisation operators wishing to use batches must apply to become a batch administrator (or appoint an agent to be a batch administrator on their behalf) to submit multilaterally netted settlement batches to RITS. The RBA has an established framework of eligibility, application and ongoing operational requirements for batch administrators, which is designed to ensure that entities performing this role have the capabilities to support safe, efficient and reliable settlement outcomes.[48] At a high level, RBA requires batch administrators to demonstrate appropriate operational, financial and governance capabilities to administer a batch settlement service, including the ability to submit settlement positions to RITS and manage associated risks. Applicants must satisfy the RBA that they can perform the role on an ongoing basis and, if approved, must become RITS members, and comply with the RITS regulatory framework and agreed operational and contingency procedures.

47 See AP+ (n.d.), 'Ways to Access the Platform', Website.

48 RBA, n 21 above.

	Operator	ESA holders	Synchronisation operators
LVSS	RBA	ESA holders wishing to submit settlement instructions via the LVSS would need to apply to the RBA to join this service. They would also have to join the COIN or Swift FileAct service.	Synchronisation operators wishing to use the LVSS would need to demonstrate capabilities similar to those for batch administrators above. If the synchronisation operator wishes to act as an LVSS agent and submit instructions on behalf of participants, it would need to apply to the RBA to join the service, and join the COIN or Swift FileAct service.
Adapted CHESS-RTGS Feeder or New Feeder	New feeder system operator	ESA holders wishing to use a new feeder would need to become direct settling participants of the feeder system operator.	Synchronisation operators wishing to become new feeder system operators would need to engage with the RBA to discuss the setting up of a new feeder system to RITS. Eligibility criteria may be similar to those for batch administrators.

Appendix B – Emerging international approaches

Synchronisation models

Across peer jurisdictions, a range of synchronisation models to support DvP settlement of domestic tokenised asset transactions and private tokenised money exchange are starting to emerge. These models illustrate different approaches that can be taken towards locking tokenised assets, tokenised money, and/or central bank reserves, as well as the transmission of instructions between the external tokenised platform and the interbank settlement system. They also illustrate the different potential identities and roles of the synchronisation operator.

The international models referenced in Chapters 3 and 4 are summarised below.

DvP settlement of tokenised assets through synchronisation with interbank settlement systems

SNB's Project Helvetia[49]

SNB's Project Helvetia included a proof-of-concept model that linked a tokenised asset platform with the Swiss Interbank Clearing (SIC) system to facilitate DvP settlement of tokenised assets. The tokenised asset platform effectively acted as a synchronisation operator, using asset locking and existing SIC functionality to initiate the corresponding cash settlement across participants' SIC settlement accounts. The settlement process was as follows:

(a) The asset is locked on the tokenised asset platform.

(b) This triggers an instruction to SIC to settle the cash leg of the transaction, using existing SIC functionality allowing third parties to instruct settlement across participants' accounts.

(c) Once SIC confirms cash settlement, the asset is transferred to the buyer.

As part of the current phase of Project Helvetia, financial market infrastructure BX Digital (BXD) is trialling a similar model in a production environment.

BoE Synchronisation Operator[50]

The BoE is working with industry through its Synchronisation Lab to design a synchronisation capability between its renewed interbank settlement system (RT2) and external asset ledgers, including those based on tokenised platforms. The proposed model introduces a third-party Synchronisation Operator (SO) that coordinates DvP settlement by locking (or 'earmarking') both the asset and central bank reserves before instructing the final transfers. This approach is intended to ensure that the cash and asset legs settle on a near-simultaneous basis. The settlement process is as follows:

(a) The buyer and seller submit a request to the SO to synchronise the payment and asset transfer.

49 The RTGS link proof of concept is described in BIS Innovation Hub (2020), 'Project Helvetia – Settling Tokenised Assets in Central Bank Money', Report, December. BXD's involvement in Project Helvetia is outlined in SNB (n.d.), 'Project Helvetia', Website.

50 BoE (2026), 'Synchronisation', Website, 4 July.

(b) The SO requests that funds be earmarked in the buyer bank's RT2 account and that the asset be earmarked on the asset ledger. RT2 and the asset ledger confirm to the SO that the respective earmarks have been applied.

(c) Once both earmarks are confirmed, the SO instructs RT2 to settle the funds and the asset ledger to transfer ownership of the asset. The respective transfers are completed in RT2 and the asset ledger, achieving synchronised settlement of both legs of the transaction.

Banca d'Italia TIPS Hash-Link service[51]

As part of the Eurosystem's exploratory work on settling tokenised asset transactions in central bank reserves, the Banca d'Italia's TIPS Hash-Link solution was designed to coordinate the cash and asset legs of a transaction across separate systems. TIPS Hash-Link relies on pre-funded liquidity from T2 and a smart contract coordination mechanism managed through an API gateway. The settlement process can be broadly described as follows:

(a) Participants pre-fund the TIPS Hash-Link environment from their T2 RTGS accounts.

(b) The asset is locked on the tokenised platform. TIPS Hash-Link generates and stores information required to coordinate completion of the transaction.

(c) The buyer initiates settlement of the cash leg using liquidity held within the TIPS Hash-Link environment.

(d) Once cash settlement completes, the asset is transferred to the buyer on the tokenised platform, supported by the transaction information generated by TIPS Hash-Link when the asset was locked.

Bundesbank Trigger Solution[52]

As part of the Eurosystem's exploratory work on settling tokenised asset transactions in central bank reserves, the Deutsche Bundesbank piloted the Trigger Solution. The Trigger Solution acted as an interoperability layer between tokenised market platforms and the T2 RTGS system. The settlement process was as follows:

(a) The seller locks the asset on the tokenised asset platform, and a payment instruction is created in the Trigger Solution.

(b) The Trigger Solution instructs a transfer of funds in T2 from the buyer's account to an interim central bank account, effectively reserving the funds for the transaction.

(c) The Trigger Solution verifies that the requirements for settlement have been met and instructs T2 to transfer the reserved funds from the interim account to the seller's account.

(d) Once cash settlement is confirmed, the tokenised asset platform completes the asset transfer.

ECB Pontes[53]

Drawing on the Trigger Solution and TIPS Hash-Link pilot projects, as well as a third pilot exploring settlement in tokenised central bank reserves, the ECB has launched the Pontes program to develop a unified solution that combines the strengths of the three approaches tested.

51 See ECB (2023), 'TIPS Hash-link Service Description', 19 December; and ECB (2025), 'Annex I – Eurosystem Developed Interoperability-based Solutions', 1 July.

52 See Deutsche Bundesbank (2025), 'Trigger Solution – Process Description Document', 24 November; and ECB (2025), n 51 above.

53 ECB (n.d.), 'Pontes', Website.

Tokenised money exchange using traditional interbank settlement systems

HKMA's Project Ensemble[54]

As part of the current phase of Project Ensemble, the HKMA has piloted a central bank-operated 'Interoperability Layer' to enable commercial bank deposit token exchange, with settlement through the interbank settlement system. This infrastructure supports the interbank settlement of obligations arising from the use of deposit tokens in tokenised asset settlement.

US Clearing House Initiative and Swift blockchain-based ledger

At least two private sector-led initiatives are exploring deposit token interoperability using only existing interbank settlement system functionality. These two initiatives – the US Clearing House initiative and the Swift DLT ledger – involve the development of a connectivity layer to link external tokenised money platforms (where the deposit tokens circulate) with existing payment rails.

- The US Clearing House initiative will support on-chain clearing and settlement of tokenised deposits between banks and provide a connectivity layer linking blockchain-based activity with established payment rails. This connectivity layer will link external tokenised deposit platforms to the Real-Time Payments (RTP) and the Clearing House Interbank Payments System (CHIPS), both operated by the Clearing House.[55]
- Swift is working with a global group of banks on a DLT ledger that can orchestrate the settlement of wholesale cross-border payments made using tokenised deposits. In this model, banks issue tokenised deposits on private ledgers. When a payment is made using deposit tokens, the resulting interbank liability is recorded on the Swift ledger. The Swift ledger, after completing validations, informs the payee bank which can then credit its customer (either to their account or issuing them its own tokenised deposits). Final settlement of the accrued interbank liabilities occurs later, with Swift periodically instructing banks to send net settlement requests to their relevant interbank settlement systems. Once interbank settlement has been confirmed, the interbank liabilities are extinguished and removed from the Swift ledger.[56]

Stablecoin issuer access to central bank reserves

Peer central banks are beginning to consider the role that access to central bank reserves may play for stablecoin issuers. The approach is not uniform, and many are at the early stages, given the lack of maturity of their respective stablecoin markets. In some cases, expanded access has been provided to fintechs which signals use of central bank reserves beyond traditional banking institutions. A few notable examples are summarised below.

54 See HSBC (2025), 'HSBC Completes First Live Cross-bank Transaction in EnsembleTX', News Release, 13 November; and HKMA (2025), 'HKMA Announces the New Phase of Project Ensemble to Support Real-value Transactions in Tokenised Deposits and Digital Assets', News Release, 13 November.

55 See The Clearing House (2026), 'Major Financial Institutions Unveil Bank-Led On-Chain Money Initiative', News Release, 5 June.

56 See Swift (2026), 'Swift's Blockchain-based Shared Ledger Progresses to MVP Implementation', News Release, 30 March; and Financial IT (2026), 'HSBC and Standard Chartered Execute First Live Tokenised Deposit Transaction on Swift's Blockchain-Based Ledger', News Release, 19 August.

- The BoE published its policy approach to systemic stablecoin issuers in June 2026. Under the policy, systemic stablecoin issuers would be required to hold a portion of their backing assets as central bank deposits, in an unremunerated settlement account. The BoE also intends to provide systemic stablecoin issuers access to a liquidity facility as a backstop.[57]
- The US Federal Reserve recently closed a consultation on the provision of a payments account that would be used for settling payments only. The accounts would be unremunerated and would not have access to intraday liquidity. These accounts would more likely be suitable for institutions who are not federally insured or subject to prudential supervision (including but not limited to stablecoin issuers).[58]
- The SNB does not provide access for stablecoin issuers but does provide eligible licensed fintechs with a sight deposit account.[59]

57 See BoE and FCA (2026), 'Bank of England and Financial Conduct Authority's Approach to Joint Regulation of Systemic Stablecoin Issuers – Approach Document', 30 June; and BoE (2026), 'Sterling-denominated Systemic Stablecoins – Policy Statement', 22 June.

58 See Waller CJ (2025), 'Embracing New Technologies and Players in Payments', Opening Remarks at the Payments Innovation Conference, Washington, D.C., 21 October.

59 See SNB (2025), 'Instruction Sheet on Admission to the SIC System and Sight Deposit Accounts', 27 February.

Appendix C – Consultation response template

Please complete Parts 1 and 2, and send to TokenisationSettlementConsultation@rba.gov.au by Friday, 30 October 2026.

To provide your responses, you can download and use the editable response template.

Part 1 – Respondent background

Please provide the following information regarding your organisation:

- organisation name
- description of the organisation, and brief outline of the organisation's interest in tokenisation
- whether your organisation agrees to be contacted by the RBA (if required) to discuss its responses to the consultation
- contact person name, role and email address.

Part 2 – Consultation questions

How RITS could support cash settlement in tokenised wholesale asset markets

Question 1

What DvP synchronisation models (asset lock, central bank reserves lock, or asset and central bank reserves lock) should RITS and/or the FSS be capable of supporting? Please include in your response:

- A description of the current and anticipated use cases the models would support.
- The timeframe within which they should be supported (1–3 years, 3–5 years, or 5+ years).
- The advantages of your preferred model for your use case(s) compared with the alternative models.

Question 2

What types of synchronisation arrangements (asset platform-led, third-party or central bank-supported) would best support your use cases? Please include in your response:

- Which current and anticipated use cases are best suited to each type of arrangement and why? Please explain whether operational, governance or scalability requirements drive your preference and whether different arrangements may be appropriate at different stages of market development.
- If central-bank supported arrangements are required, what functions would provide the greatest value (e.g. technical interface, workflow coordination, reservation management, exceptions handling).

Question 3

To what extent do existing RITS and FSS capabilities and services enable the DvP synchronisation models and synchronisation arrangements that are needed to support current and anticipated use cases? This includes:

(a) Existing core settlement and reservation services.

(b) Existing options for submitting settlement instructions to RITS or the FSS (feeder systems, batches, LVSS).

(c) Connectivity and messaging, and information and notification arrangements.

Please include in your response:

- Which use cases can, or cannot, be adequately supported using existing functionality, and why.
- Current gaps or limitations.
- Operational and implementation challenges.

Question 4

What enhancements to the existing services and capabilities are required to support tokenised asset settlement use cases that cannot be adequately supported using existing functionality? Please include in your response:

- What enhancements are required and how they would support current and anticipated use cases.
- Whether these enhancements are:
  - essential for the implementation of tokenised asset use cases, or would materially reduce the effort required for implementation
  - important for scale and operational efficiency as markets mature
  - desirable long-term enhancements.
- Over what timeframe the enhancements would be needed (1–3 years, 3–5 years, 5+ years).

How RITS could support at-par exchange of private tokenised money

Question 5

What exchange models (simple exchange, exchange with synchronisation, or DLT exchange) should RITS and/or the FSS be capable of supporting? Please include in your response:

- For models requiring synchronisation, which locking arrangement (asset lock, central bank reserves lock, or asset and central bank reserves lock) RITS and/or the FSS should be capable of supporting.
- Description of the current and anticipated use cases the models would support, including whether these use cases are actively being developed today, expected within 3 to 5 years, or are longer-term possibilities.
- The timeframe within which the models should be supported (1–3 years, 3–5 years, or 5+ years).
- The advantages of your preferred model for your use case(s) compared with the alternative models.

Question 6

For exchange models requiring synchronisation, what types of synchronisation arrangements (bilateral, third-party, central bank-supported or other) should be supported? Please include in your response:

- Which current and anticipated use cases are best suited to each type of arrangement and why.
- If central-bank supported arrangements are required, what functions would provide the greatest value (e.g. technical interface, workflow coordination, reservation management, exceptions handling).

Question 7

To what extent do existing RITS and FSS capabilities and services enable the exchange models that are needed to support current and anticipated use cases? This includes:

(a) Existing core settlement and reservation services.

(b) Existing options for submitting settlement instructions to RITS or the FSS (feeder systems, batches, LVSS).

(c) Connectivity and messaging, and information and notification arrangements.

Please include in your response:

- Which use cases can, or cannot, be adequately supported using existing functionality, and why.
- Current gaps or limitations.
- Operational and implementation challenges.

Question 8

What enhancements to the existing services and capabilities are required to support exchange use cases that cannot be adequately supported using existing functionality? Please include in your response:

- What enhancements are required and how they would support current and anticipated use cases.
- Whether these enhancements are:
  - essential for the implementation of exchange arrangements or would materially reduce the effort required for implementation
  - important for scale and operational efficiency as markets mature
  - desirable long-term enhancements.
- Over what timeframe the enhancements would be needed (1–3 years, 3–5 years, 5+ years).

Access to central bank accounts for stablecoin issuers

Question 9

How might stablecoin issuers use access to central bank reserves if it was made available, both today and as arrangements scale? For example to:

- hold backing reserves
- settle issuance and redemption flows
- manage liquidity
- settle transactions related to reserve assets
- support exchange with other forms of private money.

In your response, please explain how your preferred use would be consistent with supporting financial stability.

Question 10

What account features would be most valuable to stablecoin arrangements, both today and as they scale? Please distinguish between features that are essential to support a viable business model and those that would improve efficiency, scalability or resilience. For example:

- ability to settle or hold reserves in own account
- access to a pooled omnibus account, or ability to segregate funds within existing ESAs to support models where stablecoin issuers have beneficial claims on central bank reserves held by other institutions on their behalf
- operating hours.

Question 11

What barriers, other than eligibility, would stablecoin issuers face in accessing and using central bank reserves? For example:

- operational requirements
- access to payment systems to move funds into or out of the account (for liquidity management and/or payment purposes)
- technical connectivity requirements
- liquidity management
- cost associated with operating a central bank account.

Tokenised reserves

Question 12

Which use cases would become materially easier or more efficient if tokenised reserves were available? Please include in your response why existing synchronisation approaches may be insufficient.

Question 13

What functional outcomes should the design of tokenised reserves, and the issuance and distribution model need to support? For example:

- atomic settlement
- programmability
- composability
- interoperability
- 24/7 liquidity management
- cross-platform settlement.

Question 14

Based on the use cases that require tokenised reserves and the outcomes that need to be supported, what issuance and distribution approaches would be appropriate?

Question 15

What funding, redemption and liquidity-management capabilities would be required between ESAs and tokenised reserve holdings? Please include in your response which capabilities would need to operate: in real time; extended hours; or 24/7.