

SYNTHESIS REPORT • AUGUST 2026

The National Dialogue 2026

Observations and insights from conversations across Australia's financial services and digital asset markets

Table of Contents

About This Report	3
About The Authors	4
01 Executive Summary	5
02 Method and Reach	10
03 Tokenisation and Real-World Assets	13
04 Stablecoins and Payment Rails	17
05 Market Infrastructure and Settlement	23
06 Financial Crime and Law Enforcement	36
07 The Regulatory Picture	41
08 The Political Conversation	52
09 Divergence	56
10 The Next 12 - 18 Months	63
11 Recommendations	65
12 Appendix: Sources, Methodological Notes and Legislative Basis	71

About This Report

THE REPORT

The National Dialogue was conducted under the Chatham House Rule. No view expressed in any session is attributed to any individual or institution. Sessions were conducted across Melbourne, Brisbane, Sydney, Canberra in July and August 2026.

STATUS

This is a point-in-time assessment as at August 2026, written while several determinative processes are live. Some observations may be overtaken quickly as policy, regulation and markets develop. It is intended to inform industry and government discussion, not to provide a settled account. Corrections and disagreement will be more useful than passive agreement.

ACKNOWLEDGEMENTS

BlockchainAPAC thanks the organisations that hosted National Dialogue sessions across Melbourne, Brisbane, Sydney and Canberra, as well as the commercial supporters whose assistance made the broader programme possible. We also acknowledge the participants who contributed their time, expertise and candour to the discussions. Details of the programme, site hosts and commercial supporters are available at blockchainapac.com.au/thenationaldialogue.

DISCLAIMER

Participation in, hosting of or commercial support for the National Dialogue does not constitute endorsement of this report. The views, findings, judgements and recommendations expressed are those of BlockchainAPAC as author and should not be attributed to any host, commercial supporter, participant or organisation represented during the programme.

About The Authors



Steve Vallas, Chief Executive Officer

Steve Vallas is one of the leading voices on digital assets in Australia and the Asia-Pacific. He works across policy, regulation, institutional strategy and market infrastructure, translating complex developments into clear commercial and strategic choices. His domain expertise is recognised globally and he is regularly invited to speak, moderate and lead senior conversations across international markets. His relationships extend across governments, regulators, financial institutions and technology providers. Steve connects institutions, ideas and decision-makers to identify what is changing, what remains unresolved and what must happen next.

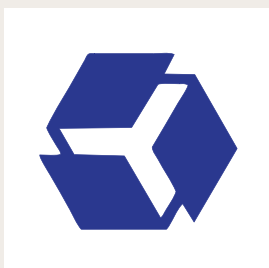
 [LinkedIn](#)



Richelle Cox, Chief Operating Officer

Richelle Cox leads the operational delivery of BlockchainAPAC's advisory work and strategic programmes. She converts complex ideas into disciplined execution, coordinating research, communications, stakeholder engagement and programme delivery. Richelle is central to the organisation's ability to convene senior participants, manage trusted relationships and deliver work requiring precision, judgement and discretion.

 [LinkedIn](#)



BlockchainAPAC

BlockchainAPAC is an independent strategic advisory business focused on digital assets, tokenisation and the future of financial infrastructure.

It advises financial institutions, technology businesses, governments and market participants navigating regulatory change, institutional adoption and market development. Its work combines policy and market intelligence, strategic analysis, institutional access and practical implementation support. The firm maps emerging opportunities, identifies regulatory and commercial dependencies and helps organisations determine where and how to participate.

BlockchainAPAC connects Australian institutions with developments across Asia, Europe, the United Kingdom and the United States. Its value lies in combining deep market knowledge, trusted senior relationships and an unusually clear view of how policy, infrastructure and commercial strategy interact.

 blockchainapac.com.au  [LinkedIn](#)

01

Executive Summary

Executive Summary

The National Dialogue activation built on the outcomes and insights delivered by [Policy Week 2026](#) and a series of international fact finding visits to New Zealand, Singapore, Hong Kong, the United States, the United Kingdom and Switzerland.

The programme included one-on-one engagement with regulators across the region and internationally, together with private roundtable discussions involving relevant market participants.

Those activities suggested that Australia had reached a point of transition. Interest in digital asset opportunities was accelerating, but the mandates, incentives and regulatory settings required for institutions to act remained constrained. The National Dialogue was designed to test that assessment.

Over four weeks in July and August 2026, BlockchainAPAC convened a series of closed sessions across Melbourne, Brisbane, Sydney and Canberra, bringing together regulators, policymakers, banks, superannuation funds, payments businesses, market-infrastructure providers, exchanges, custodians, law firms and law-enforcement agencies.

Best endeavours were made to engage broadly and to encourage those with diverging or emerging views to be present both as observers and as participants.

FIVE INSIGHTS FOLLOW FROM THE SERIES

- 01** The posture of the sector has changed faster than expected.
 - 02** Regulatory engagement has reached decision making level.
 - 03** The binding constraints are coordination and commercial incentives, not technology or regulation.
 - 04** The clarity the sector is waiting for is largely undated.
 - 05** The participation without influence risk vector.
-

Insights

This report sets out what the National Dialogue revealed about the Australian market and the relationship between industry and its regulators.

FINDING 01

The posture of the sector has changed faster than expected

Compared with the Policy Week programme convened in March 2026, the shift was pronounced. In that earlier programme, international interest was the primary driver of local discussion and Australian participation was more difficult to secure. Across this series it was materially easier, the rooms grew beyond their intended size in almost all instances and many credible participants were turned away.

More significantly, the composition changed. Major banks, superannuation funds and large allocators participated in rooms where views were contested, rather than confining their engagement to private settings.

The rooms also included platforms and service providers that were already licensed or had materially progressed licensing and authorisation work. Their participation allowed parts of the discussion to move beyond the regulatory perimeter and towards implementation, operating models and market development.

That shift should not be overread. The shift signals changing views, not conviction. Presence is not commitment and the relevant test is whether these institutions return with mandates rather than observers.

It nevertheless represents a genuine departure from the recent position, in which conversations of this kind occurred largely in private among a small group of participants.

FINDING 02

Regulatory engagement has reached decision making level

Engagement has moved from monitoring to participation.

Across every regulatory body engaged, the seniority of participation increased. Participating officials held decision-making responsibility rather than a watching brief. In several cases, they were supported by officers who had helped develop the relevant frameworks.

One regulatory view advanced during the series was that the greatest risk facing a firm in a fast-moving market may be strategic rather than prudential. Excessive caution can itself create risk and a defensible risk decision can still leave an institution on the wrong side of market development.

A related risk is institutional preparedness. Regulatory movement does not remove execution risk. It may instead expose the consequences for institutions that have deferred building the capability, governance and operating models required to act. Warnings that Australia risks falling behind are now familiar. The more important task is to determine whether that risk is perceived or real and where it is real, how it can be managed rather than merely avoided.

Regulatory interest in the value of movement, rather than only in the risks of movement, reverses the posture most participants assume. It also indicates that regulatory reluctance is not the only constraint on Australian activity.

It raises the expectation that technology neutrality will operate in practice, not merely in principle, to enable greater technological deployment. In our experience, regulators frequently invoke technology neutrality as a first principle but apply it less consistently when developing frameworks for novel technologies.

FINDING 03

The binding constraints are coordination and commercial incentives, not technology or regulation

The recurring structural finding was that a viable pathway to tokenised Australian-dollar money is a key enabler of broader market development.

Tokenised assets can deliver some benefits while using conventional payment rails, but their larger system-wide benefits depend on the asset and settlement legs operating on the same or interoperable infrastructure. Coordination on this question will therefore influence the development of many adjacent opportunities.

Across the series, the discussion often involved implementation, coordination, capital and who moves first. In the rooms where it arose, the value of the underlying technology was treated as largely settled. Regulation remained material, particularly in licensing, prudential treatment, settlement, collateral and accounting.

Although tokenised deposits do not yet operate at meaningful domestic scale, institutional interest is emerging. Several banks possess deposit-token capability, but their systems cannot accept one another's tokens. This is a coordination problem that no institution can solve alone.

The consistent explanation for domestic hesitation was first-mover disadvantage. Adoption costs are front-loaded, while many benefits emerge only at scale and with broader network participation. Progress therefore depends on shared governance and workable arrangements for allocating investment, risk, control and the resulting benefits among participants. It is a problem of sequencing, mandate and shared infrastructure, compounded by unresolved regulatory and commercial dependencies.

FINDING 04

The clarity the sector is waiting for is largely undated

This is the judgement with the most direct implications for policy.

The sector's regulatory position is routinely discussed as a single timetable. In practice, it comprises several timetables moving at different speeds.

The platform and custody limb is largely settled and dated: legislation passed in April 2026, commencement is scheduled for April 2027 and an implementation roadmap has been published.

The payments and issuer limb is neither settled nor dated. An exposure draft was released in March 2026, but legislation has not been introduced. Consultation on prudential standards will follow and a further tranche covering access and interoperability has not yet been released. Institutions cannot finalise investment and risk frameworks until these questions are determined.

The bank-capital limb, concerning the prudential treatment of institutions holding these instruments, sits outside both processes and has been deferred with no confirmed implementation date.

The consequence is that the part of the sector most often characterised as operating under uncertainty now has the firmer footing, while the institutions being encouraged to move operate with less. An institution declining to commit capital until the prudential position is clear is not waiting for something imminent.

FINDING 05

The participation without influence risk vector

On 30 June 2026, a consortium of more than 140 organisations announced a United States dollar stablecoin operating under shared governance, with reserve income distributed among participants. All four major Australian banks appear on the published partner list. Their participation is notable because no equivalent Australian vehicle exists.

Although the consortium's ultimate success cannot yet be known, two implications follow.

The first concerns influence. In a consortium, practical influence belongs to the participants that commit engineering capability and personnel to writing the standard. Signature secures distribution access. It does not secure authorship. The question is whether Australian participation will translate into influence over a standard being developed now. Australia's sovereign interests should be considered while that standard remains open to influence.

The second concerns capability. Australian institutions have repeatedly raised concerns that coordination among the major banks on shared payments infrastructure could create competition issues. The risk of an adverse finding may deter development even where shared infrastructure would ultimately benefit consumers.

In this instance, Australian institutions are coordinating under foreign governance, in a foreign currency and through a standard being written offshore.

The constraint is not that Australian institutions cannot coordinate on shared payments infrastructure. It is that the available vehicle is being built elsewhere. A domestic pathway through competition authorisation exists, but has not been used for this purpose and remains at an early stage of consideration.

The competition question should be examined early, but it should not be presumed to be insurmountable. The relevant task is to identify which forms of coordination are necessary, which create material competition risks and whether other legal, prudential, commercial or institutional barriers are preventing Australia-based development.

02

Method and Reach

Method and Reach

The National Dialogue ran across four cities over four weeks in July and August 2026. The series opened in Melbourne, followed by Brisbane and Sydney and closed in Canberra.

The sequence was deliberate. The three commercial centres carried the industry and institutional discussion. Canberra followed, allowing positions to arrive in the capital already tested rather than assembled for the occasion.

The format was consistent: closed rooms convened with host institutions under the Chatham House Rule and structured as working sessions rather than panels. Sessions ranged from roundtables of approximately 20 to 50 participants to a larger hosted industry lunch spanning the regulatory, banking, payments, infrastructure, custody, legal and consulting communities.

Alongside the convened sessions, the broader programme included approximately 100 bilateral meetings over 12 weeks. The Canberra leg consisted entirely of one-on-one meetings with officials and parliamentarians rather than convened group sessions.

Host institutions across the series included Visa and Deloitte in Melbourne and Sydney, Victoria Police and other law enforcement agencies in Melbourne and Ashurst, Perkins Coie, Thomsons, Mallesons, Westpac and PwC in Sydney.

Host institutions are identified because their involvement is already public. Nothing said in any room is attributed to an individual or institution.

Composition

Participation spanned the four major banks, regional and second-tier banks, mutual and customer-owned institutions, superannuation funds, asset managers, domestic and international payments businesses, card networks, stablecoin issuers, digital asset exchanges, custodians, market operators, market infrastructure providers, blockchain analytics firms, law firms, professional services firms, industry associations and government agencies.

Regulatory, dispute-resolution and public sector bodies engaged across the series included the Commonwealth Treasury, the Australian Securities and Investments Commission (ASIC), the Australian Prudential Regulation Authority (APRA), the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Australian Competition and Consumer Commission (ACCC) and its National Anti-Scam Centre (NASC), the Reserve Bank of Australia (RBA), the Australian Financial Complaints Authority (AFCA), the Australian Federal Police (AFP), Victoria Police, the New South Wales Police Force and other Commonwealth and state enforcement and integrity agencies.

Banking and Finance	Capital and markets	Payments and digital assets	Advisory and public sector
– The four major banks – Regional and second-tier banks – Mutual and customer-owned institutions – Custodians	– Superannuation funds – Asset managers – Market operators – Market infrastructure providers	– Domestic and international payments businesses – Card networks – Stablecoin issuers – Digital asset exchanges	– Government agencies – Law firms – Professional services firms – Industry associations – Blockchain analytics firms

The Confidentiality Constraint

A pronounced divergence emerged between views expressed in private rooms and those expressed in semi-public or public settings.

In closed sessions, differences of view surfaced clearly. Participants spoke directly about institutional capability, the absence of interoperability and the limited depth of some sector discussions. In semi-public and public settings, comparable positions were expressed more cautiously.

The incentives are rational on both sides. Regulated firms speak cautiously in the presence of their supervisors because candour can carry commercial and supervisory consequences. Participants are also reluctant to advance a more expansive public position than the regulator supervising them. Neither party is behaving unreasonably.

The result is that the publicly visible conversation understates the extent of genuine disagreement. The public record of sector opinion is therefore incomplete in ways that may not be apparent to those relying on it.

This has a direct implication for policy design. A regulator or department calibrating its position solely against submissions, consultations and public statements is relying on a moderated version of the sector's view. Genuinely private convening is not a courtesy to industry. It is a condition of accurate information.

This report is written under a constraint that is also its principal justification. The commercial and policy value of these rooms depends on their remaining closed. Participants spoke on the understanding that nothing would be attributed and that the record would not travel.

That constraint has been honoured. No individual is quoted, no institution is credited with a position and any finding that could be traced to a single session has been generalised or omitted. The resulting limitation carries an important analytical consequence: this report can identify patterns and points of divergence, but cannot disclose all the evidence on which those findings rest.

Evidentiary Basis And Limitations

This report draws on contemporaneous session notes, correspondence, participation records and bilateral meetings conducted across the four cities. It also incorporates the author's assessment formed through the National Dialogue and an international engagement programme conducted between April and June 2026.

Four limitations should be understood.

-
- | | |
|-----------|---|
| 01 | The National Dialogue was a curated qualitative programme, not a representative survey of the Australian market. Participants either nominated to attend or were identified by BlockchainAPAC as holding, or likely to hold, a meaningful role in the sector. The findings reflect the views and conduct observed across that group and should not be read as statistically representative. |
| <hr/> | |
| 02 | The record is not uniform across the series. Sessions supported by detailed contemporaneous notes carry greater evidentiary weight than those reconstructed from less complete records or memory. |
| <hr/> | |
| 03 | The report combines observed patterns with the author's interpretation. Where a conclusion represents the author's assessment rather than a finding consistently expressed across the programme, it is identified as such. |
| <hr/> | |
| 04 | This is a point-in-time assessment. Several relevant policy, regulatory and commercial processes remain active and some findings may be overtaken by subsequent developments. |
-

03

Tokenisation and Real-World Assets

Tokenisation and Real-World Assets

The anchoring questions have changed. The discussion is no longer centred on whether tokenisation can work. In the sessions where the subject arose, its technical feasibility was largely accepted. Discussion moved quickly to implementation. How tokenised markets would operate, who would coordinate them and which participants would bear the cost of moving first.

Commercial incentives, or their absence, were a recurring concern. Participants pointed to modest current client demand and the need to invest before a commercial case is fully established. This creates a familiar sequencing problem. Institutions are reluctant to build without demonstrated demand, but demand is unlikely to develop until usable infrastructure and products exist.

Despite uncertainty about immediate commercial returns, the consistent question was not whether tokenisation would occur, but how and when. The Digital Finance Cooperative Research Centre's (DFCRC) work in Project Acacia was a persistent reference point and was widely recognised as having elevated the subject within Australian institutional markets.

The Coordination Problem

The principal constraint is first-mover disadvantage.

Australia holds one of the world's largest pools of managed assets, much of it through superannuation. That scale is both an advantage and a constraint. Tokenising a fund requires coordinated movement by issuers, market operators, brokers and custodians. No participant can deliver the outcome alone.

The coordination challenge is broader than technical interoperability. It encompasses investment, design, capability, operations, compliance, risk allocation and governance across market participants, infrastructure providers, government and regulators. It also requires commercial arrangements that determine how development costs are funded and how the benefits created by shared infrastructure are captured and distributed.

Adoption costs are front-loaded and benefits accrue only at scale, leaving early movers to carry disproportionate costs without securing a durable competitive advantage. Participants described this as a broader Australian pattern, noting that shared infrastructure has repeatedly stalled for the same reason.

A second-order benefit was identified from the sell side. Much of the cost of sales and trading operations sits in post-trade processing. If tokenisation is accompanied by atomic settlement and corresponding operating-model changes, it could reduce reconciliation, settlement administration and counterparty exposure.

The potential benefit therefore extends beyond fund issuers and investors to the institutions that finance, trade and service the underlying inventory. This broadens the constituency with an economic interest in the outcome.

The principal constraint is first-mover disadvantage.

What The Conversation Excludes

The Australian tokenisation conversation remains concentrated at the institutionally comfortable end of the market.

Tokenised deposits, money market funds, government and corporate debt and collateral are actively discussed. Equities, pre-initial public offering equity and private market investments are largely absent.

There may be sound reasons to sequence equity tokenisation behind simpler asset classes. Shares engage established requirements concerning legal title, registers, disclosure of interests, corporate actions and market integrity. The concern is therefore not that equities must be prioritised immediately. It is that their exclusion should reflect a deliberate assessment rather than an unexamined assumption.

This is not a minor omission. These asset classes sit at the centre of consequential market-structure developments in the United States, including competition among emerging venues, infrastructure providers and distribution models. Australian discussion, by contrast, continues to frame risk principally through retail harm and consequently avoids many of the areas in which the international contest is occurring.

The consequence concerns market structure rather than sentiment. Where an asset class is excluded by avoidance rather than deliberate decision, its venues, standards and governance are developed elsewhere. Australia may then become a consumer of market structures it had no role in shaping, after their governing terms have already been established.

Participants repeatedly identified the equity-token design intended to enable tokenised forms of listed securities and related DLT services of a major United States equity exchange as a potential trigger for broader financial-instrument tokenisation.

Australians hold substantial exposure to United States equities. A cross-market equity switch currently involves multiple stages across trading, foreign exchange, custody and settlement, often taking several days. Tokenised and interoperable infrastructure could compress that process materially, reduce costs and alter investor expectations.

Because offshore infrastructure is developing while no domestic equivalent exists, the risk is behavioural as well as regulatory. Once investors and institutions become accustomed to faster and cheaper offshore execution, those habits may be difficult to reverse.

In the assessment of this report, the limited public discussion of these developments creates a material risk. Australia should deliberately assess the asset classes currently excluded from domestic discussion and involve the relevant financial-market infrastructure participants in determining whether and how they form part of a national strategy.

The Australian tokenisation conversation remains concentrated at the institutionally comfortable end of the market.

Who Is Now In The Room

The composition of these conversations has changed materially.

Major banks are present and engaged. Superannuation funds and large allocators are participating in rooms where views are contested rather than confining their inquiries to private settings.

More professional-services and legal firms are now participating actively, joining firms and practitioners that have contributed to the ecosystem for more than a decade. In our view, this is an indication that the commercial opportunity of participation in the sector has been recognised more broadly across these environments.

This is a genuine change. Until recently, conversations of this kind occurred largely in private among a relatively small group of participants.

The shift should not be overread. Presence is not commitment and room composition is not a measure of market maturity. A short-term increase in interest adds institutional weight without necessarily adding practical experience.

In several areas, smaller and less prominent participants retain deeper domain knowledge than newer institutional entrants. Institutional prominence should therefore not be mistaken for capability, conviction or readiness to act.

The composition of these conversations has changed materially.

Where Views Converged

Money market funds and short-dated government debt were repeatedly identified as the assets most likely to achieve tokenisation at scale first. Two features explain this preference.

First, a fund is already a legal and operational wrapper around underlying assets, making the fund unit a natural bridge between conventional markets and on-chain issuance. Resolving the legal, technical and distribution requirements for a tokenised fund unit could create a model capable of supporting other asset classes.

Second, on-chain markets require liquid, yield-bearing assets that can be converted readily into cash. Money market funds and short-dated, high-quality government debt meet that requirement.

Two commercial models were distinguished. The first is end-to-end tokenisation, in which a manager tokenises its internal processes and issues fund units natively.

The second is distribution-first tokenisation. The fund continues to operate conventionally, but investors hold a tokenised representation of the fund unit. This captures investor-side benefits without requiring the manager to rebuild its full operating model and was regarded as the more likely near-term pathway. It may, however, introduce additional legal and operational complexity depending on the relationship between the underlying fund unit and its tokenised representation.

The apparent convergence should be qualified. It was expressed most clearly in one session where participants answered the same question sequentially, creating a possible anchoring effect rather than fully independent agreement. The view also reflects international product-development narratives already influencing Australian discussion.

The direction of travel is nevertheless clear, even if the conclusion should not yet be regarded as settled.

Money market funds and short-dated government debt were repeatedly identified as the assets most likely to achieve tokenisation at scale first.

04

Stablecoins and Payment Rails

Stablecoins and Payment Rails

Stablecoins have moved from concept to infrastructure.

One framing advanced during the series was that the technology reunites the message and value of a payment within a single transfer, reversing six decades in which the two were progressively separated. Whatever view is taken of the instrument, this represents a structural change in how payments can operate rather than merely a product innovation.

As the licensed perimeter develops, operators are establishing regulated digital infrastructure to support a growing range of uses.

In our experience, the payments case for stablecoins is most often led by traditional financial services institutions and aligns with the preferred direction of regulatory development. Non-payment uses are less frequently embraced in those environments, partly because their implications for money at rest, deposit-taking institutions and stores of value remain unresolved.

The Dialogue examined emerging use cases in multinational treasury operations, including lower-cost, near-continuous and faster transfers of funds between entities within a corporate group. Participants referred to examples involving well-known multinationals. These cases demonstrate potential operational value, although the net benefit depends on liquidity, foreign-exchange, accounting, compliance and systems-integration costs.

Consortium And Issuer Models

Two international models are emerging and the balance between them will shape the role Australian institutions can play.

The first is the established private-issuer model, based on scale, distribution and reserve economics. The second is consortium issuance under shared governance.

On 30 June 2026, Open Standard announced Open USD, a United States dollar stablecoin issued by an independent company and governed by a board drawn from partner institutions. Under the model, reserve yield is distributed to participating distributors rather than retained entirely by the issuer, with no fees to mint or redeem at scale.

More than 140 organisations are named as partners, spanning card networks, payments businesses, banks, asset managers, technology platforms and crypto-native firms. All four major Australian banks, Commonwealth Bank of Australia, National Australia Bank, Westpac and ANZ, appear on the published partner list. Participation is a pragmatic decision.

That fact should be considered alongside the domestic figures presented earlier in this chapter. Australia's four largest banks have associated themselves with a United States dollar consortium standard whose governance is being constituted now, while domestic tokenised deposit issuance is effectively nil and the Australian dollar stablecoin market is measured in tens of millions.

It is plainly rational to secure a position in a standard that may become significant. The more important question concerns influence.

In consortium arrangements, formal governance and practical influence are not necessarily the same. Practical influence belongs to the participants that commit engineering capability, product resources and personnel to the working groups that write the standard. Signature secures distribution access. It does not secure authorship.

Two international models are emerging and the balance between them will shape the role Australian institutions can play.

Reporting on the launch has characterised much of the bank participation as exploratory or ecosystem-level support, which is consistent with the broader pattern.

The question for the Australian institutions involved and for those concerned with the origin of standards governing Australian payment infrastructure, is whether participation will translate into influence over the standard or merely provide access to a standard defined by others.

Early participation may also generate practical learning relevant to the future development of interoperable on-chain Australian-dollar value. That benefit will depend on Australian institutions contributing to the technical and governance work and carrying the resulting knowledge into domestic initiatives.

There is a further implication, addressed in the divergence chapter, concerning what this participation demonstrates about the capacity of Australian institutions to coordinate on shared payments infrastructure.

Scale And Composition

Australia begins from a markedly different position.

Approximately US\$310 billion in stablecoins are in circulation globally, with some external projections suggesting roughly tenfold growth over four years. Between 95 and 99 per cent of current issuance is denominated in United States dollars. Annual transaction volumes are measured in the tens of trillions of dollars.

Tokenised deposits denominated in Australian dollars are effectively absent, while the Australian dollar stablecoin market is estimated at approximately A\$15 million to A\$25 million.

This asymmetry is not a criticism of any participant. It is the starting position for every question that follows.

Participants consistently distinguished between crypto capital-markets activity and Real-World payment flows. Crypto capital-markets activity remains the largest individual use case by volume, while payment flows are larger when their different categories are considered collectively.

Within payments, business-to-business transactions were identified as the largest opportunity, followed by cross-border payments, remittances, merchant acceptance and consumer payouts. Stablecoin-linked card programmes have grown from a few dozen to more than 130 globally over roughly two years.

Participants also raised programmable and agent-initiated payments as an emerging use case. Stablecoins and other programmable forms of money may allow authorised software agents to initiate and complete transactions subject to predefined controls. The opportunity remains early and will depend on identity, delegated authority, transaction limits, liability, consumer protection and the ability to revoke or contest automated instructions.

Australia begins from a markedly different position.

The Australian Cross-Border Opportunity

The near-term Australian opportunity was most frequently characterised as cross-border rather than domestic.

The reasoning is straightforward. Australia is already well served by fast domestic payments through the New Payments Platform, making many of the domestic pain points addressed by stablecoins elsewhere less acute. Australian industry and financial markets are, by contrast, heavily exposed to United States dollar trade and settlement.

The binding domestic constraint was identified precisely and it is not the one usually named. The constraint is not simply the absence of an Australian dollar stablecoin. It is the depth of liquidity in the relevant trading pairs.

Converting a material sum quickly between an Australian dollar stablecoin and a United States dollar stablecoin remains difficult. This is a liquidity problem rather than a utility problem and issuance alone will not solve it.

Notwithstanding this constraint, the consistent position across multiple sessions was that Australia requires functional tokenised Australian dollar money to participate in the global system on its own terms.

Without on-chain cash denominated in Australian dollars, the benefits of tokenised assets cannot be realised fully in the domestic market because the settlement leg must be denominated somewhere. If settlement occurs in United States dollars, the corresponding value and reserve economics may increasingly sit outside the Australian dollar system. This has implications for monetary sovereignty and Australia's influence over the infrastructure through which domestic value moves.

The near-term Australian opportunity was most frequently characterised as cross-border rather than domestic.

Fragmentation As The Settled State

By design or default, jurisdictions are converging on fragmentation.

More than one session described this as a feature rather than a defect because economic opportunities often arise where jurisdictional approaches meet imperfectly.

A technical caution accompanied this view. The term “stablecoin” abstracts away material differences. A stablecoin issued on one network is not necessarily equivalent to a same-named stablecoin issued on another because each inherits the properties and constraints of its underlying infrastructure. Those characteristics determine the uses it can support.

Standards are emerging and may improve interoperability, transparency and comparability across public and private networks and between infrastructure layers. In the interim, common terminology obscures important distinctions among stablecoins, tokenised deposits and central bank money. These instruments carry materially different legal characteristics, risk profiles and regulatory treatment.

By design or default, jurisdictions are converging on fragmentation.

The Unresolved Questions

Four issues surfaced and remain open.

UNRESOLVED QUESTION	THE POSITION RECORDED IN THE ROOMS
1. Yield	The local regulatory direction was regarded as effectively settled. Participants generally understood that an issuer-funded yield arrangement may, depending on its structure, engage the managed investment scheme provisions or other financial-product and licensing requirements. The Dialogue treated the practical regulatory direction as restrictive. Yield is a material driver of adoption. Participants raised a practical question that was not answered satisfactorily: why would a holder retain a non-yielding Australian dollar instrument? Although the regulatory direction was regarded as largely settled, the underlying policy question has not been subject to meaningful discussion. Concerns about the implications for deposit-taking institutions appear to be informing the current position. Organisations that benefit from that direction have little incentive to reopen the issue. Regulators should therefore consider ventilating the question directly. The distinction offered was between money in motion, held temporarily in a stablecoin and money at rest, held in a yield-bearing instrument. Whether that distinction survives contact with commercial practice remains unresolved. A comparison with the United States sharpens the point. This is the author's assessment rather than a finding consistently expressed across the sessions. The United States federal payment-stablecoin framework prohibits permitted issuers from paying holders interest or yield solely in connection with holding, using or retaining a payment stablecoin. This increases the relative appeal of tokenised money market funds, which provide a return and can increasingly be used as collateral while continuing to earn yield. If the Australian position creates a similar incentive and on its face it does, the near-term Australian dollar settlement instrument for institutional use is more likely to be a deposit token or tokenised money market fund than a retail Australian dollar stablecoin. This provides one answer to the question left unresolved in the sessions. For institutional balances, holders may not retain a non-yielding Australian dollar stablecoin. Money at rest may sit in a yield-bearing token, while stablecoins principally serve money in motion.

MONEY IN MOTION

Held temporarily in a stablecoin.

THE UNRESOLVED PART

Whether that distinction survives contact with commercial practice remains unresolved.

MONEY AT REST

Held in a yield-bearing instrument.

UNRESOLVED QUESTION	THE POSITION RECORDED IN THE ROOMS
2. Accounting treatment	Recognition of qualifying stablecoins as cash equivalents was identified as the single largest commercial unlock. It would allow a corporate treasurer to hold the instrument without the adverse accounting consequences associated with treatment as a non-cash asset. Movement has occurred in the United States, but broader recognition depends on accounting standards, the policies adopted by individual entities and their application by accounting firms. In Australia, existing accounting, legal and regulatory definitions may not accommodate the instrument cleanly. A recent Financial Accounting Standards Board proposal illustrates how the existing definition of cash equivalents could apply to certain digital assets. The proposed guidance identifies relevant characteristics including an on-demand contractual right to redeem directly with the issuer for a known amount of cash and segregated reserves held at least one-to-one in short-term, highly liquid assets. The proposal would not classify all stablecoins as cash equivalents. It would provide a clearer pathway for qualifying instruments and leave individual entities to determine whether to adopt that accounting treatment.
3. Reserve design under stress	An assertion of one-to-one backing was not regarded as sufficient. The operative questions are where a holder sits in the credit waterfall under stress and whether the composition of the reserves can be understood in near-real time.
4. Multifunctional instruments	A recurring frustration was that an integrated customer proposition may combine a payment instrument with separate custody, investment, lending or yield-bearing products. Those components may be legally distinct even where they appear to the user as a single service. Each function may therefore engage different bodies of law, licensing requirements and regulators. Realising efficiencies across these arrangements will require clearer treatment of the boundaries and interactions among the component products. It does not necessarily require treating the stablecoin itself as a multifunctional instrument.

05

Market Infrastructure and Settlement

Market Infrastructure and Settlement

Where the tokenisation and stablecoin conversations concern instruments, this chapter concerns the infrastructure through which they move. It produced the most concrete build commitments of the series and the clearest account of what is being constructed.

Tokenised Money As A Key Enabler

The most frequently repeated structural finding across the series was that tokenised money is a key missing component of Australia's emerging digital-market infrastructure.

Tokenised funds, debt and equity can deliver benefits even where settlement continues through conventional payment rails. These may include improved transparency, programmability, collateral mobility, record keeping and lifecycle administration. The larger system-wide benefits, however, depend on the asset and settlement legs operating on the same or interoperable infrastructure.

A functional Australian dollar-denominated settlement asset is therefore a key enabler of broader domestic development rather than a precondition for every individual use case. It could take the form of a stablecoin, deposit token or wholesale central bank settlement instrument.

Several arguments were advanced for treating this as the priority. Tokenised money is among the most established building blocks and can be tested within controlled risk settings. Counterparties and international precedents already exist. Domestic wholesale work has also established a foundation.

This is therefore not a pure first-mover problem, although early domestic participants will still bear implementation and coordination costs.

The concept is also comparatively simple in a way that matters for institutional adoption. On-chain Australian dollar money is a proposition a board can readily understand. A tokenised equity carrying dividend, voting and corporate-action entitlements is considerably harder to explain.

The most frequently repeated structural finding across the series was that tokenised money is a key missing component of Australia's emerging digital-market infrastructure.

The Contest Is Over The Settlement Asset

Money also exhibits strong network effects. Once an instrument achieves sufficient acceptance, liquidity and integration, it becomes difficult to displace.

The following is the author's assessment, formed through the international programme and supporting research rather than as a finding from any single session. It reframes the precondition described above.

The domestic conversation tends to treat tokenised Australian dollar money as infrastructure to be supplied. Viewed against international market development, it is better understood as a contest.

Every tokenised trade has two legs: the asset and the value used to settle it. The asset leg attracts more attention and is generally more advanced. The settlement leg, however, helps determine who controls the liquidity, standards, customer relationships and recurring economics surrounding the transaction.

Internationally, this contest appears to be producing a layered market across four forms of tokenised value: commercial bank deposit tokens, stablecoins, tokenised money market fund units and tokenised central bank money.

These instruments do not perform identical functions. Central bank money is positioned to settle the largest and most systemic wholesale flows. Deposit tokens are suited to institutional activity within and between banking relationships. Stablecoins have established strength in crypto-native and cross-border markets. Tokenised money market fund units provide yield-bearing liquidity and collateral and may increasingly participate directly in settlement arrangements.

These instruments may also interact with modernised real-time payment rails. Those rails are not themselves forms of tokenised value, but they may provide funding, redemption and interoperability pathways between tokenised and account-based systems.

The same four instruments are present in the Australian discussion: deposit tokens, Australian dollar stablecoins, the tokenised money market funds identified in these rooms as an early asset class and the wholesale settlement money explored through domestic programmes.

The relevant question is therefore sharper than whether Australian dollar value exists on-chain. It is which instruments become accepted for which purposes, who controls them and whether value can move between them rather than remaining within separate institutional perimeters.

This reframing raises the significance of the deposit-token interoperability work described below. It is not merely a technical workstream. It forms part of the domestic contest over settlement, liquidity and control.

It also argues against the expectation that one instrument will serve every use. A layered outcome in which deposit tokens, stablecoins, tokenised money market funds and wholesale central bank money occupy the segments to which they are best suited is both more probable and more robust, provided they are interoperable and reliably convertible.

Money also exhibits strong network effects. Once an instrument achieves sufficient acceptance, liquidity and integration, it becomes difficult to displace.

Active Australian participation in the development of international standards and operating practices could improve visibility into emerging requirements and create an opportunity to influence them. It could also increase the prospect that domestic infrastructure remains compatible with major international networks and that Australian institutions can adopt credible standards early. Participation alone does not secure those benefits. It must be supported by technical contribution and domestic implementation.

Deposit Tokens And The Interoperability Gap

Deposit tokens were described as becoming table stakes for every bank. Their value, however, depends on coordination.

Participants reported that several banks possess deposit-token capability, but that existing implementations are not interoperable. On the evidence presented to the Dialogue, this is a coordination problem no institution can solve alone. A deposit token operating only within one institution's perimeter reproduces the closed loop it was intended to escape.

No institution can resolve this problem unilaterally and each faces the same first-mover economics. It is one of the clearest examples from the series of a coordination problem requiring either an existing convening body with sufficient authority or direction from the authorities.

Interoperability was the most frequently cited obstacle to progress. A single ledger carrying both the asset and cash may operate within individual platforms, but no shared ledger spans the domestic market and one is unlikely to emerge soon.

The working assumption should therefore be that assets and cash will often sit on different platforms. The connection between them is the infrastructure that must be built.

This reframes the task. It is not a search for the right platform. It is the development of shared token standards, common interfaces, reference-data models and governance arrangements that allow different platforms to transact and settle against one another.

Interoperability is too often discussed as an abstract technical problem. The greater challenge lies in the standards, governance and commercial arrangements among intermediaries. The National Dialogue identified that challenge but did not examine its detailed design. That work requires dedicated, coordinated forums with relevant domain expertise.

Australia's experience in designing, delivering and governing shared payments infrastructure, including the NPP and associated standards, offers relevant lessons about participation, access, operating rules, investment and institutional governance.

In the assessment of this report, one possible domestic response is a federated governance model designed to support interoperability, transparent access and competition among services built above common infrastructure. The NPP is a relevant reference, but infrastructure designed for account-based payments is not a direct template for tokenised financial markets and the institutional roles and risks are not identical.

Deposit tokens were described as becoming table stakes for every bank. Their value, however, depends on coordination.

What Is Being Built

The most concrete build commitments came from market infrastructure stakeholders rather than banks.

A wholesale market operator holding an Australian market licence described a programme to tokenise the full range of instruments traded through its market. The programme begins with negotiable certificates of deposit, commercial paper and treasury notes before extending to corporate bonds, asset-backed securities, semi-government bonds and Commonwealth government bonds.

The work builds on wholesale use cases conducted with Australian banks using actual transactions. The operator described a staged programme beginning with shorter-dated securities and deposits, with implementation timing dependent on participant readiness and the resolution of operational and regulatory dependencies.

The principal opportunity identified was tokenised repurchase agreements using digitally represented semi-government bond collateral. Near-instant settlement of these transactions could change how banks fund themselves and how asset managers access and mobilise collateral. The relevant term repo market is measured in the hundreds of billions of dollars.

A strategic distinction accompanied this commitment. Tokenised financial instruments require a venue on which to trade. Market operators are responsible for building the shared infrastructure, smart-contract templates and connections to legacy systems. Individual participants should not be required to reproduce that infrastructure independently.

Where this division of responsibility is not maintained, investment is duplicated and fragmentation increases.

International infrastructure providers separately reported a material change in the global market. Distributed-ledger repo solutions that were difficult to sell four to five years ago now attract concentrated institutional attention. The market has progressed from single-asset, intra-group transactions to bilateral and tri-party arrangements with stablecoin settlement capability integrated.

Banks and their boards were described as increasingly focused on unlocking value held in collateral. The opportunity spans margin requirements, cash financing and the ability to source and mobilise the most efficient eligible collateral.

The conversation has therefore moved beyond tokenising the asset itself to the full transaction lifecycle, including trading, settlement, custody, investor governance, corporate actions and reporting.

The most concrete build commitments came from market infrastructure stakeholders rather than banks.

The Domestic Rails

Domestic payments infrastructure is actively assessing how tokenised money could intersect with existing payment rails.

Work underway includes examining how the New Payments Platform could support the growth of tokenised money. Potential uses include providing an on-ramp and off-ramp between conventional bank money and tokenised instruments, enabling interoperability between existing payment rails and tokenised infrastructure and using established digital identity services to verify customers and businesses.

Trust in domestic payments infrastructure was positioned as a potential counterweight to the growth of cross-border stablecoin arrangements with less consistent identity assurance.

A distinct point concerned second-tier and smaller banks. Enabling these institutions to participate in deposit tokens, programmability and risk intelligence will help determine whether the domestic market develops competitively or becomes concentrated among the largest institutions.

The economic opportunity within the domestic market, rather than only in cross-border flows, was identified as underexamined.

Domestic payments infrastructure is actively assessing how tokenised money could intersect with existing payment rails.

The Post-Acacia Work Package

Project Acacia has materially strengthened Australia's evidence base for wholesale tokenised finance.

The DFCRC has also helped position the domestic market as an active participant in international work on digital money, tokenised assets and next-generation settlement infrastructure.

In the assessment of this report, the project has already changed overseas perceptions of Australia's digital asset capability. Its more immediate significance is domestic. It has clarified where coordinated action is most needed and established a foundation for the next stage of work.

The RBA and the DFCRC released the project's final report in May 2026. Industry participants developed and tested 20 wholesale tokenised asset-market use cases spanning a range of asset classes and settlement arrangements.

The use cases included government and corporate bonds, repurchase agreements, term deposits, managed investment products, trade payables, carbon credits and mining royalties.

Settlement models included traditional RBA exchange settlement account balances, a pilot wholesale central bank digital currency, tokenised commercial bank deposits and stablecoins.

Practical implications emerge from the work

01

The pilots demonstrated that tokenisation can deliver operational and risk-management benefits.

These include more automated asset servicing, more efficient issuance and post-trade processes, reduced settlement and counterparty risk through delivery-versus-payment arrangements and potential improvements in capital and collateral efficiency.

WHAT IT SHOWS

The full commercial and system-wide value proposition, however, is likely to depend on adoption at scale, sufficient market liquidity and interoperability across platforms, money forms and market infrastructures.

02

Coordination is among the most significant constraints on progress.

Tokenisation is not a discrete technology deployment by a single institution. It is a system-wide change involving issuers, banks, custodians, market operators, payment systems, investors, regulators and legal frameworks.

WHAT IT SHOWS

Coordination must occur alongside work on legal certainty, regulatory treatment, licensing, prudential requirements, operational resilience, data and identity standards and interoperability between both new and legacy infrastructure.

03

The next phase should not be understood as an end to experimentation.

Rather, it should represent a move beyond isolated, short-duration proofs of concept toward longer-term, stage-gated testing designed to support commercial implementation.

The business case for tokenised markets is often difficult to establish within a narrow pilot because the greatest gains are generated only when multiple participants, interoperable forms of money and sufficiently liquid assets operate together.

WHAT IT SHOWS

The proposed digital financial market infrastructure sandbox is therefore important not simply as a permissioning mechanism, but as a potential bridge between controlled testing and regulated activity at scale.

04

Industry need not wait for a wholesale CBDC or an entirely new settlement system before building.

The RBA's findings indicate that a material share of the potential benefits can be achieved through existing central-bank money in exchange settlement accounts, combined with synchronisation arrangements and other links between tokenised platforms and established infrastructure.

WHAT IT SHOWS

Work on RITS, the NPP and interoperable forms of private tokenised money may therefore offer practical transitional routes while the longer-term role of wholesale CBDC continues to be assessed.

Two observations follow from this programme and matter for the convening question addressed later in this report.

Deposit Tokens

The work on interoperable commercial-bank deposit tokens addresses a key issue identified by Acacia: the risk that private tokenised money, asset platforms and market infrastructure evolve as disconnected systems rather than as an interoperable market.

Progress in this work should be treated as a useful leading indicator of whether the domestic system is moving from research toward practical market infrastructure. It should not, however, be treated as the only indicator. Progress will also depend on legal and regulatory clarity, viable settlement arrangements, market-operator participation, the integration of legacy infrastructure and real issuer and investor demand.

Caution against over-reading institutional roles

A caution against over-reading institutional roles. The DFCRC has carried an important research and coordination function in Project Acacia and that work warrants support. However, no individual research centre, payment scheme, market operator or industry body can by itself resolve a coordination problem of this scope.

The work spans public and private institutions with responsibilities across payments, prudential settings, market infrastructure, financial-crime controls, consumer and investor protection, competition, tax, company law and the legal treatment of digital records and settlement.

The post-Acacia agenda therefore requires durable cross-sector coordination rather than the expectation that any single body can serve as the convening solution for the entire sector.

One potential lasting benefit of Project Acacia is the common evidence base it created for subsequent decisions. Further development of the issues it identified can help guide the sequencing of government, regulatory and market investment. That benefit will be realised only if the follow-on work produces decisions, capability and sustained participation rather than another cycle of short-term experimentation.

Delivering that outcome will require governance structures capable of directing common development, agreeing priorities for utility infrastructure, allocating risk and resolving disputes. Those structures must also define how contested questions are decided when consensus cannot be reached.

On tokenised government bonds specifically, the public position is one of consideration rather than commitment. The RBA has identified the potential value of exploring a tokenised government-bond initiative, reflecting the role of sovereign securities as benchmark safe assets and as important collateral in wholesale markets. It has not announced an issuance programme, date, maturity, volume, settlement model, market-making arrangement or collateral-eligibility framework. It requires an actual issuance decision and operational clarity on legal form, investor access, custody, settlement finality, liquidity provision, repo treatment and collateral eligibility.

A dated issuance, even a small one, combined with a clear framework for use in secured funding and collateral arrangements, could provide a more consequential market signal than further high-level examination alone.

That is an analytical proposition rather than a commitment contained in the Acacia programme.

Two further conditions apply to sandbox work.

Legal

Acacia identified legal clarity around the status of on-chain records, ownership and transfer of tokenised assets and settlement finality as material prerequisites for investment and commercial adoption. Existing legal and regulatory frameworks were largely developed around conventional payment systems, central securities depositories and other established financial-market infrastructure. Their application to distributed systems, synchronisation arrangements and transactions across multiple ledgers requires careful treatment. Implementation programmes should therefore avoid assuming that these questions have already been conclusively resolved.

Structural

A sandbox is useful only if it is connected to a credible, stage-gated route into permanent regulated activity. Without a practical progression from experimental conditions to licensing, supervision, operational standards, market access and scalable settlement arrangements, participants risk building for the sandbox rather than for the market. The value of the proposed digital financial market infrastructure sandbox will ultimately lie in whether it enables successful participants to convert evidence from controlled tests into durable commercial infrastructure.

Tokenising Sovereign Debt

The sovereign-debt strand was convened as a dedicated room and produced the clearest expression of industry appetite in the series.

Participants largely agreed that the government should initiate the domestic market through a natively issued digital bond. They also expected native digital instruments and digital twins to coexist rather than one immediately displacing the other.

This finding should be read against the official position recorded earlier in this chapter. Government issuance remains framed as a matter for further consideration, with industry appetite identified as a relevant dependency. On the evidence of this room, that appetite is not weak. The most active participants encouraged the government to move first and to issue natively.

The case advanced for issuance extended beyond settlement efficiency. Participants identified potential benefits in broader investor access, deeper liquidity, collateral mobility and interoperability that could reduce operational risk.

The proposed functionality covered the full lifecycle, including bookbuilding, primary issuance, secondary trading, coupon payments, bondholder rights and redemption. Near-term savings were associated with delivery-versus-payment settlement and reduced reconciliation. Longer-term benefits were associated with programmability, improved market access and lower operational costs across the instrument's lifecycle.

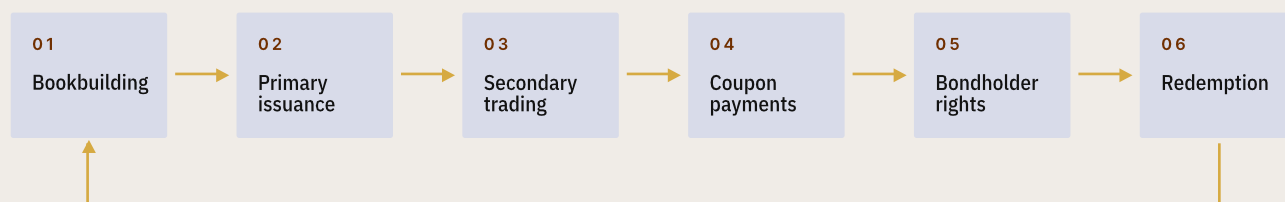
These benefits are not automatic. They depend on market participation, liquidity, sound infrastructure and integration with existing legal and operational arrangements.

A sovereign issuance was also framed as a market-development instrument rather than an end in itself. By establishing a benchmark digital asset and testing the infrastructure around it, government issuance could support subsequent development across corporate debt, money markets and other financial instruments.

The counterposition should be stated clearly. Some industry participants questioned why an investor would buy a tokenised government bond and what immediate problem the issuance would solve. Investor demand has not been demonstrated and the near-term economic case remains incomplete.

The conversation has moved beyond tokenising the asset itself to the full transaction lifecycle.

The sovereign-debt strand was convened as a dedicated room and produced the clearest expression of industry appetite in the series.



A Requirement To Converge On Design Principles

The room moved towards convergence on several design principles.

The instrument could be digitally native and support near-real-time issuance and settlement where practical. The infrastructure could reduce unnecessary intermediation and permit more direct access between providers and users of capital without disregarding the continuing roles of dealers, market makers, custodians and market operators.

Several participants supported issuance in whole legal units and standard denominations rather than fractionalised beneficial interests. This position sits deliberately at the institutional end of the market and cuts against the democratisation premise considered in the divergence chapter.

Interoperability was again identified as essential. Sovereign debt operates in global capital markets and the buy side is unlikely to accept a fragmented market in which digital instruments are confined to isolated platforms.

The technical design must also preserve the legal rights carried by conventional bonds. Any programmable equivalent must support bondholder consent, enforcement, transfer restrictions and other lifecycle events while maintaining the legal certainty provided by existing law and infrastructure.

A hybrid model using trusted, tested infrastructure was preferred to an immediate wholesale replacement of existing systems. Public and private networks may both have a role, but the choice of issuance venue and the connections between platforms must be deliberate.

A Treasury Note was identified as a potentially simpler starting point because of its short maturity and absence of coupon payments.

Participants with offshore experience observed that tokenised instruments had so far been adopted most readily, though not exclusively, by digitally native investors. Considerable work remains before conventional institutional capital participates at meaningful scale.

The room moved towards convergence on several design principles.

From Theory To Execution

A primary issuance should have a defined purpose and proceed in stages.

Initial functionality could focus on native issuance and settlement before extending to secondary-market trading, collateral use and the full range of lifecycle events.

Participants called for facilitative regulatory guidance, controlled testing arrangements and greater legal clarity to provide credible pathways from initial issuance to ongoing market activity. The objective was not exemption from existing obligations, but sufficient operational clarity for issuers, developers, custodians and market operators to invest and participate with confidence.

Settlement could use existing commercial or central bank money, stablecoins or newer forms of tokenised settlement money. The critical requirement is that the cash and asset legs interact reliably and with clear settlement finality.

The United Kingdom's Digital Gilt Instrument is a relevant recent development rather than the most mature international reference. DIGIT is intended to be a digitally native, short-dated instrument issued separately from the government's main debt-management programme, with its first transaction expected by the first quarter of 2027. It remains prospective.

The broader international record is more developed. Sovereign and sub-sovereign digital-bond programmes in Hong Kong and other markets have generated practical experience concerning issuance architecture, investor access, settlement, custody, interoperability and lifecycle management. The relevant Australian question is therefore not whether a digital sovereign instrument can be issued, but which lessons transfer to Australia's legal, market and institutional settings.

A primary issuance should have a defined purpose and proceed in stages.

The Risks And Failure Mode In Plain Sight

The room identified three overarching failure modes.

-
- | | |
|-----------|--|
| 01 | Executing the first issuance poorly |
| 02 | Completing a single issuance without a wider programme. |
| 03 | Failing to establish a digital pathway to sovereign debt while other major markets advance |
-

Specific risks included insufficient demand, weak secondary-market liquidity, poor technology selection, limited lifecycle benefits, inadequate interoperability and insufficient market trust.

These risks argue for a persistent programme rather than a symbolic transaction. A first issuance should be designed as the beginning of a market-development pathway, with defined criteria for subsequent stages.

The discussion indicated material support for a natively issued government instrument, whole legal units, trusted and interoperable infrastructure and coexistence between native and digital-twin models. These views were not universal and should not be treated as a settled market position.

What remains unresolved is whether the Commonwealth will commit to a dated issuance, how any instrument would be designed and how it could be purchased and used, including in repo, secured funding and collateral arrangements.

We are informed that after the National Dialogue was concluded, a roundtable session in Melbourne examined the operational conditions required for an issuance. The discussion highlighted custodian readiness, the need to accommodate lengthy internal review and approval processes and the importance of integrating financial-crime controls across the instrument's lifecycle. These dependencies reinforce the case for a staged programme in which institutional preparation begins before the final issuance decision.

Acknowledgement: We thank Mallesons for their assistance in the capture of insights for this chapter of the report.

06

Financial Crime and Law Enforcement

Financial Crime and Law Enforcement

This element of the National Dialogue was convened and is reported separately because its participants, constraints and remedies differ from those elsewhere in this document.

The Core Problem

Each major part of the ecosystem holds intelligence that could help prevent or disrupt scams and money laundering. Much of that intelligence cannot be shared at the speed or scale required.

Exchanges, banks, custodians and law enforcement agencies each hold part of the picture. Uncertainty about the lawful basis for sharing, inconsistent interpretations of privacy obligations, fragmented processes and the absence of common standards and secure sharing mechanisms keep those parts separated.

Those causing the harm are not subject to the same institutional, legal and procedural constraints. They move across platforms and jurisdictions faster than the system can identify, coordinate and respond to their activity.

The specific issues that follow are consequences of that information and coordination gap.

Each major part of the ecosystem holds intelligence that could help prevent or disrupt scams and money laundering.

Where The Friction Sits

FRICION	NOTES
Information sharing is constrained by law and process	Exchanges hold identity, account and behavioural intelligence about customers being defrauded and those suspected of causing harm. They often lack a clear, scalable and consistently interpreted legal basis for sharing that information proactively with banks or other exchanges. Disclosure to law enforcement may be compulsory where a valid warrant, notice or other statutory power applies. Proactive sharing outside those processes remains more dependent on voluntary arrangements and established relationships than on common architecture. A banking-sector information-sharing arrangement exists and now includes some exchanges. The sessions identified no equivalent purpose-built arrangement operating at sufficient scale across the digital asset sector.
Speed determines outcomes and the system is too slow	On-chain funds can move across platforms and jurisdictions within minutes. Reporting and investigative pathways operate on timescales developed for conventional banking. By the time actionable information reaches an investigator, recovery may no longer be possible. Victims may also believe that reporting a matter to police has initiated an active investigation when the report has instead entered a triage or referral process with little visible follow-up.

FRICITION	NOTES
Reporting volume is not the constraint	AUSTRAC received more than 450,000 suspicious matter reports in the most recently reported year and has emphasised the importance of information quality rather than volume alone. A feedback loop explaining what makes a report useful to financial intelligence and law enforcement was identified as an immediate, low-cost improvement.
Requests are inconsistent to the point of unworkability	Agencies and individual officers use different request formats, evidentiary requirements and delivery processes. Participants reported that some warrant processes do not permit electronic service and that requirements vary materially among jurisdictions. Requests are also sometimes prepared without sufficient familiarity with the relevant technology, producing demands that cannot be actioned as framed. For voluntary disclosures permitted under privacy law, law enforcement participants placed less importance on a prescribed format than on receiving information that was complete, intelligible and operationally useful.
Cross-border recovery operates on the wrong timescale	Formal mutual-assistance processes used to obtain evidence or action in foreign jurisdictions can take 18 months or longer. Much of the relevant offending operates offshore and at industrial scale, often without an identifiable domestic offender to prosecute. The formal international process therefore operates on a fundamentally different timescale from the movement of the assets.
Resourcing is asymmetric	Specialist capability in some relevant units is measured in single or low double figures against a national and international problem. This is stated as a fact about capacity rather than as criticism of any agency.

The Insight That Should Reframe The Problem

Accounts change. Banks change. Wallets change. Assets change. The individual being defrauded does not.

Point-to-point information sharing can support individual cases, but it does not scale across an ecosystem in which the relevant accounts, assets and intermediaries change rapidly while the person at risk remains unobserved.

The room repeatedly called for whole-of-ecosystem, privacy-preserving intelligence sharing. The objective would be to allow a new customer to be checked against relevant prior indicators before harm occurs rather than after it.

Two categories must remain distinct. Indicators that a person may be vulnerable to fraud are not equivalent to indicators that a person may be causing it. They require different evidentiary thresholds, access controls, retention rules and consequences. A system intended to protect victims must not become a mechanism for excluding or penalising them.

This proposition is more ambitious than process standardisation and should not be conflated with it.

Two tracks are required and they will move at different speeds.

*Accounts change.
Banks change.
Wallets change.
Assets change. The
individual being
defrauded does not.*

Standardisation And Shared Infrastructure

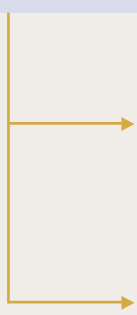
TRACK ONE

Standardisation

Practical measures include a standard law enforcement response pack, consistent request formats across agencies, electronic service of warrants where legally available, a feedback loop on reporting quality and formal inclusion of digital currency exchanges in existing joint policing and anti-scam structures.

Much of this can proceed without new institutions or resolution of contested questions about identity and data sharing. Some elements, including electronic service in certain jurisdictions, may require procedural or legislative change.

Two further design features would make this layer more useful:

- 
- 01 The first is reducing the delay between the movement of an asset and the corresponding compliance information. Where the relevant record does not move through a secure parallel channel, each transfer limits what the receiving institution knows. That information should not be embedded publicly in the asset itself. It requires a protected and synchronised information exchange.
 - 02 The second is a safe harbour for good-faith sharing conducted within defined purposes, standards and safeguards. Participants are likely to share more quickly where the consequences are established in advance rather than assessed only after disclosure. A safe harbour does not require the final sharing architecture to exist, but it may require legal change.

TRACK TWO

Sharing Architecture

The objective is a tightly governed mechanism that allows participating institutions to identify relevant fraud and vulnerability indicators without creating an unrestricted central repository of personal information.

A centralised platform is one possible model, but it should not be assumed at the outset. Federated matching, controlled queries and privacy-enhancing technologies, potentially including zero-knowledge techniques, may reduce the amount of personal information exposed or transferred.

The architecture should initially be scoped tightly to scams and fraud. It would require a clear legal basis, defined data categories, separate treatment of victims and suspected offenders, transparent governance, secure funding and a trusted operator. It would also require controls governing access, correction, retention, audit, adverse decisions and the escalation of a match into an actionable investigation.

Partial precedents exist. In the United States, a non-profit alliance provides a trusted environment in which businesses and federal law enforcement share cyber-financial intelligence. In the United Kingdom, a public-private partnership led by the National Crime Agency enables participating institutions and government agencies to exchange and analyse financial-crime intelligence.

Australian precedents also exist in cross-sector digital identity arrangements and insurance fraud information sharing. These demonstrate that lawful sharing models can be constructed, but they do not remove the need to establish a specific legal and governance basis for this use case.

The two tracks should proceed concurrently rather than sequentially. Immediate standardisation should not be deferred while the longer-term architecture is designed.

Liability Is Moving

The regulatory position is changing in ways that will materially alter institutional incentives and the change is further advanced than is generally understood.

Banking, telecommunications and designated digital-platform services were named as the first regulated sectors under the Scams Prevention Framework on 28 May 2026.

Entities providing regulated services in those sectors must become members of the Australian Financial Complaints Authority from 1 September 2026. Most substantive obligations apply from 31 March 2027, including requirements to take reasonable steps to prevent, detect, disrupt, report and respond to scams.

Serious breaches attract substantial civil penalties. For corporations, the maximum penalty can be the greater of 159,745 penalty units, three times the value of any benefit obtained or 30 per cent of adjusted turnover during the period of the breach. The framework also provides for penalties against individuals for relevant contraventions.

The legislation allows additional sectors to be designated over time. Digital currency exchanges have been expressly identified as a possible future addition, but no commitment has yet been made to their designation.

The practical implication is that defined elements of the cooperative posture described in this chapter are moving from voluntary practice to mandatory obligation for a significant part of the scams ecosystem.

Building common standards, request formats, reporting feedback loops and secure information-sharing processes before the substantive obligations commence will be materially cheaper than attempting to construct them in response to enforcement, complaints and disputes.

For digital currency exchanges and other sectors that may later be designated, the same logic applies. Early participation in the standardisation layer would allow those sectors to shape workable arrangements before regulatory obligations are imposed.

The regulatory position is changing in ways that will materially alter institutional incentives and the change is further advanced than is generally understood.

07

The Regulatory Picture

The Regulatory Picture

This chapter examines institutional continuity, resourcing, reach and sequencing.

Each agency is considered through the same analytical lens. Differences in coverage reflect the relevance and volume of evidence available and should not be read as comparative judgements about institutional performance.

One general observation applies across the chapter and represents the most positive regulatory finding from the series.

Regulatory engagement was materially more senior than in earlier programmes. Participating officials generally held decision-making responsibility rather than a monitoring or advisory brief. In several cases, they were supported by officers who had conducted the earlier work developing the relevant frameworks.

This represents a change in institutional weight rather than merely a change in vocabulary. It was evident across the regulatory bodies engaged in the series.

The Sequencing Problem

Before turning to individual agencies, one structural matter deserves attention. It is routinely discussed as a single regulatory question when it comprises three distinct processes operating on different timetables.

Platforms and custody

The platforms and custody limb is legislated and dated. The Corporations Amendment (Digital Assets Framework) Act 2026 received Royal Assent on 8 April 2026 and commences on 9 April 2027.

The Act creates two new financial products, the digital asset platform and the tokenised custody platform and regulates the intermediaries that operate them. It amends the existing Corporations Act 2001 rather than establishing a standalone regime.

The framework operates as an overlay. The legal character of the underlying tokens must still be assessed against the existing financial-product categories. Although the primary legislation is settled, standards, regulatory guidance and implementation arrangements remain to be completed.

Payments and issuance

The payments and issuance limb remains unsettled and has no commencement date. The Treasury Laws Amendment (Payments System Modernisation) Act 2025 received Royal Assent on 19 September 2025, but principally amended the Payment Systems (Regulation) Act 1998. It did not establish the proposed licensing and prudential framework for payment service providers.

The proposed licensing package, comprising exposure drafts of Treasury laws amendments, the Payment Entities (Prudential Regulation) Bill 2026 and supporting regulations, was released on 12 March 2026. Consultation closed on 9 April 2026. The package has not yet been introduced into Parliament.

The contemplated prudential standards, including requirements governing reserve assets, will depend on the passage and final form of that legislation. Further reforms concerning access and industry standards, where questions of interoperability and scheme access are likely to arise, also remain outstanding.

**Bank Capital
and Liquidity
cont.**

The bank capital and liquidity limb remains undated. The prudential treatment of stablecoins and composite tokens held by authorised deposit-taking institutions falls outside both legislative processes. It is a question of bank capital and liquidity treatment.

These issues now sit alongside APRA's broader programme of capital and liquidity reform. Its published roadmap extends into the second half of 2027 and beyond, but implementation dates have not been fixed. A precise 2029 endpoint should therefore not be presented as settled.

A definitional point is frequently lost in this discussion. Under the proposed payments framework, the regulated financial product is the tokenised stored-value facility rather than the stablecoin considered in isolation. The stablecoin is the digital token through which rights under that facility are represented or exercised.

The exposure draft also proposes prudential oversight of major stored-value facility providers. Providers meeting the prescribed threshold would register with APRA and comply with applicable prudential standards without becoming authorised deposit-taking institutions. The proposed framework would also restrict certain representations about prudential regulation, making the ability to describe an offering in those terms commercially significant.

The consequence for the sector is direct. An institution that declines to commit capital until the prudential position is clear may not be waiting for an imminent determination. It may be waiting first for payments legislation to be introduced and enacted, then for the corresponding prudential standards to be developed and finalised.

This reframes institutional caution, addressed further in the divergence chapter, from a question of disposition to one of regulatory sequencing.

Commonwealth Treasury

The Commonwealth Treasury sits at the centre of the policy process and functions, in practice, as the body to which others look for coordination and directional priority across the sector.

Two observations are made about the ongoing role of Treasury.

The first concerns institutional continuity. Some of the officers involved in developing the frameworks now entering implementation have moved on or been redeployed. This is ordinary organisational life and no criticism attaches to it. The risk is the loss of institutional context: the assumptions considered, alternatives rejected, compromises made and reasons particular choices were preferred.

That knowledge is not held by government alone. Industry participants, advisers and former officers each retain parts of the history. Industry should therefore contribute to preserving it rather than assume that the department continues to hold a complete record.

A practical and relatively low-cost response would be a structured process for recovering that context. This could include engagement with former officers, subject to appropriate confidentiality constraints, together with implementation records that distinguish the original policy rationale from subsequent interpretation. The objective is not to reopen settled decisions but to ensure that implementation does not proceed without access to the reasoning that produced them.

The second observation concerns the composition of engagement. On financial-market infrastructure questions, Treasury's natural counterparties include the largest financial institutions. Their participation is necessary and appropriate.

The risk arises where institutional scale or familiarity with existing financial infrastructure is treated as evidence of capability at the intersection with digital assets. The two are not equivalent. Expertise in operating the current system does not necessarily confer expertise in how that system is being re-architected or in the technical, legal and commercial dependencies created by tokenised infrastructure.

A room can therefore carry substantial institutional authority while still lacking the specific domain experience required by the question under consideration. The relevant test is not whether prominent institutions are represented, but whether the room contains the capabilities needed for the particular stage of policy development or implementation.

Carriage of the subject matter has been elevated in seniority. That is a positive signal about institutional priority and increases the prospect that issues identified through engagement can translate into decisions.

Considerable work has therefore produced direction rather than destination. The framework is clearer, but many businesses still lack the operational certainty required to justify investment at scale.

In our assessment, the earlier development of Australia's digital asset frameworks did not adequately involve the traditional financial institutions now pursuing opportunities beyond cryptocurrency markets. This appears to reflect a historical underappreciation within those institutions, as well as across the wider policy process, of the broader relevance of the technologies underpinning digital assets.

Their increasing participation during implementation is a material change. It may also expose assumptions embedded in the framework that were not tested by the institutions now expected to build within it.

The Australian Transaction Reports And Analysis Centre (AUSTRAC)

AUSTRAC's engagement across the series is best understood in the context of its mandate and implementation calendar.

The reporting population under its supervision expanded substantially during the programme. On 1 July 2026, anti-money laundering and counter-terrorism financing obligations commenced for newly regulated providers of designated services across the legal, accounting, conveyancing, real estate and precious-metals sectors.

Tens of thousands of businesses were brought within the regime. Enrolment opened on 31 March 2026 and newly regulated businesses were required to enrol by 29 July 2026.

Obligations applying to new virtual-asset services, including relevant travel-rule requirements, also commenced on 1 July 2026. Existing reporting entities have a three-year transition period, from 31 March 2026 to 30 March 2029, to move from applicable customer identification procedures to the new initial customer due diligence framework.

This work sits alongside AUSTRAC's continuing intelligence, supervisory, enforcement and international obligations.

The principal implementation period therefore coincided directly with the National Dialogue programme and the enrolment deadline fell within it. AUSTRAC was managing the largest expansion of Australia's AML/CTF regime while the series was taking place.

That timetable provides important context for the level and form of its participation. It should not be read as evidence of institutional disposition towards the digital asset sector.

Where AUSTRAC participated, its engagement was ready and substantive, most clearly in the financial crime and law enforcement session. Its presence understandably followed matters most closely connected to its immediate statutory priorities.

The forward issue is that sectoral development will not pause while implementation demands are addressed. Businesses will continue to design products, systems and controls according to their understanding of the new obligations. Interpretations formed during this period may become embedded in operating models before broader questions have been considered across the relevant agencies and markets.

The exchange also runs in the other direction. Participation gives AUSTRAC access to emerging use cases, operational constraints and financial-crime risks before they become established features of the market. Questions raised in one forum can inform supervisory guidance, policy development and engagement elsewhere.

For that reason, maintaining a proportionate presence across adjacent digital-finance discussions would be valuable in the short and medium term. This need not require participation in every forum. It requires sufficient continuity to identify when developments outside an apparently immediate AML/CTF workstream have consequences for AUSTRAC's mandate.

Particular attention should be given to the intersections among cryptocurrency markets, tokenised financial products, payments and traditional financial services. The same instrument or transaction may pass through several institutional and regulatory classifications while remaining part of one economic activity.

If those intersections are considered through separate product or sectoral workstreams, obligations may be duplicated, gaps may emerge and firms may receive inconsistent signals about how a single transaction should be treated.

The practical requirement is therefore not merely greater engagement. It is engagement organised around functions, transaction flows and risks across institutional boundaries. That would improve both enforcement outcomes and the ability of legitimate businesses to build coherent compliance arrangements.

The Australian Competition And Consumer Commission (ACCC)

The ACCC's position in this sector is emerging across two distinct limbs: scams and consumer protection and competition.

The more advanced workstream concerns scams. The Scams Prevention Framework gives the ACCC a central role as the general regulator for the framework and the sector regulator for designated digital platforms. Banking, telecommunications and specified digital-platform services were designated as the first regulated sectors in May 2026. Implementation is staged. Providers of regulated services must be members of the Australian Financial Complaints Authority from 1 September 2026. Most substantive obligations to prevent, detect, disrupt, report and respond to scams apply from 31 March 2027.

The sector codes and supporting rules remained under development during the period covered by this report. Crypto-asset exchanges are not presently a designated sector in their capacity as exchanges. The framework permits additional sectors to be brought within scope in future, but the order and timing of any further designations should not be treated as settled.

The second limb is competition. Visible attention to the competition implications of digital assets and tokenised market infrastructure is comparatively recent and was not widely understood by participants in the series.

The evidence from these rooms does not provide a complete account of the ACCC's activity. It does indicate that the Commission has not yet become a consistent presence in the market-infrastructure conversation. Where engagement is concentrated among scaled incumbents, there is also a risk that emerging competition questions are framed principally through the structure of the existing market.

That matters because the ACCC's role is potentially more central than its current visibility suggests.

Interoperability frequently requires competitors to agree on common technical standards, operating rules, governance arrangements and shared infrastructure. Those arrangements may generate substantial public benefits, but they can also influence market access, pricing, control of data, switching costs and the ability of new entrants to compete.

Competition law does not prohibit competitors from building shared infrastructure. Nor does every shared scheme require ACCC authorisation. Businesses must assess whether the proposed coordination may contravene competition law.

Where that risk exists, authorisation provides one pathway through which the ACCC can grant legal protection. The assessment considers whether the conduct is unlikely to substantially lessen competition or whether its likely public benefits outweigh its likely harms.

This makes the ACCC relevant before a scheme is fully designed, not merely after participants seek formal authorisation. Early engagement can help identify where common infrastructure is necessary, where participation should remain open and where coordination must stop so that competition can continue.

Australia has not yet brought forward a stablecoin or tokenised-money scheme for ACCC authorisation. That does not mean authorisation is necessarily required. It means that an established mechanism exists for testing and where justified, protecting coordinated conduct that may be necessary to create interoperable infrastructure.

The Commission should therefore deepen its engagement across both limbs. On scams, the priority is understanding how value and responsibility move across banks, digital platforms and virtual-asset service providers. On competition, it is ensuring that the standards and infrastructure now being designed support interoperability without entrenching incumbency or creating avoidable barriers to entry.

The Australian Prudential Regulation Authority (APRA)

Across the entirety of the year's activities convened by BlockchainAPAC and within the National Dialogue programme, prudential engagement was sustained across multiple sessions and bilateral follow-up. This provided a stronger degree of continuity than was evident in some other public-sector workstreams examined by the report.

APRA has remained close enough to the development of the market to understand how the relevant instruments, risks and institutional expectations are changing.

Substantively, participants identified prudential clarity as the largest single potential unlock for Australian banks. The capital and liquidity treatment of stablecoins and composite tokens is not sufficiently settled for institutions to price the consequences of holding them with confidence.

That uncertainty does not make product development impossible. Institutions may structure around it, constrain their exposures or proceed through limited pilots. It does, however, make investment at scale more difficult because the prudential treatment can determine whether an otherwise viable product is economically attractive.

As set out earlier, this issue sits within the deferred bank capital and liquidity limb. It does not have a confirmed resolution date.

A framing advanced from the regulatory side during the series inverted the usual polarity and deserves to be recorded. In a rapidly changing market, the largest risk confronting an institution may be strategic rather than prudential.

Excessive caution can itself create risk.

A decision may be defensible against existing prudential settings while still leaving the institution poorly positioned for the direction in which the market moves.

This is significant because the argument did not come from an industry participant seeking regulatory relief. It indicates that at least part of the regulatory system recognises the opportunity cost of inaction and the limitations of assessing emerging markets solely through the risks created by participation.

The observation should not be overread. It does not establish that regulatory reluctance is absent, nor does it resolve the prudential uncertainty identified by institutions. It does show that the regulatory perspective is more sophisticated than a simple preference for caution and that the constraint on Australian activity cannot be attributed to regulatory disposition alone.

The more accurate conclusion is that APRA appears engaged with both sides of the problem: the prudential risks created by new forms of money and financial instruments and the strategic risks created when regulated institutions fail to adapt. The unresolved task is to translate that understanding into prudential settings that allow institutions to assess, price and pursue viable activity.

The Australian Securities And Investments Commission (ASIC)

ASIC has carried much of the regulatory work concerning the application of the existing financial-services framework to digital assets and has established its view of where that perimeter sits.

That administrative position is now well established, but it should not be described as legally settled. ASIC's interpretation does not displace the role of the courts and the Digital Assets Framework Act will alter the statutory architecture when it commences.

Submissions contesting aspects of ASIC's approach were made through professional and industry bodies. The principal response was clarification, transitional relief and adjustments to implementation rather than a material change in the underlying categorisation framework. No major Australian financial institution has publicly advanced and sustained a contrary position on the perimeter.

The position has therefore become established partly through the absence of a well-resourced public contest.

That may not persist. The incentives involved in establishing a regulatory perimeter are different from those involved in defending a material economic opportunity at its boundary. As scaled financial institutions move further into stablecoins, tokenised deposits and tokenised financial instruments, the parties affected by the perimeter will change, as may their willingness to seek relief, challenge particular applications or test the law.

Regulatory proceedings or litigation are therefore plausible medium-term outcomes, although neither should be treated as inevitable.

ASIC was consistently present throughout the series. In one session, its stated position was that many of the underlying legal concepts are not novel. Fractionalisation, wrappers and pooled investment structures are long established and there is no fundamental legal barrier to tokenising a managed fund, including maintaining its register on-chain.

A regulatory position advanced during the series was that the principal categorisation questions had been worked through, that no fundamental legal barrier prevented the principal use cases and that more firms should bring forward developed proposals.

Industry experience did not consistently match that account. The gap between the regulator's stated openness and the experience reported by potential market participants is itself the finding.

ASIC has progressed the categorisation of products and activities. Businesses must still translate those categorisations into licensing applications, custody arrangements, disclosure obligations, financial requirements, market permissions and operating models. The existence of an available legal category does not by itself establish a commercially workable path through those requirements.

The transitional arrangements illustrate both sides of this position. On 25 June 2026, ASIC issued a new class no-action letter that superseded and broadened its October 2025 position. It extended the relevant deadline from 30 June to 30 September 2026 and expanded the pathways through which eligible businesses could transition towards licensing or cease affected activities.

The extension indicates that the licensing transition required more time and flexibility than initially contemplated. It does not, by itself, establish whether the cause was inadequate guidance, incomplete applications, business readiness, the complexity of the licensing framework or some combination of these factors.

The broader tension is between mitigating risk and enabling responsible innovation. That balance is difficult where technology and business models continue to evolve because uncertainty strengthens the institutional case for conservatism.

The inverse also applies. If ASIC considers that the principal categorisation questions have been resolved and that the existing regulatory toolkit is adequate, confidence in that position creates a corresponding responsibility to make compliant entry operationally achievable. The relevant considerations extend beyond consumer protection to competition, productivity, foreign investment and investment in financial-market infrastructure.

One structural advantage should be recorded. ASIC can provide class-wide transitional relief and adjust its regulatory posture as circumstances change. Comparable regulators in some jurisdictions can alter statutory requirements only through legislation. Used carefully, this flexibility can reduce transition costs and respond more quickly to evidence from the market. The June extension demonstrates the value of that mechanism, even if the need for an extension also reveals that the transition was not proceeding on the original timetable.

Australian Financial Complaints Authority (AFCA)

AFCA has been among the most consistently present institutions in the Australian digital-assets conversation in recent years.

It has readily engaged with industry stakeholders, participated across successive programmes and been open about the learning required as products, business models and consumer risks continue to develop. That willingness to sit with the sector, test its understanding and continue building institutional capability through direct engagement should be recognised.

It provides AFCA with practical insight into emerging disputes before they reach scale and gives industry a clearer understanding of how consumer harm, responsibility and remediation may be assessed.

The Reserve Bank Of Australia (RBA)

The Reserve Bank's contribution has been material. Measured by visible market-building activity, continuity and international signalling, it has been the most constructive domestic institutional contribution to the opportunity examined in this report.

This is an assessment of the role the Bank's work has played in developing the market, not a comparative judgement on the performance of agencies with different statutory responsibilities.

Project Acacia, jointly led by the RBA and the DFCRC, was the principal source of visible domestic activity during a period that might otherwise have appeared internationally as one of limited Australian engagement. ASIC, APRA and Commonwealth Treasury also supported the project.

The signalling effect was observable offshore and arose unprompted in international meetings conducted for this report. One overseas regulator described the programme as the first example it had seen of a jurisdiction examining a connected wholesale ecosystem rather than a series of isolated proofs of concept.

That description is an external assessment conveyed during the programme, not a claim made by the RBA itself. Its significance is that the project changed how at least some international counterparts understood Australia's position.

The programme examined how these forms of money could support tokenised markets, how private and public money might coexist and how new platforms could connect with existing financial-market infrastructure. That included the use of the Reserve Bank Information and Transfer System and its Fast Settlement Service, alongside synchronisation mechanisms linking established settlement infrastructure with tokenised platforms.

The forward issue is continuity. Project Acacia produced evidence and a programme of further work rather than an issuance or infrastructure commitment.

The announced next steps include continued exploration of wholesale CBDC, consultation on how RITS and exchange settlement account arrangements might support tokenised markets, industry-led work on interoperable commercial-bank deposit tokens and consideration of a digital financial-market infrastructure sandbox. That consultation now has a formal starting point. On 27 August 2026, the Payments System Board endorsed a proposed approach to consulting on the role of the Reserve Bank Information and Transfer System in supporting tokenised wholesale asset markets and tokenised money, a follow-up commitment from the Project Acacia final report. The step is a decision to consult rather than to build, but it places the central settlement system on a dated and public pathway.

These activities matter individually, but their cumulative value is greater. They preserve institutional knowledge, maintain a point of coordination and give international counterparts evidence that the Australian conversation is progressing rather than periodically restarting.

As other regulators deepen their engagement, that activity should complement rather than displace the Bank's work. The RBA's distinctive contribution lies in connecting digital money, settlement infrastructure and financial stability. Continuity in that role will be important if the experimentation completed through Project Acacia is to progress towards durable market infrastructure.

The Australian Taxation Office (ATO)

ATO participation across the series was limited, largely because taxation questions were not prominent in the matters raised through these forums. No inference should be drawn from that level of participation.

Tax treatment will become more consequential as tokenised instruments move from experimentation into commercial products. Relevant questions are likely to arise around tokenised funds, deposit tokens, stablecoins, tokenised debt and the use of tokenised money for settlement.

These questions may include the identification of beneficial ownership, whether particular transfers create taxing events, the character of returns, withholding obligations, GST treatment, the application of fund and trust rules and the records required to substantiate transactions conducted across distributed systems.

The ATO should therefore be invited to participate in future sessions where product design and market implementation are being considered. Commonwealth Treasury should also be involved where an issue concerns the design or adequacy of tax law rather than its administration.

One principle should be established early. Where a tokenised instrument creates the same legal rights and produces the same economic substance as its conventional equivalent, the use of different record-keeping or transfer technology should not, by itself, produce a different tax outcome.

This is a principle of neutrality, not a claim that all tokenised and conventional instruments are equivalent. Tokenisation may change the relevant facts by introducing new rights, automated distributions, fractional interests, additional transfers, different custody arrangements or interactions with other programmable instruments. Where those differences are substantive, different tax consequences may be justified.

The concern arises where the differential is caused solely by technological form or by rules drafted on the assumption that ownership, transfer and settlement occur through conventional records and intermediaries.

In those circumstances, uncertainty or adverse treatment becomes a reason not to tokenise. The resulting drag is likely to fall most heavily on the instruments for which lifecycle automation, faster settlement and reduced reconciliation costs offer the strongest efficiency case.

Identifying these issues before products reach the market is materially cheaper than correcting them after structures, systems and customer arrangements have been established. Early engagement should therefore focus on representative transaction models and complete asset lifecycles rather than on the word “token” in isolation.

08

The Political Conversation

The Political Conversation

The Canberra leg closed the series and differed from the programme in the other cities. There were no convened rooms. The week consisted of one-to-one meetings with officials and parliamentarians.

What those meetings revealed was less about the underlying technology than about the stage the political conversation has reached.

Where The Cycle Sits

Sector engagement with the political process has historically intensified late in electoral cycles, when organisations seek to place policy positions into public debate and influence party platforms.

The programme is presently closer to the middle of the cycle. This is a less crowded and potentially more useful period in which to brief political participants, before public positions harden and immediate electoral considerations dominate.

The intention of the Canberra leg was to bring a cross-section of the maturing digital-finance conversation to the capital so that the perspectives of participating businesses could be heard and better understood.

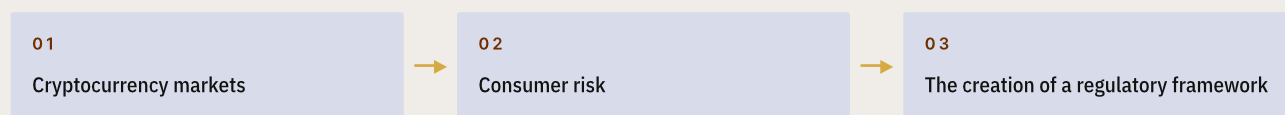
During the programme, it became clear that the political conversation had not advanced as far as many outside Canberra might assume.

Earlier political cycles were dominated by cryptocurrency markets, consumer risk and the creation of a regulatory framework. Those questions have not disappeared. The platform and custody framework has been legislated, but implementation remains incomplete. Payments legislation, prudential treatment and several operational questions remain unsettled.

The more important discontinuity is one of subject matter. The conversation is no longer confined to regulating a discrete cryptocurrency sector. It now extends to stablecoins, tokenised deposits, wholesale settlement, funds, bonds, collateral and financial-market infrastructure.

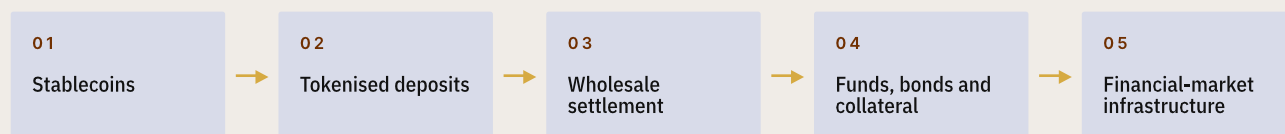
Political understanding has not yet moved fully across that boundary. The present task is therefore not simply to build on a settled political foundation. It is partly to rebuild the political narrative around a broader set of institutions, technologies and economic questions.

EARLIER POLITICAL CYCLES



Those questions have not disappeared. The platform and custody framework has been legislated, but implementation remains incomplete.

THE CONVERSATION NOW



The present task is partly to rebuild the political narrative around a broader set of institutions, technologies and economic questions.

What Industry Has Not Done

Industry has not yet made a coherent case for the current economic opportunity.

This is partly because priorities have changed materially. It also reflects the speed of development. Many organisations have not settled their own view of the market, the role they intend to play or the policy settings they would support.

This is a candid observation rather than a criticism of any participant. A sector cannot present government with a coherent economic proposition while its members are still determining what they are asking for and why public policy should support it.

The earlier framework conversation can now be reported as substantially advanced, but not complete. The conversation that must develop alongside implementation concerns economic opportunity.

That case should identify where digital money and tokenised infrastructure could contribute to national economic output, productivity, competition, capital formation and the resilience of financial markets. It should also identify the public risks, dependencies and trade-offs rather than frame technological adoption as an objective in itself.

Senior industry participants should brief officials and parliamentarians on these matters directly. Those briefings should move beyond descriptions of products and international activity to explain the decisions Australia faces, the economic consequences of different choices and the areas in which government action is genuinely required.

A further difficulty is that “industry” is not a coherent category or descriptive term.

Crypto-native businesses may regard themselves as part of the broader fintech sector, but that classification is not universally accepted by other fintech participants. Banks, payments businesses, asset managers, market operators and infrastructure providers increasingly engage with the same underlying technologies while maintaining distance from the cryptocurrency sector as an industry identity.

Some of that distance reflects legacy perceptions. Some reflects genuine differences in regulatory status, customer base, risk profile and commercial purpose. It should not be assumed that every participant using distributed infrastructure shares the same interests or should adopt the same public position.

The result is a fractured political message. Crypto-native businesses, fintechs and incumbent financial institutions may agree on the importance of particular infrastructure while differing substantially on regulation, market access, consumer participation and the distribution of economic value.

The reluctance of established institutions to associate publicly with crypto-native enterprises remains evident and appears, in some areas, to be increasing even as their interest in tokenisation and digital money grows.

That distinction matters politically. If the economic case continues to be presented principally as a cryptocurrency-sector proposition, it will fail to represent the institutions and market functions now entering the conversation. If the cryptocurrency sector is excluded entirely, the political process will lose access to much of the practical experience on which the broader market is being built.

The task is therefore not to manufacture a single industry position. It is to identify the areas of genuine common interest, distinguish them from contested questions and brief political participants with sufficient precision that disagreement does not obscure the economic decisions requiring attention.

Industry has not yet made a coherent case for the current economic opportunity.

From Advocacy To Briefing

Our current state. A fractured political narrative.

The immediate objective should be to improve the quality of the political foundation on which decisions involving digital assets and financial markets infrastructure will be made.

The engagement from Parliamentarians to the topics discussed at the National Dialogue was enthusiastic. Notwithstanding a limited window to accept meetings, the response can be categorised as strong.

The Canberra meetings focused on educational briefings about the state of the market, the direction of international development and the issues emerging in Australia.

These conversations should continue over the next three, six and twelve months. Political parties, ministers, advisers and departments require sufficient shared context to determine their positions before those positions are presented publicly or taken to constituencies.

Briefing and advocacy serve different purposes. A briefing improves understanding of market structure, dependencies and consequences. Advocacy seeks a particular decision or outcome.

At this point in the cycle, briefing should carry greater weight. Many of the relevant political participants are still developing their understanding of how the conversation has changed. Industry itself has not yet formed a sufficiently coherent set of requests to support a single advocacy position.

This does not mean policy decisions should be deferred, just that they need to be better informed.

The immediate objective should be to improve the quality of the political foundation on which decisions involving digital assets and financial markets infrastructure will be made.

09

Divergence

Divergence

The value of closed rooms lies as much in disagreement as in consensus.

This chapter records where participants genuinely differed and where they appeared to be describing different parts of the same problem without recognising it.

Open For Business And Operational Uncertainty

A regulatory position advanced during the series was that the principal categorisation questions had been worked through, that there was no fundamental legal barrier to the principal use cases and that more firms should be bringing forward developed proposals.

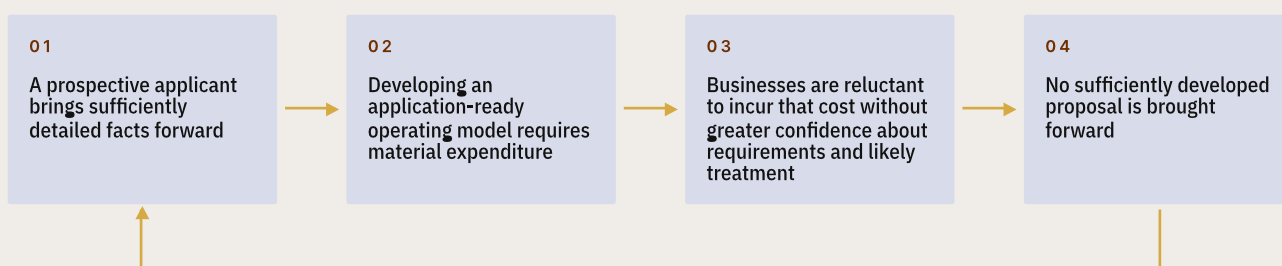
The position reported by industry is that the operational requirements flowing from those categorisations are not sufficiently clear to support substantial investment.

Both statements can be true.

Determining that an activity falls within the regulatory perimeter is not the same as identifying everything required to operate it compliantly. A business must still determine which authorisations it requires, what its licence application must demonstrate and how existing standards apply to an instrument or operating model for which they were not specifically drafted.

There are therefore at least three stages: legal categorisation, translation into regulatory requirements and commercial implementation. Clarity at the first stage does not necessarily provide certainty at the third.

The divergence is reinforced by different expectations about who must move next.



The regulator seeks a sufficiently developed proposal. The prospective applicant seeks sufficient regulatory certainty to justify developing it.

The extension and expansion of ASIC's class no-action position in June 2026 suggests that the transition required more time and flexibility than initially contemplated. We have not been able to establish whether the principal cause was regulatory guidance, application quality, business readiness, licensing complexity or the interaction among them.

There is also no published benchmark against which the volume of licence applications can be assessed. It would therefore be unsafe to infer from application numbers alone either that industry lacks genuine intent or that the licensing pathway is not workable.

Neither side need be misrepresenting its experience. They are describing different stages of the same process and applying different thresholds to what counts as sufficient clarity.

The gap will not close through repeated statements that Australia is open for business or that uncertainty remains. It requires translation between categorisation and implementation.

That translation could include worked examples, clearer licensing pathways, structured pre-application engagement and anonymised guidance drawn from recurring issues in actual applications. Industry, in turn, must bring forward sufficiently developed propositions to allow those requirements to be tested against real facts.

The divergence is therefore not principally about whether activity is legally possible. It concerns who bears the cost of converting legal possibility into an operationally credible and commercially investable pathway.

Caution Described, Impatience Expressed

Several banks described the need to move carefully, constrained by prudential responsibilities, social licence and a low tolerance for avoidable harm. That framing is appropriate for institutions integrated across the financial system and this report does not dispute it.

It was not, however, the whole of what was said.

Some of the same participants also stated that they did not want to wait for absolute regulatory certainty, because by the time it arrived the opportunity might have passed. They saw value in having public-sector participants at the table, providing confidence that good-faith experimentation, conducted transparently and with appropriate controls, would receive proportionate regulatory treatment if difficulties arose.

That is not a request for indulgence or immunity from consequence. It is a request for a shared implementation posture in which institutions and regulators identify and address problems early.

The framing that excessive caution can itself create strategic risk and that firms cannot afford not to experiment inverts the polarity most participants assume.

Displacement Against Parallel Running

The prevailing account was that a new system emerges alongside the old and eventually displaces it. A substantial counterposition argued that this is overstated.

New infrastructure will be adopted where it performs better or reduces risk for particular market segments. Much of the existing system, however, may remain necessary. Parallel operation should therefore be expected for decades and perhaps permanently.

This distinction matters commercially. If displacement is the model, early investment captures value through a transition. If parallel running is the model, institutions may be committing to operate and connect two systems indefinitely. The business case must then carry the cost and complexity of both.

The counterposition ran against the prevailing view in its room. That does not make it correct, but it exposes an assumption that should be tested rather than treated as settled.

The Retail And Market Access Question

The original premise of much of this technology was democratisation and broader access to wealth creation. That premise was largely absent from these rooms, which were heavily institutional throughout.

Developments in the United States provide a noteworthy counterpoint. Significant capital is finding a home in tokenised equities, digital distribution, continuous trading venues and prediction markets. This does not establish that every product is desirable or that Australia should reproduce the US approach. It is, however, an important directional signal about where investment, infrastructure development and market demand are concentrating.

The domestic question is complicated by the scale of Australia's superannuation system. That scale may support an institutional model in which individuals obtain exposure indirectly through large investment funds. It may equally strengthen the case for examining whether tokenisation could support more direct retail participation in particular assets. The Dialogue did not resolve that question and in most rooms, did not ask it.

International activity is moving beyond experiments in digitally representing conventional assets. Issuers, transfer agents, exchanges and market-infrastructure providers are adapting the systems through which securities are issued, recorded, distributed, traded and settled.

In the United States, the Securities and Exchange Commission has described structures under which an issuer or its transfer agent incorporates distributed-ledger records into the official register of security holders. This indicates that tokenisation is beginning to reach the ownership and record keeping systems at the core of public markets, rather than remaining an additional trading interface.

The commercial direction extends beyond tokenisation itself. It is towards broader geographic reach, continuous or extended trading, wallet-based access and new venues through which investors may gain exposure to public equities. Some models preserve direct shareholder rights. Others provide custodial or synthetic exposure to an underlying security. Those distinctions are material because similarly described products may confer different ownership, voting, disclosure, insolvency and redemption rights.

The proliferation of prediction markets adds a separate but related dimension. These platforms allow participants to trade contracts based on the outcome of political, economic, sporting and other events. They are not equity markets and should not be treated as equivalent to tokenised securities. Their growth nevertheless demonstrates demand for continuously available, digitally distributed products and for markets built around subjects that conventional exchanges have not historically offered.

These developments should not be interpreted as evidence that Australia must follow the same path. Nor should legitimate concerns about consumer protection, product quality or market integrity be diminished. The narrower point is that a preference for markets not to develop in a particular direction does not remove the possibility that they will. Capital allocation, institutional investment and demonstrated demand are signals to be examined rather than disregarded.

This connects directly to the exclusion identified in the tokenisation chapter. Where risk is framed principally as retail harm, the asset classes and products attracting substantial international activity may be avoided without a corresponding examination of the costs of non-participation. Exclusion is itself a policy choice with consequences for access, competition, domestic capability and the influence of offshore providers.

Australia's emergent discussion is predominantly institutional and concentrates on domestic infrastructure, settlement and regulated forms of money. It has engaged much less directly with how tokenisation, continuous markets, new venues and digitally native products may change retail access, investor behaviour and competition among distribution channels.

The findings across the month therefore highlight an underdeveloped discussion not only of retail participation, but of the broader changes occurring in market access, product design and venue development. Australia need not endorse every international development. It does need to understand what those developments signal and make its choices deliberately.

The Convening Question

The subject of convening arose explicitly and repeatedly, including through proposals to establish new venues or bodies.

The assessment of this report is that no case has yet been established for a new umbrella institution. Creating one would require substantial work to determine its mandate, capability, governance and resourcing before it could operate. It would also mean building from a standing start rather than using the accumulated experience of bodies that already convene institutions that are difficult to convene.

Existing arrangements are imperfect, but no global model emerged from the programme as an obvious template for replacing them.

Domestic payments infrastructure performs a critical convening function for banks and their shared responsibilities and administers the scheme model through which common rules and infrastructure are delivered. The RBA and DFCRC have demonstrated through the wholesale programme an ability to attract participation and mobilise resources. The follow-on work now under way warrants support.

The coordination task described in this report is nevertheless broader. It spans payments schemes, prudential settings, market operators, licensing, law enforcement and competition policy. No existing body holds a mandate covering the whole field. The Australian tokenisation advisory group is a material development, but it is an industry forum focused on wholesale tokenised finance, with regulators participating in its discussions. It is not a coordinating body for every issue identified here.

The practical conclusion is therefore not simply a preference for incumbents. Where an existing body has the mandate, relationships and capability required for a particular problem, it should be resourced and directed to address it. Where no body has the mandate, the gap should first be defined precisely, including the outcome sought, the authority required and the parties that must participate.

Not every recognised gap warrants immediate resourcing. Where action is premature, a review date and clear trigger conditions should be established. A new institution should be considered only where an important and persistent gap cannot credibly be assigned elsewhere.

Institutional memory is an advantage of existing conveners. They know where previous efforts stalled and where the practical bottlenecks sit. That advantage should be weighed alongside neutrality, capability, accountability and mandate.

The divergence between public positions and private concessions noted elsewhere in this report also supports trusted, problem-specific forums in which participants can test positions candidly.

This should not be read as opposition to new activity. Where an opportunity is not well understood, businesses should establish a focused workstream or initiative. Each should have an accountable owner, defined deliverable, timetable and endpoint. The failure mode to avoid is a new body becoming a standing venue in which settled questions are repeatedly reopened.

Where The Benefit Accrues

A question largely unaddressed across the payments sessions was who captures the efficiencies being described.

Early builders bear the cost and risk of developing capability. They capture disproportionate value where that investment produces scale, control over distribution or a durable infrastructure advantage. Institutions adopting a stack built elsewhere may gain operational efficiencies while surrendering part of the value to the infrastructure provider.

Institutional enthusiasm should therefore be read carefully. Support for tokenisation is not the same as an incentive to migrate activity.

A bank may reduce operating costs while losing market-making revenue. A custodian may gain a service line while carrying integration costs and cannibalising existing activity. An infrastructure provider may become more efficient while weakening an established franchise. An allocator may gain settlement speed while losing liquidity as activity fragments across venues.

The costs are front-loaded and the gains and losses fall unevenly. Public support is therefore not proof of strategic intent.

The operative questions are specific to each institution: who benefits, who pays, who must invest first, who loses existing revenue and who bears integration risk?

Transition accelerates only when enough participants can answer those questions positively at the same time. This provides an incentive-based explanation for the divergence between public enthusiasm and private commitment observed throughout the series.

Consumer pass-through is also not automatic. It depends on competition, pricing and whether customers can switch between providers. Efficiencies may reduce institutional costs without producing equivalent reductions in consumer prices.

This is not a criticism of any participant. The international pattern shows what movement looks like once the commercial case is accepted. The observation is that the distribution of benefit depends on who builds, controls and accesses the infrastructure, yet this question remains largely absent from the local assessment.

The DFCRC has separately estimated that full-scale digital-finance adoption could generate around A\$24 billion a year in Australian economic gains across markets, payments and assets. This is a modelled estimate of potential aggregate economic surplus, not a forecast of realised value. It does not determine who would capture the gains, who would bear the transition costs or how much would pass through to consumers. Those distributional questions remain central to the investment decisions examined here.

The Banking Concentration Assumption

The Dialogue highlighted a view that Australia's concentrated banking system naturally supports a tokenised-deposit model. That proposition appears to have been adopted more by inference than examination. Concentration has the potential to simplify coordination among incumbent institutions, but it does not establish that bank-issued money will become the preferred form of value across emerging digital networks.

The assumption also has competition implications. If existing market concentration is treated as the natural basis for future infrastructure, policy and investment choices may reinforce incumbent control or impede the development of alternative models before those models have been properly assessed. The relevant question is not only which form of digital money is easiest to implement, but which structures support access, interoperability, innovation and effective competition over time.

An alternative possibility is that stablecoins and new payment rails, operating through established or new intermediaries, reroute some flows around existing banking structures. This would not necessarily represent regulatory arbitrage. It may instead reflect competition over the infrastructure through which value moves, the forms of money used and the institutions that control customer access.

Geographic remoteness has historically reinforced aspects of Australia's market structure. Payment rails that operate across borders and are largely indifferent to distance may weaken that protection. Offshore products and infrastructure could influence domestic behaviour before equivalent Australian capability or policy responses have developed.

None of these propositions should be treated as settled. The issue is whether Australia is adequately testing its assumptions about how existing market structure will shape the development of digital money.

Incentives And Standing

New entrants to this subject deserve the same scrutiny of incentives as any other participant. Many institutions and individuals have joined recently for legitimate commercial reasons. Recent arrival or visible enthusiasm should not, however, be treated as evidence of a developed position simply because the participant is now active in the discussion.

The converse is equally important. Institutions with a longer history in the sector may carry reputational baggage from earlier market cycles. They should not be discounted solely because of that history. Doing so risks excluding practical domain knowledge, institutional memory and experience of past failures that the present phase requires.

Duration of engagement is not itself proof of expertise, just as newness is not evidence of neutrality. Standing should be assessed through relevant capability, evidence, experience and incentives.

The principle is even-handed assessment. Do not mistake prominence for competence, newness for neutrality or history for disqualification.

10

The Next 12 – 18 Months

The Next 12 - 18 Months

Several milestones during this period will be more consequential than many of the framework decisions made over the preceding three years.

27 AUGUST 2026	●	The Payments System Board endorses consultation on the role of RITS in tokenised wholesale asset markets and tokenised money, following Project Acacia.
1 SEPTEMBER 2026	●	Designated providers under the Scams Prevention Framework must be members of the Australian Financial Complaints Authority.
30 SEPTEMBER 2026	●	The deadline for eligible digital asset businesses to take specified licensing or cessation steps to continue relying on ASIC's class no-action position.
31 MARCH 2027	●	Most substantive obligations under the Scams Prevention Framework commence and AFCA begins handling eligible scam-related complaints.
9 APRIL 2027	●	The Digital Assets Framework commences, with standards and regulatory guidance to be developed in advance.
FIRST HALF OF 2027	●	Nasdaq expects its equity-token programme and related distributed-ledger services to begin operating.
UNDATED	●	Introduction and passage of the proposed payments licensing legislation and development of the prudential standards that depend on it.
UNDATED	●	Implementation of APRA's broader capital and liquidity reforms, whose published roadmap extends into the second half of 2027 and beyond.

These dates do not form a single implementation timetable. Some are fixed statutory milestones, some are application deadlines and others remain dependent on legislation, consultation or regulatory approval.

International consortium stablecoin governance and tokenised market infrastructure are being constituted now and will not wait for the Australian processes to conclude.

Australia's position at the end of this period will be determined less by whether its regulatory direction is defensible than by whether the operational, commercial and co-ordination work is undertaken while the opportunity to influence emerging standards remains open.

11

Recommendations

Recommendations

The recommendations below are positions to be tested rather than settled conclusions. They provide a starting point for further industry and public-sector engagement.

- 01 Resolve the tokenised Australian dollar
- 02 Work through existing conveners before creating new ones.
- 03 Ask the appropriate authorities to direct where industry agrees but cannot
- 04 Ventilate the competition question early.
- 05 Pursue the financial-crime standardisation layer now.
- 06 Preserve institutional memory as personnel move.
- 07 Examine the excluded markets deliberately.
- 08 Define the domestic collateral eligibility question.
- 09 Commit to a dated sovereign digital issuance.
- 10 Scale a small number of use cases rather than broadening experimentation.

01 **Resolve the tokenised Australian dollar settlement layer first.**

Tokenised assets cannot scale domestically without a credible and interoperable means of settling Australian dollar obligations.

This does not require one form of money to be selected for every use case. Stablecoins, deposit tokens, wholesale central bank money and enhanced access to existing settlement infrastructure may perform different and complementary functions. The immediate task is to determine how those forms of money interact, exchange at par and connect with existing infrastructure.

The deposit token interoperability work is therefore one of the most informative indicators of domestic progress and warrants concentrated support. It should not, however, be treated as proof that the tokenised deposit model has already prevailed.

02 **Work through existing conveners before creating new ones.**

Bodies that already hold the relevant mandate, relationships and capability should be resourced and directed to address the problems within their domain.

Where no body holds the mandate, the gap should be defined precisely before a new institution is considered. Most gaps identified in this report are better addressed through focused workstreams operating in parallel. Each requires a named owner, defined deliverable, fixed timetable, identified milestones and a review point.

A coordinating function is also required between the workstreams because interoperability, sequencing and conflicting requirements will not be resolved within any one stream. That function need not become a new institution. It can be assigned to an existing body or constituted as a time-limited programme with responsibility for reporting progress publicly.

03 **Ask the appropriate authorities to direct where industry agrees but cannot move.**

Coordination problems in payments can persist even where participants agree on the desired outcome because no institution can invest first without commitments from others.

Where that condition exists, asking the relevant authority to set an outcome, timetable or minimum expectation is legitimate. Direction should be used to overcome collective-action problems, not to select commercial models that the market remains capable of determining.

The appropriate next step is a structured implementation forum convened through an existing body and attended by institutions able to commit resources or make decisions. Its purpose should be to allocate work and establish deadlines, not to reopen the case for tokenisation.

The forum should begin by identifying whether an existing governance structure can carry each workstream. The governance considerations identified in the market-infrastructure chapter should inform that assessment. Where no existing structure has the necessary authority, participation or capability, the forum may recommend a limited shared-governance arrangement with defined decision rights, accountable owners, escalation mechanisms and a review date. Its role would be to set direction, resolve dependencies and address contested priorities, not to displace the statutory responsibilities of regulators or the commercial responsibilities of market participants.

04 Ventilate the competition question early.

Shared infrastructure can require competitors to agree on technical standards, operating rules and governance arrangements. Uncertainty about the competition consequences of that coordination can itself prevent infrastructure with substantial public benefits from being developed.

The counterposition is that open and interoperable rails may increase competition by allowing participants to compete above shared infrastructure. That proposition should be tested rather than assumed. Common infrastructure can also entrench incumbents through restrictive access, control of data or governance rights.

ACCC authorisation provides a pathway where proposed coordination may contravene competition law, but not every shared arrangement will require it. The threshold question is whether a specific proposal creates a material competition risk. A dedicated engagement series with the ACCC is recommended so that these issues are examined while schemes are being designed rather than after commercial positions have hardened.

05 Pursue the financial-crime standardisation layer now.

A standard request format, standard response pack, more efficient service of warrants, feedback on reporting quality and clearer participation by exchanges in existing information-sharing structures should be progressed immediately.

Some elements may require legal or procedural change, but the programme need not wait for the design of a comprehensive sharing architecture. The immediate objective is to reduce avoidable variation and delay within existing powers.

No priority identified in this report is more immediate. Better coordination would reduce present harm and strengthen confidence in the sector's capacity to support future activity safely.

06 Preserve institutional memory as personnel move.

Knowledge of how earlier frameworks were developed, which alternatives were considered and why particular positions were adopted is already dispersing.

This is a shared responsibility of government, regulators and industry. Structured handovers, retained records and engagement with former officials and industry participants are low-cost measures with disproportionate value. The opportunity to recover that knowledge will diminish over time.

07 Examine the excluded markets deliberately.

The limited attention given to equities, pre-initial public offering equity and private markets appears to be the result of avoidance rather than an explicit decision.

That position should be examined directly. The relevant questions include investor access, market integrity, custody, liquidity, disclosure and the effect on existing market operators. The conclusion may be that some applications should remain institutional or should not proceed domestically. That would still be preferable to exclusion by default.

Product development abroad will not necessarily follow the path preferred locally. Ignoring those markets now may allow their structures and standards to reach Australia after the opportunity to influence them has passed.

08 Define the domestic collateral eligibility question.

Internationally, a critical threshold is reached when tokenised money and tokenised assets become usable within established collateral and margin arrangements rather than only within isolated digital venues.

Australia has no clearly stated position on whether tokenised money market fund units or other tokenised assets can satisfy domestic collateral and margin obligations. Questions also remain about legal control, valuation, custody, settlement finality and treatment under stress.

These issues should be assigned to identified authorities and market operators for deliberate resolution. Tokenised repo and collateral mobility cannot scale until participants know whether the assets and settlement arrangements will be recognised within the existing financial system.

09 Commit to a dated sovereign digital issuance.

The bonds room converged overwhelmingly on the view that government should issue a natively digital bond and should move first.

The recommendation should be understood as more than a technology demonstration. A government security can provide a pricing benchmark, a high-quality collateral asset and a test of the legal and operational infrastructure required by later issuers.

A dated issuance, even at limited scale, should be accompanied by clear treatment of settlement, custody and collateral eligibility. Native and digital-twin issuance can coexist, so a native instrument need not displace conventional issuance or assume that the two systems will not run in parallel.

The recommendation reflects the position reached in the room. The ultimate decision remains one for government and the relevant issuing authorities after considering cost, demand, operational risk and effects on the broader government securities market.

10 Scale a small number of use cases rather than broadening experimentation.

The next phase should concentrate on taking a limited number of use cases through to sustained production.

Repo and collateral, short-dated fixed income and tokenised funds are the candidates for which the domestic commercial case appears strongest and the supporting work is most advanced. Their progression depends on the settlement and collateral determinations identified above.

The first task is to identify institutions with both the willingness and resources to proceed. Each use case should have committed participants, measurable production objectives and a route beyond regulatory experimentation. Outcomes should be reported whether successful or not so that later participants can reproduce what worked and avoid repeating what did not.

Where To From Here?

The month produced a meaningful shift in both the tone of the conversation and the willingness to move forward.

Measured against the comparable programme convened in March 2026, when international interest was the primary driver of local discussion and Australian participation was difficult to secure, the change was pronounced and arrived faster than anticipated.

The important judgement is that relatively limited but deliberate movement by regulators and public institutions could continue to propel the sector forward. The sector is not waiting for permission in any general sense. It is waiting for identifiable determinations concerning licensing, prudential treatment, settlement, collateral eligibility and implementation.

Regulatory movement is not sufficient by itself.

Commercial incentives, institutional investment and coordination between parties that cannot move independently are equally necessary. The opportunity is therefore not to design another framework, but to convert clearer regulatory settings and demonstrated institutional interest into production activity.

The next steps must concentrate on the unresolved questions identified in this report rather than reopening matters already settled. It should seek to connect each priority with an accountable owner, a practical next step and a timeframe against which progress can be assessed.

Continue The Conversation

This report captures a point in time. The conversation continues.

For questions, further discussion or to speak with the authors:

Steve Vallas

Chief Executive Officer, BlockchainAPAC

 [LinkedIn](#)

Richelle Cox

Chief Operating Officer, BlockchainAPAC

 [LinkedIn](#)

 blockchainapac.com.au

12

Appendix:

Sources, Methodological Notes And Legislative Basis

Appendix: Sources, Methodological Notes, Legislative Basis and Disclaimers

Methodological Note

This report draws on evidence gathered through the National Dialogue 2026, contemporaneous session notes, participation records, correspondence and bilateral meetings conducted during the wider programme. It also incorporates public sources and the author's assessment formed through domestic and international engagement between March and August 2026.

The National Dialogue was a curated qualitative programme rather than a representative survey. Participants either nominated to attend or were identified by BlockchainAPAC as holding, or likely to hold, a relevant role. Findings attributed to the rooms describe views and conduct observed within that participant group. They should not be read as statistically representative of the Australian market.

The programme was conducted under the Chatham House Rule. No private statement is attributed to an individual or institution. Where disclosure could identify the source of a position, the finding has been generalised or omitted.

Public information and regulatory status are stated as at 31 August 2026 unless another date is specified.

The report should therefore be read as an evidence-informed synthesis and policy contribution, not as an independent regulatory assessment or a statement of consensus across the Australian market. The evidence classifications below are intended to distinguish between public primary evidence, National Dialogue evidence, BlockchainAPAC market intelligence and the assessments and recommendations of the report.

Evidence Classifications

Public primary evidence. Legislation, regulatory material, government publications, official institutional reports, transaction documents and direct announcements. These sources can be independently examined and are listed below.

National Dialogue evidence. Positions, observations and operating information conveyed in closed sessions or bilateral meetings. These findings are based on the programme record but cannot be independently tested without compromising confidentiality. They are identified through formulations such as "participants reported", "the room identified" or "a position advanced during the series".

Treatment of disagreement. The report does not treat repetition as proof of correctness or absence of disagreement as consensus. Where a material counterposition was raised, it has been recorded where doing so would not identify a participant or session. Where views differed by participant type, commercial role or institutional mandate, the report seeks to identify the source of that divergence rather than collapse it into a single sector position.

Some areas of disagreement are necessarily described at a high level because more detailed reporting could disclose the identity or commercial position of participants. The absence of a reported counterview should not be interpreted as evidence that none was expressed.

BlockchainAPAC market intelligence. Estimates assembled from public market data, industry reporting and information obtained through the programme. Where no single public source reproduces the figure, the estimate should be treated as indicative rather than definitive.

Report assessment. Interpretations and recommendations reached by the author after considering the public and private evidence. These are identified as assessments, judgements or propositions of the report. They should not be treated as statements made by participants or public institutions unless expressly stated.

Public Source Register

Tokenisation, settlement and market infrastructure

1. Reserve Bank of Australia and Digital Finance Cooperative Research Centre, [Project Acacia: Exploring the Role of Digital Money in Wholesale Tokenised Asset Markets, Final Report, May 2026](#). Principal source for the 20 Project Acacia use cases, settlement models, legal and regulatory findings, deposit-token work, interoperability, settlement finality, tokenised collateral, government-bond exploration and proposed follow-on programme.

[Project Acacia final report](#)

2. Reserve Bank of Australia, [Project Acacia Demonstrates Potential for Digital Money and Tokenised Asset Markets, 16 June 2026](#). Supports the announced follow-on work concerning RITS, exchange settlement account arrangements, wholesale central bank digital currency, interoperable commercial-bank deposit tokens and exploration of a digital financial-market infrastructure sandbox.

[RBA media release](#)

3. Reserve Bank of Australia, [Call for Interest: Membership of Industry Groups Exploring Tokenisation, August 2026](#). Supports the Australian tokenisation advisory group and the second phase of the deposit-token working group. The advisory group is focused on wholesale tokenised finance. Regulators are expected to participate as observers and in discussions.

[RBA call for interest](#)

4. Reserve Bank of Australia and Australian Treasury, [Central Bank Digital Currency and the Future of Digital Money in Australia, September 2024](#). Supports the distinction between the absence of a clear public-interest case for a retail central bank digital currency and the stronger case for continued work on wholesale digital money and infrastructure.

[RBA media release](#)

5. Digital Finance Cooperative Research Centre, [Unlocking Australia's \\$24b Digital Finance Opportunity, March 2026](#). Source of the modelled estimate of approximately A\$24 billion per year in potential economic gains under full-scale adoption.

[DFCRC economic impact report](#)

6. Australian Securities and Investments Commission, [Innovation in Financial Markets and Financial Market Infrastructure: A Landscape Review, Report 835, June 2026](#). Provides public context for Australian financial-market infrastructure development, tokenisation and regulatory considerations.

[ASIC Report 835](#)

7. Nasdaq, [Nasdaq to Launch Equity Token Design, Putting Issuers at the Center of Tokenization, 9 March 2026](#). Supports Nasdaq's expected launch of an equity-token programme and related distributed-ledger services from the first half of 2027. The initiative concerns tokenised equities and related services, not the tokenisation of the exchange itself.

[Nasdaq announcement](#)

Sovereign debt, repo and collateral

8. Reserve Bank of Australia, [The Australian Repo Market: A Short History and Recent Evolution, July 2024](#). Source for the size and maturity profile of the Australian repo market.

[RBA repo-market analysis](#)

9. Australian Office of Financial Management, [Governance](#). Describes the AOFM's role, statutory setting and relationship with the Treasurer and Treasury.

[AOFM governance](#)

10. Australian Office of Financial Management, [Operations](#). Describes the AOFM's responsibility for Australian Government Securities issuance, cash management and sovereign debt operations.

[AOFM operations](#)

11. HM Treasury, [Update on the Digital Gilt Instrument Pilot Issuance, July 2026](#). Supports the timing and principal design of the United Kingdom's Digital Gilt Instrument, including intended issuance by the first quarter of 2027.

[HM Treasury DIGIT update](#)

12. HM Treasury and United Kingdom Debt Management Office, [Additional Information and Engagement on the Digital Gilt Instrument Pilot](#). Supports the digitally native, short-dated design, separate pilot structure and intended market-infrastructure arrangements.

[DIGIT design information](#)

Tokenised money market fund units and other tokenised assets are being used as collateral in selected international derivatives, repo and platform arrangements. This should not be read as establishing general eligibility across central counterparties, prudential frameworks or margin regimes.

Stablecoins and payments

13. Bank for International Settlements, *The Impact of Stablecoins on the International Monetary and Financial System, 2026*. Supports the global market exceeding US\$300 billion, approximately 98 per cent United States dollar denomination, network effects, liquidity considerations and potential monetary-sovereignty implications.

BIS stablecoin paper

14. Visa Economic and Business Insights, *Stablecoins Beyond Crypto Markets, March 2026*. Supports the distinction between raw on-chain transfers, adjusted transfer activity and identifiable retail-sized payments.

Visa stablecoin analysis

15. Visa, *Visa and Bridge Expand Collaboration with Plans to Bring Stablecoin-Linked Cards to Over 100 Countries, 2026*. Supports the rapid international expansion of stablecoin-linked card distribution.

Visa and Bridge announcement

16. Open Standard, *Introducing Open USD, 30 June 2026*. Supports the announcement of Open USD, its independent issuer, partner-governance model, reserve-income distribution structure, absence of minting and redemption fees at scale and published partner list of more than 140 organisations. The published list includes ANZ, Commonwealth Bank of Australia, National Australia Bank and Westpac.

Open USD announcement

The announcement records that partners signed up to use Open USD. It does not establish the resources committed by each partner, the extent of implementation or the practical influence each organisation will exercise over the standard.

17. Australia and New Zealand Banking Group, *A\$DC: Stablecoin, Banks and the DeFi Future, March 2022*. Records ANZ's live minting, transfer and redemption of A\$30 million of A\$DC. This supports the distinction between demonstrated bank capability and the absence of material, generally available production issuance.

ANZ A\$DC transaction

18. Financial Accounting Standards Board, *Proposed Accounting Standards Update: Statement of Cash Flows, Topic 230, 18 August 2026*. Provides illustrative examples concerning the application of the existing definition of cash equivalents to certain digital assets. The proposal is non-authoritative and does not classify stablecoins generally as cash equivalents.

FASB exposure draft

19. United States, *Guiding and Establishing National Innovation for U.S. Stablecoins Act*. Supports the restriction preventing permitted payment-stablecoin issuers and relevant foreign issuers from paying holders interest or yield solely in connection with holding, using or retaining a payment stablecoin. The restriction concerns issuer-paid yield and does not necessarily prohibit every third-party reward arrangement.

United States payment-stablecoin legislation

Australian digital-assets and payments regulation

20. Corporations Amendment (Digital Assets Framework) Act 2026. Received Royal Assent on 8 April 2026. The principal platform and custody amendments commence on 9 April 2027.

Federal Register of Legislation

21. Australian Securities and Investments Commission, *ASIC's Roadmap for Digital Assets Law Reform Implementation, 2026*. Supports the 9 April 2027 commencement date and ASIC's proposed programme of standards, guidance, engagement and licensing implementation.

ASIC implementation roadmap

22. Australian Securities and Investments Commission, *Class No-Action Letter for Digital Asset Businesses: Update June 2026, 25 June 2026*. Supports the 30 September 2026 deadline for eligible businesses to undertake specified licensing, authorisation, notification or cessation steps. The date is not a blanket expiry of relief. Coverage may continue according to the pathway and conditions in the letter.

ASIC no-action letter

23. Treasury Laws Amendment (Payments System Modernisation) Act 2025. Received Royal Assent on 19 September 2025 and principally amended the Payment Systems (Regulation) Act 1998. It did not establish the proposed payment-service-provider licensing and prudential regime.

Federal Register of Legislation

24. Australian Treasury, *Payments System Modernisation: Licensing Framework for Payment Service Providers, consultation materials, March 2026*. Contains the exposure drafts of the Treasury laws amendments, Payment Entities (Prudential Regulation) Bill 2026 and supporting regulations. The package had not been introduced into Parliament as at 31 August 2026.

Treasury consultation record

The official Treasury consultation records available during preparation displayed inconsistent closing dates. This report does not rely on the closing date as a substantive finding.

25. Australian Prudential Regulation Authority, *APRA's Roadmap for Capital and Liquidity Reforms for Authorised Deposit-Taking Institutions, 16 March 2026*. Supports a staged programme extending into the second half of 2027 and beyond. It does not establish a 2029 date for resolving the prudential treatment of stablecoins or composite tokens.

APRA capital and liquidity roadmap

The relationship between stablecoin treatment and APRA's broader reform programme is an assessment of this report unless APRA states that connection expressly.

Scams, financial crime and AML/CTF

26. Australian Competition and Consumer Commission, Scams Prevention Framework. Supports the allocation of responsibilities among the ACCC, ASIC and Australian Communications and Media Authority, AFCA membership from 1 September 2026 and commencement of most substantive obligations and eligible complaint handling from 31 March 2027.

[ACCC framework summary](#)

27. Scams Prevention Framework (Designated Sectors) Instrument 2026. Registered on 28 May 2026 and commenced on 29 May 2026. It designates specified banking, telecommunications and digital-platform services.

[Designation instrument](#)

28. Scams Prevention Framework Act 2025. Provides the statutory obligations, enforcement powers and civil-penalty framework. For tier-one corporate contraventions, the maximum is the greater of 159,745 penalty units, three times the attributable benefit or, where the benefit cannot be determined, 30 per cent of adjusted turnover during the breach period.

[Federal Register of Legislation](#)

29. AUSTRAC, What to Expect from Changes to the AML/CTF Rules. Supports commencement of obligations for newly regulated professional services and new virtual-asset services from 1 July 2026, travel-rule changes and transitional arrangements for existing reporting entities.

[AUSTRAC implementation guidance](#)

30. AUSTRAC, AUSTRAC Opens Enrolment for New Professions, 31 March 2026. Supports the opening of enrolment and implementation timetable for newly regulated businesses.

[AUSTRAC enrolment announcement](#)

31. AUSTRAC, Annual Report 2024–25. Source for 452,951 suspicious matter reports during the reporting year and other information concerning AUSTRAC's reporting and supervisory population.

[AUSTRAC Annual Report 2024–25](#)

32. AUSTRAC, AML/CTF Transitional Rules 2026. Supports the conditions and timetable governing transition from applicable customer-identification procedures to the initial customer-due-diligence

[framework. AUSTRAC transitional rules](#)

33. Australian Competition and Consumer Commission, Authorisations and Notifications. Describes the pathway through which businesses can seek legal protection for proposed coordinated conduct where the statutory test is met. Authorisation is not required for every shared infrastructure arrangement.

[ACCC authorisations](#)

No legal, regulatory or investment advice

This report is provided for general information and policy discussion. It does not constitute legal, regulatory, accounting, tax, financial, investment or other professional advice.

The report does not recommend that any person acquire, dispose of, issue, hold, use or rely on a digital asset, stablecoin, tokenised instrument, payment arrangement or financial-market infrastructure product. It also does not provide advice about the application of financial-services, payments, prudential, competition, anti-money-laundering, privacy, sanctions, consumer-protection or taxation law to any particular facts or circumstances.

Readers should obtain independent professional advice and consult current primary sources before making decisions or taking action in relation to digital assets, tokenised money, stablecoins, payment systems, financial-market infrastructure, licensing, prudential requirements, tax treatment or financial-crime obligations.

Accuracy, errors, omissions and reliance

BlockchainAPAC has used reasonable endeavours to ensure that the information contained in this report is accurate and complete as at 31 August 2026. The report draws on contemporaneous session notes, bilateral discussions, participation records and publicly available sources. Despite these efforts, it may contain errors, omissions or inaccuracies. Information may also change or be overtaken by subsequent market, policy, regulatory or other developments. It does not purport to provide a complete account of every relevant activity, institution, development or view.

Readers must make their own enquiries and independently verify any information material to their circumstances before making a decision or taking action. The report should not be relied upon as the sole basis for any commercial, policy, regulatory, financial or other decision.

Except to the extent required by law, BlockchainAPAC and the author make no representation or warranty, express or implied, as to the accuracy, completeness, currency, reliability or suitability of the report. To the maximum extent permitted by law, they disclaim liability for any loss, damage, cost or expense arising from or connected with the use of, or reliance upon, the report, including any error or omission.

All is said.
Not all is done.
The artefact remains.
