Connecting digital islands

Unlocking the potential of digital asset securities

How to scale globally through interoperability and standardisation

Swift

Contents

Foreword

The rise of digital asset securities – encompassing both tokenised representations of traditional securities, as well as digitally native issuances – has the potential to transform global financial markets. By leveraging Distributed Ledger Technology (DLT) and smart contracts, these innovations may create new ways to trade, settle, and manage assets.

Thomas Dugauquier,
Digital Assets Product Lead,
Swift

"Concerted industry-wide collaboration is needed if tokenisation is to scale beyond today's niche experimentation."

Increasingly, buy-side and sell-side institutions are drawn to the digital asset ecosystem, enticed by the prospect of enhanced liquidity, improved transparency, and reduced operational costs. Tokenisation has emerged as a pivotal technology, enabling the seamless representation and transfer of financial assets on distributed ledgers.

Unlocking the potential of tokenised financial markets

But despite its promise, the tokenisation landscape remains fragmented, limiting its scalability and broad adoption. Without universally accepted standards, financial institutions, regulators, and technology providers operate in silos, complicating market integration and compliance. The emergence of disparate platforms and protocols has hindered collaboration and slowed the development of financial products. Likewise, operational inefficiencies and inadequate lifecycle management have restricted real-world adoption.

In short, concerted industry-wide collaboration is needed if tokenisation is to scale beyond today's niche experimentation.

The importance of collaborative innovation

Given Swift's longstanding role in facilitating global interoperability and enabling fast, frictionless and secure transactions, we believe we are in a unique position to help the financial community address these pain points and unlock the benefits of tokenisation.

As we progress through the next phase of our strategy, we have already demonstrated our ambition to interoperate new systems, technologies, assets and currencies. And this work is continuing, as demonstrated by Swift's recent announcement that live trials of digital asset transactions are due to begin in 2025. This illustrates our commitment to helping financial institutions transact interchangeably across both traditional and digital asset and currency types, using their existing Swift connections.

These efforts are helping to move the community in the right direction – but there is more to be done.

In this report, we identify five key areas of opportunity. By coalescing around these areas, we believe the industry has an opportunity to address the pain points and build a scalable, interoperable, and collaborative environment – one that supports tokenised financial instruments, enhances operational efficiency, and drives adoption. Later in the report, we also share a perspective on how Swift can support the community.

We look forward to furthering our collaboration with the global community to tackle these challenges. Together, we can unlock the potential of secondary markets for digital asset securities.

The key opportunity areas

We have identified the following five key areas that the industry should tackle collaboratively in order to forge a robust digital asset ecosystem that is stable, efficient and interoperable:

1. Roles and responsibilities
Support market development and structuring with clearly defined roles, responsibilities, and liabilities for the various actors.

2. Token standards
Develop common standards for token definitions and token interaction functions by asset class.

3. The cash leg
Enable various forms of money and structured digital standing settlement instructions (SSIs) for on-chain delivery-versus-payment (DvP) transactions.

4. Cross-chain interoperability
Establish industry standards for cross-chain interoperability protocols.

5. Reference data
Adopt industry-wide reference data, including the ability to identify the place of settlement.

These five areas progress logically. First and foremost, there is a foundational need for clearly defined roles and responsibilities, which will establish the framework for market participants. The creation of common token standards will ensure that digital assets are defined and interact in a consistent way.

The next step is to enable the cash leg for delivery-versus-payment (DvP) transactions, which needs to integrate diverse payment options, including on-chain forms of money. Additionally, cross-chain interoperability will need to be established, focusing on the development of protocols that connect different blockchain networks.

Finally, comprehensive reference data will be essential when it comes to ensuring the accurate identification and settlement of assets, thereby promoting transparency and market integrity. Together, these opportunity areas represent a cohesive roadmap for advancing the integration of digital and traditional asset markets.

Opportunity 1
Roles and responsibilities

Establishing clear roles, responsibilities and liabilities

"It is essential to have a clear and common understanding of the roles and responsibilities of the actors involved in the digital securities ecosystem."

The current state of play

Digital asset securities have the potential to benefit the wider financial system. However, they also pose some legal and operational challenges.

For one thing, digital asset securities may not fit neatly into the existing roles and responsibilities of the traditional securities market participants, such as issuers, intermediaries, investors, regulators, and service providers. Moreover, different jurisdictions typically have varied legal frameworks and definitions for digital securities, leading to fragmentation and uncertainty for cross-border transactions.

It is essential to have a clear and common understanding of the roles and responsibilities of the actors involved in the digital securities ecosystem, and whether they deviate from the current market practices and regulations. This will help to ensure legal clarity, accountability, compliance, and risk management for all parties, as well as facilitating interoperability and integration with the existing infrastructure and systems.

Action areas

1. Support the evolution of market structure with clearly defined roles, responsibilities, and liabilities for actors

The digital securities lifecycle for different asset classes will likely include a combination of existing and new actors, including issuers, tokenisation platforms, investors, custodians, registrars, validators and oracles. Moreover, additional roles like the Multilateral Trading Facility (MTF) or Trading and Settlement System (TSS) could introduce further changes.

As value chains evolve over time, it will be critical to clarify the functions, rights, obligations, and liabilities of each actor. It will also be important to define how actors interact with each other, as well as with digital securities and the underlying DLT platforms. This functional approach would allow for a flexible and consistent framework, while preserving the essential principles and safeguards of the traditional securities market.

One example of a related initiative is the Digital Asset Security Control Principles (DASCP) white paper published by the largest Central Securities Depositories (CSDs), which outlines a framework and set of principles for the safekeeping and servicing of digital asset securities. As well as identifying a set of principles, the paper also identifies numerous risks, and recommends corresponding controls for managing them.

Finally, the evolution of this market structure should be developed in concert with the public sector. As the regulatory landscape is still nascent and constantly evolving, public and private sector collaboration will be critical to ensuring the development of a healthy and sustainable market ecosystem.

2. Clarify the distinction between legal and technical settlement finality

Settlement finality is a key concept in financial transactions, as it determines when a transaction is legally irrevocable and enforceable.

In the traditional financial system, settlement finality is a legal construct achieved through a central authority – such as a central bank or a CSD – that acts as a final arbiter and guarantor of the transaction. However, as digital asset securities transactions are executed and recorded on a DLT platform, there may be new roles and responsibilities for the participants in a transaction's value chain – such as the validators responsible for securing the network's consensus mechanism.

As a result, it is important to establish clear definitions and criteria for settlement finality in the digital asset ecosystem, and to ensure that this is aligned with the existing legal and regulatory standards and principles. One way to do this is by distinguishing between the technical finality and the legal finality of a transaction:

– **Technical finality** is a necessary but insufficient condition for settlement finality according to most current regulations, as it depends on the design and governance of the DLT platform and the smart contracts that execute the transaction.
– **Legal finality** is a function of the legal and regulatory framework that applies to the participants and the jurisdiction of the transaction.

3. Ensure that regulatory obligations like KYC and compliance checking are adequately addressed

When transacting with digital assets, institutions are obligated to identify the parties involved, as well as the source and destination of the funds, just as they are with traditional financial transactions.

However, the exact way in which this is achieved may differ from traditional transactions. For example, enhanced automation capabilities might be embedded within the smart contracts used to execute transactions.

This could still be achieved in concert with existing standardised data models like ISO 20022, thereby enabling the exchange of commonly defined information across different platforms and jurisdictions.

Opportunity 2

Token standards

Standardised token definitions and interaction functions by asset class

The current state of play

Some of the most critical challenges confronting the digital securities ecosystem relate to the need for clearly defined legal taxonomies, data models, standards and market practices.

Standards are essential for ensuring compatibility, consistency and quality across different platforms, systems, and jurisdictions. However, the current state of standards for digital securities is marked by a high degree of diversity and fragmentation, which creates obstacles and inefficiencies for market participants.

Different proposed token standards and platforms are used by different actors and jurisdictions, and there is no common framework for defining and interacting with tokenised assets. This leads to operational challenges, compatibility issues, and potential errors and risks. Furthermore, the cost of adoption is typically higher without industry-agreed standards.

In order to support a more progressive adoption journey, the industry would benefit from adapting to standards and processes similar to those used by institutional back-offices for traditional securities.

"Standards are essential for ensuring compatibility, consistency and quality across different platforms, systems, and jurisdictions."

Action areas

1. Create a shared taxonomy for digital securities by asset class

Describing assets in a consistent way – as the ISO 20022 standard does – could drive compatibility with the back-office applications of market actors. This would make it easier to consume asset-related information in other business domains like payments. It could also benefit processes that remain off-chain and under the control of various services, such as tax calculations or regulatory reporting.

As an example, in 2023 ICMA released a bond data taxonomy (BDT) which provides a common, standardised language to facilitate straight through processing (STP) across the bond transaction lifecycle, while reducing the inconsistent use of data in bond issuance. This enables automation and encourages interoperability, promoting standardised data modelling and minimising the need for manual intervention across trading and post-trade workflow. It also supports the development of standards and best practices for this emerging market segment.

With a shared taxonomy, market participants would have a clear and consistent understanding of the nature and characteristics of different types of securities, which would help to avoid confusion and ambiguity.

2. Establish generic lifecycle events by asset class

As well as standardising asset definitions, for each asset class it will be important to define and standardise the generic lifecycle events which affect an asset's status, value and ownership/rights over time.

Establishing common specifications for asset-specific events could improve the interoperability and transparency of these transactions, as well as reducing operational risks and costs. Although it may not be feasible to code all of them at first, standards and best practices should be developed gradually to codify the lifecycle events of different asset classes in a consistent way.

3. Define generic functions supported by tokens

With multiple and redundant ways of defining the same business outcomes, it will be more costly for the market to operate at scale. Nevertheless, the possibility of creating new, innovative products on-chain should not be limited.

As such, the goal should be to standardise the most common interactions with an asset, rather than all of the possibilities and triggers that a smart contract could support. *See Figure 1 across for an overview of the functions that tokens could support.*

A version of these functions could be defined through an interface mapped against current market practices and messages, so that they can be operated with less impact to back-office systems. These interfaces could be accessed via API calls or other means, ensuring a level of consistency as to what should be passed to the asset to perform a certain function.

Standardising corporate action processes is more challenging and ambitious, as it involves various events and actions that may change the rights and duties of the token holders and issuers, such as dividends, interest payments and mergers. Corporate actions may also require various actors to coordinate and communicate with each other, and may differ depending on the type and jurisdiction of the tokenised security.

It may therefore not be feasible to standardise corporate actions for tokenised securities in the short term, but this could be a future goal.

Transfer modes
Free of Payment, DvP, and DvD (i.e. atomic swaps), including positive and negative confirmations, and the possibility of executing forced actions

Participant/access management
White-listed investors and institutions (and their removal)

Role management
Assignment of roles to parties

Transaction management
Trade initiation, confirmation and affirmation; settlement instruction matching; exception management

Reporting and queries
Statement of holdings, status of transaction (trades or settlement), asset position, or token attributes at a given point in time

Pay outs
Payment on correspondent banking rails, real-time gross settlement (RTGS) systems, central bank digital currencies (CBDCs), bank deposit tokens, or stablecoins

Figure 1: Potential business functions that tokens could support

Opportunity 3
The cash leg

Enabling on-chain DvP with various forms of digital cash

> "It is important to explore and understand the different options and requirements for enabling on-chain DvP with various forms of digital cash."

The current state of play

At present, limited availability and a lack of compatibility between different forms of digital money can make it difficult to settle digital security transactions efficiently and securely. Different forms of digital cash may be preferred – or required – for the payment leg of a transaction. This may depend on various factors, including the type, value and jurisdiction of the digital securities, as well as the preferences and capabilities of the investors and issuers.

Digital cash can come in a number of different forms. These include central bank digital currencies (CBDCs), tokenised commercial bank liabilities and stablecoins, as well as other digital settlement assets, such as tokenised treasuries or money market funds.

Each form of digital cash may have different features, benefits and risks, with key points of differentiation including legal tender status, regulatory compliance, price stability, scalability, interoperability and security. As such, it is important to explore and understand the different options and requirements for enabling on-chain DvP with various forms of digital cash.

Action areas

1. Define and rank digital cash options by use cases

It's important to define the different forms of digital cash that are currently available or under development, as well as their main characteristics, advantages and disadvantages for different types of tokenised securities transactions. For example:

– CBDCs may offer the highest level of trust, security, and finality, but may also have limited availability or accessibility.

– Commercial bank liabilities may offer more convenience and flexibility, but may also entail higher counterparty risk and operational cost.

– Stablecoins are operational today and may offer more access and openness, but they also face more regulatory uncertainty and inconsistency.

Much research has already been conducted across the industry on the different forms of digital cash, including the recent and comprehensive World Economic Forum (WEF) report on Modernizing Financial Markets with Wholesale Central Bank Digital Currency (wCBDC).

While there is growing consensus that digital cash will co-exist with traditional payment rails, there is less agreement on which types of digital cash are most suitable for various use cases.

2. Refine Standing Settlement Instructions (SSIs)

SSIs are agreements between two parties that define the information needed to settle a trade, such as account names and numbers, financial institution details, and reference codes.

In practice, existing SSIs may not be sufficient to support digital security transactions. SSIs may therefore need to be enhanced with additional information, such as the name of the DLT platform or place of settlement, the smart contract address, the token standard, and the digital cash option used.

Clearly defined and structured SSIs could help to reduce errors, delays and costs in the settlement process for different forms of digital cash and securities, just as they have for traditional settlement processes.

3. Define accepted atomic settlement methods

Atomic settlement, or simultaneous settlement, is a model in which the settlement of any given leg of a transaction is conditional on the settlement of all other legs.

Depending on the type and location of digital cash and securities, different methods may be used to achieve atomic settlement. *See Figure 2 across for an overview of the different methods of atomic settlement.*

For example, if both the digital cash and securities are issued and exchanged on the same DLT platform, a single smart contract or a native DvP functionality may be used, just as book transfers are executed in traditional financial markets.

In other cases, a cross-chain protocol or trusted intermediary may be needed to orchestrate each leg of the transaction in an effort to achieve atomic settlement. This may be the case if the digital cash and securities are issued or exchanged on different DLT platforms, or if one of them is not on a DLT platform.

It will be critical to define not just the technical implementation, but also the liability models and considerations that may be involved when orchestrating multiple legs of a transaction across different platforms.

Escrow/locking

Characteristics:

Assets are held in escrow by a trusted third party or smart contract until conditions are met for transfer.

Industry Examples:

– Swift Connector prototype (CBDC Sandboxes)

Hash Time-locked Contract (HTLC)

Characteristics:

Time-bound smart contracts that act as bridges between ledgers based on distinct technologies. These allow for the atomic settlement of digital assets that are maintained on different ledgers, and/or are operated by distinct parties.

Industry Examples:

– NYIC & MAS' Project Cedar Phase II x Ubin+
– Banca d'Italia's TIPS Hashlink

Earmarking

Characteristics:

Funds are earmarked for specific transactions without leaving the user's control until settlement occurs.

Industry Examples:

– R3 Corda
– DTCC's Project Ion

Figure 2: Methods of atomic settlement

Opportunity 4

Cross-chain interoperability

Agreeing on industry standards for cross-chain interoperability protocols

"Different DLT platforms may have different architectures, protocols, standards, and governance models, inherently limiting their compatibility and integration."

The current state of play

When it comes to scaling the usage of digital assets, one of the most cited challenges is the lack of interoperability between different DLT platforms and traditional systems.

Different DLT platforms may have different architectures, protocols, standards, and governance models, inherently limiting their compatibility and integration. As such, enabling interoperability without losing functionality or security is a particular challenge.

Indeed, the recent Digital Asset Securities Control Principles paper, issued by DTCC, Euroclear and Clearstream, recognises interoperability risk as one of six key risks inhibiting the growth of digital asset security markets.

Action areas

1. Document the different interoperability models

Interoperability between different DLT platforms and traditional systems could be achieved using a number of different models or approaches. *See Figure 3 on p.12 for a summary of the models for achieving interoperability.*

Given the early level of maturity of these solutions, the market lacks a clear understanding of the main advantages and limitations of each model, and how these should be evaluated.

There are numerous criteria by which various models can be assessed, including but not limited to the following examples:

– Trust model: Does the approach rely on trusted third parties, such as validators or oracles? Or is it trustless, meaning that no intermediaries are needed to ensure the validity and security of cross-chain transactions?

– Compatibility: Does the approach require any changes or adaptations to the existing systems or platforms? Or is it compatible without any modifications?

– Functionality: Does the approach support only the transfer of data and assets? Or does it also enable the execution of cross-chain smart contracts and complex logic?

2. Describe the roles and liabilities of actors in interoperability solutions

It will also be important to identify and describe the different roles and functions involved in enabling interoperability among different DLT platforms, as well as between DLT platforms and traditional systems.

Take smart contract-based protocol solutions, for example. Who should be liable for safeguarding assets or funds during cross-network orchestration of transactions (i.e. the escrow/locking and releasing of funds on each network)? Should this be the responsibility of the orchestration provider, the smart contract owner, or the custodians involved?

Driving alignment and clarity on the business roles and their respective liabilities will enable further participation in the market.

3. Establish guidelines for industry-wide interoperability

Given the breadth of technical solutions already being proposed by various providers, the market will ultimately evolve in one of two ways: either by developing an interoperability standard between different solutions, or by consolidating around a few large providers.

In either case, the wider market will benefit from compatibility between different solution providers. As well as enabling ease of use, this approach will also mitigate the risk that certain networks may not be able to interoperate with others due to the solution chosen.

In our view, there are several core principles that would foster industry interoperability:

– Ensuring the use of protocols that meet minimum security and trust requirements.
– Enabling different interoperability protocols and solutions to work together.
– Defining a clear liability model for entities involved in cross-network transaction orchestration.

Bridges

Bridges are typically smart contract-based constructs that connect two or more systems and enable the transfer of data and assets between them. Bridges can be either centralised or decentralised, depending on the trust model and the number of validators involved.

Examples: Axelar, Wormhole

Relays

Relays are separate networks or nodes that relay data and events from one system to another, without transferring the underlying assets. Relays can enable the execution of cross-chain smart contracts and logic by triggering actions in one system based on the events of another.

Examples: Hyperledger Cacti, Cosmos IBC, Polkadot

Protocol

Higher level protocols that abstract away the differences between various systems can provide a common interface and language for interoperability. Meta-protocols can enable both the transfer and the execution of data and assets across multiple systems, without requiring any changes or adaptations to the existing protocols.

Examples: Chainlink CCIP, LayerZero

Native ledger compatibility

Networks and/or applications that are built using the same base protocol layer, ledger technology and smart contracting language arguably enable the 'purest' form of cross-network interoperability. But they also have more limitations in terms of scalability and extensibility to networks outside their direct ecosystem.

Examples: Canton, Avalanche

Figure 3: Models for achieving interoperability

Opportunity 5

Reference data

Industry-wide references for digital assets and place of settlement identification

"The digital and programmable nature of digital assets also offers an opportunity to implement more efficient and effective solutions for reference data."

The current state of play

Reference data for digital asset securities is currently characterised by a lack of standardisation and harmonisation, which creates complexity and ambiguity for market participants.

Different identifiers and formats are being used by different actors and platforms, and there is no common source of truth or authority for reference data. This leads to operational inefficiencies, data inconsistencies, higher costs, and potential errors and risks in the identification and processing of digital assets.

The challenges and opportunities for reference data are numerous. On the one hand, establishing and maintaining common standards and practices for reference data is challenging, given the diversity and nascency of the digital assets industry. But the digital and programmable nature of digital assets also offers an opportunity to implement more efficient and effective solutions for reference data.

Action areas

1. Identify the asset and its place of settlement without ambiguity

Different types of assets require different identification methods. For conventional securities, the International Securities Identification Number (ISIN) is most often used. However, while the ISIN describes an asset, it does not specify the asset's place of settlement (PSET). This is captured separately and generally uses the BIC of a CSD, custodian, or exchange.

As digital assets can be issued across multiple blockchains, a new identification reference has emerged in the form of the Digital Token Identifier (DTI), which follows an international ISO-registered standard. The DTI incrementally identifies the blockchain on which the asset is recorded, thereby identifying the asset's specific implementation.

Additional consideration is now being given to the use of a Distributed Ledger Identifier (DLI), a sub-component of the DTI, to decouple the underlying ledger platform from the asset token identifier. While efforts to align on the optimal market practice are still underway, this could provide the industry with a simpler path to adoption by facilitating the continued use of the ISIN.

2. Identify the place of safekeeping

Different actors may have different roles and responsibilities in the custody and safekeeping of digital assets. For example, a custodian may hold the private keys of the digital asset on behalf of the investor, while a sub-custodian may act as an intermediary between the custodian and the asset's settlement ledger.

The place of safekeeping may also vary, depending on the type of digital asset and its location. Likewise, different levels of access rights and security may be needed. Having a clear and consistent way of identifying the place of safekeeping is therefore essential for ensuring the integrity and safety of digital asset custody, especially for cross-chain transactions.

Swift has submitted a set of change requests for ISO 15022 and ISO 20022 message types on behalf of the community in an effort to address this. The requested changes leverage the DTI standard, which can also be used for Digital Ledger identification.

3. Establish a network evaluation framework

The industry expects regulations and technologies to converge and consolidate over time. But at present, there is no commonly agreed framework for classifying and comparing different networks that support the issuance and transfer of digital assets.

As the industry is evolving rapidly and in a staggered way around the globe, it is important to have a common set of criteria to assess the features and specifications of various networks. Such criteria could include the consensus model, governance, permissions, privacy, cost, and interoperability of the networks.

With a common set of criteria, financial institutions would be better placed to make more informed decisions, and evaluate the risks and opportunities associated with different digital assets.

Conclusions and recommendations

Moving forward together

In order to drive the development of the digital asset securities market, it is critical that the industry comes together to establish a robust set of foundations for the entire ecosystem. These foundational elements will be essential for creating a cohesive and efficient market, enabling seamless interaction among all participants.

> **"It is critical that the industry comes together to establish a robust set of foundations for the entire ecosystem."**

By addressing these challenges collectively, the industry can mitigate institution-specific risks, enhance wider market liquidity, and support the growth and integration of digital assets within the global financial system, where value can be derived.

How can Swift support?

Swift is well-positioned to contribute to the development of the digital asset ecosystem by extending its expertise in secure, standardised communication and existing financial infrastructure.

Market structuring

In the area of market structuring, Swift can enhance stability by serving as a neutral orchestrator of information flows, mitigating interoperability risks, and enabling financial institutions to operate within defined roles.

By leveraging existing infrastructure, institutions will be able to transact efficiently in both traditional and digital asset markets, reducing the need for parallel infrastructure. As the ISO 20022 registration authority, Swift can also play a role in clarifying market roles and responsibilities, thereby ensuring consistency and alignment across the industry.

Token standards and cross-chain interoperability

For token standards and cross-chain interoperability, Swift can support the industry by facilitating the development of common standards and practices.

As part of this effort, we will collaborate with stakeholders to map token functions to established business processes. We will also continue to update existing ISO messaging standards in order to accommodate digital assets, ensuring continuity with traditional securities operations.

Additionally, Swift could offer an abstraction layer, allowing institutions to manage security holdings across traditional and distributed ledger platforms. This could help to enhance interoperability and operational efficiency.

Payment options and atomic settlement

Swift will aim to support multiple payment options and atomic settlement methods. Our digital asset pilot environment enables the settlement of tokenised transactions using traditional banking rails, while offering payment tracking capabilities. Over time, these capabilities will expand to support regulated forms of on-chain money.

Reference data

Furthermore, Swift's expertise in reference data could conceivably be applied to digital assets. By integrating necessary data elements into our SwiftRef service, we could promote consistent identification, regulatory compliance, and operational efficiency across traditional and digital markets.

Our recommendations

As a means of coordinating the industry around a set of concrete and actionable steps, we propose the following recommendations to the financial industry:

1. Call to participate in Swift's live digital asset trials in 2025

What: As outlined in our recent announcement, Swift's new digital asset pilot infrastructure will enable testing for digital asset securities DvP and PvP transaction orchestration in 2025. We will work with our community throughout 2025 to extend the scope of the pilot infrastructure to an additional set of use cases and participants.

Why: We have run several successful innovation experiments in recent years in collaboration with over 40 leading financial institutions around the globe. This work has demonstrated how Swift could enable interoperability and orchestrate transactions between new digital networks and traditional financial systems. Our community is now asking us to go further. As such, we now aim to progress toward more robust, real-world solutions that will enable our members to interact with digital assets over the Swift network.

2. Convene an industry digital assets forum to further develop the recommendations and propose solutions

What: Building on the trials planned for 2025, Swift will continue to convene industry financial market infrastructures (FMIs) and financial institutions to further develop these recommendations and propose solutions to some of the challenges outlined in this paper. Areas of focus could include the definition of industry roles, responsibilities and liabilities; approaches for standardising token contracts and interactions; and market practices for interoperability solutions.

As various topic proposals reach a certain level of maturity, these can be presented to established industry practice groups, such as the Securities Market Practice Group (SMPG).

Why: Swift is both a globally inclusive industry body and a standards registration authority for numerous ISO standards. As such, we are uniquely placed to convene the industry in order to address industry challenges that are in the interest of the wider community.

3. Continue enhancing existing standards to support the industry's evolution

What: Through Swift, the community should continue to enrich the existing ISO 15022 and 20022 standards to enable incremental support for digital asset securities. This will lessen the impact on global financial institutions, while minimising the need for development effort. Swift will also continue exploring other data services and product enhancements in situations where a mutualised industry solution could benefit the wider community.

Why: By leveraging the power of existing and widely adopted community standards and infrastructure, institutions can support their customers' digital asset security flows without having to invest in parallel offerings and workflows. This will result in a simplified operational setup and lower costs.

Want to learn more?

To provide feedback, or if you would like to learn more about our work, please reach out to your Swift account manager or contact innovate@swift.com.

Acknowledgements

Swift

About Swift

Swift is a global member-owned cooperative and the world's leading provider of secure financial messaging services. We provide our community with a platform for messaging, standards for communicating and we offer products and services to facilitate access and integration; identification, analysis and financial crime compliance. Our messaging platform, products and services connect more than 11,000 banking and securities organisations, market infrastructures and corporate customers in more than 200 countries and territories, enabling them to communicate securely and exchange standardised financial messages in a reliable way.

As their trusted provider, we facilitate global and local financial flows, support trade and commerce all around the world; we relentlessly pursue operational excellence and continually seek ways to lower costs, reduce risks and eliminate operational inefficiencies. Headquartered in Belgium, Swift's international governance and oversight reinforces the neutral, global character of its cooperative structure. Swift's global office network ensures an active presence in all the major financial centres.

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