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3rd Annual Securities Finance and Collateral Management Conference

Day 3 Thursday, 15 October



One connected platform

Equilend CEO Rich Grossi on keeping clients connected 25 years later and following the assets in a digitally-focused world

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Meeting market demand: Scaling for a rapidly evolving digital market

The market has been talking about its potential, but digital assets are now here.

With several years full of debate, testing, and proving that distributed ledger technology (DLT) and tokenised instruments can work, it is not a matter of 'if', it is a matter of how the market deploys that technology, according to the opening panel at the ISLA Americas 3rd Annual Securities Finance & Collateral Management Conference.

The panel highlighted that there is plenty of room for improvement in today's infrastructure, in particular when it comes to repo transactions, securities lending, the amalgamation of optimising a portfolio and collateral, as well as meeting calls and requirements.

But when it comes to scaling technology, how can firms achieve this operationally, commercially, legally, and institutionally?

There is a real-world need for the development currently being seen in the market, in regards to repo transactions and collateral mobility. And, with extended trading hours and the proliferation of asset classes moving to 24/7 markets, the panel believes there is a real need for securities lending transactions to be tokenised.

Despite a general positive outlook on a digital move forward and scaling of this technology, there remains some digital scepticism, to which one panellist said was for "good reason" as the industry is "not there yet".

Moving the conversation forward, the panellists discussed how to broaden adoption and expansion, why now is the right time to participate, and what is holding adoption back.

For one panellist, traditional markets are beginning to learn that 24/7 markets are now a requisite for market participants. Digital asset markets have already enabled the ability to move value 24/7, but in the traditional space, exchanges are launching 24/7 trading without 24/7 collateral mobility. As a key takeaway, the panellist stated that the industry must solve for the underlying collateral and value movement associated with 24/7 trading.

Moving forward, one speaker touched on the preparation needed to use

platforms that are using DLT. That preparation relates to updating processes that enable large institutions to embrace the ability to both report and execute intraday transactions.

They indicated a fundamental requirement for consumers of intraday liquidity to fund the cost of collateral buffers to support that intraday liquidity. Without attribution of the resource to the consumer, it is “very difficult” to change market behaviour.

He indicated that large scale institutions need to step in to improve existing reporting around exposures. Following execution, the transaction needs to flow through the books and records of the institution to help remedy the identified exposure — this is where the industry has work to do.

In terms of speeding up market adoption, the panel heard that C-suites need to take a more holistic view in terms of the strategic direction of travel. They need to identify that the economic benefits of leaning into this technology are real and significant. Lastly, the panel said C-suites need to provide a roadmap to trading desk heads to lean into this industry and therefore support market adoption.

For blockchains, the panel understood that this has to scale to meet market demand. The traditional markets need to take a cue from the DeFi markets, one person stated, where end users can

easily access the assets and trade those assets 24/7.

Another key takeaway from the panel indicated that retail-driven product and demand is going to change the way participants think about what they are supposed to build and what they are supposed to offer. The innovations coming out of the DeFi space are expected to do so as well.

It is a fascinating time for market participants, with one in particular indicating a level and speed of innovation and adoption never seen before.

However, while the market aims for full steam ahead, with an eagerness to speed up adoption, others have raised concerns about the direction of travel.

The market could be faced with multiple digital asset networks, multiple venues, and tokenisation platforms, leading to further fragmentation.

The market could face a world where traders may be forced to pick rails and institutions may be forced to pick blockchain technologies. This could ultimately lead to a requirement for a unified mechanism, to avoid fragmenting liquidity.

Coming to an end, market participants were advised not to place bets on any blockchain solution today, because the blockchain world itself is evolving quite rapidly.

Balance sheet pressures drive search for new liquidity solutions

During the panel, ‘Who Will Provide Liquidity? Regulation, Balance Sheet, & the Next Evolution of Securities Finance’, industry experts discussed how regulatory reform, capital requirements, and market structure changes are reshaping the role of broker-dealers at the heart of securities finance.

Panellists agreed that demand for financing remains robust across securities lending, repo, and collateral markets. However, the availability of balance sheet capacity is no longer keeping pace, creating new hurdles for intermediaries tasked with connecting liquidity providers and borrowers.

A recurring theme throughout the discussion was that constraints on liquidity are no longer driven by a single factor. Instead, broker-dealers are increasingly required to juggle multiple pressures simultaneously, including capital requirements, leverage ratios, liquidity obligations, funding costs, risk-weighted assets, credit exposure, and operational considerations.

The panel heard that determining the true cost of a transaction has become significantly more complex. Rather than focusing solely on the economics of an individual trade, firms must increasingly evaluate a wide range of interrelated factors,



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including stock borrow costs, funding structures, liquidity coverage requirements, internalisation opportunities, and the impact of stress-testing models.

This growing complexity is changing how institutions allocate resources and assess business opportunities. One speaker noted that the primary constraint can vary not only between firms, but also between individual business lines within the same organisation, making balance sheet management an increasingly dynamic task.

Despite these pressures, panellists stressed that current challenges should not be interpreted as a lack of liquidity across the financial system. Instead, the discussion highlighted the distinction between system-wide liquidity and the availability of marginal financing capacity. Recent periods of heightened demand have demonstrated that capacity can become scarce even when broader market liquidity remains relatively stable.

As a result, market participants are increasingly focused on making better use of existing resources rather than simply requesting additional balance sheet capacity.

The panel heard that both buy side and sell side firms are placing greater emphasis on optimisation strategies designed to improve capital efficiency and maximise the utility of existing liquidity. These efforts include increased use of netting arrangements, enhancements to collateral management

practices, term funding structures, and greater levels of internalisation.

Rather than viewing balance sheets as an unlimited resource, firms are becoming more selective in how capacity is deployed, carefully evaluating the economic value generated by each activity.

This shift is also creating new opportunities for agent lenders to play a broader strategic role within the market.

Historically focused on connecting supply and demand, agent lenders are increasingly being called upon to help clients navigate complex market structure issues and identify more efficient methods of accessing liquidity. Panellists suggested that advisory discussions are expanding into areas such as asset segregation, bankruptcy-remote securities lending structures, central counterparty access models, and collateral optimisation strategies.

Against this backdrop, speakers highlighted several potential sources of future capacity that could supplement traditional bank intermediation.

Institutional investors and other non-bank market participants were identified as an increasingly important part of the conversation, particularly as regulatory requirements continue to influence how banks allocate and distribute resources. Sponsored clearing models, peer-to-peer financing structures, and

improved collateral mobility were all discussed as mechanisms that could unlock additional market capacity over time.

The panel also explored the potential impact of emerging technologies. Tokenisation, digital collateral frameworks, and new settlement rails were highlighted as longer-term developments that could improve efficiency, reduce friction, and expand access to liquidity across securities finance markets.

However, panellists cautioned that significant questions remain around implementation and market adoption.

Among the issues still facing the industry are whether US regulatory frameworks and central clearing models can deliver sufficient capital relief to support broader securities financing activity, and how institutional investors with substantial pools of cash can participate more actively while managing unfamiliar legal, operational, and counterparty risks.

The discussion concluded that the future evolution of securities finance will depend less on the absolute amount of liquidity available and more on how efficiently capacity is deployed across the market. As regulatory demands continue to reshape balance sheet economics, firms are expected to place greater emphasis on collaboration, innovation, and market structure reform to ensure that growing demand can be met sustainably.



A collateral state of mind: From equity-to-equity to tokenisation

Collateral is an enormous component of businesses, and it relies on the infrastructure supporting it. When market participants think of collateral demand, their thoughts may go to regulation, growth balance sheet, and intensive trading strategies. This monetisation is equally as important as the functional role the collateral plays, according to the 'Collateral as Currency' panel.

With Basel III on the minds of many in the collateral market, one speaker expects to see a relief for banks — but it “won’t be a silver bullet”. Tier one capital may receive relief which could in turn put more of a spotlight on balance sheet and funding liquidity.

To be more efficient in these trades, the market is already focused on negative agreements, term structures, and guarantees; which will continue to be important.

For firms “looking to stay relevant”, one panellist advised being involved in equity-for-equity (E4E), which also provides capital relief. This E4E relief reduces the need for broker-dealers to employ a two-transaction model for facilitating customer short sales. Under that model, broker-dealers repo or pledge customer equities and receive cash to help fund long purchases while posting cash collateral to the same counterparty to borrow equities used to facilitate short sales or other transactions.

One panellist believes that the level of coordination or necessity for coordination between the different balance sheet intensive financing businesses has been high. Equity market performance, the potential path for central banks, and the asymmetry of growth in different regions given how the AI trade is playing out, is all driving a requirement for coordination.

The panel went on to discuss how broker-dealers are balancing efficiency with risk discipline, what beneficial owners are

demanding in return, and what the pressure on margins mean for how collateral will be priced, moved, and optimised.

Coming together, the panel then reviewed the future and the opportunities ahead. One perspective indicates that this is a world where there are many new dynamics evolving. There are many opportunities available to the market on the collateral front, whether that be via triparty or tokenisation — a path that provides flexibility for participants.

The panellists indicated that if some of the most risk-averse investors in the front end of the markets are embracing this technology, it is a harbinger of things to come. Firms will need to be thoughtful about how they implement tokenisation, as every firm is different.

Moving forward, one panellist pinpointed the importance of collateral mobility, both within internal firms and within the interconnectedness of the industry. In addition to this, firms are also thinking about Europe’s move to T+1, as well as tokens and the next level of digital assets.

In terms of the use of tokenisation in collateral management, the path forward for one speaker is ease and open access, interoperability, and the pathway to 24/7 trading.

Concluding on whether tokenisation will become the norm in the collateral market, the panel heard that the market is closer than ever after this panel. ■



One connected platform

Equilend CEO Rich Grossi looks at the market 25 years after the creation of the firm, exploring how it keeps clients connected and following the assets to keep up with a digitally-focused world

Securities finance has never suffered from a shortage of technology. Over the years, the industry has built highly capable systems for trading, operations, settlement, books and records, data, and analytics. The problem is that many of those systems

were built at different times, by different providers, to solve different problems.

The result is an industry that still spends too much time connecting

technology rather than using it. Firms build interfaces between platforms, reconcile the same information in multiple places, and wait for data to move from one part of the trade lifecycle to another. All of that creates cost and complexity.

After 25 years serving this market, we believe the next phase of securities finance technology is less about adding systems and more about connecting the ones that matter. That thinking has shaped much of the investment we have made at Equilend over the past two years. Our objective is to make the trade lifecycle work more cohesively, so clients can operate with less friction, make better use of their data, and adapt more quickly as the market changes.

The connective tissue

Equilend celebrates its 25th anniversary this year. Throughout that time, Next Generation Trading (NGT) has been the backbone of this market, and, more recently, Spire has done the same for books and records. Those systems are evolving independently but now are also evolving together.

A trade negotiated on NGT now communicates settlement instructions at the point of trade, making settlement more efficient and preparing the community for shorter settlement times. This new workflow enhances transaction data, which persists into analytical, real-time dashboards, enabling better decision-making in pre and post-trade processes.

The scale behind that is not abstract. The platform now processes more than 45 million trades and over US\$55 trillion in notional value every year, growing faster than the broader market that it serves. That scale requires evolution and broader system connectivity. That connectivity also gives us the opportunity to create data and analytics that would be difficult to produce from fragmented workflows.

Connecting the trade lifecycle

Over the past 18 months, we have been connecting our solutions, bringing a more unified offering to the securities finance market. Four

specific new pieces of infrastructure have been built, each making the others more valuable.

Launchpad

As Equilend has expanded, we see great benefit in consolidation, bringing old and new data, research, insights, and alerts where users need it most. Launchpad is our answer to that. It provides users a single place to navigate Equilend's services, rather than treating each product as a separate destination.

Spire 3.0

Spire has evolved into a hub connecting Equilend's product suite, and the new 3.0 version expands it in various directions. First, asset coverage: lending and repo have historically been run separately, by different people, on different systems, so the automation built for one was never extended to the other, and Spire 3.0 now fully covers lending and repo. Second, migration: firms running a legacy platform have accepted for years that replacing it means a messy, multiyear rebuild. Spire was redesigned to address re-platforming through standard connectors and an offering that can expand as needs evolve.

For example, loan inventory can be viewed in real time in Spire, automatically priced and routed by Trading Apps (now embedded in Spire) to NGT, where it is negotiated, executed, and recorded in 1Source, thereby drastically reducing end-of-day reconciliation. This workflow is just one example of how fluidity on a common platform reduces friction at every step in the trade lifecycle.

Real-time analytics

Equilend is launching a new generation of trading and post-trade analytics that turns that same connected transaction flow into a live view of the market. On the trading side, a live bid/offer spread dashboard built directly from availability and bid data gives desks a unified view of where supply, demand, and execution overlap and

where they diverge. Clients also get visibility into non-executed order flow, surfacing friction points that have historically been a blind spot. Intraday availability signals update throughout the session, so decisions can respond to what the market is doing right now, not what it did an hour ago.

“The market is considerably more complex today, but our role has not fundamentally changed”

The same applies after the trade. Clients can see how they are performing against key operational measures, understand their performance relative to peers, and identify where processes are breaking down. The important point is that the analysis comes from the workflow itself, not from another disconnected reporting layer.

EquiLENS

AI is only useful in this market if it understands the data and its context. That is the idea behind EquiLENS. We are combining Equilend's market data with Finadium's research and expertise to help users interrogate information more quickly and make better-informed decisions inside the workflows they already use. For the first time, you can analyse existing and new data, research, and insights through an AI front-end built specifically for the securities finance market.

1Source

If there is a single proof point for what connected actually means, it is 1Source. For as long as this market has existed, both sides of a trade have kept their own record of it. That duplication creates reconciliation work throughout the lifecycle. 1Source changes the model by allowing

both parties to work from a shared record. It is live today with BNY, Goldman Sachs, and National Bank of Canada, with others coming online soon, and it is the clearest evidence that this industry is willing to rebuild its plumbing rather than keep patching around it.

Evolution means going where the assets are going

The same principle that built 1Source is now being extended to NGT to handle digital assets. Central to the theme above, this widens the platform to cover where the market is heading. That is the thinking behind our move into institutional digital asset lending: tokenised securities and digital assets are not a future category we are waiting to react to. They are the next asset class running through the same infrastructure as everything else we do.

That same evolution reaches beyond asset class into geography. Equilend expanded into Saudi Arabia, South Korea, and Taiwan this year alone by extending into markets that did not have access to it before.

We have been equally deliberate about acquisitions. Trading Apps brought us deeper into front-office automation. Finadium added research, advisory, and market expertise. Digital Prime extends our capabilities in digital assets. In each case, the rationale was the same: the acquisition needed to strengthen the broader platform, not simply add another standalone business.

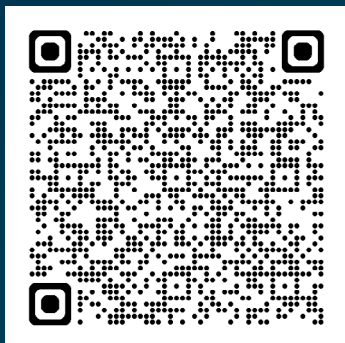
25 years and future evolution

25 years ago, Equilend was created to solve a specific problem for the securities finance market. The market is considerably more complex today, but our role has not fundamentally changed. We need to help clients remove friction, manage change, and operate more effectively. Increasingly, that means connecting the parts of the lifecycle that have historically operated separately. That is where we are investing, and it is where I believe Equilend can make the greatest difference over the next 25 years. ■

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Collateral mobility, regulatory readiness, and structural changes in the US market

BNY's Nate Wuerffel, global head of market structure and head of product, Global Collateral, discusses the regulatory environment in the US, its impact on collateral, and how the firm is working with clients to not only meet today's requirements, but to adapt as market structures evolve

As we head toward the end of 2026, market participants are navigating a shifting collateral landscape. Exemptive relief for the US Securities and Exchange Commission (SEC) Rule 15c3-3, which took effect on 30 June 2026, has expanded the collateral that broker-dealers can pledge when borrowing securities, creating new opportunities to use eligible equities more flexibly.

At the same time, the SEC extensions to central clearing implementation deadlines, now set for 31 December 2026, for eligible cash Treasury transactions and 30 June 2027, for eligible repo transactions, have given firms more time to prepare, but that window is narrowing.

According to The ValueExchange's 2026 U.S. Treasury Central Clearing Pulse Survey, 86 per cent of firms are confident they will be ready for the upcoming deadlines, although firms are comparatively less confident in their readiness for the repo implementation timeline. But readiness varies considerably by firm type and region, with dealers ahead of buy side participants, and non-US jurisdictions less confident than those in the US.

Alongside these regulatory changes, the shift toward 24/7 trading, faster settlement, and growing collateral volume is increasing the importance of mobility and optimisation — and raising the stakes for trusted and resilient infrastructure that can keep pace. As firms look

ahead to 2027, the challenge is shifting from having eligible collateral to deploying it effectively.

SEC Rule 15c3-3: Equity eligibility expansion

The updates to SEC Rule 15c3-3 represent a major change to securities lending markets in the US. The most significant aspect of the rule change is the expansion of equity collateral eligibility in certain securities borrowing transactions, giving firms more flexibility in how they deploy available collateral and optimising the use of existing asset pools.

For some market participants, the changes may also influence how those transactions are structured. Notably, the expansion aligns the US with international markets where equities are already widely accepted as collateral today.

Implementing those changes, however, requires careful coordination across operations, liquidity, and collateral management. With the updated rule now in place, firms are assessing how newly eligible equity collateral can be incorporated into their funding and securities finance activity.

Managing equity collateral through bilateral arrangements can be operationally intensive and difficult to scale. Participants must independently deliver eligible equity collateral to each counterparty and continuously manage mark-to-market obligations throughout the lifecycle of every transaction, which may create inefficiencies for both borrowers and lenders.

These processes can be streamlined through triparty, which helps to address the operational inefficiencies by offering independent valuation, sophisticated eligibility criteria, and supporting collateral allocation across collateral liabilities in the trading portfolio.

BNY's Global Collateral platform — a proven triparty infrastructure supporting US\$8.2 trillion in balances across 1,700 clients globally — enables firms to incorporate eligible equities into funding and securities finance activity at scale.

Collateral in a broader clearing landscape

As the market moves closer to mandatory US Treasury clearing, firms will need to manage collateral, liquidity, and clearing demands in a more tightly coordinated way. That challenge is becoming more complex as the US Treasury clearing landscape broadens with the launches of CME and ICE's US Treasury central counterparties (CCPs).

While broader participation across CCPs may create new efficiencies and netting opportunities over time, it also introduces complexity in evaluating and operationalising multiple clearing frameworks.

As clearing activity grows, margin demands are becoming larger, drawing on the same high-quality liquid assets (HQLAs) that firms rely on for funding and liquidity management. This makes it essential to understand not only how much collateral is available, but where it is held, how quickly it can be accessed, and whether it can be deployed effectively against clearing obligations as they arise. As a result, the market has looked to create efficiencies around the margin and capital requirements created by mandatory clearing.

This has led to innovative new clearing models, including the Fixed Income Clearing Corporation's (FICC's) Sponsored GC Collateral-in-Lieu (CIL) model, accessible on the BNY Global Collateral platform, which addresses a specific inefficiency in sponsored clearing known as double margining, where cash lenders post margin to their sponsoring member who then posts margin to FICC on the same transaction. Instead of collecting initial margin, CIL uses a lien on the US Treasury collateral delivered at the start leg of the repo, eliminating double margining and removing the Sponsoring Member guarantee requirement — reducing capital pressure on intermediaries and lowering the cost of participation for cash providers.

FICC launched the CIL service in December 2025, which supports the triparty collateral mechanics, eligibility testing and settlement workflows the model requires. In addition to FICC clearing models, BNY's Global Collateral platform will be connected to clearing models

with CME and ICE, allowing market participants to choose from different clearing models and centralise their collateral management across clearing obligations.

Why collateral mobility matters in a 24/7 environment

Evolving requirements and a rapidly growing asset pool mean that collateral availability alone is no longer enough. In many cases, the decisive factor is whether firms can access and mobilise assets efficiently.

Access and mobilisation depend first on visibility across fragmented asset pools, which continue to present a common constraint. Many institutions hold collateral across multiple accounts, legal entities, custodians, and servicing models, each with its own rules, settlement cycles, and access considerations. Without a consolidated view of what is available and where, firms can find it harder to identify the most efficient source of collateral for a given obligation and may instead rely on larger precautionary buffers.

Location remains central to the challenge. Collateral may exist in the right form, but if it sits in the wrong account, with the wrong custodian, in the wrong venue, or in the wrong jurisdiction, it may not be available when needed. This is where collateral mobility becomes critical, enabling firms to reposition assets from where they are held to where they are needed. When that process is disjointed or highly manual, delays, substitution costs, and operational risk can increase; when it is more integrated and automated, firms are better positioned to manage collateral proactively.

The shift towards 24/7 markets is making this challenge more acute. As operating windows extend, the time available to identify, mobilise, and deliver collateral narrows — and the cost of delay grows. BNY's always-on initiative is designed to meet that challenge directly. As one of the largest custodians of US Treasury securities, holding approximately one-third of the market, BNY is building the infrastructure for clients to trade, settle, and finance Treasuries around the clock, on both traditional and digital rails.

This dual-rails strategy reflects the reality that traditional and tokenised

assets will coexist for the foreseeable future, and that mobility across both, seamlessly and in real time, is what will allow firms to operate continuously rather than within fixed settlement windows. BNY's Global Collateral platform is designed to support that mobility.

Many of the practical gains lie in reducing friction across the mobilisation process. Each step, from identification and qualification criteria to substitution and settlement, can add time and complexity. Firms that streamline these processes through automation and more integrated workflows are likely to be better placed to mobilise collateral quickly, reduce excess buffers, and respond more effectively to margin calls, settlement demands, and other time-sensitive obligations.

Together, these constraints make collateral mobility increasingly central to liquidity management, funding efficiency, regulatory readiness, and central clearing.

Preparing for the next phase

The next phase will test whether firms can translate regulatory preparation and infrastructure investment into a more coordinated approach to collateral management.

As these capabilities shift from differentiators to requirements, the institutions best positioned for the period ahead will be those that can embed them across their operating model and respond efficiently as obligations arise across venues and time zones.

For BNY, these developments point directly to the role of the Global Collateral platform which is designed to help institutions manage collateral obligations across both cleared and uncleared markets for an increasingly flexible range of trade types — from a single platform.

By bringing these workflows together, the platform drives efficiencies across collateral allocation, mobilisation, and optimisation, positioning clients not just to meet today's requirements, but to adapt as market structures continue to evolve. ■



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Tokenised cross-border repo: Where efficiency peaks – and where it fails

Tokenisation is accelerating cross-border repo into atomic settlement, stripping out long-standing operational lag and exposing a US\$1.3 trillion offshore segment to new liquidity dynamics. Theodore Law investigates whether eliminating settlement delay strengthens stability or amplifies liquidity stress when volatility hits

Cross-border repo's accelerating settlement shift

Cross-border repo has always been shaped by fragmentation. Cash and securities move through different legal regimes, liquidity pools, and settlement infrastructures, each with its own cut-offs and sequencing rules. These divides cause friction, but they also create buffers.

Distributed ledger technology (DLT) compresses that time. As tokenised settlement accelerates, the market loses the operational lag that once cushioned cross-border flows.

The shift is not simply about removing friction. It reconfigures the

timing of liquidity, collateral, and risk.

For Léandre Moreno, head of tokenised assets strategy at Murex, the vulnerability is no longer transaction failure but timing friction. Cross-border repo, he argues, is increasingly “a collateral mobility problem disguised as a settlement problem”. The challenge is ensuring that cash and securities can be deployed “where they need to be, when they need to be there”.

Broadridge's head of securities finance solutions, Darren Crowther, notes that cross-border repo introduces “many more points of dependency” than domestic activity. Different currencies, legal

regimes, custodians, settlement systems, and market cut-offs all increase the potential for friction.

The anatomy of the offshore blind spot

The scale of offshore repo highlights the stakes. Data from the Office of Financial Research shows that US\$1.3 trillion of non-centrally cleared bilateral repo transactions are denominated in foreign currencies rather than US dollars.

Within traditional settlement cycles, these multi-day chains often leave collateral in transit. That obscures leverage, clouds risk ownership, and weakens visibility across institutions.

Tokenised delivery-versus-payment (DvP) platforms — including Broadridge's DLT and UBS's tokenised collateral initiatives — aim to mobilise collateral across jurisdictions within minutes. But synchronised DvP becomes significantly harder when transactions touch multiple legacy networks, each with its own sequencing rules and settlement windows.

Crowther cautions that the US\$1.3 trillion figure should not be read as direct settlement exposure. Instead, it reflects “the scale of foreign-currency dependency embedded in bilateral repo activity”. Stress can move quickly across currencies, funding markets, and jurisdictions when liquidity tightens.

Euroclear UK and International's deputy chief business officer, Kate Lowe, identifies collateral fragmentation as the single biggest operational obstacle. Collateral is often held across different institutions, markets, systems, and jurisdictions. Moving it can involve reconciliation and manual intervention, leaving assets that could potentially provide liquidity relatively immobile.

Tokenisation offers a partial remedy as a shared record of the asset and its ownership can make collateral “visible, controlled, and deployable across otherwise disconnected pools”.

Sabine Farhat, head of securities finance at Murex, argues that the offshore blind spot is fundamentally an interconnectedness issue. Funding, liquidity, collateral, and FX exposures can no longer be managed in separate silos.

Danese echoes the point. “Generally, the more complexity introduced into the settlement chain, the greater the potential for disruption.” In volatile conditions, a localised FX liquidity squeeze can rapidly cascade into a collateral bottleneck. Operational lag becomes systemic opacity.

This offshore blind spot is not simply a settlement delay; it represents a fundamental gap in market visibility.

Tokenisation and DLT in action: Where efficiency peaks

Atomic DvP synchronises cash and collateral movements, eliminating principal risk and collapsing multi-stage settlement chains into a single adjustable event.

The Bank for International Settlements' (BIS) Project Agorá demonstrated that tokenised central bank reserves and tokenised commercial bank deposits can settle wholesale cross-border payments on an “all-or-nothing” basis. Reconciliation burdens fall, manual intervention shrinks, and settlement becomes more predictable.

More than 40 private-sector institutions and seven major central banks participated. The testing proved that atomic settlement can operate at wholesale scale while preserving central bank control over national currencies.

The implications for repo are significant. Traditional cross-border repo relies on sequential settlement — cash, securities, FX, and collateral movements occurring across different infrastructures and time zones.

Tokenisation compresses these steps. Smart contracts can embed conditional triggers, automate lifecycle events, and synchronise cash and securities legs without relying on batch processing or end-of-day cut-offs.

Moreno argues that tokenisation does not change the economics of repo, but the operating model. “The real innovation is not faster settlement — it is faster collateral mobility,” he comments.

Tom Pikett, executive director at DTCC Digital Assets, agrees that mobility is the true value driver. Speed, he argues, “matters, but as an enabler”. As tokenisation matures, he believes the greatest efficiency gains will come from allowing the same pool of high-quality collateral to move seamlessly between financing, margin, and liquidity uses.

Faster mobility means collateral can be redeployed intraday rather than overnight. Inactive buffers decrease and liquidity management becomes more dynamic.

Danese sees the same opportunity and states that tokenisation can “improve interoperability, minimise settlement risk, and accelerate collateral mobility”. Canton’s architecture, he notes, is designed so that “native interoperability sits at its core”.

The International Monetary Fund adds a broader perspective.

Tokenisation represents a structural reallocation of trust within financial markets as execution, settlement, and aspects of risk management shift from institution-specific processes to shared programmable infrastructures.

Temporal frictions — end-of-day settlement, batch processing, delayed reconciliation — collapse into continuous settlement cycles. Collateral can be mobilised in real time, but liquidity demands become more immediate.

Crowther agrees that atomic DvP can materially reduce principal risk and shorten timing gaps, but he stresses that settlement timing optionality remains important. “The goal should be smarter settlement, not simply forcing every transaction into an atomic model,” he says. Fractionalisation could extend this further. Once tokenised sovereign debt can be split into granular units, collateral optimisation may reach its full potential.

Farhat notes that tokenised and traditional collateral must coexist within a unified inventory and risk-management framework. Moreno reinforces the point: “The new competitive advantage is collateral mobility, not settlement efficiency.”

Where tokenisation fails — and where it worsens stress

Tokenisation does not create new liquidity. It accelerates the velocity of existing pools.

If markets face a shortage of cash or high-quality liquid assets, DLT cannot bridge the gap. Moreno puts it plainly: atomic settlement “solves timing risk, but does not solve liquidity risk” and instead adds time pressure to it.

Danese highlights the structural hurdles preventing seamless cross-border atomic settlement. Technology may be “fit for purpose”, but legal certainty, common token standards, and regulatory alignment remain incomplete.

Interoperability remains the hardest challenge. Tokenised collateral sits across multiple DLT networks, each with its own standards and legal frameworks. If these platforms cannot communicate, the market risks fracturing into digital silos.

Pikett warns that “the future will be multi-chain and multi-network, but it cannot be multi-silo”. If tokenised collateral can only move efficiently within a single ecosystem, he argues, the industry risks recreating today’s fragmentation in digital form rather than solving it.

Lowe emphasises that digital assets must connect with existing settlement arrangements, collateral management systems, and liquidity pools. Success, she argues, should be measured by whether liquidity improves, operational friction is reduced, and costs fall for participants.

Crowther notes that tokenisation relocates risk rather than eliminating it, by moving “the focus towards legal certainty, interoperability,

settlement finality, operational resilience, and the quality of the settlement asset.”

Even if atomic settlement eliminates principal risk, legal friction can still delay collateral movement at critical moments.

Intraday liquidity: The new fault line

Tokenisation compresses settlement into near-real-time and liquidity management changes from an overnight cycle to a continuous one.

At the same time, the buffers that once absorbed operational delays disappear and liquidity risk moves into the trading day.

The BIS warns that accelerated settlement shortens the window to source funding and mobilise collateral, making intraday shortfalls more likely.

The ECB finds that liquidity usage rises when cash, securities, and FX flows must align without delay across multiple infrastructures.

Moreno says the shift is structural. The industry “knows how to manage overnight risk” but the next challenge is managing intraday risk.

Farhat agrees that the pressure moves upstream. Managing never-ending liquidity and risk becomes an operating-model problem rather than an infrastructure problem.

Danese adds that faster settlement must be distinguished from instantaneous settlement. If dealers were required to pre-fund or pre-lodge securities before transacting, liquidity provision could shrink.

Pikett stresses that the future should not be viewed through a binary lens of delayed versus instant settlement. Instead, programmable settlement should “coordinate collateral and liquidity obligations at the appropriate time”, using atomicity where it reduces risk while preserving netting, optimisation, partial settlement, and sequencing.

Crowther notes that atomic DvP removes principal risk but not liquidity, valuation, legal, or counterparty risk. The bigger opportunity, he argues, is “building infrastructure that supports the right settlement model for each use case”.

Institutions must mobilise collateral faster and respond to funding needs more frequently. Therefore, the challenge moves from collateral sufficiency to collateral accessibility.

A faster market with thinner shock absorbers

While tokenisation is frequently presented as a settlement innovation, its true paradigm shift lies in redefining collateral.

By converting static assets into real-time sources of liquidity, it paves the way for repo desks to evolve into continuous optimisation engines.

However, market participants urge a measured approach to this digital transition. Moreno summarises the structural landscape by explaining that “tokenisation does not remove risk”, but instead “changes its location.”

This sentiment is reinforced by Farhat, who highlights the operational reality that “automation must be governed, and efficiency cannot come at the expense of stability”.

Furthermore, the relationship between speed and liquidity remains a critical variable. Danese cautions that shortening settlement cycles does not automatically create deeper markets, warning that accelerated settlement “could potentially come at the expense of market depth”.

As cross-border repo enters an era of unprecedented velocity, the industry’s ultimate challenge is clear. The true test of success will not be speed alone, but the collective ability to build the robust governance, seamless interoperability, and dynamic intraday liquidity frameworks needed to ensure that faster markets do not become more fragile. ■

ISLA IN PHOTOS





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8:45 - 9:30 AM

Who Will Run this Market in 2035?

Moderator

Marney McCabe, Head of Agency Lending Relationship Management, [Fidelity Agency Lending](#)

Speakers

Kelly DiCuffa, Financial Services Human Capital/Workforce Transformation Lead, [KPMG](#)

Thomas Hoang, Global Head of Securities Finance Client - Product Solutions Delivery, [Citi](#)

Steven Schneider, Executive Director, Equity Finance Product Development, [Morgan Stanley](#)



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9:30 - 10:15 AM

The New Liquidity Architecture: Treasury Clearing, Repo, Funding, & the Future of Financing

Moderator

Corey Friedberg, Global Head of Fixed Income Financing, [Millennium](#)

Speakers

Lara Hernandez, Managing Director, Head of Fixed Income Trading and Sales, Mirae Asset Securities (USA), [Inc.](#)

Laura Klimpel, Managing Director, Head of Fixed Income & Financing Solutions, [DTCC](#)

Barrie Ringelheim, Managing Director, [Citi](#)

Nathaniel Wuerffel, Managing Director, Head of Market Structure & Head of Product, Global Collateral, [BNY](#)

10:45 - 11:30 AM

Who Owns the Supply? The Next Evolution of Securities Lending Markets

Moderator

Brooke Gillman, Managing Director, Global Head of Client Relationship Management, [eSecLending](#)

Michael Slomienski, Managing Director, [Goldman Sachs](#)

Speakers

Robert Boraczek, Executive Director, [J.P. Morgan Private Bank](#)

Matthew Brunette, Global Head of Financing, [Norges Bank Investment Management \(NBIM\)](#)

Roman Joos, Global Head Securities Lending & Borrowing and Securities Financing, [Interactive Brokers](#)

Jerry May, Senior Portfolio Manager, [OPERS](#)

Daniel Weidman, Portfolio Manager & Vice President, [Dimensional Fund Advisors](#)

11:30 - 12:30 PM

Industry Leaders Forum: The Market We Are Building

Moderator

Taryn Siglain, Global Head of Financing & Portfolio Solutions, [State Street](#)

Speakers

Peter Abric, Managing Director, [RBC Capital Markets](#)

Brock Bell, Director of Portfolio Solutions and Treasury, [Virginia Retirement System](#)

Gregg Bromberg, Managing Director, [Morgan Stanley](#)

Christel Carroll, Vice President, [Goldman Sachs](#)

Marcelo Queiroz, COO, [Bornite Capital Management](#)

12:30 PM

Closing Remarks

Speaker

Fran Garritt, CEO and President, [ISLA Americas](#)

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