

Highlights from Singapore FinTech Festival

London, 20th November 2023 – The GBBC Digital Finance (GDF) team led engagements around the world last week. Whilst our policy team and Chair of the Board soft-launched GDF's Digital Finance All-Party Parliamentary Group in London at Digital Assets Week, GDF CEO, Emma Joyce and GDF Head of Community, Madeleine Boys, made their way to Asia to join many industry leaders, regulators, and policymakers at Singapore FinTech Festival (SFF).

As a prelude to the Festival, Elevandi – a not-for-profit organisation set up by the Monetary Authority of Singapore (MAS) – curated and hosted Elevandi Insights, a day of thoughtful roundtable discussions focused on digital finance. AI and Financial Inclusion were both important themes of the day, alongside tokenisation, payments, and digital financial market infrastructure as prevailing discussion topics which set the tone for SFF.

Central Bank Digital Currencies (CBDCs) and tokenised money took the centre stage for the Festival's payments discussions. Several panels mentioned the crucial role of interoperability in the evolution of CBDCs. Speakers also emphasised its broader application in asset tokenisation, which was highlighted from both the public and private sector – find out more from MAS' recent ["Interlinking Networks Technical Whitepaper"](#).

Central banks examined the role of CBDCs as drivers of financial inclusion and vehicles to minimise prudential risks once the onset technological risks are overcome. Large financial institutions and private sector representatives highlighted the importance of tokenised money – whether it be in the form of a CBDC or other forms of tokenised money – as the key to settlement as well as the broader scalability of the industry.

Building on these discussions, MAS published the [Orchid Blueprint](#) outlining the necessary technological infrastructure for future digital currency transactions in Singapore. This blueprint, derived from insights gained during the Project Orchid industry trials, identifies four essential building blocks to support the effective use of digital money in Singapore:

1. **Settlement Ledger:** This component is designed to record digital money transfers, featuring native programmability and the atomic settlement of digital tokens.
2. **Tokenisation Bridge:** Serving as a vital link, this bridge connects existing account-based settlement systems with ledgers that are compatible with tokenised forms of digital money.
3. **Programmability Protocol:** The blueprint proposes a common protocol, known as Purpose Bound Money (PBM), enabling the specification of conditions for the use of digital money.
4. **Name Service:** To enhance accessibility and verification, a Name Service is recommended, translating between complex wallet addresses and alternative name identifiers that are readable and meaningful.

The importance of resilient digital Financial Market Infrastructure (dFMI) emerged as another theme in these discussions, emphasising its role as a key enabler to the broad adoption and growth of digital assets. The value of open and interoperable networks among global banks and regulators cannot be understated, and the SFF set the scene for another major announcement in this area.

MAS also unveiled a significant expansion of [Project Guardian](#), which will delve into promising use cases of asset tokenisation on a public blockchain. The most significant aspect is the introduction of new initiative called Global Layer One (GL1), conceived as an open, digital infrastructure fostering cross-border transactions and global liquidity pools. Major institutions such as BNY Mellon, JP Morgan, DBS, and MUFG will participate. This marks a pivotal step toward integration across the entire capital markets value chain, encompassing listing, distribution, trading, settlement, and asset servicing. Key highlights include:

- J.P. Morgan and Apollo are collaborating on leveraging digital assets to facilitate more seamless investment and management of discretionary portfolios and alternative assets. The collaboration also involves automated portfolio rebalancing and customization at scale, promising time savings and a reduction in manual processes related to asset servicing.
- BNY Mellon and OCBC are engaged in a trial for a cross-border FX payment solution, aiming to facilitate secure and interoperable payment solutions across diverse networks.

GDF convened its members its members together on two distinct occasions, both characterised by the same positive atmosphere that resonated with the overall optimistic outlook of SFF.

Our dinner, which we hosted in partnership with Hogan Lovells, focused on the challenges to building digital trust, and facilitating tokenisation of real-world assets (RWAs), and the role regulators and policymakers have to play in balancing innovation with safe regulatory frameworks. Ken Coghill from the DFSA and Danny Russell from the Bank of England joined us and shared some opening remarks on behalf of their agencies.

Our lunch, which we hosted in partnership with Clifford Chance, brought together technologists and policy experts for a comprehensive discussion on challenges and essential components for institutionalising digital assets, emphasising ongoing technical efforts to enable financial institutions to leverage public blockchain technology. Malcolm Wright, OKX and former VARA regulator, and John Ho, Standard Chartered, opened the lunch with some optimistic remarks about the direction of travel for industry, with a keen focus on the APAC region.

We could not be more grateful for the continued support of our association's mission to promote best standards of practice for the digital asset ecosystem, and look forward to continuing to bring together and building our community in the APAC region.

By: Madeleine Boys, GDF Head of Community