

# CLEARTOKEN

## ClearToken Completes First Phase with Successful Industry Proof of Concept and Moves Towards Authorisation

**London, 6 September 2023.** ClearToken, the new Clearing House for digital assets, announces the successful completion of its Proof of Concept (PoC) to deliver a critical but missing element to the digital assets space. Over the last six months ClearToken has forged relationships and worked with over 60 industry participants, both from traditional markets as well as new service providers in digital assets, to develop its PoC for the centralised clearing of digital assets. Through in-house developed systems and integrations with leading financial services technology solutions providers, ClearToken has successfully demonstrated that spot digital assets can be captured, novated\*, risk-managed, netted and settled using existing market infrastructure techniques.

Partnering with trading venues, market makers, prime brokers, banks, custodians, asset managers and software vendors, ClearToken has simultaneously established a framework to deliver 24/7 risk management and settlement of digital assets and their associated derivatives. PoC participants have provided valuable input into ClearToken's future rulebook together with the operational principles needed to extend clearing operations to weekend and same day (T+0) settlement - compared to current T+1 and T+2 settlement for most securities markets.

**Benjamin Santos-Stephens, CEO of ClearToken** commented *"We are immensely grateful to the large numbers of industry professionals who have collaborated with us to develop a workable clearing solution for digital assets. The ClearToken team is looking forward to the next chapter, as we work towards launching the first regulated clearing house for digital assets."*

### Next steps

ClearToken will be releasing a report into the lessons learned from the PoC to be presented to regulators and stakeholders as part of its authorisation process. The PoC technology systems will also be made production-ready and will form the foundation for future user testing and certification programs.

ClearToken will continue to engage with stakeholders, service providers and proposed clearing members whilst it seeks authorisation as a Recognised Clearing House (RCH). ClearToken has recently responded to the UK Government's HM Treasury consultation on the proposed financial market infrastructure sandbox, referred to as the 'Digital Securities Sandbox', for digital securities settlement, and will continue to progress with industry stakeholders in a similar fashion to the Clearing PoC.

**Niki Beattie, Chair of ClearToken** commented *“We have heard loud and clear that risk management and settlement practices in digital assets are not yet ready for institutional market participation. However, we know that demand is increasing and by working together to adapt well understood existing processes used in traditional market structure, we can create a safe and sustainable market for regulated participants and for the markets of the future.”*

\*Novation is the process of a clearing house, acting as principal, becoming the buyer and seller to both parties in a transaction by creating two equal and opposite transactions with the original parties.

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## Contacts

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## About ClearToken

ClearToken is building a Central Counterparty (CCP) to deliver robust financial market infrastructure to the digital asset ecosystem. This infrastructure will mitigate bilateral counterparty risk for settlement, financing, and derivative transactions by centralizing clearing, collateral, and risk management arrangements. The company will operate 24/7 to provide uninterrupted service while managing risk in real-time through margin and default fund contributions.

As a horizontal CCP, ClearToken will facilitate transactions from multiple venues and OTC markets globally. ClearToken intends to be multi-custodial and adhere to the highest AML and KYC standards. ClearToken's team comprises established corporate governance and financial markets professionals who share the objective of implementing the necessary framework for the digital asset market.

As a planned financial market infrastructure, ClearToken is seeking authorisation and recognition with the relevant regulatory bodies and will adhere to the IOSCO principles for financial market

infrastructures together with all relevant legislation applicable to clearing houses, payment systems, securities and derivative depositories.

For more information, please visit: <https://www.cleartoken.io/>

## About Laser Digital

Laser Digital is a digital asset business redefining the frontier of digital finance. Backed by Nomura, Laser Digital delivers scalable, robust opportunities across trading, asset management, and ventures. The team works at higher risk management standards, compliance, and commercial viability, all driven by a belief in more responsible engagement in digital assets. With an open and dynamic culture, Laser Digital has the freedom to adapt to market needs, to move swiftly to capitalisation, and to share learnings with clients and partners – bringing greater confidence to the institutional market for the benefit of all.

Laser Digital is the initial seed investor in ClearToken and a participant in the ClearToken PoC.

For more information, please visit: <https://www.laserdigital.com/>