

CLEARTOKEN

ClearToken Secures FCA Authorisation to Launch A Landmark Regulated Digital Asset Delivery vs. Payment (DvP) Settlement Service

- ***FCA authorisation paves the way towards building the world's first horizontal digital assets settlement service and clearing house***
- ***The soon to be launched CT Settle service will support cryptoassets, stablecoins and fiat currencies***

London, 11 November 2025: ClearToken, the digital financial market infrastructure group, today announced its settlement entity, ClearToken Depository Limited, has received UK Financial Conduct Authority approval to launch its Delivery versus Payment (DvP) net settlement system, a crucial first step in ClearToken's roadmap to deliver a horizontal market infrastructure for global digital assets clearing and settlement. This milestone establishes the critical regulated foundation necessary for institutional participation in digital asset markets and cements ClearToken's position as a leading provider of future global financial market infrastructure.

ClearToken Depository Limited, based in London, is authorised by the FCA to operate as an Authorised Payment Institution under the Payment Services Regulations 2017 and is registered as a cryptoasset firm under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Both permissions contribute fundamentally to supporting the DvP settlement and trade netting of digital assets.

ClearToken's DvP post-trading net settlement system, CT Settle, will be launched for digital assets on a unmarginated basis, focused on eliminating settlement (Herstatt) risk, and addressing the fundamental challenge of capital inefficiency in a predominantly pre-funded trading environment.

Market benefits

ClearToken's CT Settle DvP platform adopts a horizontal model agnostic to trading venues and custodians, operating a regulated settlement service for the spot crypto and stablecoin market, similar in concept to CLS in FX markets.

CT Settle enables firms to unlock significant capital efficiency and fundamentally de-risk their settlement processes. By eliminating costly first-funding requirements and reducing prefunding, clients can free up vital liquidity. The new settlement system creates a more disciplined settlement environment, reducing counterparty risk through streamlined workflows that respect traditional cycles. CT Settle also tackles operational drag by centralising instruction management across all custodians and accounts, which in turn slashes the burdens on operations and treasury teams.

The platform provides true delivery-vs-payment settlement, allowing firms to confidently transact across crypto, stablecoins, and fiat currencies. It facilitates powerful cross-market netting which consolidates positions from multiple sources, including both exchange and OTC trades. Designed for flexibility, the system's account structures and codified rules simplify complex workflows, seamlessly managing proprietary and client activity through advanced position netting. The infrastructure, which is cloud-based and fully market-ready, has been designed and built to support the demands of 24/7 always-on digital asset markets.

Industry relevance: Overcoming barriers to adoption

The digital asset market has previously faced hurdles to mainstream adoption within the Traditional Finance (TradFi) industry due to concerns over governance and risk.

Intermediated trade settlement is fundamental to trust in financial markets; while clearing and netting are essential for scalability and operational simplicity. ClearToken's clearing and settlement solutions are designed to separate execution and custody, giving institutions optionality for where they find best execution, as well as choice for where they custody their assets. Like equity markets in Europe, US and Japan and the US equity options market, ClearToken will accept trades from multiple venues (horizontal clearing), which are net settled into the custodians and banks of the participants' choice based upon standard settlement instructions.

The launch of the CT Settle's DvP net settlement service directly addresses the prevailing market inefficiency caused by the requirement for pre-funding on-venue and OTC market positions. This legacy necessity consumes capital, drives up costs, and severely inhibits liquidity for market participants. By tackling this hurdle, CT Settle enables substantially reduced counterparty risk and working capital requirements.

ClearToken's systems and approach have been rigorously tested and supported by leading market participants. This foundation is essential for market makers and liquidity providers seeking to optimise capital deployment and for asset managers seeking secure delivery vs. payment settlement capabilities.

A crucial first step in ClearToken's vision for a unified market structure

Receiving FCA authorisation underscores ClearToken's commitment to establishing a robust Financial Market Infrastructure (FMI) within established UK legal and regulatory frameworks.

ClearToken's mission is to unlock the full potential of 24/7 digital markets by offering horizontal post-trade services with the legal certainty offered by a regulated FMI. As well as the DvP service, ClearToken will provide clearing and settlement services across digital asset markets for securities, derivatives and financing transactions, subject to Bank of England authorisations.

Through these services, ClearToken is creating a new unified market structure that will reduce credit and settlement risk through multilateral netting and trade compression, support digital securities trading, and eliminate the need for prepositioning of cash and tokens. Participants will benefit from greater capital efficiency and access to a broader trading network as ClearToken brings together incumbents and innovators from across the industry.

Benjamin Santos-Stephens, CEO of ClearToken, said: *"This authorisation is a seminal moment, not just for ClearToken, but also for institutional participation as it provides a clear and realistic roadmap for growing the digital asset economy. The launch of CT Settle, our regulated DvP service, directly addresses the credit risks and capital inefficiencies that have constrained the growth of institutional digital markets. More fundamentally, this establishes a solid, trusted, and regulated foundation that is essential for the market to realise the promise of tokenisation. We are well on our way to delivering the world's first clearing house and settlement depository for both tokenised traditional and digitally native assets, unifying the TradFi and DeFi worlds to unlock the vast potential of the digital assets revolution."*

Niki Beattie, chair of ClearToken, commented: *"This is the catalyst that will allow digital assets to be adopted at scale. The introduction of governance, credibility, and operational resilience that comes with being a fully regulated UK institution means that serious institutional capital can now move with greater confidence into these markets. This FCA authorisation is an important step in the UK's growth and competitiveness objectives as it moves the UK towards delivering trusted, secure financial infrastructure for digital assets globally. We wish to recognise and thank the teams at the FCA for working through this innovative model with us in the lead-up to authorisation."*

The roadmap ahead

The FCA authorisation of the CT Settle DvP settlement system is the short-term goal (Phase 1) within ClearToken's planned roadmap. Following this success, the Group is progressing with its Phase 2 objective: the establishment of the ClearToken Central Counterparty (CCP) and as a Recognised Clearing House (RCH) subject to Bank of England approval. This will deliver additional products, comprehensive risk mitigation, and cross-product margining opportunities, further cementing ClearToken's role in global critical market infrastructure.

ClearToken's long-term objective (phase 3) is to extend its services to all asset classes, including tokenised securities, for which it is participating in the Bank of England's Digital Securities Sandbox. ClearToken is currently engaging with industry participants in working groups to shape this future.

ENDS

To learn more about ClearToken, please visit www.cleartoken.io or reach out to info@cleartoken.io.

Contacts

Streets Consulting

Andrew Dunn, Practice Lead

andrew.dunn@streetsconsulting.com

+44 (0)20 7073 2649

About ClearToken

ClearToken Group, founded 2022, is majority market-owned and based in London. We're building neutral, UK-supervised market infrastructure that provides post-trade settlement between venues on a 24/7 timetable, using post-trade tools recognised in traditional markets. We are actively pursuing regulatory authorisation and recognition, adhering to the IOSCO principles for financial market infrastructures and all relevant legislation governing clearing houses, payment systems, securities, and derivatives depositories.

Our focus

CT Settle is a delivery-versus-payment (DvP) net-settlement service designed to complete both sides of a transfer together across venues, custodians and currencies. CT Settle has received authorisation from the UK Financial Conduct Authority (FCA).

We are developing digital depository capabilities within the Bank of England's Digital Securities Sandbox (DSS) to support book-entry recording for tokenised assets and legal settlement finality.

We are preparing CT Clear, a horizontal central counterparty (CCP) clearing service and recognised clearing house (RCH), subject to regulatory approvals from the Bank of England, with the intention to seek subsequent recognition by the CFTC (DCO licence) in the US and the FSRA in the Abu Dhabi Global Market (ADGM).

ClearToken connects multiple venues and custodians, applying strong AML/KYC standards. Our team are experienced market practitioners focused on reliable post-trade for always-on markets.

For more information, please visit: www.cleartoken.io

ClearToken Depository Limited is registered with the United Kingdom Financial Conduct Authority (Firm Reference Number 1016940) under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 in respect of its activities in cryptoassets only; and is an Authorised Payment Institution regulated by the Financial Conduct Authority under the Payment Services Regulations 2017 (Firm Reference Number 1017352)

Registered address: 1 Bow Churchyard, London EC4M 9DQ, United Kingdom