

Minutes of the 1st meeting
31st March 2025
08:30 – 13:00h
SDX SMAG Meeting
(Connect Room, Hardturmstrasse 201, 8005, Zurich)

Decisions and Overview of Activities

Decisions

During the SMAG meeting held on March 31, 2025, several important decisions were made. The CEO of SIX and the Head of SDX confirmed the restructuring and explained how it will benefit SDX and its members. The charter was approved. The election for the vice-chair position was conducted, resulting in the appointment of Benjamin Anderegg as the first SMAG vice-chair. The focus of the meeting included the adoption of Distributed Ledger Technology (DLT) with three use cases presented, fostering innovation in business services, and outlining future plans for SDX.

Overview of Activities

Theme	Activity	Actors	Status / Deadline
P1 - Welcome and Introduction By Carlo Mondani (SMAG Chair)	Carlo welcomed participants and introduced the agenda.	Carlo Mondani	
P2 - Presentation by Björn Sibbern (SIX CEO)	Björn discussed the vision for future infrastructure, importance of feedback, growth targets, cost discipline, and changes for SDX.	Björn Sibbern	
P3 - Introduction by David Newns (Head of SDX)	David talked about the journey of SDX, adoption of DLT, innovation in business services, integration into the SIX business unit Security Services, and future plans.	David Newns	
P4 – Presentation and Acceptance of Charter	The charter was presented by Urs, and after confirming there were no objections from the participants, it was accepted and approved, becoming valid as of March 31, 2025.	Urs Sauer	
P5 - Voting for Vice-Chair	Introduction of candidates Benjamin Anderegg and Ong Chun Kiat, presentations by candidates, voting process, and results. Congratulations to Benjamin Anderegg as the first SMAG vice-chair.	Carlo Mondani Benjamin Anderegg & Ong Chun Kiat	
P6 – David Newns Presentation (Head of SDX)	David highlighted the importance of effective regulation and a neutral third party for scaling the adoption of Distributed Ledger Technology (DLT) in Switzerland, emphasizing the need for member participation to leverage blockchain for innovative services and business growth.	David Newns	



P7 – Nathalie Torrent Presentation of Helvetia Pilot Use Cases	Nathalie gave an overview of Helvetia Pilot use cases in production and use cases non-vetoed by SNB and in development stage at SDX	Nathalie Torrent	
P8 – Additional Use cases presentations from Members’ banks	The three banks gave each a short presentation of their use case and answered questions by other SMAG participants		
P9 – Brief word from Associations	Representatives from ACT-Switzerland and AMAS shared their perspectives on the current market standings and the ideas presented during the meeting. ACT-Switzerland emphasized the importance of infrastructure and efficiency for corporates, while AMAS discussed the potential impact of tokenization on asset management and fractional trading.	Janko Hahn from ACT-Switzerland & Adrian Schatzmann from AMAS	
P10 – Open Forum	Discussion on lessons learned from use cases, feedback on investor perspective, challenges in adoption and interoperability, and future regulatory changes.	Carlo Mondani, David News, Marco Kessler, Ong Chun Kiat, Sonia Paston-Bedingfeld, Nisha Surendran, Romain Malouvier	
P11 - Closing Remarks	Thanks to all participants for their contributions, importance of SDX's evolution and adoption phase, alignment with SIX's strategic directions, encouragement for members to identify use cases and bring them to market.	David News Carlo Mondani	

INFORMATION EXCHANGE AND DISCUSSION

1. **Welcome and agenda for SMAG Meeting, Carlo Mondani (SMAG Chair)** welcomed the participants to the SMAG meeting and expressed gratitude to those attending both in person and online. He introduced the agenda and confirmed his role as the master of ceremony for the day.
2. **Presentation by Björn Sibbern (SIX CEO)** Björn provided a brief background about his tenure as CEO, highlighting his experience at NASDAQ and his responsibilities at SIX, including overseeing exchanges in Switzerland and Spain. He emphasized the importance of feedback from advisory groups to guide the development of financial infrastructures. Björn outlined the vision for SIX and SDX, stressing the need for scalability and cost discipline. He explained the upcoming restructuring of SDX, integrating it into the post-trade business unit to enhance operational efficiency and customer experience.

Björn elaborated on the strategic rationale behind the restructuring, explaining that moving SDX into the Securities Services business would allow for a unified approach. This means that members will have a single point of contact for discussions related to both traditional and digital assets. He emphasized that SIX remains fully committed to SDX and its digital offerings, which are crucial for the future. By leveraging the existing infrastructure, SDX can streamline its operations and better serve its customers.

Björn also highlighted the maturity of SDX, citing successful projects such as the Helvetia project and the issuance of digital bonds. He mentioned the expansion into custody offerings and crypto trading, including a joint venture in Asia and derivatives on cryptocurrencies. He acknowledged the challenges faced in the past, including the early adoption of certain use cases, and stressed the importance of customer input to guide future developments. Björn concluded by encouraging members to provide feedback and guidance to ensure the continued success of SDX.

3. **Presentation by David Newns (Head of SDX)** David Newns provided additional insights into the journey of SDX and the critical role of Distributed Ledger Technology (DLT) in the financial industry. He emphasized the importance of DLT reaching a level of maturity where it becomes seamlessly integrated into business operations, much like everyday technology that no longer requires constant mention.

David highlighted that the focus should now be on deploying and delivering innovation in business services, rather than merely discussing the technology itself. He stressed that the goal is to use technology to enhance customer services, making them better, faster, and more efficient.

Key points from David's presentation included:

Maturity of DLT:

DLT should become an integral part of business operations.

- The focus is on delivering innovation in business services.

Customer-Centric Approach:

- Technology should enable better, faster, and cheaper services for customers.
- SDX/SIS aim to provide a single point of access for both digital and traditional services.

Foundation for the Future:

- Building a strong foundation at SIX to support future advancements.
- Moving from the innovation phase to a more mature, integrated business model.

Operational Efficiency:

- Integration of SDX into the core business to enhance efficiency.
- Leveraging existing infrastructure for better service delivery.

Strategic Discussions:

- Ongoing discussions about the role of SDX in the crypto market.
- Evaluating where SDX should focus its efforts in the future.

Importance of Feedback:

- Encouraged members to provide input and guidance.
- Emphasized the role of advisory meetings in shaping the future of SDX.

David concluded by reiterating the importance of maintaining a robust infrastructure and delivering reliable services across various business areas. He invited members to reach out with any suggestions for improvements or new innovations, underscoring the collaborative approach to shaping the future of SDX.

4. **Charter Approval** Carlo Mondani briefly introduced the charter and the voting procedures for the charter and vice-chair role. He emphasized the importance of sharing use cases and thanked the participating banks for their contributions. Carlo outlined the mandate of the SMAG Advisory Group, highlighting its autonomy, composition, nomination process, and confidentiality requirements.

Voting Procedure:

- Public voting both in-person and online.
- Encouragement for participants to raise their hands or use Teams for voting and speaking.

Mandate of SMAG Advisory Group:

- Autonomy and independence.
- Composition, nomination process, and membership requirements.
- Importance of confidentiality and decision-making by consensus.

Carlo concluded by welcoming the members and expressing gratitude for their commitment to SDX and SIX Group. He then handed over to Urs Sauer, the SMAG lead.

Charter Presentation and Acceptance Urs Sauer emphasized the importance of the charter and thanked the Swiss SPTC for their assistance in creating it. He asked if there were any objections to the charter, and upon receiving none, **declared the charter accepted**. The acceptance was recorded in the minutes, and the charter was deemed valid from that day forward.

5. **Vice-chair Election** Carlo Mondani introduced the vice chair election, expressing gratitude to the two candidates, Benjamin Anderegg and Ong Chun Kiat, for their candidacy. He invited each candidate to present their qualifications and vision for the role.

Candidate Presentations:

Benjamin Anderegg (Head of Trading at Raiffeisen):

- Experience in both public and private sectors.
- Involvement in issuing digital securities on SDX.
- Extensive committee work experience.
- Strong connections within Switzerland's financial market.

Ong Chun Kiat (COO, SBI DM):

- Background in banking with experience at Standard Chartered Bank.
- Extensive work in Southeast Asia, familiar with regulators and institutions.
- Focus on cross-border partnerships and commercialization of tokenized securities.
- Vision to bridge web 2 and web 3.

Following the presentations, Carlo conducted the voting process. The representatives voted both in the room and online.

Voting Results:

- Benjamin Anderegg received 8 votes.
- Ong Chun Kiat received 0 votes.

Carlo congratulated Benjamin Anderegg on becoming the first SMAG vice-chair and thanked both candidates for their participation. He expressed enthusiasm for working with Benjamin.

6. **Presentation by David Newns (Head of SDX)** David provided an overview of SDX's journey and the adoption of Distributed Ledger Technology (DLT). He emphasized the importance of effective digital securities regulation in Switzerland, which has enabled significant innovation in both crypto and digital securities. David highlighted the role of a neutral third party in managing risk and ensuring regulatory compliance, which is crucial for scaling adoption.

David discussed the importance of having a critical mass of blockchain participants on the platform. He explained that without members actively executing and exploring use cases on the blockchain, the technology remains a proof of concept rather than delivering tangible benefits. The participation of members is essential for leveraging blockchain to deliver business ambitions, generate new revenue streams, and provide innovative services.

Effective Regulation:

- Switzerland's forward-looking regulation has fostered innovation.
- Importance of having a regulated blockchain-based financial market infrastructure.

Neutral Third Party:

- Essential for managing risk and ensuring regulatory compliance.
- Facilitate scaling and broad adoption of services.

Interoperability:

- Critical for initial adoption.
- Bridges built between SDX and SIX-SIS the traditional market infrastructure.
- Dual listing concept for digital bonds.

Tokenized Central Bank Money:

- Wholesale CBDC is vital for scaling.
- Transactions settled in central bank money on blockchain.
- Significant achievement for the Swiss ecosystem.

Foundation for Scaling:

- Achieved digital securities equivalency.
- Established foundation and substructure for future scaling.

Innovation and Participation:

- Importance of members executing use cases on the blockchain.
- Leveraging blockchain to deliver business ambitions and innovative services.
- Delivering services in a regulatory compliant fashion to a broad set of investors.
- Use cases supported by DLT; collateral management, fractionalization of instruments, instantaneous settlement, and programmability of tokens (wCBDC and asset tokens).

David concluded by expressing pride in the accomplishments of SDX and the Swiss ecosystem and emphasized the importance of ongoing feedback from members to guide future developments.

7. Presentation / Update on the Helvetia Pilot Project: Nathalie Torrent (SDX Lead Project manager) provided a short overview on Helvetia Pilot wCBDC use cases available in production:

- Issuance of digital bonds and primary market allocations (including grey market)
- Settlement of OTC market activities for native digital bonds (issued at SDX CSD)
- Settlement of OTC market activities of tokenized traditional assets (not issued at SDX CSD, e.g. at SIX SIS)

And the ones in preparation:

- wCBDC versus payment link with SIS for digital assets covering primary market allocations & OTC secondary market activities
- Primary distribution of issued assets where the syndicate includes non-SDX members
- OTC market activity between SDX members and non-SDX members, corporate actions processing using wCBDC (e.g. interest payments, redemptions)

8. Presentations of additional use cases by three members' institutions

9. **Associations' Perspectives** Carlo Mondani invited representatives from the associations to share their views.

Janko Hahn from ACT-Switzerland provided insights into the association's activities and collaboration with SDX. **Presentation by Janko Hahn (ACT-Switzerland):**

Background:

- Head of Treasury Operations at Autoneum Group.
- Representing Swiss ACT Association.

Association Overview:

- Nearly 30 years old with diverse membership.
- Organizes four events annually to stay updated on developments and solutions.

Core Interests:

- Focus on infrastructure, efficiency, and interoperability.
- Importance of standardization and easy interaction for corporates.
- Challenges related to cost structure and resource constraints.

Collaboration with SDX:

- Long-standing cooperation, including insights on CBDC.
- Support for projects like digital cash and bond issuance.
- Emphasis on benefits for banks and corporates.

Janko concluded by expressing appreciation for being part of the group and looking forward to continued collaboration and discussions.

Presentation by Adrian Schatzmann (AMAS) Adrian Schatzmann from the Asset Management Association in Switzerland provided insights into the association's perspective on tokenization and its impact on asset management.

Tokenization of Real Assets:

- Enthusiasm is moderate across the industry.
- Asset management requires scale; smaller assets being tokenized will not trigger significant changes.
- Tokenization of blue chips could have a substantial impact.

Investment Funds:

- Investment funds are the default wrapper for asset managers.
- Interest in tokenizing investment funds due to standardized yet fragmented processes.
- Regulatory challenges, such as the requirement for an independent custodian.

Fractional Trading:

- Tokenization may make fractional trading easier.
- Fractional trading is already possible without tokenization, but tokenization can enhance it.

Adrian concluded by expressing openness to questions and feedback, emphasizing the potential benefits of tokenization for asset management.

10. **Open Forum** Carlo Mondani invited participants to share their feedback on the use cases presented during the meeting.

He opened the floor for feedback and questions, specifically asking Sonia to share her thoughts.

Sonia Paston-Bedingfeld: Emphasized the importance of understanding the benefits and impact of use cases on different participants, highlighting the need to trace functionality through the value chain.

Nisha Surendran: Discussed the importance of meeting user experience expectations, particularly for family offices and private wealth segments. She stressed the need for seamless integration with existing infrastructure and praised the interoperability between SIX SIS and SDX and highlighted the need for further streamlining for e.g. AML and KYC processes.

David Newns: Acknowledged the challenges of technology outsourcing and emphasized the importance of reducing friction in adoption. He explained the rationale behind moving SDX into post trade to enhance interoperability and facilitate adoption through existing channels.

Marco Kessler: Highlighted the exploration of new services for the CSD, including cryptocurrencies as an ancillary service. Emphasized the goal of providing seamless access and leveraging the existing value chain for securities and collateral management services.

Ong Chun Kiat: Inquired about potential changes in Swiss regulations in light of recent European and US regulatory developments.

David Newns: Responded that there is currently no appetite for new crypto and digital asset regulations in Switzerland, given the regulatory environment influenced by the Credit Suisse situation. He invited other members to share their perspectives.

Carlo Mondani: Added that the recognition of UK regulations and their impact on financial markets is also being monitored.

Carlo then redirected the discussion to the bond markets use case, asking for feedback on the incentives for investors and the interoperability between traditional and digital markets.

Marco Kessler: Acknowledged the importance of discussing the fee schedule and the need for solutions that offer faster, cheaper, and higher quality access. He emphasized the importance of understanding market structures and working collaboratively to update the schedule.

David Newns: Echoed Marco's points, emphasizing that the technology should not just reduce cost but also enable new possibilities that cannot be achieved with traditional infrastructure. He highlighted the importance of innovation and scalability.

Marco Kessler: Praised CK for highlighting the benefits beyond cost, emphasizing the need for a broader perspective.

Carlo Mondani: Added that digital bonds should be seen as building blocks for future innovations, stressing the importance of issuer buy-in and the benefits of native digital assets.

Carlo then asked if there were any other topics or questions from the audience, mentioning the discussion on money market funds.

Romain Malouvier: Shared insights from Pictet Asset Management, emphasizing the interest in tokenizing treasury products for instant access. He highlighted the success of digital settlement for money market funds and the potential for stable coins and collateral management.

Carlo Mondani: Thanked Romain and asked if anyone else wanted to comment on money market funds. He then moved to closing remarks, acknowledging the participants' patience and readiness for lunch.

11. Closing Remarks

David Newns:

- Expressed gratitude to all participants for their contributions.
- Emphasized the importance of discussions for SDX's evolution.
- Highlighted the restructuring at SIX to facilitate adoption and increase efficiency.
- Underscored the potential for SDX to deploy innovation at scale.
- Stressed the importance of member collaboration in identifying and bringing use cases to market.
- Appreciated the conversations and looked forward to the deployment and commercialization of services.

Carlo Mondani:

- Thanked everyone.
- Reminded participants to mark their calendars for the next SMAG meeting that will be communicated shortly.