



Canadian Securities Administrators  
Autorités canadiennes en valeurs mobilières

# Tokenization in Canadian Capital Markets: Exploring innovation, infrastructure and regulation

April 9, 2026

## Important Note

Participants are strongly encouraged in advance of the meeting to consider this annotated agenda and the linked materials, and to reflect on the questions set out. This annotated agenda is provided solely to support discussion. It does not represent the Canadian Securities Administrators (CSA) views or decisions, does not signal future regulatory focus or activities, and should not be relied on as guidance or a statement of policy.

The meeting is designed as an interactive, workshop-style discussion rather than a traditional roundtable with prepared statements. The materials and reflection questions for each agenda topic are intended as conversation prompts to help surface practical experience, points of disagreement, and areas where additional regulatory clarity or guidance may be helpful. They are not intended to constrain discussion, and participants are encouraged to raise issues and perspectives beyond those identified. We invite you to:

- share concrete examples from your organization's work (including pilots, proofs-of-concept, or implementation planning);
- focus on practical insights (what worked, what did not, and why), including operational, legal, governance, and risk considerations; and
- build on others' points so that a range of views can be heard.

## 9:00 – 9:45 Welcome and Opening Remarks: Framing the Tokenization Landscape

*Facilitated by Dr. Ryan Clements, Director of Advanced Research and Knowledge Management, Alberta Securities Commission*

## 9:45 – 10:45 From Physical to Digital: Tokenizing Real and Alternative Assets

*Facilitated by Denise Weeres, Director of Corporate Finance, Alberta Securities Commission*

Alternative assets, including private equity, private credit, and private real assets (such as infrastructure and natural resources), constitute a significant and expanding segment of Canadian investment portfolios. These markets are distinguished by their structural complexity, limitations on secondary trading, fragmented manual operations, and limited access for retail investors.



Tokenization is being considered as a strategic solution to address some of the structural challenges in private and exempt markets. By digitizing interests in private funds, private companies, royalty streams, or physical assets via distributed ledger technology (**DLT**), stakeholders aim to improve transfer and recordkeeping efficiency, allow for fractional ownership, and facilitate more organized secondary market activity among qualified participants. In private markets, the absence of continuous disclosure and reliance on prospectus exemptions often restrict resale, with secondary transfers typically occurring only among accredited or otherwise qualified investors. Tokenization is being explored as a way to operationalize these existing constraints more efficiently by embedding transfer restrictions and eligibility checks directly into smart contract logic, so that secondary transfers of tokenized private assets occur only in accordance with applicable requirements. More broadly, smart contract programmability is being tested to support compliance-related workflows, including investor onboarding, transfer approvals, and aspects of KYC and suitability assessment, while improving the reliability of the securityholder register, investor communications, and custody and control arrangements in a largely digital environment. While tokenization may not eliminate intermediation, it may re-allocate familiar functions across new platforms and service providers in ways that reduce back-office friction, increase competition, and enable new service models.

Tokenization is also seen to provide faster and increased access to alternative financing structures for issuers, such as mining royalties, resource revenue streams, and resource development vehicles, which can serve as channels of financing that supplement more traditional private market transactions. The natural resource sector adds an important domestic dimension in this context. With growing interest in critical minerals and geopolitical developments increasing attention on gold, silver, and oil and gas, capital formation in these sectors remains a live issue for Canadian economic development.

Globally, preliminary pilot projects have demonstrated the operational viability of private asset tokenization within institutional settings. For instance, [Citi's 2024 collaboration with Wellington Management and WisdomTree](#) involves a proof-of-concept that tokenized a private equity fund interest, with integrated eligibility controls and transfer restrictions embedded in smart contracts, as well as links to tokenized collateral structures.

While this session uses alternative assets and other private market instruments as a starting point, many of the benefits of tokenization of private market securities (e.g., a shared ownership ledger, programmable transfer logic) could also apply to public market securities. In this context, tokenization raises questions about whether some functions performed today by transfer agents and shareholder communications/service providers could be streamlined or re-architected (e.g., corporate actions such as dividend/coupon payments, proxy voting, and tender or take-over bid processes).

This session will examine existing pilots and implementations, and regulatory approaches adopted or emerging in other jurisdictions. This session will also explore where tokenization can credibly reduce manual processes in the exempt market and public markets, where it primarily changes the architecture through which existing obligations are met, and what genuinely new operational or risk-management challenges arise as these activities move on-chain.



*Illustrative Market Examples:*

Participants are encouraged to review the following:

- [Citi/Wellington/WisdomTree private fund tokenization proof of concept](#) (announced February 2024)
- [Project Revo from the TMX Group](#) (completed in 2024)
- [Nasdaq's equity token design explicitly aimed at corporate actions, proxy voting, shareholder engagement](#)
- [Broadridge Whitepaper – Next-gen markets: The rise and reality of tokenization](#) (2025)
- [IOSCO Report: Tokenization of Financial Assets](#) (2025)

*Reflection Questions:*

1. How might tokenization help address some of the current challenges in the exempt market? Does it raise new challenges in the exempt market? To what extent would these challenges apply to the public markets?
2. Many of the types of securities contemplated to be sold through tokenization can be sold now (e.g., fractional interests in assets). Does tokenization reduce costs and remove frictions? For example, can tokenization help to address the challenges in facilitating low value transactions, keeping track of hundreds of royalty holders and disseminating payments to them? If so, how?
3. Does lack of familiarity with DLT and technology-related risks create frictions in attracting businesses and investors to a tokenized environment? How can this be addressed? We've previously had tokenized platforms authorized to operate in Canada, but they've had limited success. What might be done differently?
4. Will tokenization facilitate greater investor access in the exempt market? Does tokenization change the types of investors that would provide capital (foreign investors, small cheque investors, etc.) or attract new investors? If so, how? To what extent could tokenization support greater economic participation or autonomy for communities?
5. As Canada looks to address its productivity challenge, financing small and medium size businesses is a priority. Does tokenization create new alternative financing models?
6. Can tokenization align or facilitate long-term strategies, such as environmental stewardship, seven generation planning, or diversification of local economies?
7. Can issuers and selling security holders have confidence that smart contracts ensure compliance with regulatory requirements such as distributions to certain classes of individuals or resale restrictions? What are best practices for auditing and verifying that smart contracts function as intended? How can non-compliance as a result of the code or unintended consequences be addressed?



8. What challenges arise in using a distributed ledger to maintain a securityholders' list? What challenges arise in relation to tokenized shareholder meetings and exercise of proxy rights? Are changes to corporate law needed to facilitate tokenization by corporate issuers?

10:45 – 11:00 Break

## 11:00 – 12:00 Funds on Ledger: Tokenization of Investment Funds

*Facilitated by Chris Bent, Senior Legal Counsel, Investment Management Division, Ontario Securities Commission*

Tokenized investment funds are now among the most advanced and rapidly growing uses of DLT in regulated capital markets. By converting fund units into blockchain tokens, fund managers and administrators are investigating potential operational improvements in subscription, redemption, transfer, and recordkeeping functions. Globally, companies such as BlackRock and Franklin Templeton have launched tokenized fund products at an institutional level, with total assets managed through these structures exceeding US\$1 billion.

Money market funds (**MMFs**) and short-duration fixed income funds are central to institutional treasury operations, and their tokenization is seen as leading to broader tokenized markets, especially as an alternative to cash in collateral and settlement processes. Key financial hubs, such as the United States, Luxembourg, Singapore, and Hong Kong, have engaged with tokenized funds, ranging from regulatory pilots to formal guidance.

Canadian asset managers, fund administrators, custodians, and distributors may be considering the viability of tokenized fund structures. How will tokenization affect specific functions (e.g., transfer agency, custody, distribution, recordkeeping) of asset managers and fund administrators' current operating models?

This session aims to explore the specific regulatory, legal, and operational questions and whether they require changes to existing frameworks. Discussion will cover how tokenized fund structures have been applied internationally; current or proposed regulatory approaches in other jurisdictions; where Canadian investment fund rules, registrant duties, and custody requirements are robust or lacking; and what features a Canadian tokenized fund framework should include to ensure investor protection and operational reliability.

### *Illustrative Market Examples:*

Participants are encouraged to review publicly available materials on deployed tokenized fund structures, including:

- [Franklin Templeton's OnChain U.S. Government Money Fund \(FOBXX, launched 2021\)](#)
- [BlackRock's USD Institutional Digital Liquidity Fund \(BUIDL, launched March 2024 via Securitize\)](#)



We invite comments from those who have assessed tokenized fund structures, and if so, what operational and regulatory questions arose in practice.

*Reflection Questions:*

1. What should constitute the "authoritative register" of fund unit ownership when a blockchain records transactions, and what audit, reconciliation, and error-correction obligations should apply to a fund administrator or transfer agent operating in that environment?
2. Do tokenized fund units raise any custody issues beyond those that already arise for other tokenized securities, particularly in light of existing dealer custody requirements for client assets?
3. If tokenized fund units enable faster or always-on (24/7) subscriptions, transfers, or redemptions, what new liquidity, valuation, and operational control challenges could arise and what mitigation strategies (e.g., cut-off times, gates, buffers, swing pricing, pausing mechanisms, governance controls) should be in place and clearly communicated to investors?
4. Do tokenized fund structures meaningfully alter the roles of any intermediaries?
5. Which participant in a tokenized fund ecosystem (manager, administrator, custodian, platform operator) should bear primary regulatory accountability for the integrity of on-chain records and the security of investor assets?

12:00 – 1:00 Lunch

## 1:00 – 2:00 The Future of Fixed Income: Tokenized Debt and Bonds

*Facilitated by Amanda Ramkissoo, Senior Regulatory Advisor, Legal, Office of Economic Growth and Innovation, Ontario Securities Commission*

The tokenization of debt securities represents one of the most compelling applications of DLT in capital markets. Fixed income instruments are leading issuance activity in the nascent tokenization landscape with estimates suggesting roughly US\$10 billion in tokenized bond issuances in the last decade and expected continued growth.<sup>1</sup>

Although fixed income market infrastructure has benefited from decades of development and operational optimization, it remains a complex and manual process with a number of structural frictions that continue to limit efficiency. For example, there is dependence on multiple

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<sup>1</sup> [McKinsey & Company, From ripples to waves: The transformational power of tokenizing assets \(June 2024\)](#)



intermediaries for execution, settlement and custody, creating several points of risk, adding operational complexity and resulting in significant transaction costs. Market infrastructure also remains complex with bond and cash settlement, operating through separate processes. DLT promises several efficiency gains to the bond lifecycle include faster (T+0) settlement cycles, reduced reconciliation costs, improved transparency of ownership, and the automation of key processes including corporate actions and coupon payments through programmable logic.

### *Project Samara – A Canadian Live Test*

Globally, tokenized bond projects have moved beyond proof-of-concepts and have become a focal point for stakeholders evaluating the practical, potential and regulatory implications of scaling tokenization across global capital markets. In Canada, *Project Samara* adds a domestic example to this international landscape. Under a collaborative experimental research initiative, the Bank of Canada, RBC Capital Markets, RBC Investor Services, TD Bank Group, and Export Development Canada evaluated the use of DLT to support end-to-end transactions throughout the bond lifecycle, including issuance by EDC, bidding, coupon payments, redemption, secondary trading, as well as the “atomic” settlement of trades using digital representations of wholesale Canadian dollars (“WCAD”) created and managed by the BoC.

This session will utilise Project Samara as a case study, supplemented by relevant international examples, to examine the market infrastructure requirements for tokenized bonds and the legal, operational and governance considerations. It will also explore areas of potential misalignment between securities regulation and core DLT principles required to be addressed to facilitate adoption of tokenized bond activities in Canada.

### *Illustrative Market Examples and Reports:*

#### **Project Samara**

- [Decision In the Matter of RBC Dominion Securities Inc., dated March 2, 2026](#)
- [Project Samara Research Paper \(2026\)](#)

#### **UBS/SIX Digital Exchange**

- [UBS 2022 launch of world’s first native digital bond with dual listing and trading on SIX Digital Exchange and SIX Swiss Exchange](#)
- [IOSCO Report: Tokenization of Financial Assets \(2025\)](#), case study at page 21.

#### **Bank of International Settlements**

- [BIS Bulletin No 107 – Tokenization of government bonds: assessment and roadmap \(2025\)](#)
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### *Reflection Questions:*

1. Do tokenized bonds require a purpose-built and permissioned networks due to operational, governance and risk mitigation requirements? Is public blockchain interoperability currently practical? What benefits would it provide?

2. The design of governance frameworks is a critical issue for commercial use and scale. What frameworks are workable and who should ultimately control the ledger (consortium of banks, a central market infrastructure operator, an exchange, public blockchain infrastructure)? What risks arise from concentration of tokenized bond settlement in a single DLT operator, and how should those risks be managed and disclosed?
3. Does tokenization of bonds meaningfully reduce intermediation? In current pilots, which traditional intermediaries are being removed, and which are simply performing the same role under different technical architecture? What are the key areas of misalignment between existing securities regulation and DLT principles?
4. Are third party-custodian requirements for investor assets impractical for tokenized bond workflows? Do “internal storage locations” present any new/different risks?
5. Does operational, governance and investor risk change for tokenized bond issuance, coupon payments, or principal repayment depending on whether the payment leg may be in tokenized deposits, central bank digital currency, MMFs, or stablecoins?
6. If atomic settlement requires prefunding and higher liquidity commitments, should fixed-income markets prioritize settlement finality or balance sheet efficiency? Are there netting mechanisms that could be incorporated to reduce liquidity demand.
7. The *Project Samara* Research Paper refers to several factors limiting broader adoption of DLT systems for capital markets infrastructure with hybrid models combining DLT and centralized oversight emerging as the most practical near-term path. What does this look like for tokenized bonds?

## 2:00 - 2:15 Break

## 2:15 – 3:30 Market Architecture: Tokenized Trading, Clearing, and Settlement

*Facilitated by Mohamed Zohiri, Legal Counsel & FinTech Adviser, Alberta Securities Commission*

Every securities transaction in Canada depends on market infrastructure like trading venues, central counterparties, depositories, custodians, and payment systems. This market “plumbing” was designed for traditional book-entry securities and batch processing. Tokenization not only alters traded instruments but also the current infrastructure for trading, clearing, settlement, and custody.

A key issue is how settlement functions when both securities and cash, or cash-like instruments, can be tokenized. Tokenization makes atomic delivery-versus-payment possible, with security tokens and settlement assets moving simultaneously on distributed ledgers. Various pilots are testing this, offering potential benefits like faster settlement and reduced reconciliation, but also raising concerns about finality, netting, and current system roles.



Choosing the right settlement asset and collateral is crucial. Today's settlements use central bank money and commercial bank deposits, but in tokenized markets, options include tokenized deposits, stablecoins, government securities, and central bank digital currencies. Which all have different legal and risk profiles. These choices directly impact systemic risk, investor protection, and regulatory boundaries.

Tokenization also impacts clearing and collateral management. Central counterparties currently manage risk by netting trades and holding margin, but more frequent or atomic settlement could change their role. Margin rules may need adjusting, and new tools for default and liquidity risk might be required.

The CSA is focusing on tokenized trading, clearing, and settlement because of their implications for market structure and systemic risk. This session will address practical questions around integration with existing infrastructure, settlement assets and collateral, adequacy of current laws, and potential need for new guidance or legislation.

*Illustrative Market Examples and Reports:*

- [BIS Innovation Hub - Project Helvetia: A multi-phase investigation on the settlement of tokenised assets in central bank money \(2022\)](#)
- [BIS Innovation Hub - Project Agora: exploring tokenisation of cross-border payments \(2025\)](#)
- [Project Samara Research Paper, \(2025\) Appendix II](#)
- [Securities and Exchange Commission No-Action Letter Related to DTC's Development of Securities Tokenization Services \(2025\)](#)
- [IOSCO Report: Tokenization of Financial Assets \(2025\)](#), pg. 26-39, and 57-58

We want to hear from participants about:

- Your assessment of how tokenization would change your organization's current trade lifecycle, including the procedures, the controls and the handoffs.
- The pilots you have reviewed or been involved in, and what you have learned from them, particularly regarding tokenized settlement, tokenized collateral (including repo-style collateral workflows), or atomic DvP (including simulations).

*Reflection Questions:*

1. For a tokenized securities transaction between Canadian institutions that settles atomically on a distributed ledger, when would you consider finality achieved for legal, risk, and accounting purposes, and what law, rule, or contractual framework supports this?
2. Where do you think roles could shift with near-instant tokenized settlement—particularly reliance on the Canadian Depository for Securities (CDS), central counterparties (CCPs), real-time gross settlement (RTGS), custodians, and treasury functions?



3. In tokenized cash markets, is a CCP still necessary for cash-market securities, or would near-instant settlement materially change its role (e.g., netting, margining, and default management)?
4. Which settlement assets and forms of tokenized collateral are acceptable for regulated Canadian settlements in the medium term (e.g., tokenized bank deposits, stablecoins, wholesale CBDC, tokenized MMFs/government securities, or fund tokens used in treasury/repo workflows), and what conditions should govern their use (including collateral eligibility, margin/collateral call mechanics, re-pledging, and any additional regulatory issues beyond investment fund regulation)?
5. How would your institution's intraday liquidity management adjust if most settlements shifted from batch T+1 to frequent or near-instant settlement on tokenized rails?
6. Do you anticipate divergence in the risk profile or valuation of a security (and related derivatives) that can trade and/or settle in both traditional and tokenized markets, and if so what risk management tools or controls are needed?
7. What custody, control, and legal-enforceability challenges arise when securities and collateral are held as tokens controlled by keys and smart contracts (including client asset protection, segregation, recordkeeping, and error-correction), particularly in cross-border scenarios using foreign DLT platforms or foreign-issued settlement assets—and how should perfection, priority, and enforcement of security interests be addressed under Canadian law?

### 3:30 – 4:00 Key Takeaways and What Comes Next

*Facilitated by Dr. Ryan Clements*

## Networking Reception and Dinner

In-person participants are invited to join us for an informal networking and dinner reception following the day's sessions.

- **Venue:** Fonda Fora
- **Address:** 630 4th Avenue SW, Calgary, AB
- **Time:** 6:00 pm – 9:00 pm (MST)

The reception will provide an opportunity for continued discussion and informal engagement with fellow participants.