



PNGX Markets and XBourse Australia sign MOU for use of blockchain technology to accelerate Pacific Islands' capital markets

Port Moresby, 22 June 2022: PNGX Markets - Papua New Guinea's national stock exchange, XBourse Australia - a leading technology services company specialising in building innovative bespoke solutions for financial markets, and Pacific Capital Markets Development - an Australian company committed to the development of capital markets in the Pacific region, have today signed a memorandum of understanding to explore the development of world-leading digital solutions for Pacific Islands' capital markets, starting in Papua New Guinea.

The objectives of the cooperative arrangements are to enhance capital market efficiency, promote market liquidity, attract investment and reduce market risk in the Pacific Islands region.

Under the memorandum, PNGX, XBourse and PCMD will work together to explore the phased development of state-of-the-art digital market infrastructure and services:

- Multi-currency post-trade settlement and registration solutions for public and private markets; including equities, bonds and climate instruments.
- central securities depositories and registries;
- custodial services for international investors;
- integrated commercial and regulatory solutions for SMEs; and
- superannuation registry solutions.

It is intended that the technology platforms will be integrated with central bank payment systems. The initial focus of the co-operation between the parties will be Papua New Guinea before exploring opportunities in other Pacific countries.

“We are very excited to be working with XBourse” said PNGX Chairman and PCMD Director, Mr David Lawrence. “XBourse’s digital ledger technology (also known as blockchain) and smart contracts have the potential to turbo-charge the public and private capital markets in the Pacific region. The concepts currently being developed would be world-leading, presenting real opportunities for Papua New Guinea.

“We have a vision to provide an integrated solution for Pacific companies of all sizes offering faster access to debt and equity capital, instantaneous and risk-free settlement of trades, a central securities depository to make trading easier for all market users, a custodial platform to meet the needs of international investors, and the potential for expansion into other services, such as superannuation technology services” Mr Lawrence said

“XBourse is a market leader in the financial technology sector and has been working in recent years with globally recognised technology partners to develop a range of integrated and innovative market platforms and digital solutions that can be readily deployed into all types of markets, covering both existing and new assets, such as climate, that are rapidly being digitised. These platforms deliver greater functionality, efficiency and a new way of doing business in the 21st century at a lower cost than existing incumbent legacy systems and processes.

“Importantly they offer opportunities for new asset classes in the digital age. Some of the opportunities include issuance and registration of assets, trading, digital registries and other back-office systems with immutable records of ownership, transactions and provenance that provide much-needed integrity and security to support the market and regulatory confidence.

“XBourse is excited to be working with PNGX and Pacific Markets Capital Development to identify ways XBourse’s technology solutions can be implemented in the PNG market. Our experience has shown that better market infrastructure is vital to promote efficient use and allocation of capital and to attract the interest of investors large and small,” said XBourse CEO and Founder, Mr Tony Mackay.

“Digitisation and blockchain provide the opportunity for markets of all types and sizes to better and more efficiently access capital. Just as importantly, the new market infrastructure can reduce operational and regulatory risk for all participants and operators.

“XBourse is also working on early-stage projects to tokenise carbon abatement and carbon credits, and we see enormous potential in the Pacific for these instruments where digitisation and blockchain technology can validate, regulate and tokenise these instruments and initiatives and make markets in them,” Tony Mackay said.

“The input of key stakeholders in the market, such as listed companies, banks, superannuation funds and stockbrokers, is critical to the success of this project and ultimately of the PNG market” said PNGX General Manager, Ms Elizabeth Wamsa. “We will shortly be

conducting industry forums to discuss user and regulator needs to enable the development of an optimal solution” she said.

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About XBourse Australia – www.xbourseglobal.com

XBourse Australia is a subsidiary of XBourse Global, a technology services company partnering with Digital Asset Holdings, IntellectEU and Exberry to build an ecosystem of bespoke market technology-as-a-service ventures for financial and climate markets applications which utilize digital issuance of commodity tokens and property asset tokens, secondary trading, risk management, cash settlement and registry services.

XBourse’s driving philosophy is that technology and innovative market structure solutions create more efficient markets for both issuers and investors. This lowers the cost of capital, leading to more investments which help economies develop for the benefit of the whole population.

CEO and co-founder of XBourse, Tony Mackay, has a history of successfully disrupting financial markets and introducing innovation and new market technology to improve capital markets and grow capital flows. Mackay was a key member of the Instinet team that pioneered electronic trading in the ‘90s, and in the ‘00s developed INET (the markets and technology that powers NASDAQ). From 2007 onward Mackay founded Chi-X, which evolved into the largest pan-European trading center and then expanded to Canada, Japan, Australia and Singapore.

XBourse is utilizing distributed ledger technology to create innovative market solutions that will help businesses of all sizes expand their access to capital. XBourse has partnered with Exberry to deliver a next-generation trading engine that interfaces with XBourse’s inter-operable clearing and settlement middleware that uses Digital Asset Holding’s DAML smart contract language to write to any DLT CSD, ensuring that XBourse will become the gateway to both traditional and new markets.

Through its Kairos-X subsidiary, XBourse is developing solutions and new instruments to help the funding of decarbonization and carbon abatement projects along with the carbon credit trading and climate change strategies for verification and trading.

About PNGX Markets Limited – www.pngx.com.pg

PNGX Markets is the national stock exchange of Papua New Guinea. PNGX is responsible for providing an orderly and fair market for securities traded through its facilities and for acting in the public interest, recognizing the need to protect investors. PNGX is regulated and licensed by the Papua New Guinea Securities Commission. PNGX is the National Numbering Agency for Papua New Guinea.

About Pacific Capital Markets Development

Pacific Capital Markets Development is an Australian-based company committed to the development of PNG capital markets and other capital markets in the Pacific region. It has over 30 years experience in the development, operation, governance, compliance and business planning of financial markets, stockbroking and funds management. Pacific Capital Markets Development is the major shareholder of PNGX Markets.

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