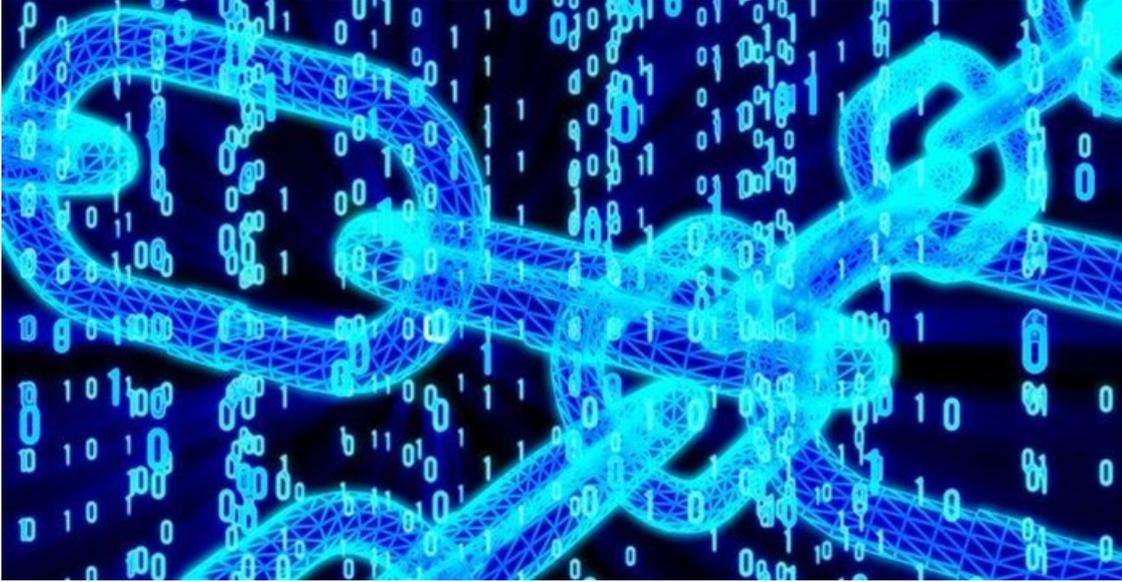


Australia bourse to use blockchain in 'world-first'

SYDNEY, Australia: Australia's main stock exchange has said it will use blockchain, the technology behind cryptocurrency bitcoin, to process its equities transactions in a shift touted as a world-first for a major financial institution.



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The Australian Securities Exchange (ASX), the eighth-largest sharemarket in the world, will replace its current system Chess with the distributed ledger technology to manage the clearing and settlement for buying and selling stocks.

ASX chief executive Dominic Stevens said the move "will put Australia at the forefront of innovation in financial markets", in a statement.

"While we have a lot more work still to do, today's announcement is a major milestone on that journey."

Blockchain technology debuted in 2009 as a public, encrypted ledger for the digital currency bitcoin.

It has drawn interest from the established banking sector in recent years because of its potential for securely tracking transactions, allowing anyone to get an accurate accounting of money, property or other assets.

"If it actually increases efficiency without compromising security, then banks will always be on the lookout for such innovation," Bell Potter banking analyst TS Lim told *AFP*.

"At the end of the day, they'll keep an eye on it but they wouldn't rush into it in a hurry as being regulated entities, it's all about risk management and preserving the security of customers."

The ASX said it would use American software company Digital Asset's blockchain platform. The technology is set to take at least two years to go live, *The Australian* newspaper reported.

"After so much hype surrounding distributed ledger technology, today's announcement delivers the first meaningful proof that the technology can live up to its potential," Digital Asset chief executive Blythe Masters said in a statement.

He added that the switch to blockchain showed it "can meet the requirements of mission critical financial infrastructure".

The ASX said it would release details on how the system would work and when it might be launched in March next year.

Source: *AFP*

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