

## London Stock Exchange Group collaborating with IBM to develop securities data blockchain solution for European SMEs

- Borsa Italiana project plans to digitize securities certificate data to simplify issuance and management of shareholding information
- Solution aims to create a shared registry of shareholder transaction records
- Blockchain technology helps expand SMEs' access to credit and enable shareholder data exchange

LONDON and ARMONK, N.Y., July 19, 2017 /[PRNewswire](#)/ -- Borsa Italiana, part of London Stock Exchange Group (LSEG) and IBM (NYSE: [IBM](#)) today announced they are building a blockchain solution to digitize the issuance of securities for small and medium enterprises (SMEs) in Europe. Designed to simplify the tracking and management of shareholding information, the new system intends to create a distributed shared registry containing a record of all shareholder transactions, helping to open up new opportunities for trading and investing.

"Through our work with IBM on this blockchain solution, Borsa Italiana is taking the lead in transforming the way European SMEs can manage their shareholder data and at the same time expand credit access - all on a trusted digital platform," said Raffaele Jerusalmi, CEO, Borsa Italiana.

The blockchain solution for unlisted SMEs in Europe is designed to replace the paper trading certificates that are commonly issued to private companies today. With a more digitized, streamlined and transparent process enabled by the blockchain solution, various parties – including issuers, regulators and investors – will have increased insight into company information.

Traditionally, private SMEs lack access to public stock exchange networks or formalized credit structures. With this solution, SMEs in Europe can better access credit and link into a broader and more mature investor ecosystem, enabling them to set up new trading networks and obtain funding by sharing financial data in a security-rich and transparent public arena. By implementing the blockchain solution, Borsa Italiana is taking the lead in transforming how private companies can exchange and bring transparency around shareholder data and expand credit access.

"LSEG is testing the use of blockchain technology in a financial business network where data segregation and confidentiality is vital. By working with IBM, a pioneer in building enterprise-class blockchain solutions, we are committed to building, testing and scaling our capabilities in emerging technologies over time," said Chris Corrado, Group COO and CIO, London Stock Exchange Group.

Built on Hyperledger Fabric version 1.0, a blockchain framework and one of the Hyperledger projects hosted by The Linux Foundation, the system is designed to help ensure that highly sensitive securities data can be shared amongst permissioned network participants while remaining secure and gated. This blockchain solution, developed in collaboration with IBM, is built on highly secure infrastructure technology that provides the highest levels of encryption commercially available<sup>1</sup>. The solution is also built to achieve interoperability with LSEG's existing systems, promoting efficiency and business continuity.

"Sharing secure and transparent critical network data across shareholder networks is difficult using traditional system," said Marie Wieck, general manager, IBM Blockchain. "Blockchain is poised to help remove some of these barriers in traditional methods for the transfer of value – much as the Internet did for the exchange of information in the late 1990s."

The solution is undergoing an initial test phase with a small group of partners and clients.

### **For further information:**

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## **Notes to editors:**

### **About London Stock Exchange Group:**

London Stock Exchange Group (LSE.L) is an international markets infrastructure business. Its diversified global business focuses on capital formation, intellectual property and risk and balance sheet management. LSEG operates an open access model, offering choice and partnership to customers across all of its businesses. The Group can trace its history back to 1698.

The Group operates a broad range of international equity, ETF, bond and derivatives markets, including London Stock Exchange; Borsa Italiana; MTS (Europe's leading fixed income market); and Turquoise (a pan-European equities MTF). Through its platforms, LSEG offers market participants, including retail investors, institutions and SMEs unrivalled access to Europe's capital markets. The Group also plays a vital economic and social role, enabling companies to access funds for growth and development.

Through FTSE Russell, the Group is a global leader in financial indexing, benchmarking and analytic services with approximately \$12.5 trillion benchmarked to its indexes. The Group also provides customers with an extensive range of data services, research and analytics through Mergent, SEDOL, UnaVista, XTF and RNS.

Post trade and risk management services are a significant part of the Group's business operations. In addition to majority ownership of LCH, a multi-asset global CCP operator, LSEG owns CC&G, the Italian clearing house; Monte Titoli, a leading European custody and settlement business; and globeSettle, the Group's CSD based in Luxembourg.

LSEG is a leading developer and operator of high performance technology solutions, including trading, market surveillance and post trade systems for over 40 organisations and exchanges, including the Group's own markets. Additional services include network connectivity, hosting and quality assurance testing. MillenniumIT, GATElab and Exactpro are among the Group's technology companies.

Headquartered in the United Kingdom, with significant operations in North America, Italy, France and Sri Lanka, the Group employs approximately 4,000 people.

Further information on London Stock Exchange Group can be found at [www.lseg.com](http://www.lseg.com)

### **About IBM Blockchain**

IBM is the leader in open-source blockchain solutions built for the enterprise. As an early member of Hyperledger, an open source collaborative effort created to advance cross-industry blockchain technologies, IBM is dedicated to supporting the development of openly-governed blockchains. IBM has worked with more than 400 clients across financial services, supply chains, IoT, risk management, digital rights management and healthcare to implement blockchain applications. For more information about IBM Blockchain, visit [www.ibm.com/blockchain](http://www.ibm.com/blockchain).

<sup>1</sup> IBM LinuxONE is certified up to the Evaluation Assurance Level of EAL5+

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