

ICAP Announces Completion of a Blockchain Proof of Technology with Axoni

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Boca Raton, New York, London, 15 March 2016 – ICAP plc (IAP.L), a leading markets operator and provider of post trade risk mitigation and information services, announces today that its Post Trade Risk and Information (“PTRI”) division has successfully completed a proof of technology test case for a distributed ledger using blockchain technology.

The proof of technology successfully completed on 26 February 2016 and has the potential to significantly transform post trade operations, while complying with new market practices within the post-crisis regulatory environment.

The PTRI distributed ledger proof of technology leveraged the multi asset messaging and matching Harmony network, and blockchain infrastructure provided by Axoni, a New York-based technology firm, to create a private, peer-to-peer, distributed ledger network using smart contracts. Axoni’s unique implementation of blockchain technology is proven to provide complex life cycle automation, transactional privacy, sufficient processing of trades to support high-volume markets, automated reporting, and a dynamic permissioning system to onboard new network participants.

Tested using bilaterally executed spot/forward foreign exchange block trades, the PTRI division imported matched messages from Harmony and converted them in real time to blockchain-based smart contracts. The smart contracts were then distributed to nine representative participant nodes on the blockchain network, where trades were permissioned for additional services such as valuation, compression and reporting.

The proof of technology demonstrated the potential to

- provide a common golden source of user transaction and reference data cross asset;
- enrich and enhance the accuracy and timeliness of data by users and attach further information;
- continuously update copies of the data to be stored locally on users’ servers;

- securely code messages to be viewed only by permissioned participants;
- reduce operational risk and improve reconciliation and operations processes, and
- realise multiple back office and technology cost savings.

The proof of technology represents a major step forward in the practical use of blockchain technology by

- focusing on the distribution of data and not the agreement and settlement of bilateral transactions;
- building on existing PTRI solutions and not challenging the fundamental role of participants, and
- operating safely in parallel with existing architecture which does not require an immediate switchover.

Over the coming months, the PTRI business will discuss with participants how they can access the new golden data source and start work to realise technology savings in disparate systems, while ensuring compliance with regulations intended to make markets safer and more efficient.

Jenny Knott, CEO of ICAP's Post Trade Risk and Information Services division, said: "In successfully completing a proof of technology test, ICAP has demonstrated one of the first real world applications of distributed ledger technology that has the ability to significantly transform the post trade landscape. Realising the value of ICAP's unique portfolio of PTRI businesses and investee companies, we have combined our expertise, networks and technology with Axoni's distributed ledger technology to push the boundaries of post trade innovation."

"Partnering with ICAP was an easy choice," said Greg Schvey, CEO of Axoni. "There's no shortage of demand for distributed ledger projects. ICAP's thoughtful consideration of where this technology can be most valuable, its ambitious deployment objectives, and market-leading client reach offer a high probability of success when combined with Axoni's advanced blockchain infrastructure."

ICAP and Axoni were brought together via Euclid Opportunities, ICAP's early stage funding programme for fintech companies.

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About ICAP PTRI

ICAP PTRI is a leading provider of post trade risk mitigation and information services. The Group matches buyers and sellers in the wholesale markets in interest rates, credit, commodities, FX, emerging markets and equity derivatives through voice and electronic networks. Through our post trade risk and information services we help our customers manage and mitigate risks in their portfolios. For more information, please go to www.icap.com.

About Axoni

Axoni is a New York-based capital markets technology firm that specializes in distributed ledger infrastructure. Product offerings include blockchain deployments, large-scale data management, bespoke smart contract development, analytics services, and connectivity tools. For more information, please visit axoni.com.

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