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World Bank Taps Australia's CBA for Blockchain Bond.

MELBOURNE (Reuters) – Commonwealth Bank of Australia (CBA.AX) has won a mandate from the World Bank to arrange a pioneering bond issue to be created and run using only blockchain, aiming to simplify capital raising and trading.

The World Bank and CBA said on Friday indicative interest in the blockchain operated new debt instrument, nicknamed “bond-i” after Australia’s iconic beach, had been strong.

No size or date was given for the issue, a first for the World Bank using blockchain technology, but the two said it would be launched after a period of consultation with more investors.

Using distributed ledger technology, best known as the technology underpinning the bitcoin crypto-currency, would help simplify capital raising and trading and improve regulatory oversight, the World Bank and CBA, Australia’s biggest bank, said.

The World Bank issues between $50 billion and $60 billion a year in bonds to back development in emerging economies.

“This pioneering bond is a milestone in our efforts to learn how we can advise our client countries on the opportunities and risk that disruptive technologies offer,” World Bank chief information officer Denis Robitaille said in a statement.

CBA said it had found solutions to technical and legal issues to make the transaction work.

CBA’s blockchain push come as the Australian Securities Exchange plans to switch to using the distributed ledger technology to clear and settle equities trades from 2020 to help cut costs.

Reporting by Sonali Paul; Editing by Shri Navaratnam

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