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Northern Trust Expands Tokenized Carbon Credit Trials Through Australian Initiative

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Northern Trust, one of the world's largest global custodians, is advancing the digitization of financial markets through its participation in Australia's Project Acacia. Led by the Reserve Bank of Australia (RBA) and the Digital Finance Cooperative Research Centre (DFCRC), the initiative explores how tokenized assets and digital money can operate within existing financial systems.

A central focus of the trial is testing the interoperability of digital settlements, particularly involving tokenized carbon credits and traditional bank accounts.

Northern Trust will use its blockchain-powered **Carbon Ecosystem** platform to test *delivery-versus-payment* (DvP), a process where payments occur only if the corresponding asset is delivered. The goal is to demonstrate that tokenized carbon credits can be settled in real time using a standard Australian bank account, without relying on central bank digital currencies (CBDCs), tokenized deposits, or private stablecoins.

To support this experiment, Northern Trust is partnering with **Swift**, the global leader in secure financial messaging. Justin Chapman, Group Head of Strategic Partnerships, Digital Assets, and Financial Markets at Northern Trust, explained:

“By collaborating on Project Acacia, Northern Trust is helping to prove that delivery-versus-payment of tokenized assets is not a future ideal but a present-day reality.”

Project Acacia has selected 24 use cases to evaluate how tokenized assets could function in real-world applications. While coordinated by the RBA, Northern Trust’s participation reflects private-sector innovation rather than government-driven CBDC trials, which have raised concerns over privacy and centralization.

Unlike trials in the UK and Europe that focus on wholesale CBDC settlement between central banks and financial institutions, Northern Trust is testing integration with commercial banks. This real-world approach highlights the project’s emphasis on practical market use instead of centralized experimentation.

This isn’t Northern Trust’s first blockchain venture. The firm previously helped tokenize green bond data in Singapore through Project Guardian and facilitated cross-border carbon credit trading in Hong Kong via Project Ensemble. With over **\$17 trillion in assets under custody**, Northern Trust is also a founding investor in **Zodia Custody**, a digital asset storage provider.

As debates around CBDCs continue, Northern Trust’s market-led and interoperable strategy offers a pragmatic path forward. By focusing on utility over control, the firm is helping to shape a future where tokenized assets operate seamlessly within the real economy.