April 20, 2026
Mizuho Financial Group, Inc.
Nomura Holdings, Inc.
Japan Securities Clearing Corporation
Digital Asset Holdings, LLC

Launch of proof-of-concept trial for digital collateral management using Japanese government bonds (JGBs)

Enhancing 24/7 cross-border collateral transactions using blockchain technology

Mizuho Financial Group, Inc. (President & Group CEO: Masahiro Kihara), Nomura Holdings, Inc. (Representative Executive Officer and President and Group CEO: Kentaro Okuda), Japan Securities Clearing Corporation (President & CEO: Isao Hasegawa), and Digital Asset Holdings, LLC (CEO: Yuval Rooz; "DA") today announced the joint launch of a proof-of-concept trial ("PoC") to enhance collateral management by leveraging the Canton Network ("Canton"), the only blockchain purpose-built for institutional finance.

Overview of the PoC

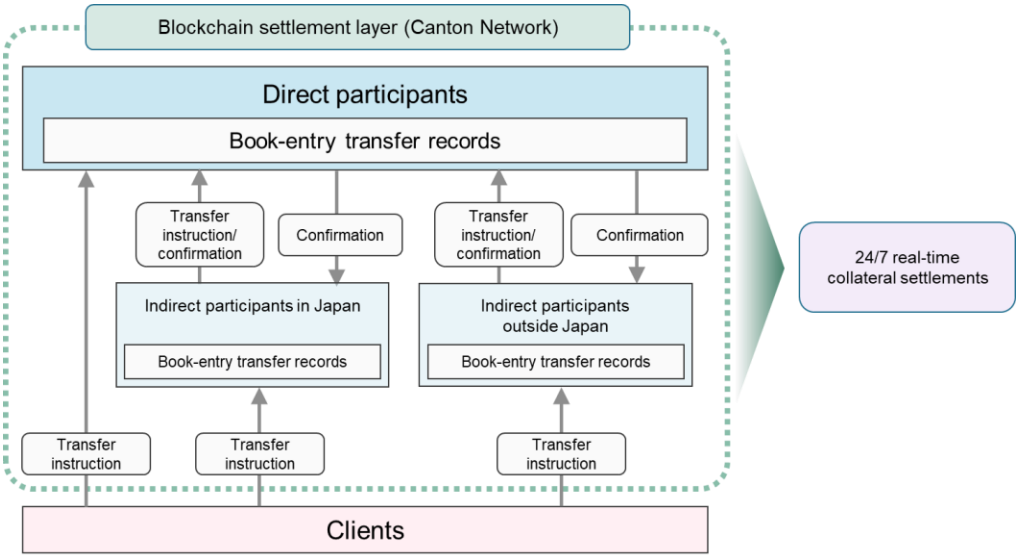
This PoC focuses on Japanese government bonds ("JGBs") for which rights are transferred under the Act on Book-Entry Transfer of Corporate Bonds and Shares ("Book-Entry Transfer Act"). The project will verify, from both legal and practical perspectives, whether the transfer of rights and updates to book-entry transfer records within a hierarchical structure involving multiple account management institutions can be executed seamlessly using blockchain technology.

Furthermore, by integrating existing systems with the blockchain infrastructure on Canton (supported by DA), the PoC will evaluate the feasibility of achieving sophisticated, real-time collateral transactions 24/7, while maintaining the legal status of JGBs under the Book-Entry Transfer Act and the Financial Instruments and Exchange Act.

The PoC will also cover cross-border transactions involving stakeholders in and outside Japan. It will verify use cases involving the transfer of collateral among various entities, including clearing houses, institutional investors, clients, and agents. Additionally, the project will incorporate the relationship with various laws and regulations, including the Book-Entry Transfer Act, into its scope of consideration; examine the necessity of amending relevant internal rules and regulations; and consider functional improvements required for commercialization.

This PoC will be conducted as part of the initiative selected in February 2026 for support under the Payment Innovation Project (PIP) of the Financial Services Agency of Japan (JFSA).

PoC architecture



Background and objectives

As the use of digital assets advances rapidly in the US and other markets outside Japan, and momentum also builds in Japan, achieving digital collateral management for JGBs—which are highly regarded as “eligible collateral” by institutional investors both in and outside Japan—has become an urgent priority. We believe that maintaining and strengthening the availability and liquidity of JGBs in the digital space is essential to the development of financial markets and the improvement of investor convenience.

In this PoC, by combining existing infrastructure with blockchain technology for JGB management, we aim to enable 24/7 real-time collateral transactions and significantly improve the efficiency of collateral management for trade not only within Japan but on a cross-border basis. The substantial reduction in administrative tasks related to the posting and substitution of collateral is expected to improve operational efficiency and reduce costs for both financial institutions and investors. Furthermore, by enabling JGBs (tangible assets) to be managed on a blockchain, we aim to deepen coordination with other digital assets, including digital-native ones, thereby creating value through new types of financial transactions.

Through these initiatives, we intend to solidify JGBs' position in the digital world. By reducing administrative costs and enhancing the sophistication of collateral management, we will contribute to the expanded utilization of JGBs by institutional investors in and outside Japan and strengthen the international competitiveness of the Japanese financial market.