

February 23, 2026



Dr. Sean Turner
Committee Secretary
Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Email: economics.sen@aph.gov.au

Senate Economics Legislation Committee Inquiry into the Corporations Amendment (Digital Assets Framework) Bill 2025

Dear Dr. Turner,

Ripple Labs Inc. ("Ripple") welcomes the opportunity to make a submission to the Senate Economics Legislation Committee (the "Committee") regarding the Corporations Amendment (Digital Assets Framework) Bill 2025¹ (the "Bill").

Founded in 2012, Ripple is the leading provider of blockchain-based enterprise solutions across traditional and digital finance. Our solutions span global payments, custody, liquidity, and treasury management, serving as a one-stop shop for moving, storing, exchanging, and managing value. Ripple's stablecoin, RLUSD, and the digital asset XRP underpinning these solutions allow Ripple and its customers to shape the modern financial system.

Having engaged extensively with the Treasury during the consultation on the Exposure Draft,² we commend the Government for introducing this Bill. We strongly support the Bill's objective to mitigate consumer harm while fostering responsible innovation by regulating digital asset platforms ("DAPs") and tokenised custody platforms ("TCPs") within Australia's existing financial services framework.

¹ See https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r7411, *Corporations Amendment (Digital Assets Framework) Bill 2025*.

² See <https://ripple.com/reports/ripple-submission-to-the-treasury-public-consultation-on-treasury-laws-amendment-bill-2025/>, *Ripple response to Public Consultation on Treasury Laws Amendment (Digital Asset and Tokenised Custody Platforms) Bill 2025*.

While we endorse the high-level policy objectives and the decision to leverage the Australian Financial Services Licence³ ("AFSL") regime, we respectfully submit that specific provisions within the Bill require refinement to ensure the framework is operationally viable, internationally competitive, and capable of addressing the unique technical realities of digital assets.

Therefore, our submission focuses on three critical areas:

1. Refining the Definition of "Control" (Section 761GB): ensuring it accommodates modern security architectures and technology providers.
2. Ensuring Global Interoperability (Section 912BE and 912BF): preventing restrictive localization requirements in asset-holding standards.
3. Transitional Arrangements (Section 1732): ensuring the implementation timeline prevents market disruption and allows for orderly licensing.

Our feedback on these areas is outlined in more detail in the Appendix below.

Ripple remains committed to working with the Committee, Treasury, and Australian Securities and Investments Commission ("ASIC") to ensure Australia's digital asset framework is world-leading. We believe the refinements outlined below will strengthen the Bill, providing greater certainty for industry and robust protection for Australian consumers. We would be pleased to provide further evidence to the Committee if required.

Should the Committee wish to discuss any of the points raised as part of this feedback, please do not hesitate to contact Rahul Advani (Global Co-Head of Policy) at [REDACTED] and Caren Tso (Policy Manager, APAC) at [REDACTED]

Sincerely,
Ripple Labs Inc.

³ See <https://www.asic.gov.au/for-finance-professionals/afs-licensees/>, AFS licensees.

APPENDIX

Ripple respectfully submits the following feedback to the Committee on the Bill:

1. Clarity in the Definition of "Control" (Section 761GB)

Section 761GB of the Bill defines a "digital token" based on whether a person is capable of "factually controlling" the electronic record. Subsection 761GB(3) further specifies that a person does not possess a token if they need the express cooperation of another person who can act unilaterally.

While Ripple agrees that control is the appropriate nexus to determine the regulatory perimeter, the current drafting's reliance on unilateral capacity requires further refinement to accommodate modern security architectures. This creates ambiguity regarding custody technology providers, where no single party has unilateral control. For example, in Multi-Party Computation ("MPC") models, a private key is split into shards held by multiple parties; in these models, no single party typically possesses the unilateral capacity to transfer an asset. Under a strict reading of Section 761GB, technology-only providers could be misclassified as regulated custodians simply because they hold a key shard, even if that shard cannot be used to move funds without client consent. This could inadvertently place such custodial arrangements within the regulatory perimeter, which is not the intent of the Bill.

Ripple believes that any definition on the concept of control needs to account for where there is only an element of control or partial control. Such arrangements are common in the digital assets sector, and we believe that further guidance as to the threshold for control would be a more effective approach than introducing a rigid definition.

Therefore, we recommend the Bill explicitly clarify, either via amendment or within the Explanatory Memorandum, that an entity does not exercise "factual control" unless it can unilaterally transfer an asset without the explicit cooperation of the client.

We believe that providing clear regulatory guidance on the thresholds for control - rather than relying on a rigid or narrow definition - is the most effective way to ensure that modern, secure custody models are regulated appropriately without imposing an unintended licensing burden on pure technology infrastructure.

2. Global Interoperability and Asset-Holding Standards (Section 912BE and 912BF)

The Bill grants ASIC the power to make asset-holding standards (Section 912BE) and transactional standards (Section 912BF). While we support high standards, it is vital that these powers are not used to impose de facto "localisation"

requirements that force platforms to hold assets solely within Australia or use only domestic sub-custodians.

This broad power, if not further specified, presents a material risk of unintended policy misinterpretation, where ASIC could mandate localisation requirements for custody and operational assets to mitigate perceived jurisdictional risks. Forcing localisation through ASIC's minimum standards would directly impede global operations, resulting in restrictions on access to deep global liquidity and best-in-class custody.

Digital asset markets are inherently global. Australian platforms rely on the "local subsidiary, global parent" model to access deep global liquidity pools and institutional-grade international custody solutions. Forcing platforms to localise custody or liquidity would fragment the market, increase costs for Australian consumers, and concentrate risk within a smaller pool of local service providers.

To ensure the spirit of global interoperability is preserved, we respectfully recommend the Committee seek assurance, or introduce legislative guardrails, to ensure that ASIC's standards cannot prohibit licensed operators from utilizing compliant overseas custodial arrangements or global liquidity pools, provided appropriate liability and consumer protections are maintained by the Australian AFSL licensee.

3. Transitional Arrangements (Section 1732)

The Bill proposes a commencement date of 12 months after Royal Assent , followed by a 6-month transition period. Section 1732 provides that if a responsible person applies for an AFSL (or variation) during this 6-month transition period, the new regime does not apply to them until ASIC makes a decision on their application. We acknowledge that this effectively allows applicants to continue operating while their application is pending, and are supportive of this approach.

However, we also recommend ASIC publish a list of the entities with an "application pending" status during this time, which would provide consumers and end-users with a clear reference of which entities are covered under the exemption regime. We believe this approach would better secure business continuity and consumer choice.