



Investor Services

Standardization is the next step for the ETF Primary Market in APAC

Over the last few years, the Exchange Traded Fund (ETF) primary market in APAC has undergone a transformation, shifting from analogue to digital, as the industry scrambles to keep pace with the rising trading volumes.

Although digitalization has ushered in scalability and productivity benefits, it has also – albeit inadvertently – exacerbated fragmentation across the primary market. By embracing standardization, the \$2.5 trillion¹ APAC ETF industry will be well-positioned for future growth.

Trading volumes spark a digitalization push

The ETF primary market in APAC has made digitalization a strategic priority, transitioning away from manual, fax-based order taking systems towards more automated primary order taking portals.

Fuelled by strong institutional and retail flows, better education of investors about ETF wrappers, the growing popularity of digital wealth platforms, and the emergence of cross-border distribution schemes such as ETF Connect, ETF assets under management (AUM) in APAC has seen exponential growth. It follows that as AUM gets progressively larger, so too are trading volumes.

“As volumes increased, it became obvious that the archaic processes in the ETF primary market needed reform. A decade ago, a service provider might be dealing with a handful of creation/redemption orders – today they are processing hundreds. Manual-based systems cannot handle this amount of order flow,” said **Elsa Menezes, APAC ETF Product Head for Citi’s Investor Services**.

In response, providers across the value chain – ranging from custodians, fund administrators, third party technology companies, stock exchanges – including Hong Kong

Exchanges and Clearing Limited, right through to the ETF issuers themselves – have developed their own primary order taking portals.

But with digitalization comes new challenges

The ETF primary market in APAC has made digitalization a strategic priority, transitioning away from manual, fax-based order taking processes towards more automated primary order taking portals.

The industry’s pivot towards digitalization is a positive step, but the proliferation of proprietary and – often bespoke – primary order taking portals is only deepening fragmentation in a market which was already quite complex to begin with.

“Primary order taking portals can bring efficiencies, but now the market is saturated. Compounding the problem is that each of these portals is unique – increasing the operational burden on Authorized Participants (APs),” noted **Menezes**.

The absence of standardized interfaces and consolidated workflows between the various intermediaries is not only leading to added costs for the industry, but it is also amplifying risk, all at a time when markets are volatile.

“The abundance of primary order taking portals – and the logistical complications this causes – underlines the importance and urgency of having industry-wide standardization,” continued **Menezes**.

1. Bloomberg Intelligence – APAC Exchange-Traded Funds (ETF) Market Overview 2026 2Q – July 2026

Getting ahead with standardization

Having made the digital transition, the next phase of the ETF primary market's evolution will be to deliver on standardization.

A good starting point would be to agree on a common schema supporting standard order types, naming conventions and confirmation workflows.²

Already fairly embedded in the secondary markets, the Financial Information eXchange (FIX) Communications Protocol helps standardize and streamline communications involving securities transactions,³ and many people are calling for the standard to be adopted more widely in the ETF primary market.

Progress is happening – in 2025, FIX established working groups with a remit to standardize ETF trading practices, in areas such as creation and redemption workflows, reference data and data transmission.⁴

“Citi plays an instrumental role at the heart of this standardization effort —actively participating in these quarterly and bi-weekly working groups tasked with designing an overarching standardized ETF solution and driving meaningful progress,” said **Paul Spyropoulos, ETF Product Development for Citi's Investor Services**.

Critically, the working groups draw participation from multiple stakeholders across the entire ETF ecosystem — issuers, APs, custodians, technology providers, and exchanges — ensuring that opinions and opportunities spanning the full primary order lifecycle are considered from all perspectives.



2024

Citi announces it will integrate FIX Application Programming Interface (API) connectivity onto its proprietary global ETF order portal, Advanced Citi ETF System (ACES), creating a simplified order management and onboarding process.

2025

Citi enables FIX connectivity between ACES and BSKT by Bloomberg. This latest solution streamlines primary market operations by removing the requirement for APs to build their own FIX engines or Order Management Systems (OMS) and connect directly with Citi.

2025 – 2026

After a successful introduction in Australia, Citi is working with APAC ETF issuers and APs to adopt FIX integrated primary market orders through ACES.

Using FIX removes some of the operational friction of working with multiple order portals and supports direct connectivity for participants when managing the primary creation and redemption process. This lets users obtain real-time transaction updates, resulting in quicker order placements and confirmations. It can also lead to better hedging accuracy and reduced slippage.

Providers such as Citi are pushing ahead with FIX connectivity.

“APAC markets have their own nuances— particularly around pre-funding and the fact that alternative settlement currency options are sometimes provided to APs, which are different to the fund base currencies. Given these idiosyncrasies, the need for standardization in APAC is even more pronounced,” said **Menezes**.

In addition to enabling APs to realize operational synergies, the FIX Protocol will also help the ETF industry navigate fast-moving digitalization trends and the global rollout of T+1.

With T+1 now in the rear-view mirror in North America and Europe due to go live in 2027, all eyes are now on APAC. This comes as several leading APAC markets, including Australia, Hong Kong and Singapore, are currently consulting on introducing T+1.

While the broader standardization effort is progressing, it will be rolled out in a phased approach — recognizing that not all market participants will move at the same pace.

“More agile firms may be positioned to adopt these new standards ahead of the wider market, gaining an early operational advantage,” noted **Peggy Vena, Global Head of ETF Services for Citi's Investor Services**.

2. Calastone – May 15, 2025 – [A new era for the ETF: Technology, standardisation and scale](#)

3. ONIXS- [FIX Protocol](#)

4. FIX – November 25, 2025 – [FIX Trading Community calls for sweeping changes to ETF market](#)

The benefits of a global standard will extend well beyond any one region: by establishing shared protocols, all markets will be able to capitalize on enhancements that might otherwise be limited to specific geographies or firms, levelling the playing field and enabling broader participation in innovation. Importantly, the reduction in operational friction stands to benefit the entire ETF ecosystem — not just custodian banks, but issuers, APs, technology providers, exchanges, and ultimately end investors.

Standardization of the ETF primary market operating model will help users improve market timing, and with it enable them to avoid penalties for late settlements under T+1.

The integration of the FIX Protocol into the ETF primary market needs to be accelerated. By doing so, this will remove some of the frictions from primary market operations and help the industry both scale and adapt to the looming digital and market changes.

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