



EUROPEAN CENTRAL BANK

EUROSYSTEM

FOCUS SESSION

European Central Bank

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Potential use of new technologies for
wholesale central bank money settlement



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Welcome address



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Exploratory work on new technologies for wholesale settlement of transactions in central bank money

Eurosystem is investigating **how central bank money settlement in euro could take place in the presence of new technologies** such as Distributed Ledger Technologies (DLT).
Dedicated [market contact group](#) set up to continue dialogue with the market.

Objectives

- (i) consolidate and **further develop the ongoing work** of Eurosystem central banks in this area,
- (ii) gain insight into how different solutions could **facilitate interaction** between TARGET Services and DLT platforms, and
- (iii) meet **market demand** for central bank money settlement during their own pilots for example under **DLT Pilot Regime**

The exploratory work is **part of the Eurosystem's broader efforts** to:



- contribute to digital innovation in payments and securities settlement
- ensure central bank money to remain monetary anchor supporting stability, integration and efficiency of the European financial system

Technological approaches

Two **theoretical approaches** have been identified for potentially providing wholesale **central bank money (CeBM)** settlement using new technologies:

Trigger/bridge approaches

CeBM settlement of wholesale transactions on DLT platforms with cash leg in existing non-DLT infrastructures

Full-DLT approaches

CeBM settlement of wholesale transactions on DLT platforms with DLT-based central bank money



Interoperability-type solutions

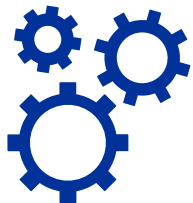


	Euro cash leg	Asset/foreign currency leg
Trigger	On T2 (RTGS)	On external DLT
Bridge	On TIPS Hash link	On external DLT

	Euro cash leg	Asset/foreign currency leg
Interoperability	On Eurosystem DLT	On external DLT
Integration	On Eurosystem DLT	On Eurosystem DLT
Distribution	On external/shared DLT	On external/shared DLT

Eurosystem planned work

The Eurosystem will set up **practical work to explore different solutions** for cash leg settlement in CeBM of DLT transactions, planned from **May to November 2024**, focused on the **Interoperability-type solutions**:



- **Experiments:** mock settlement of the cash and asset legs in test environments, jointly conducted by the Eurosystem and eligible participants at specific dates and times.
- **Trials:** actual settlement of transactions in central bank money in a limited setting for a limited period of time.

The formal call for **expressions of interest** and the official registration is now **open**: [see ECB webpage](#)

N.B. the Eurosystem's exploratory work does not constitute a commitment by the Eurosystem to provide any steady-state solution(s) in the future or to make any changes to its current infrastructure.