

# IL SALONE DEI PAGAMENTI 2024



**C'È DI PIÙ,  
CI SEI TU**



BANCA D'ITALIA  
EUROSISTEMA

## THE EUROSISTEM EXPLORATORY WORK ON WHOLESALE CEBM: LEONIDAS AND OTHER EXPERIMENTS

**Giuseppe SANTANGELI**  
Banca d'Italia,

Head of Wholesale Payment Systems Division,  
Payment Systems Directorate



**27, 28, 29 NOVEMBRE 2024**  
Allianz MiCo: South Wing + Hall 4

**#salonepagamenti #payvolution**  
[salonedeipagamenti.com](https://www.salonedeipagamenti.com)

# Scope of the exploratory work

La parte di immagine con il riquadro rettangolare è stata sovrapposta nel file.

The Eurosystem has set up practical work to explore different solutions for cash-leg **settlement in Central Bank Money** (CeBM) of **DVP** and **PvP** transactions, planned from **May to November 2024**



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



- Exploratory work relies on the **existing regulatory and operational framework** of the TARGET Services



The proposed work is focused on **three interoperability-based solutions:**

- ✓ **Trigger Solution** by Deutsche Bundesbank
- ✓ **TIPS Hash Link** by Banca d'Italia
- ✓ **Full-DLT Interoperability** by Banque de France

# Achievements so far

**13 December 2023**

Call for expression of interest



**13 May**

Start of wave 1  
( [read more](#) )



**1 July**

Start of wave 2



**29 November**

Conclusion of the exploratory work



**Today!**

**3 April**

GovC approved list of participants for wave 1  
( [read more](#) )



**6 June**

Execution of the first trial transaction



**21 June**

GovC approved list of participants for wave 2  
( [read more](#) )



**60** European actors, from **9** countries (AT, BE, DE, ES, FR, IT, LT, LU, NL)



**10** Italian actors<sup>1</sup> involved in the experimentations



**€ 610 million** real transactions amount settled, with several use cases (DvP/assets cycle management, PvP, automated wholesale payments)

<sup>1</sup> ABI Lab, Banca Monte dei Paschi di Siena, Banco BPM, BFF Bank, BNL (Gruppo BNP Paribas), BPER Banca, Cassa Depositi e Prestiti, Crédit Agricole Italia, Intesa Sanpaolo, UniCredit

# Explorations with Italian actors/TIPS Hash-Link



**CDP/Intesa Sanpaolo** - trial with TIPS Hash-Link

- ✓ Issuance of the [first Italian Digital Bond](#) (DvP).  
Transaction fully underwritten by Intesa Sanpaolo.



**Intesa Sanpaolo/Clearstream Lux** - trial with TIPS Hash-Link

- ✓ Issuance of an ECP under Luxembourg jurisdiction (DvP).



**Project «LEONIDAS» ABI Lab** - experiment with Full-DLT Interoperability

- ✓ Automated wholesale payments, prosecution of [Spunta Banca DLT](#)



**BNP Paribas Paris/Asset Foundry** - experiment with TIPS Hash-Link

- ✓ Digital assets issuance (DvP).



Project “[Meridian FX](#)” with **BIS-IH/Bank of England**

- ✓ Cross-currency Pvp experiment with all three Eurosystem’s interoperability models



# Focus on TIPS Hash-Link



## Notably innovative because:

- It enables settlement of financial transactions by synchronizing the settlement of the “securities leg” on a DLT platform and the “cash leg” on a TIPS-like payment system, on an instantaneous, 24/7/365 basis
  - ✓ Easily adaptable to work with T2/RTGS
- It preserves the **centrality of TARGET services** for settlement in central bank money of DLT-based transactions
- **Business as usual** for Eurosystem’s market infrastructure participants
- Thanks to a light API-based protocol it fosters interoperability with DLT platforms, regardless of the technology solutions adopted (**DLT agnostic**)
  - ✓ Successfully tested with several DLT technologies



[How does TIPS Hash-Link works?](#)



# Focus on LEONIDAS

## Liquidation Effective ONchaIn Dlt Asset on Spunta

- Broadening the scope of **Spunta Banca DLT**, a mature Prod-grade infrastructure based on ABILabChain
  - ✓ **Spunta** is Live since March 2020 (90+ nodes, 750+ million transactions)
- Born from the cooperation with ABI, NTT Data, R3 and a group of 17 pilot banks
- Selected as part of the [2022 Call for Proposals](#) on DLT applications of Milano Hub, Banca d'Italia innovation center
- Eligible to participate in the Eurosystem exploratory work
  - ✓ With a **consortium of participants**<sup>2</sup> and observers credit institutions
  - ✓ The Eurosystem recognized its relevance, due to its complexity and capability to provide unique insights about DLT governance

---

<sup>2</sup> Banca Monte dei Paschi di Siena, Banco BPM, BFF Bank, BNL (Gruppo BNP Paribas), BPER Banca, Crédit Agricole Italia, Intesa Sanpaolo, UniCredit

# The exploratory work in perspective

- The Eurosystem practical work and other initiatives are complementary to provide the maximum input possible to reflect on next steps after 2024
- Our exploratory work seeks to obtain systematic feedback
  - ✓ To **go beyond proofs-of-concept** and to gain consistent knowledge via multiple experiments/trials to assess scalability, confidentiality and to cover realistic business scenarios
  - ✓ **Interoperability is a “no-regret-move”**, as interoperability will always be necessary in the absence of a single global platform for all countries, participants and assets, but...
  - ✓ ... We shall avoid re-fragmentation
- The Eurosystem understands the importance of keeping *momentum*, and is reflecting on the follow up on the experimentation
- The Eurosystem is also reflecting on a long-term vision
  - ✓ As recently outlined by [Piero Cipollone’s speech ‘Towards a digital capital market union’](#) we need to adapt to the evolving technology to maintain trust and confidence in the value of money and the financial system

# IL SALONE DEI PAGAMENTI 2024



**C'È DI PIÙ,  
CI SEI TU**



BANCA D'ITALIA  
EUROSISTEMA

**THANK YOU!**



**27, 28, 29 NOVEMBRE 2024**  
**Allianz MiCo: South Wing + Hall 4**

**#salonepagamenti #payvolution**  
**salonedepagamenti.com**