

5.12.2022

Information note on the call for expression of interest in collaborating with the Banco de España in the development of experiments on the use of digital tokens for the settlement of wholesale payments and securities

Central Bank Digital Currencies or CBDCs are currently under research and trial in a wide number of jurisdictions. Mostly, these initiatives focus on the retail or universal dimension, yet a mounting number of financial authorities are increasingly showing interest in further venturing into the wholesale or interbank field (wholesale CBDC or w-CBDC). In this particular area, central banks' chief goal is to determine the potential ability of these digital assets to improve the efficiency, speed and security with which financial market infrastructures operate. In addition, their study can help quantify to what extent w-CBDCs can contribute to adapting these channels to the needs and demands of a growing digital society.

On account of this reality and, in line with the approach followed by other central banks, Banco de España is launching an experimentation programme (the Programme) in the field of w-CBDCs for which it seeks collaboration of interested participants, both financial institutions and technology solution providers. For the purposes of this exercise w-CBDCs are to be understood as tokens issued on a platform supported by distributed technology.

The Programme holds no relation to the work that is currently being carried out by the Eurosystem as part of its research on a retail CBDC: the so-called digital euro. On the contrary, it is an exclusive initiative of the Banco de España which is constrained to the assessment of the actual potential offered by w-CBDCs in accordance with the current state of technology and its expected evolution over time.

More particularly, the Programme is focused on three main areas: (i) simulating transactions involving w-CBDCs funds transfers; (ii) trialling the integration of a w-CBDC with the settlement of financial assets; and, in addition, (iii) analyzing the potential advantages and disadvantages of a w-CBDC *vis-a-vis* traditional processes, procedures and infrastructures. Specific details of the different use cases can be found in the call for interest document that is published alongside this information note, which is accessible at the link below.

Organizations interested in being part of this Programme -whether individually or as part of a consortium, group or similar structure- must meet the minimum requirements laid down in the call and should submit their proposals via Banco de España's Electronic Register: <https://sedeelectronica.bde.es/sede/es/menu/tramites/servicios/envio-de-documentacion-por-registro-electronico.html>.

In addition to providing information about the tentative scope of its proposal, including its duration and the different phases in which it will be structured, and the goals that it intends to cover, participants must explicitly state the material and economic means that they are willing to commit to ensure its correct implementation. They should also provide any complementary documentation that they deem appropriate in order to prove any of the aforementioned requirements as well as any other contained in the call.

Subsequent to the submission deadline, the Banco de España will review and assess applications according to the established criteria. The Banco de España may also decide to hold interviews with a shortlist of candidates before a final decision is taken. The Banco de España can also consider to execute projects partially and/or have them combined with one another as a precondition for their final selection.

Upon completing the final selection, the Banco de España will notify its decision and sign a collaboration agreement, in accordance with the provisions of Law 40/2015, of October 1, on Spanish Public Law Legal System. The purpose of such document will be to formalize such assistance as well as to underpin the supporting confidentiality agreements.

The details of this call for expression of interest can be found at the following web link: <https://www.bde.es/bde/es/secciones/servicios/convocatoria-de-propuestas-de-colaboracion-con-el-banco-de-espana-para-desarrollar-experimentos-rela-f2eac22ac2fb481.html>.

Interested participants may submit their respective applications until 6:00pm on January 31st, 2023.