

PRESS RELEASE

Fintech, ABI: launch of experimental digital euro project

Banks and the Italian Banking Association, in cooperation with ABI Lab, the banking research and innovation centre of the Italian Banking Association (ABI), have started experimentation with the digital euro. The aim of the initiative is to proactively contribute to public debate and support banks operating in Italy as they prepare for the future.

The project focuses on enhancing the role of banks in the European Central Bank's digital euro environment. Digital euro differs from the existing electronic payments mainly due to its programmability. The project also aims to demonstrate the technical feasibility of a digital euro based on blockchain Distributed Ledger Technology (DLT), a system of distributed ledgers, in addition to exploring new value-added services that will become possible thanks to the currency's programmability.

The experimentation project is divided into two work areas: one involving the infrastructure and distribution model to analyse technical feasibility, and the second focusing on programmability to experiment with use cases that can differentiate the central bank's digital euro from the electronic payments already available. The first work area will be carried out in collaboration with SIA, in synergy with the ABI Lab Chain banking infrastructure which already has 100 active nodes distributed throughout Italy, as well as with the banks that operate within it. The second work area will be divided into several working groups that will focus on use cases and will work in collaboration with the banks and NTT Data, PWC and Reply, which have made their resources available to the project. The initiative is open to all interested banks.

The initiative is part of a major focus on the topic. In 2020, many central banks have stepped up their study and consideration of issuing a central bank digital currency, an electronic form of central bank money distributed to citizens. The European Central Bank (ECB) is actively working on this topic, including through the document submitted for consultation on 12 October 2020, following the publication of the "Report on a digital euro", an in-depth study on the digital euro prepared by the Eurosystem's High-Level Task Force on Central Bank Digital Currency (HLTF-CBDC) and approved by the Governing Council.

The ECB considers it appropriate to prepare for the possible launch of a digital euro for three strategic reasons: to support the digitisation of the European economy; to respond to the move away from the use of cash as a means of payment; and to respond effectively to a scenario of increased use of digital currencies issued by private entities or by central banks in other countries. Hence the digital euro, a central bank liability offered in digital form, which complements cash and deposits at central banks.

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