



Communications

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BIS, SNB and SIX successfully test integration of wholesale CBDC settlement with commercial banks

Project Helvetia looks toward a future with more tokenised financial assets based on distributed ledger technology coexisting with today's systems.

Swiss National Bank and five commercial banks integrated wholesale CBDC in their existing back-office systems and processes.

Tests covered a wide-range of transactions in Swiss francs – interbank, monetary policy and cross-border.

Integrating a wholesale central bank digital currency (CBDC) into existing core banking systems is complex and a key prerequisite for issuance. Phase II of Project Helvetia successfully demonstrates that such integration is operationally possible. Issuing a wholesale CBDC on a distributed ledger technology (DLT) platform operated and owned by a private sector company is feasible under Swiss law.

The second phase of Project Helvetia is a joint experiment by the Bank for International Settlements (BIS), the Swiss National Bank (SNB) and SIX (Switzerland's main provider of financial infrastructure services), which also included five commercial banks: Citi, Credit Suisse, Goldman Sachs, Hypothekarbank Lenzburg and UBS.

Project Helvetia looks toward a future in which more financial assets are tokenised and financial infrastructures run on DLT. International regulatory standards suggest that operators of systemically important infrastructures should settle obligations in central bank money whenever practical and available. While none of the existing DLT-based platforms are systemic yet, they may become so in the future. Moreover, central banks may need to extend monetary policy implementation to tokenised asset markets.



Press release

This experiment was carried out during the fourth quarter of 2021. It explored the settlement of interbank, monetary policy and cross-border transactions on the test systems of SIX Digital Exchange (SDX), the Swiss real-time gross settlement system – SIX Interbank Clearing (SIC) – and core banking systems.

“We have demonstrated that innovation can be harnessed to preserve the best elements of the current financial system, including settlement in central bank money, while also potentially unlocking new benefits,” said Benoît Cœuré, Head of the BIS Innovation Hub. “As DLT goes mainstream, this will become more relevant than ever,” he added.

“To continue fulfilling their mandates of ensuring monetary and financial stability, central banks need to stay on top of technological change. Project Helvetia is a prime example of how to achieve this. It allowed the SNB to deepen its understanding of how the safety of central bank money could be extended to tokenised asset markets,” said Andréa M. Maechler, Member of the Governing Board, Swiss National Bank.

“SIX is proud to collaborate with the BIS Innovation Hub and the SNB and contribute to Project Helvetia by leveraging SDX, the world’s first regulated DLT-based financial market infrastructure. The project demonstrates that the SDX platform supports wholesale CBDC for settling tokenised assets end to end,” said Jos Dijsselhof, CEO, SIX.

As an experiment, Project Helvetia is of an exploratory nature and should not be interpreted as an indication that the SNB plans to issue a wholesale CBDC. Phase II continues the exploration of tokenised asset settlement in wholesale CBDC that was started by [Project Helvetia Phase I](#) in 2020.

Read the full report: [Project Helvetia Phase II – settling tokenised assets in wholesale CBDC](#).