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Zurich, 3 April 2024

Project Agorá: central banks and banking sector embark on major project to explore tokenisation of cross-border payments

The Bank for International Settlements (BIS) together with seven central banks today announced plans to join forces with the private sector to explore how tokenisation can enhance the functioning of the monetary system.

Project Agorá (Greek for ‘marketplace’) brings together seven central banks: Bank of France (representing the Eurosystem), Bank of Japan, Bank of Korea, Bank of Mexico, Swiss National Bank, Bank of England and Federal Reserve Bank of New York. They will seek to work in partnership with a large group of private financial firms convened by the [Institute of International Finance](#) (IIF).

The project builds on the unified ledger concept [proposed by the BIS](#) and will investigate how tokenised commercial bank deposits can be seamlessly integrated with tokenised wholesale central bank money on a public-private programmable core financial platform. This could enhance the functioning of the monetary system and provide new solutions using smart contracts and programmability, while maintaining the system’s two-tier structure.

Smart contracts can enable new settlement options and unlock types of transaction that are not viable or practical today, in turn offering new opportunities that can benefit businesses and the population.

This major public-private partnership will seek to overcome several structural inefficiencies in the way payments are currently processed, especially across borders. The cross-border dimension adds a layer of challenges: different legal, regulatory and technical requirements, as well as operating hours and time zones. The increased complexity of carrying out financial integrity controls (e.g. relating to money laundering and customer verification), which today are often repeated several times for the same transaction depending on the number of intermediaries involved, also needs to be taken into consideration.

Press release

BIS Innovation Hub projects are generally experimental in nature and aim to explore and deliver public goods to the global central banking community.

Next steps

The BIS will issue a call for expressions of interest to private financial institutions to join Project Agorá. The IIF will act as the intermediary and convener of private sector participants. It is envisaged that several regulated financial institutions, representing each of the seven currencies, will participate. Specific instructions and requirements will be issued in due course. Being a member of the IIF is not a requirement to participate.