

**Extraits de l'interview de Silvia Attanasio  
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**(...) Supporting the Potential Digital Euro**

(...) We would like to share the benefit of having an entire banking sector on the same DLT infrastructure and the lessons we learnt as an ecosystem to support the possible emergence of a Digital Euro, if and when the European Central Bank (ECB) decides on it.

No decision has yet been taken, but the ECB's Report on a Digital Euro, published in October 2020, analyses in detail the possible options that could be undertaken. The detailed document sets out core principles and specific requirements that need to be considered in the possible future advancement of such a project.

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.

For the banking sector, this is a great opportunity to assess the pros and cons of this important decision that could push the European economy into a new paradigm that will see us strongly committed as a banking sector and could change our daily habits as citizens.

This is why Italian banks and ABI, in cooperation with ABI Lab, have started to experiment with the digital euro. The project aims to enhance the contribution that Italian banks may

offer thanks to their infrastructure and to explore new value added services that will become possible thanks to the digital currency's programmability.

We believe that the start of experiments based on cooperation principles brings great benefit to the market, particularly in a context of distributed paradigms. The work that the European Central Bank has started for the launch of a digital euro requires the involvement of several actors. In a context of experimentation of a digital euro, Italian banks intend to make an active contribution, thanks to the skills acquired in the implementation of distributed infrastructures and governance, to speed up the implementation of a European-level initiative in a first nation.

### **Aim and Focus of ABI's Digital Euro Initiative**

The aim of ABI's digital euro initiative is to proactively contribute to the public debate and support banks operating in Italy as they prepare for the future. The focus is about new services that banks may be able to offer, if and when a digital euro will be issued, so the work is based on the hypothesis that it has already happened. Eighteen banks, representative of 84 percent of the Italian banking sector in terms of employees, are actively collaborating on this initiative. The experiment is divided into two work areas: one involving the infrastructure and distribution model to analyse technical feasibility and possible participation of the Italian banking sector infrastructure, and the second focusing on programmability to experiment with use cases that can differentiate the central bank's digital euro from already existing electronic payments.

The first work area will be carried out in collaboration with SIA, in synergy with the ABI LabChain banking infrastructure which already has 100 active nodes distributed throughout Italy, as well as with the banks that operate within it. The second work stream will be divided into four working groups that will focus on many use cases and will work in collaboration with the banks and digital partners Fabrick, NTT Data, PWC and Reply, who have made their resources available to the project. This stream is dedicated to programmability through the identification of four areas of application that enhance the role of banks and the differentiating value of technological aspects.

The selection criteria adopted for the choice of the use cases were as follows:

- Enhancement of the role of banks in the distribution of a possible digital currency;
- Enhancement of the programmability of the currency, as a differentiating factor in comparison with existing means of payment;
- Identify clear and concrete use cases, with a visible impact for the benefit of citizens and the European digital economy as a whole; and

- Make sense for programmable money and, in particular, for a digital euro (very different from cryptocurrencies).

In order to demonstrate how the Italian banking sector would like to use the digital euro by offering value-added services, the development of the four use cases is leading to the realization of proof of concepts that will be completed by the end of March. Specifically, the four use cases identified by the banks are:

1. **Simply Home:** Performance of multiple payments expected at the time of purchasing a property through the granting of a mortgage. The execution of payments (to the seller, to the property agency, to the notary, to the seller's bank to pay off a previous mortgage, etc.) through the enabled functionality of split transaction (making a single transaction divided into multiple payments) will simplify and automate the management of transactions towards the various actors involved in the process of buying and selling a property, giving enhanced certainty to the entire process.
2. **Safe Return:** The process of returning a purchase made through e-commerce. Thanks to the implementation in a distributed ledger of instructions that are binding and executable only on the occurrence of predetermined conditions (so-called smart contract), it is possible to make the process of returning purchased goods more reliable and consumer friendly. At the time of delivery of the returned goods by the client, the sum of money can be blocked and kept in an escrow account managed by a bank, which only releases it after confirmation or rejection of the return, respectively to the consumer or to the seller.
3. **Culture Pass:** Culture Pass is related to bonuses provided by the Government to support specific kinds of expenses (i.e. books, e-scooters, kindergarten, etc.): the development of this case will lead to the creation of specific smart contracts linked to the digital euro, which will allow to encode the logic and purpose of expendability of these tokens, making it possible to use the bonus only in compliance with the terms and conditions defined by the issuing entity. In addition, a simplified prototype linked to the provision of money to minors (pocket money) will be developed in order to limit the expendability only to the categories of purchases allowed by law.
4. **Pay & Split:** Execution of payments for products on consignment. The case provides for the transparent management of the execution of payments for products on consignment in the so-called short supply chains, using the functionality of split transaction (atomic and instantaneous transactions). At the time of purchase, a single transaction is divided so that payment is directed to the seller of the product and to the various producers making up the supply chain.

