



BANCA D'ITALIA
EUROSISTEMA

MILANO HUB



SECOND CALL FOR PROPOSALS

Report on support activities, in-depth profiles of analysis, and monitoring activity conducted 12 months after support phase completion.

SECOND CALL FOR PROPOSALS

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01 Milano Hub

The innovation centre of Banca d'Italia

Milano Hub is the innovation centre created by Banca d'Italia to support the digital evolution of the financial market.

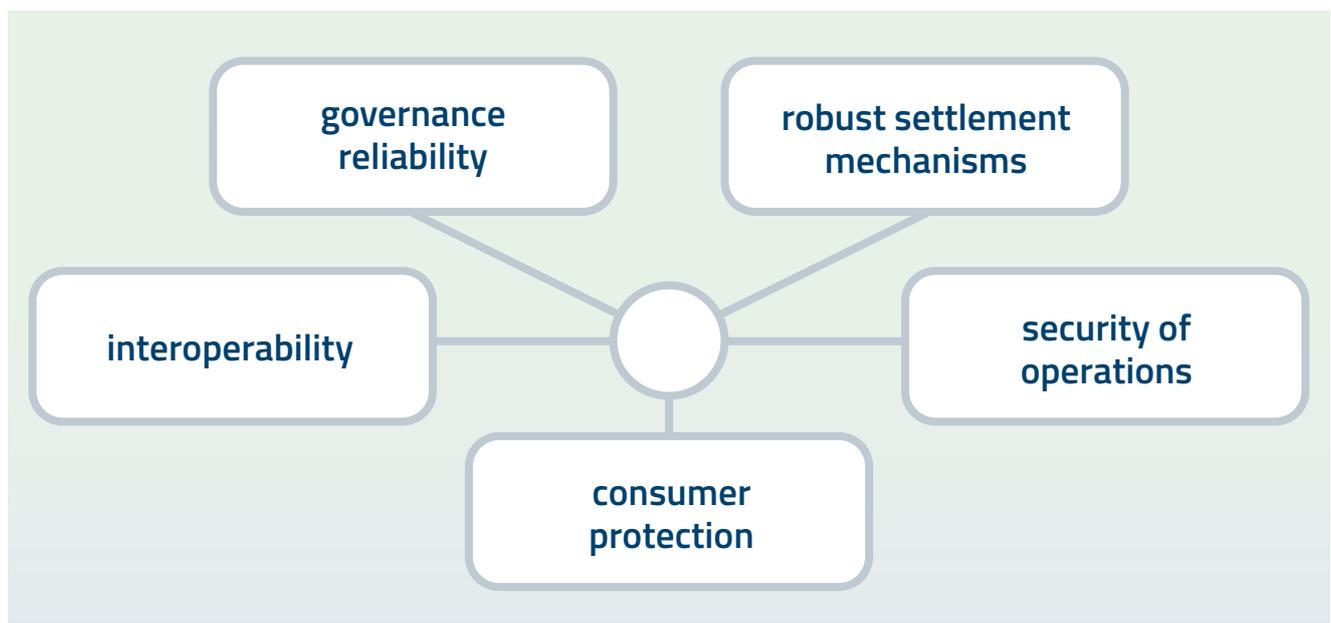
It complements the **Fintech Channel**, a space for dialogue with operators, and the **Regulatory Sandbox**, dedicated to experimentation activities; the three together form the integrated system of Innovation Facilitators (IFs) hosted by Banca d'Italia to support the development of innovative projects at various stages of their life cycle.



02 The second Call for Proposals



The theme of the second Call for Proposals was the application of **distributed ledger technology (DLT)** to banking, financial, insurance, and payment services, with emphasis on ensuring:

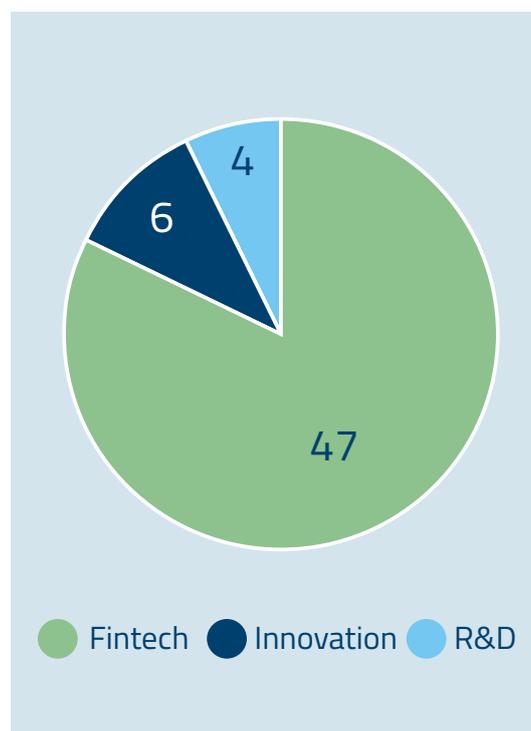


Timeline



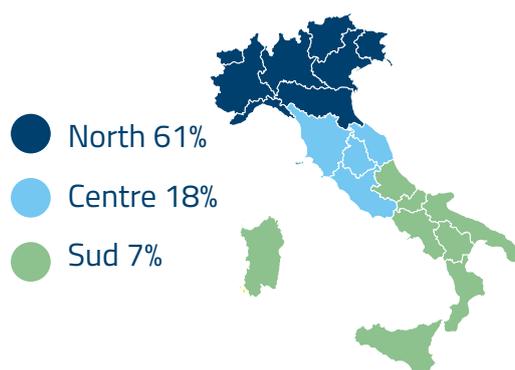
APPLICATIONS

A total of **57** applications were received. Regarding the distribution of applications across the three areas of operation, the overwhelming majority were for the Fintech area (**47** proposals), while **6** and **4** projects were submitted for the Innovation and R&D areas, respectively.



GEOGRAPHICAL DISTRIBUTION

Based on the applicants' registered offices, just under two-thirds are from northern Italy, while approximately a quarter are from other regions of Italy.

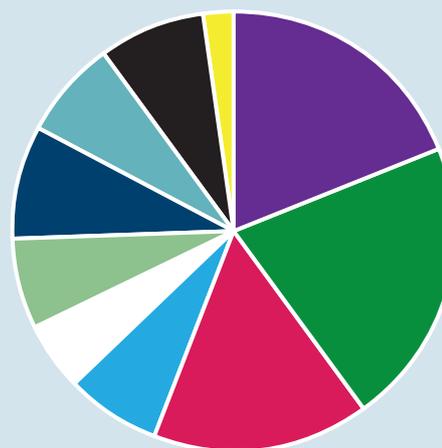


14 per cent of projects are from foreign entities (mainly from European and Southeast Asian countries).



BUSINESS AREAS

Deposits and Lending	19%
Payments	21%
Investments and Wealth management	16%
Asset Tokenization	7%
Security	5%
Digital Identity	6,5%
Open banking/Open finance	8,5%
Technology service providers	7%
Insurtech/Regtech/Suptech	8%
Other	2%



Looking at the proposals from a use-case perspective, over half of the projects relate to three business areas: **Payments** (21 per cent), **Deposits and Lending** (19 per cent), and **Investments and Wealth Management** (16 per cent); the remaining proposals are distributed across other business areas, such as asset tokenization, open banking/open finance, and Insurtech/Regtech/Suptech.

A **collaborative trend** has emerged, with several participants having decided to partner with associations and universities, representing entire ecosystems, such as asset management, payments industry, and the banking sector.

This trend is consistent with the characteristics of distributed ledger technology (DLT), which gains value from the collective development of projects.

SELECTION PHASE



From February to April 2023, the applications received were evaluated by a panel appointed by Banca d'Italia, containing a mix of Banca d'Italia staff and external members from academia with proven experience in the subject matter of the Call for Proposals.

The projects were evaluated based on three criteria:



Relevance

level of relevance of project proposals to the Call for Proposals' specific theme



Value

with Systemic Value and Scalability, Completeness, Innovation and Sustainability as sub-criteria



Practicability

with Feasibility, Measurability, Security as sub-criteria

There were **14 projects** admitted to the support phase, broken down as follows:

7

Fintech Area

4

Innovation Area

3

R&D Area

FINTECH AREA

ABI LAB

LEONIDAS - Effective settlement
ONchain Dlt with Spunta

ABI Lab

ALGORAND LABS

Platform for the tokenization
of government's bonds

Algorand Labs

CETIF ADVISORY

Institutional DeFi for Security
Token Ecosystemic Project

CETIF
Advisory

CHECKSIG

Individual Proof of Reserves

CHECKSIG

CONIO

Project Euro Token

CONIO

CYBERNEID

Soulbound Token for digital identity
and KYC in Web 3.0

Cyberneid
cybernetics and electronic identity turned on

REAL HOUSE

A bridge between finance and
blockchain to support the firms

BlockInvest

INNOVATION AREA

BANCA SELLA HOLDING

Issuing a test e-money token and
'Escrow Account' use case



CREDEM EUROMOBILIARE PRIVATE BANKING

Digitalization of M&A
processes on DLT



DAVIS & MORGAN

Investment in tokenization of
Non Performing Loans (NPLs)



SACE

EUROpean Export
block-chain Aggregator



R&D AREA

ASSOCIAZIONE BLOCKCHAIN ITALIA

REChain, DLT for real estate collaterals



ASSOGESTIONI

Assogestioni DLT and Asset Management:
Opportunities and Challenges for the Industry



POLITECNICO DI MILANO

The DAO for transparency in
fund management



THE SUPPORT PHASE

To support the development of the selected projects, **14 dedicated multidisciplinary** teams were established, involving all functions of Banca d'Italia and IVASS, with differentiated expertise in the technical and/or regulatory fields

During the support phase, issues that **cut across** multiple projects emerged, which led to in-depth studies on aspects of privacy and digital identity in the use of blockchain and on the regulatory framework introduced by MiCAR.

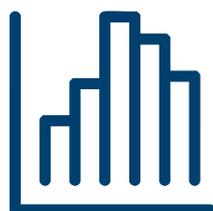
The selected projects can be classified into two groups:

- initiatives aimed at adopting **DLT in the issuance and trading of tokenized financial assets** (e.g., government bonds, debt securities, NPLs), improving liquidity and increasing market efficiency;
- projects that use **DLT as a registry for data management** to ensure information security and immutability, transparency, and operational efficiency.

The support period ended in December 2023 with a meeting that marked the conclusion of activities, during which a summary of the teams' progress was presented and key areas of analysis were highlighted.

The Call for Proposals journey is the subject of a [documentary video](#) that, through the voices and faces of the protagonists who were involved in the various phases, captures the first-hand experiences of some of the participants and project team coordinators.

ANALYTICAL DIMENSION



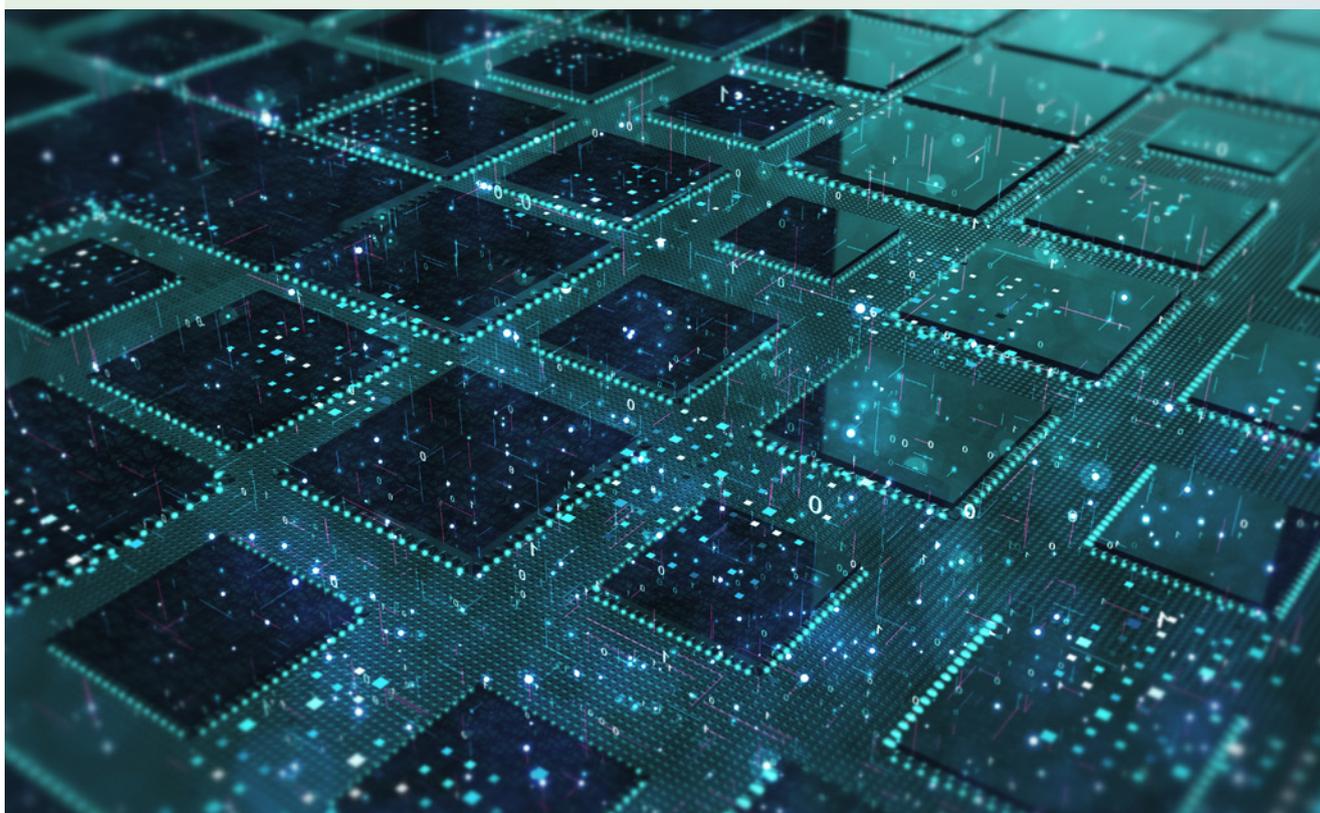
Throughout the support phase, alongside comprehensive analysis of aspects of individual project initiatives, the key areas of investigation by the participants and Banca d'Italia's teams encompassed:

- the **legal framework for tokens** in light of the applicable legislation, specifically focusing on Regulation (EU) 2022/858 (the so-called 'DLT Pilot Regime'), Legislative Decree 25/2023 (the 'Fintech Decree'), and Regulation (EU) 2023/1114 on crypto-asset markets (MiCAR). The analysis led to reflection on the initial application of the recently introduced regulatory framework to products and services designed to meet a specific market need.



- dimensions involving the interplay between the **use of DLT and the responsibilities and obligations outlined** by personal data protection legislation, e.g., Regulation (EU) 2016/679 (GDPR), especially the need to reconcile a **regulatory framework** based on a clear **assignment of responsibilities** to identified/identifiable individuals with a technological structure characterized by decentralized roles.

- the regulatory framework to **combat money laundering and financing of terrorism**, considering the need to guarantee the safeguards required by the legislation, even in cases of DLT applications where complete traceability of transactions and user identity is more complex.
- aspects of **blockchain governance**, such as permissionless and permissioned models, or "proof of work" and "proof of stake" consensus algorithms.



03 12-Month Monitoring

In early 2025, monitoring of the selected projects was begun, aimed at **tracking the progress of the supported initiatives** and gathering feedback from participants on the operational characteristics of the Milano Hub model.

Despite a general slowdown in the Italian DLT market, many initiatives have successfully reached the functional prototype stage. Some of these solutions are already available on the market and ready for commercialization. Ongoing **dialogue with both national and European regulators** has also continued, along with the launch of various **strategic collaborations** at national and international levels.

Overall, the Call for Proposals has fostered **a participatory dialogue with a diverse group of operators**, bringing together different yet often complementary perspectives.



Therefore, the support period has proven to be an effective tool for understanding **key market trends** related to DLT applications.

Feedback from participants

During the monitoring phase information was gathered from participants about their experience with the Milano Hub.



The benefits mentioned by the participants, who expressed particular appreciation for the operational flexibility in support delivery approaches, touched on many aspects:

- **regulatory deep-dives**, which make it possible to identify effective ways of adapting technologically advanced solutions to the current regulatory frameworks;
- **creation of a network** of collaborations, providing opportunities for new professional partnerships;
- **expansion of the range** of stakeholders involved to include other authorities and international bodies.

MILANO HUB



Milano-Hub