

Call for Proposals 2022

Bank of Italy - Innovation Centre 'Milano Hub'

Selected projects



MILANO HUB



Banca Sella Holding (gruppo Sella)

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

The logo for Sella, featuring the word "Sella" in a bold, blue, sans-serif font.

The project aims:

- to examine, validate and test the technological architecture and regulatory implications of the issuance of a stablecoin, specifically an e-money token, by the Sella Group;
- to test at least one use case made possible by the use of such "test stablecoin", and by the subsequent development of smart contracts, in order to innovate the services/products offered by the Group to its customers. In particular, as part of this experimentation, the provision of an escrow account service, managed with smart contracts and through the use of the aforementioned stablecoin, has been identified as a first, promising use case;
- to co-identify other use cases applicable to a programmable stablecoin, to be studied and tested during or after the experimentation.

www.sellagroup.eu

Call for Proposals 2022

Credem Euromobiliare Private Banking S.p.A.

Digitalization of M&A processes on DLT



EUROMOBILIARE
PRIVATE BANKING

In light of the market context, which anticipates an increase in Corporate Finance operations through banking and financial intermediaries in the coming years, and given the near absence of solutions to support the sector, with a focus on operational simplification and better meeting customer needs, we identify this need as an area that should be addressed at the industry, regulatory, and technological levels (while also enhancing security aspects) as well as in terms of process. In this regard, we believe that the use of Distributed Ledger Technology (DLT) in this field can bring benefits in terms of operational simplification and interaction among the various stakeholders within the following scope of application:

- Blockchain-based digitization of the M&A process
- Creation of digitally-signed corporate books
- Digital management of equity shareholdings (issuance of assembly tickets, issuance of share ownership certificates)

The project is presented in collaboration with **Fyblo Srl**.

www.credemeuromobiliarepb.it

Call for Proposals 2022

Innovation Hub

Davis & Morgan S.p.A.

Investment in tokenization of Non-Performing Loans (NPLs)



The project presented by Davis & Morgan (in cooperation with Real House s.r.l. and MGA Merchant S.p.a.) aims to develop the tokenization of Non-Performing Loans (NPLs) and derivative rights, which can be acquired using either FIAT currency or newly issued Stable Coins.

Qualified investors, both traditional and active on blockchain platforms, will be offered the opportunity to purchase and sell security tokens representing portions of NPLs and derivative rights.

The project is presented in collaboration with:

- **MGA MERCHANT SPA;**
- **RealHouse Srl.**

www.davismorgan.it

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MILANOHUB



Innovation Hub

Sace S.p.A.

Eureka (EUROpean Export block-chain Aggregator)



The proposal aims to develop a digital solution that encourages collaboration between all the different stakeholders that are involved in an international deal. This tool should facilitate access to insurance/financial solutions and therefore encourage Italian companies (especially SMEs) to export.

The project involves the use of distributed ledgers (as well as smart contracts) to collect and share the information that is produced during the life cycle of an international deal of instrumental goods (or in any deal that can generate medium/long-term credit), from negotiation, through policy issuance and contract execution, up to accounts receivable factoring.

www.sace.it

Call for Proposals 2022



Research & Development Hub

Associazione Blockchain Italia

REChain, DLT for real estate collaterals



REChain was born after more than a year of close collaboration between two nonprofits, the Italian Blockchain Association (ABI) and the Study Table on Italian Enforcement Procedures (TSEI). REChain is an innovative solution to enhance the value of real estate assets pledged as collateral for bank loans through the use of a DLT platform. It combines the so-called attribute data with the mortgage and sales data. Participants (banks and appraisal operators) pool a large amount of historicized, reliable and real-time updated data by accessing a shared database.

www.associazioneblockchain.it

Call for Proposals 2022



Assogestioni

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



The proposal focuses on the utilization of DLT technologies in the Asset Management sector. Its purpose is to delve into the key issues that have arisen within the working groups established by Assogestioni's Digital Finance Committee to analyze the potential impacts of introducing DLT. These issues encompass the issuance, registration, and digital circulation of units or shares of UCITS, as well as the investment of UCITS in Digital Assets. These regulatory and interpretative aspects serve the purpose of developing qualitative systemic standards to be shared across relevant European venues, aiming to support operators who wish to explore the studied solutions. The objective is to ensure that the domestic asset management industry remains competitive with other member countries and competing products that are already leveraging DLT technologies.

The project is presented in collaboration with:

- PricewaterhouseCoopers Business Services Srl;
- Politecnico di Milano.

www.assogestioni.it

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Research & Development Hub

Politecnico di Milano

The DAO for transparency in fund management



POLITECNICO
MILANO 1863

The project proposal aims to develop guidelines for the implementation of a fund management tool based on Blockchain technology that allows stakeholders to participate in governance through a Blockchain-based voting mechanism. The goal is to ensure transparency in fund management, allowing stakeholders to verify the capital allocation and allowing multiple entities to directly influence the distribution strategy through their vote. This project is relevant to the system as it ensures efficiency, full transparency and reliability in fund management and decision-making processes, enhancing active participation in governance processes, and renewing the trust of individuals and businesses in institutions..

www.polimi.it

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BANCA D'ITALIA
EUROSISTEMA

MILANO HUB



ABI LAB – Centro di Ricerca e Innovazione per la Banca



LEONIDAS- Effective settlement ONchain Dlt with Spunta

A wCBDC in a production DLT environment: settlement of balances between banks associated with Spunta Banca DLT.

To foster the development of DLT to support financial services and products, the initiative aims to verify the benefits that can be obtained from a wholesale central bank currency (wholesale CBDC or wCBDC) implemented on a distributed ledger to carry out interbank transactions, so that the capacity, efficiency and robustness requirements of central bank systems are maintained. Enhancing the work done by Italian banks in the past years, we would like to 'test' a wCBDC in an already scaled-up application and infrastructure context that has 94 nodes in production. Therefore, the goal of the initiative is to develop the concept of wCBDC and test it in an already mature and in production DLT context, such as Spunta Banca DLT, to perform interbank value exchanges.

The project is presented in partnership with:

- ABI
- NTT Data Italia
- R3 Limited

www.abilab.it

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Fintech Hub

Algorand Labs S.r.l.

Platform for the tokenization of government's bonds

Algorand Labs

The project proposes the realization of a sovereign bonds' tokenization platform on the Algorand blockchain. A set of *Smart Contracts* – executed in a safe, scalable and efficient way on the Algorand Virtual Machine – will handle issuance, arrangement on the primary market, and trades on the secondary market. The platform handles privacy and security by integrating KYC and AML functionalities, as well as portfolio and asset management, through the full life cycle of assets. *Delivery-vs-Payment* (DvP) operations will be regulated in real-time through an integration between the Algorand protocol and the pan-European platform TIPS (*TARGET Instant Payment Settlement*).

www.algorand.com

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Cetif Advisory S.r.l.

Institutional DeFi for Security Token Ecosystemic Project



The mission of the project promoted by Cetif Advisory, in collaboration with Reply and Fireblocks, is to build the first Italian ecosystem for the experimentation of Institutional DeFi, emphasizing the utilization of *Security Tokens* on the secondary market.

A precompetitive secondary market for Security Tokens will be co-designed, developed, and tested using an Institutional-grade *Automated Market-Making* (AMM) platform. This will enable participating institutions, such as banks and asset management companies to gain a deeper understanding of their potential role, business value, and benefits within this new market.

Furthermore, the initiative aims to promote regulatory insights that protect the stakeholders involved in the new Institutional DeFi paradigm. It also seeks to provide and ensure reliable governance for the platform, following the guidelines set forth by the authorities.

The project is presented in partnership with:

- **E*Finance Consulting Reply S.r.l.**
- **Fireblocks Ltd**

www.cetif.it/advisory

Call for Proposals 2022

CheckSig S.r.l.

Individual Proof of Reserves



In response to a growing demand, financial intermediaries and other providers are introducing new crypto-assets trading and custody services.

However, these represent a new challenge, as crypto-assets combine a purely digital nature with their being equivalent to bearer instruments: the custodian has sole control over the crypto assets, and with current processes the end customer is unable to independently verify the solvency of the custodian.

With the objective of enhancing investor protection, the project proposes the development of technologies and processes which, by exploiting the intrinsic transparency of public blockchains, allow each customer to independently verify their crypto-assets held in custody at an intermediary.

This approach, referred to as "Individual Proof of Reserves" or IPoR, aspires to become the industry standard for transparency and investor safeguarding.

www.checksig.com

Conio S.r.l.

Euro Token Project



The goal of the Euro Token Project is to establish a standard for interoperable *e-money tokens*, each issued by commercial banks and circulating on blockchain technology. Euro Tokens will be represented as *stablecoins* structured to maintain a 1:1 ratio with the value of the legal tender currency they represent (i.e., the Euro). Furthermore, the project aims to define a payment system based on Euro Tokens that can reduce transaction costs and *settlement* times, increase transparency, and support various use cases, including loyalty programs, through the programmability of *smart contracts*. The realization of the project will leverage Conio's expertise and proprietary technology to facilitate the creation, issuance, and redemption of Euro Tokens, as well as manage all functional services to promote their circulation and ensure secure custody.

www.conio.com

Call for Proposals 2022

Cyberneid S.r.l.

Soulbound Token for digital identity and KYC in Web 3.0



Know Your Customer (KYC) is a protective measure necessary to mitigate frauds and countering identity thefts. KYC checks aim to identify and verify customers before allowing them to transact. However, there are numerous reports about frauds with identity theft, indicating that current KYC systems are not yet adequate. The goal of the project is to exploit the blockchain and specifically the Soulbound tokens to decentralize the electronic identity of citizens and offer a new standardized, decentralized, and more secure KYC system for Web 3.0.

In the proposed platform, the citizen's identity is certified by our ID-proofing system which uses AI, biometric recognition, encryption, and PKI, to certify the citizen's identity and to generate a virtual electronic identity that is associated with one or more Soulbound Tokens which will serve as a decentralized equivalent to the KYC requirements required in a transaction.

www.cyberneid.com

Call for Proposals 2022

Real House S.r.l.

A bridge between finance and blockchain to support the firms



BlockInvest

The project, proposed by BlockInvest with the support of Crédit Agricole Italia, Indosuez W.M., Illimity, Deloitte, involves the creation of a platform for banks and financial institutions aimed at issuing tokenized debt instruments on a public blockchain. The objective is to finance Italian SMEs' development, addressing private savings into the real economy through an innovative, transparent and secure system.

The use of a public blockchain, exploiting BlockInvest's skills and infrastructure, will guarantee, on the one hand, full compliance with the current rules for the issuance and distribution of financial assets and, on the other, high transactional transparency and easy control by regulators.

During the program it will be also implemented a robust and scalable secondary market thanks to the development of a security token standard that guarantees maximum interoperability between instruments and issuers.

The project is presented in partnership with:

- **Crédit Agricole Italia S.p.A.**
- **CA Indosuez Wealth (Europe) - Italy Branch**
- **Illimity Bank S.p.A.**
- **Officine Innovazione S.r.l. S.B.**
- **Deloitte Consulting S.r.l. S.B.**

www.blockinvest.it



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