

## OUTCOME

### 7th meeting of the New Technologies for Wholesale settlement Contact Group (NTW-CG)

10 April 2024 (15:30 – 17:30 CEST)

MS Teams

## 0. Opening remarks by the Chairperson

### Background & outcome:

The Chairperson welcomed the NTW-CG members. Members adopted the agenda without changes.

The Chairperson informed in his opening remarks that the revised [Terms of Reference of the NTW-CG](#) are now published on the ECB's website. At the same time, the [application form](#) for financial market stakeholders interested to join and contribute to the NTW-CG has been published. Deadline for the submission of applications to be considered in this annual membership review is 15 May of the respective year.

Subsequently, the Chairperson explained that this interim meeting was scheduled to provide further information on

- (i) the timeline of Eurosystem's exploratory work and further details of the timeframe for the onboarding activities (see item 1);
- (ii) the modalities for non-securities related use cases, i.e. the Payment-versus-Payment-use cases and the automated wholesale payments use cases (see item 2);
- (iii) further international initiatives alongside Eurosystem's exploratory work, Eurosystem's involvement in these, and how this contributes and complements the learning objectives of the Eurosystem (see item 3).

Finally, the Chairperson thanked the NTW-CG members which participated in the feedback survey on the organisation and content of the NTW-CG, conducted in February 2024.

## 1. Experience from preparing applications for the Eurosystem's exploratory work

### Background:

The Contact Group members were asked to provide feedback concerning their experience in preparing the participation in the Eurosystem's exploratory work (e.g., which information is important for obtaining internal approvals, what facilitates finding external partners, preparation of use cases, ...). Together with the Eurosystem's own experience this feedback would inform lessons learnt, potentially even for wave 2 applications. Please also refer to agenda item 2.

### Members were invited to:

Share their experience in preparing the participation in the Eurosystem's exploratory work

### Background documentation:

- Presentation on the timeline and onboarding activities

### Outcome:

- The ECB provided an overview of the first responses received in the survey on the experiences made in the preparation and application process. Part of the feedback received could already be taken into account for the preparation of the background documents for this meeting. The NTW-CG members can further provide feedback in the survey until 19 April 2024.
- The ECB
  - informed on the start and end-date of the execution phase of Eurosystem's exploratory work.
  - presented the revised timeline for onboarding activities and process for wave 2 participants of exploratory work, which provides additional time for the conduct of onboarding activities for wave 2 and eases the operational burden.
  - clarified that all wave 2 participants are expected to finalise phase 1 of onboarding (see slide six of the background document) by end-June and phase 2 by end-July. For the latter, this deadline refers to the successful completion of a standardised trial daily settlement process (which need not be the detailed business scenario envisioned for trials) or the successful completion of an end-to-end test, in case of experiments.
  - clarified that the additional rehearsal window in September 2024 is optional for stakeholders who want to rehearse specific business scenarios of a trial in case of an execution of the trial only late in the execution phase.
  - informed participants already registered for wave 1 that, to express interest to conduct further use cases in wave 2, they are not expected to complete a new registration process. However, they should provide their relevant national central bank with the relevant information on the envisioned new use cases for wave 2 by 30 April 2024.
- The ECB took note of the expressed interest of some of the NTW-CG members to conduct trials and experiments beyond November 2024.

**Action point:**

The possibility of an extension of the execution phase and its implications, e.g. on the operation and evolution of TARGET Services, will be assessed. The outcome of this assessment will be shared with the NTW-CG members and interested financial market stakeholders once finalised.

## 2. Information on non-securities related use cases for Eurosystem exploratory work

**Background:**

Financial market stakeholders wishing to participate in wave 2 of the Eurosystem exploratory work, have to respond to the call for expression of interest<sup>1</sup> by 30 April 2024 latest. In the run up of the application deadline for wave 2 participation, the ECB clarified modalities for non-securities related use cases.

**Members were invited to:**

Take note of the modalities for non-securities related use cases, and raise questions if any

**Background documentation:**

- Presentation on modalities for non-securities related use cases

**Outcome:**

- The ECB
  - provided the NTW-CG with detailed information on how the published eligibility criteria for Eurosystem's exploratory work apply to non-securities related use cases. Market participants (including consortia thereof) and market DLT operators interested in participating in Eurosystem exploratory work are invited to establish contact with their national central bank to clarify any open questions.
  - invited interested participants to reach out to their National Central Bank early during the registration process for these use cases.
  - reiterated that the eligibility criteria, operational and legal conditions for participation and use cases are specific to the current phase of exploratory work and do not prejudge future Eurosystem decisions.

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<sup>1</sup> The call for expression of interest is available via this [link](#).

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*Section B: Eurosystem's exploratory work put in perspective*

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### **3. International context**

**Background:**

The ECB recalled some international DLT-related work carried out by central banks, monetary authorities and the BIS, some of which might also involve private sector participation, and reminded of the relationship with the Eurosystem's trials and experiments.

**Members were invited to:**

Take note of the international activities and raise questions if any

**Outcome:**

- The ECB team informed the NTW-CG members on further international initiatives exploring the usage of Distributed Ledger Technology (DLT) for the financial market.
- The Eurosystem exploratory work and international initiatives are complementary. All of these activities will inform Eurosystem when reflecting on the next steps after the 2024 exploratory work.
- The ECB invites interested participants to reach out to their NCB and the ECB in case of interest to participate in Project Agorá.

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*Section C: Wrapping up the meeting*

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### **4. AOB, closing remarks and upcoming meetings**

**Background & outcome:**

- The Chairperson informed the members on the new meeting date on 25 September 2024, which will take place in person at the ECB in Frankfurt am Main (in new composition). The next meeting will also take place in person on 18 June 2024 (in current composition).