PRESS RELEASE

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Experiment on the use of Central Bank Digital Currency (CBDC)

In partnership with the European Investment Bank (EIB) and Société Générale - FORGE, the Banque de France successfully carried out on April 28th an experiment on the use of Central Bank Digital Currency (CBDC) for settling digital bonds issued by the EIB on a blockchain.

The experiment consisted in the subscription to EIB-issued digital bonds by investors, for a total amount of 100 million euros. Cash settlements were represented by Central Bank Digital Currency issued on a blockchain. From a technological standpoint, the experiment required the development and deployment of smart contracts under secured conditions, so that the Banque de France could issue and control the circulation of CBDC tokens and so that CBDC transfer occurred simultaneously with the delivery of securities tokens to the investors' portfolio, in a Delivery versus Payment. The experiment was conducted in cooperation with the members of a banking syndicate composed of Goldman Sachs International, Santander and Société Générale.

This was the third experiment conducted as part of the CBDC for interbank settlement work program launched by Banque de France in mid-2020. Nathalie Aufauvre, Director General for Financial Stability and Operations, explained that "*As a new step in the study of the benefits that interbank CBDC could provide in the context of the digitization of payments, this experiment shows how central banks can bring their safest and most liquid settlement asset into innovative trading procedures on financial markets, thus ensuring maximum security for both issuers and investors*."

In the coming months and in cooperation with the market, the Banque de France will conduct additional experimentations to assess other uses of central bank digital currency in interbank settlements. The results of all these experiments will be an important element of the Banque de France's contribution to the Eurosystem's global reflection on the benefits of CBDC.

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