



Project Agorá

A Cross-border application of Unified Ledger

Morten Bech (Head of BIS Innovation Hub Swiss Centre)
Future of the Monetary System, 26 September 2024

The views expressed in this presentation do not necessarily reflect those of the BIS

The background is a classical painting depicting an ancient Greek marketplace. In the center, a temple with a triangular pediment and columns stands on a raised platform. To the left, a long colonnade with arches stretches across the foreground. The scene is filled with lush green trees and a few figures in the distance. The sky is a mix of soft blues and purples, suggesting a hazy or sunset atmosphere.

Agorá

{αγορά /a-go-rah/}

“marketplace” in Greek

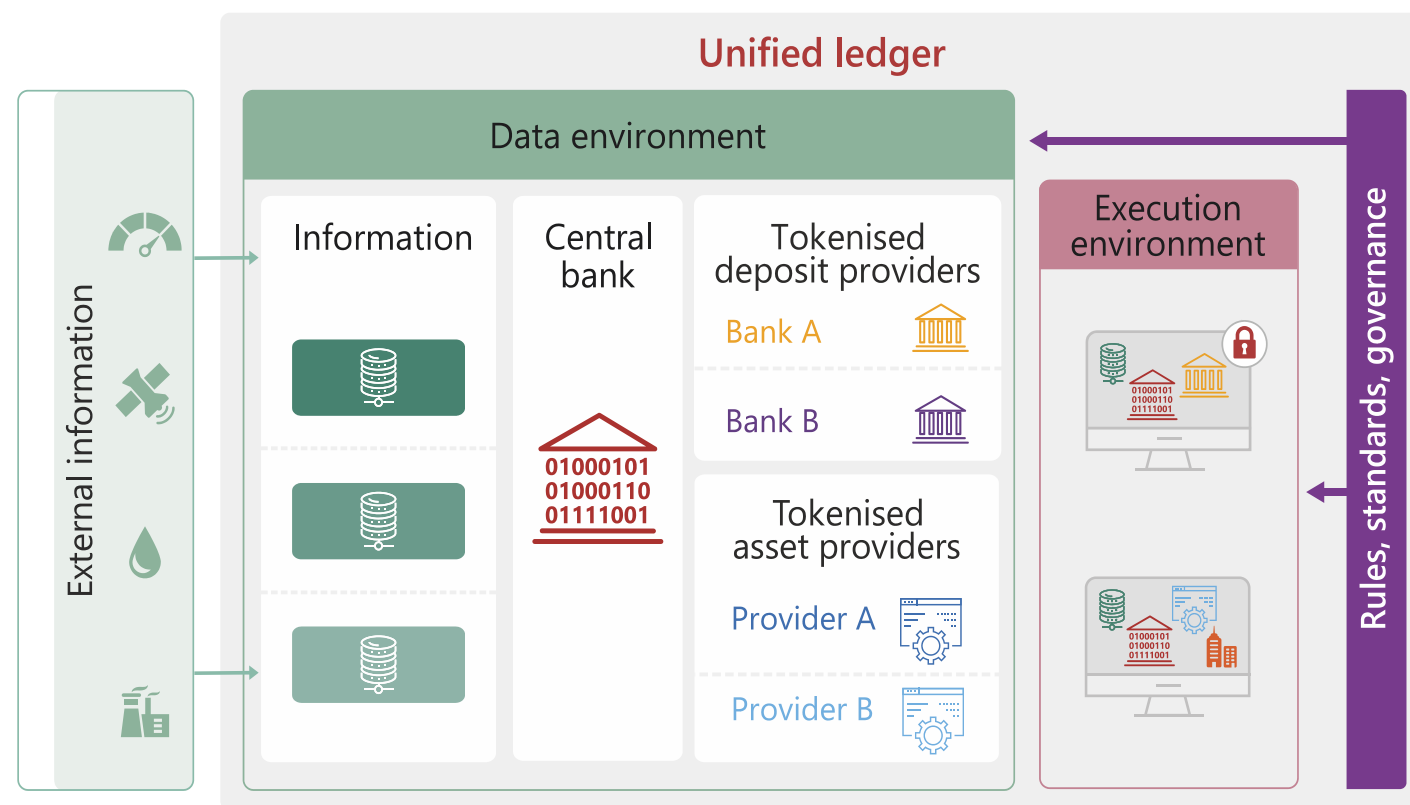
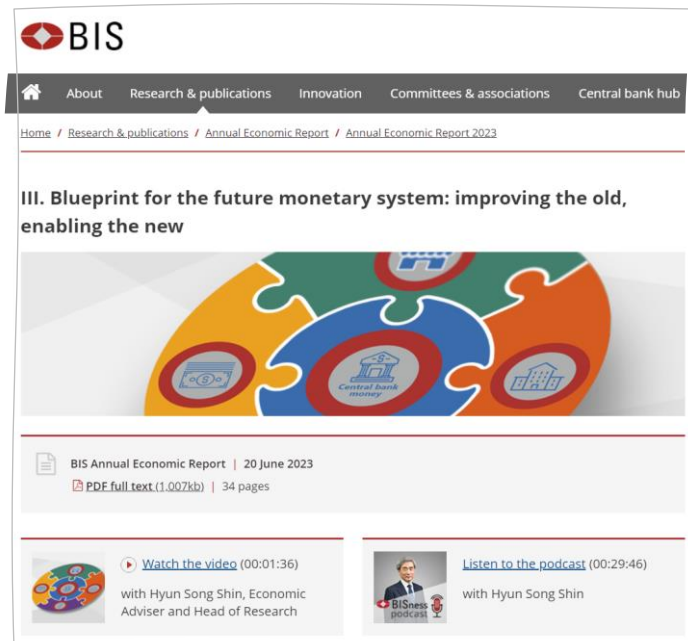
A public-private collaboration to implement the vision of the unified ledger for cross-border payments using the correspondent banking model

Unified Ledger and cross-border payments

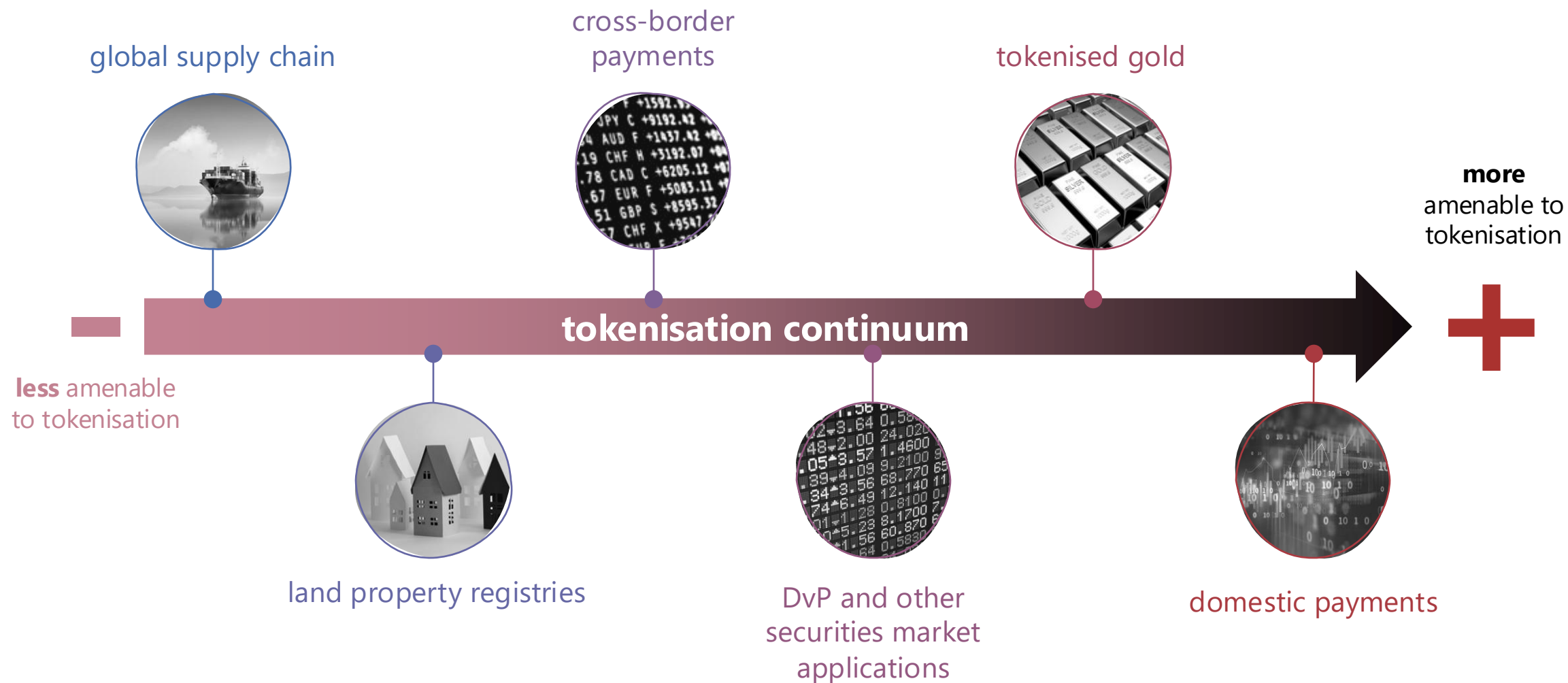
What is a Unified Ledger?

Annual Economic Report 2023

Chapter 3 – Blueprint for the future monetary system: improving the old, enabling the new

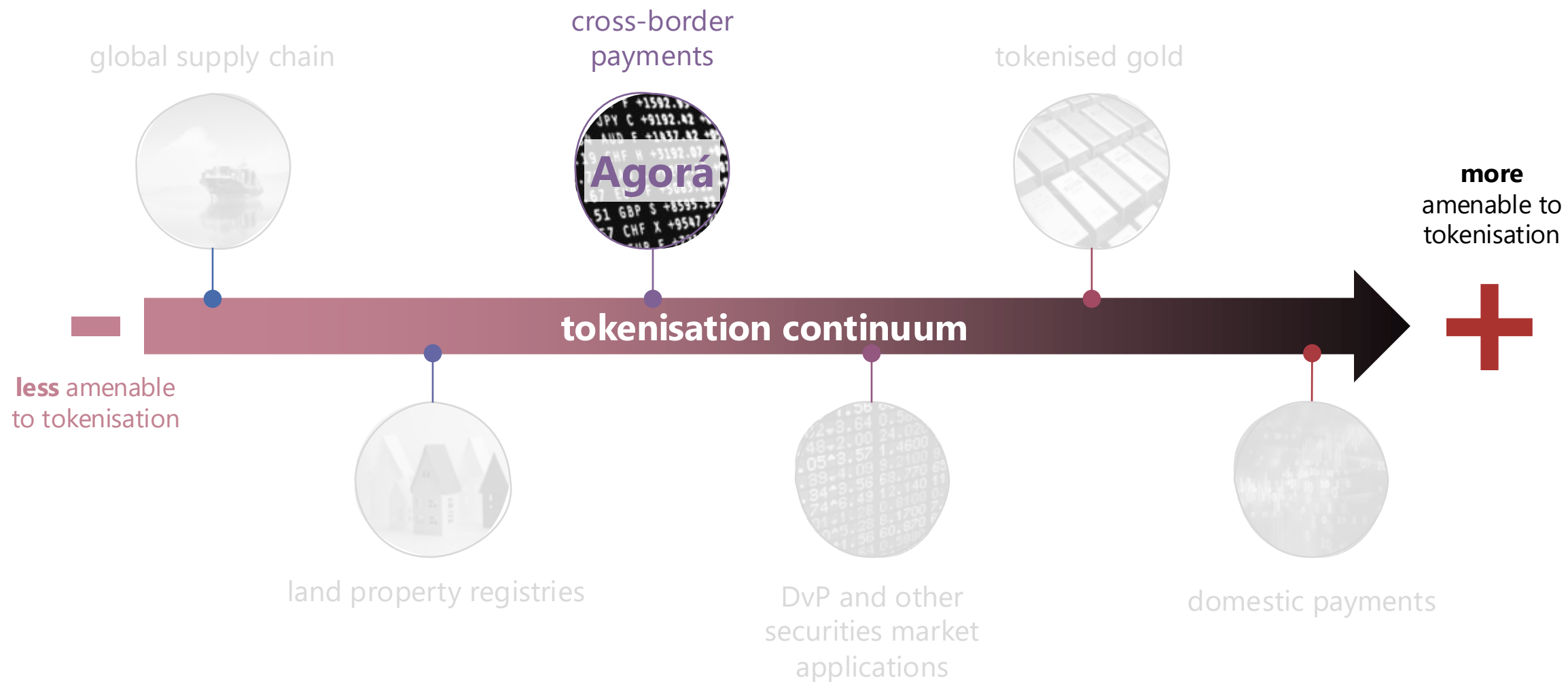


Tokenisation continuum



Source: "The tokenisation continuum" (Aldasoro et al, 2023), "Closing the tokenisation gap" (Garratt et al, forthcoming)

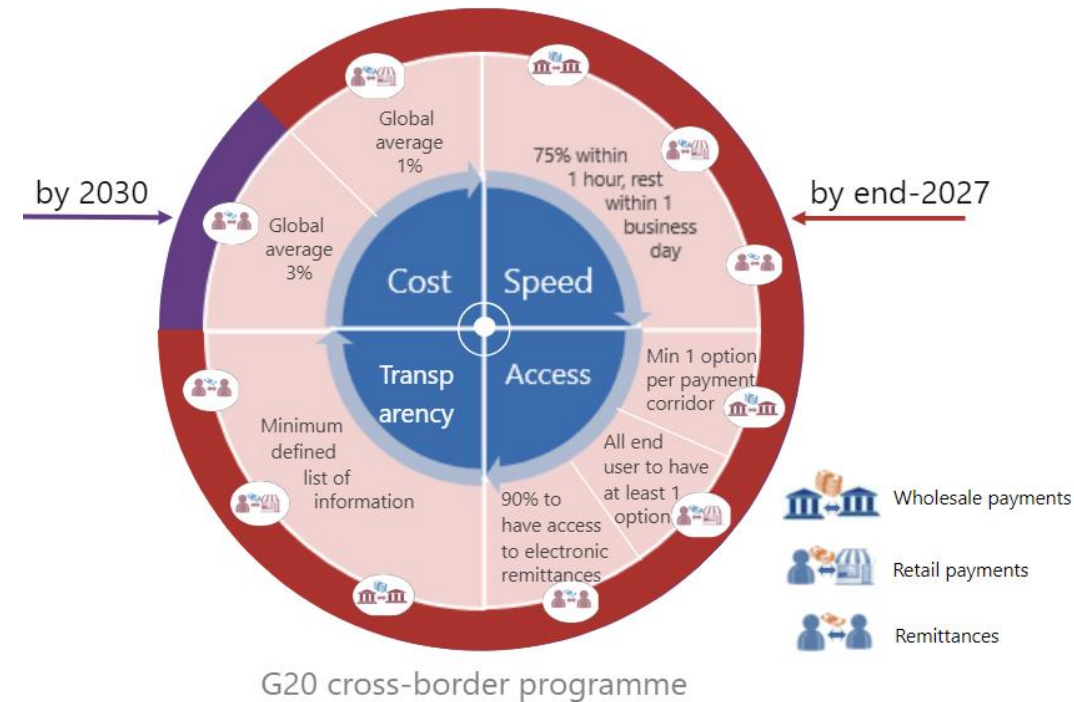
Tokenisation continuum



Source: "The tokenisation continuum" (Aldasoro et al, 2023), "Closing the tokenisation gap" (Garratt et al, forthcoming)

What are the main problems in cross-border payments?

- They are **slow, costly and opaque** for consumers



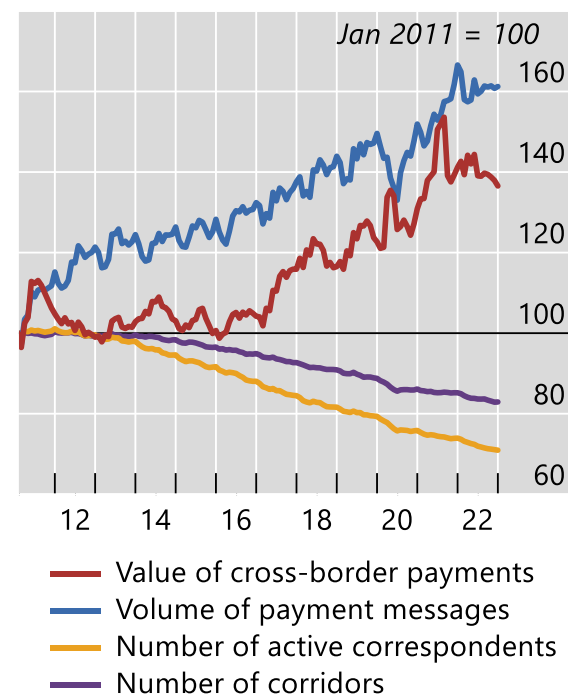
- They are **costly and risky** for banks

Costs and risks

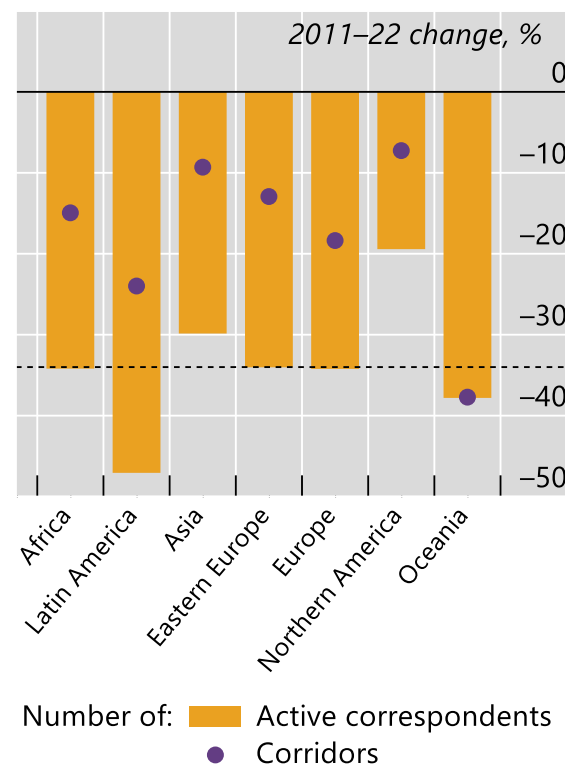
- KYC
- AML/CFT
- Sanctions compliance
- Operational costs
 - Tech, training, audits and reporting
- Infrastructure costs
- Data privacy and security (GDPR)
- Penalties and fees

The cross-border payments landscape

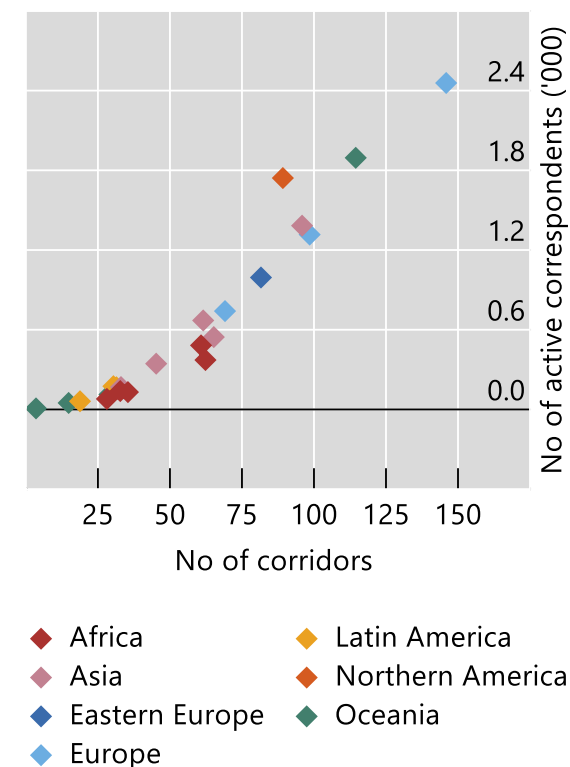
Banks have been retreating¹



The decline is global²



Some regions are less connected³



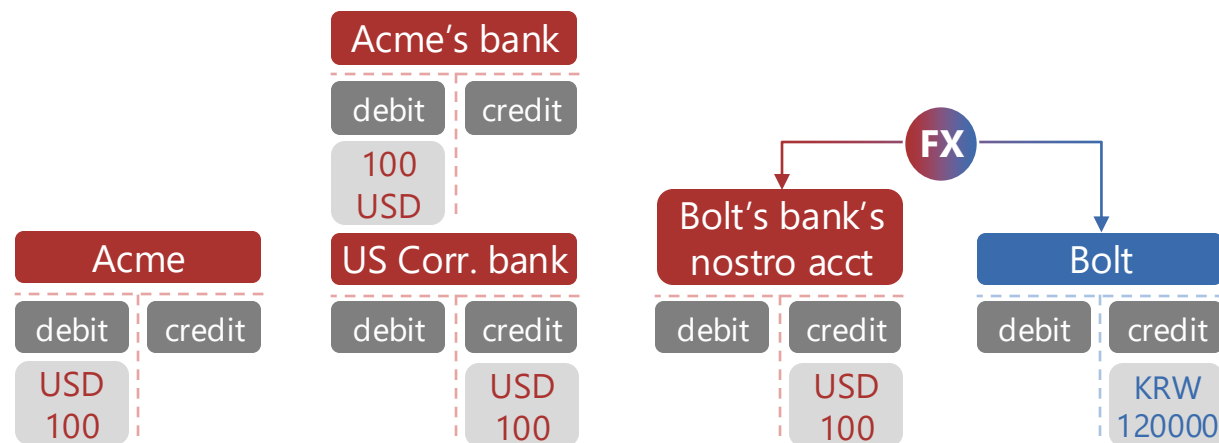
¹ Three-month moving averages. ² The black dotted line shows the average percentage change of active correspondents across regions. ³ 2022 data.
Sources: R Garratt, P K Wilkens and H S Shin (2024); T Rice, G von Peter and C Boar (2020); SWIFT BI Watch and National Bank of Belgium (2023).

Hypothesis

By implementing the correspondent banking model on a programmable platform we can increase efficiency, lower costs and reduce risks.

End-to-end payment chain

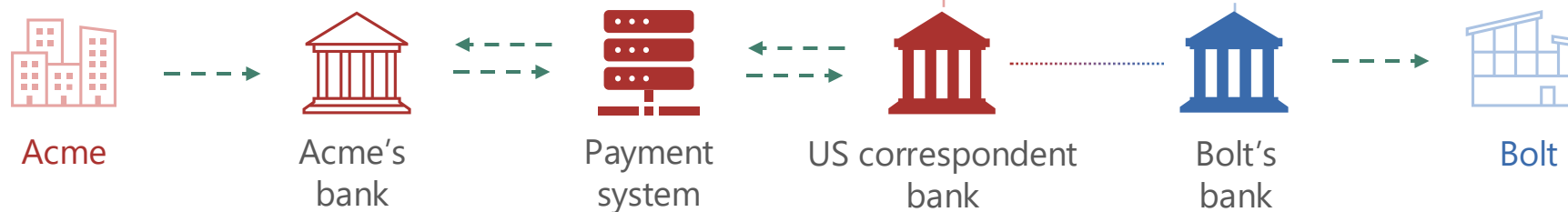
Balance Sheet
Activity



Screening

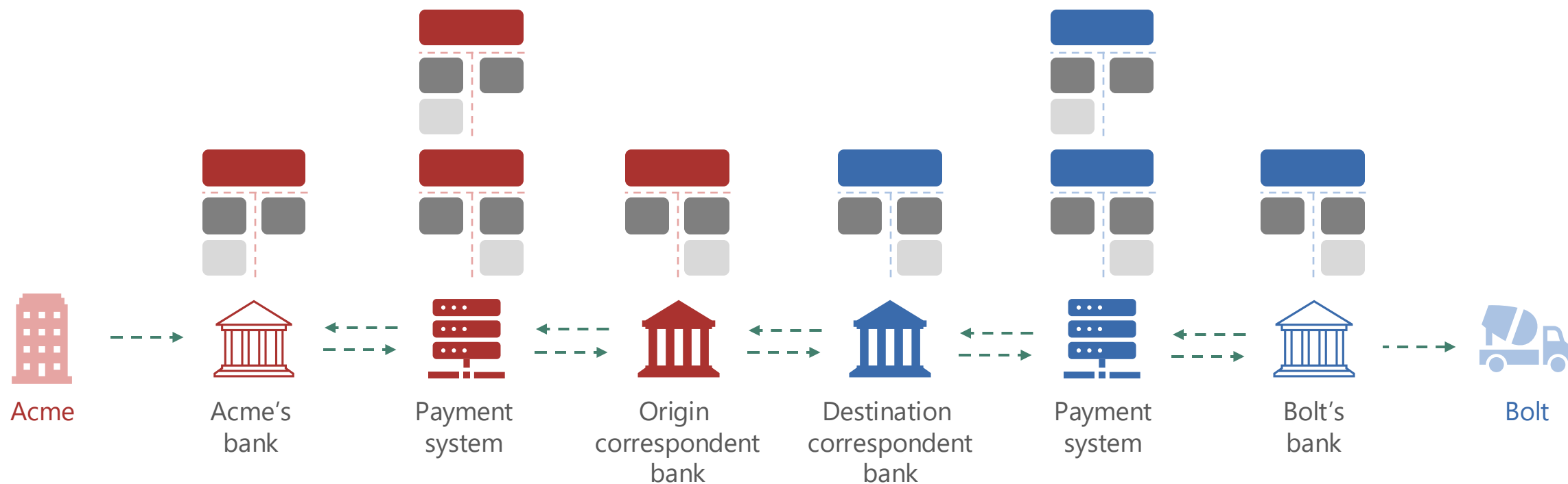


Messaging

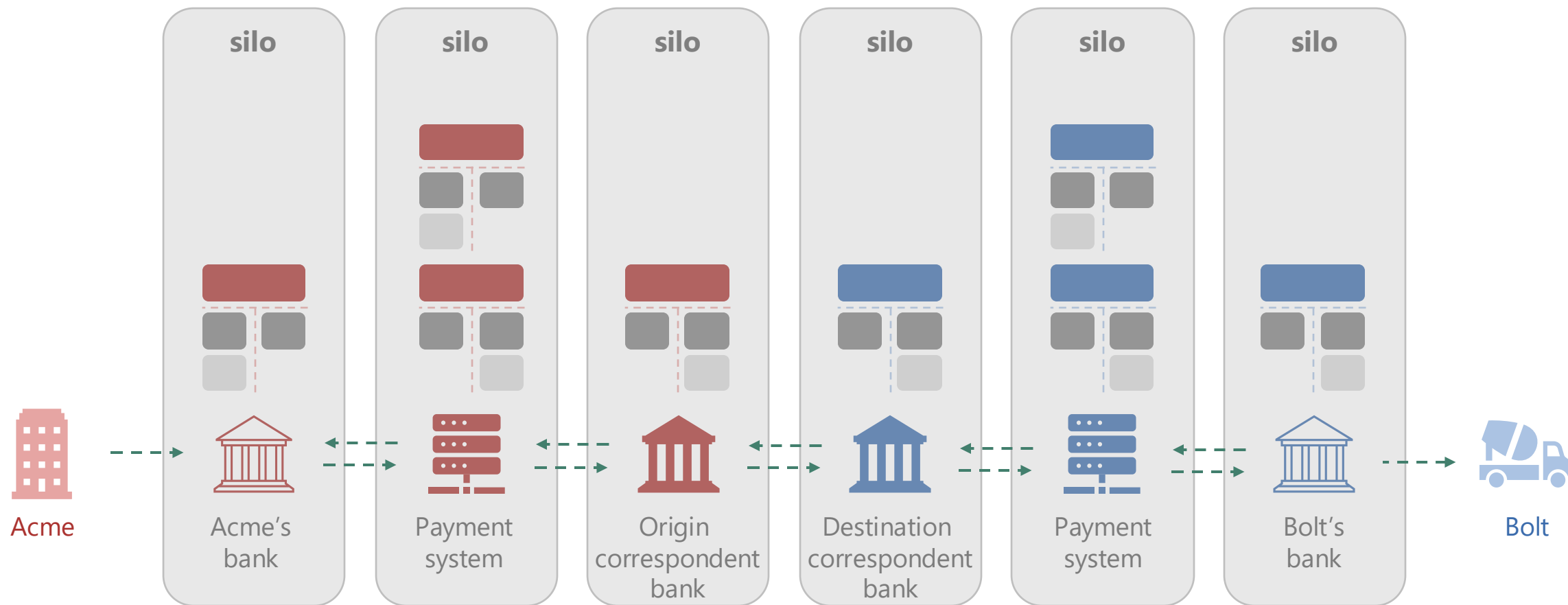


--- ➔ payment messages in a successful transaction

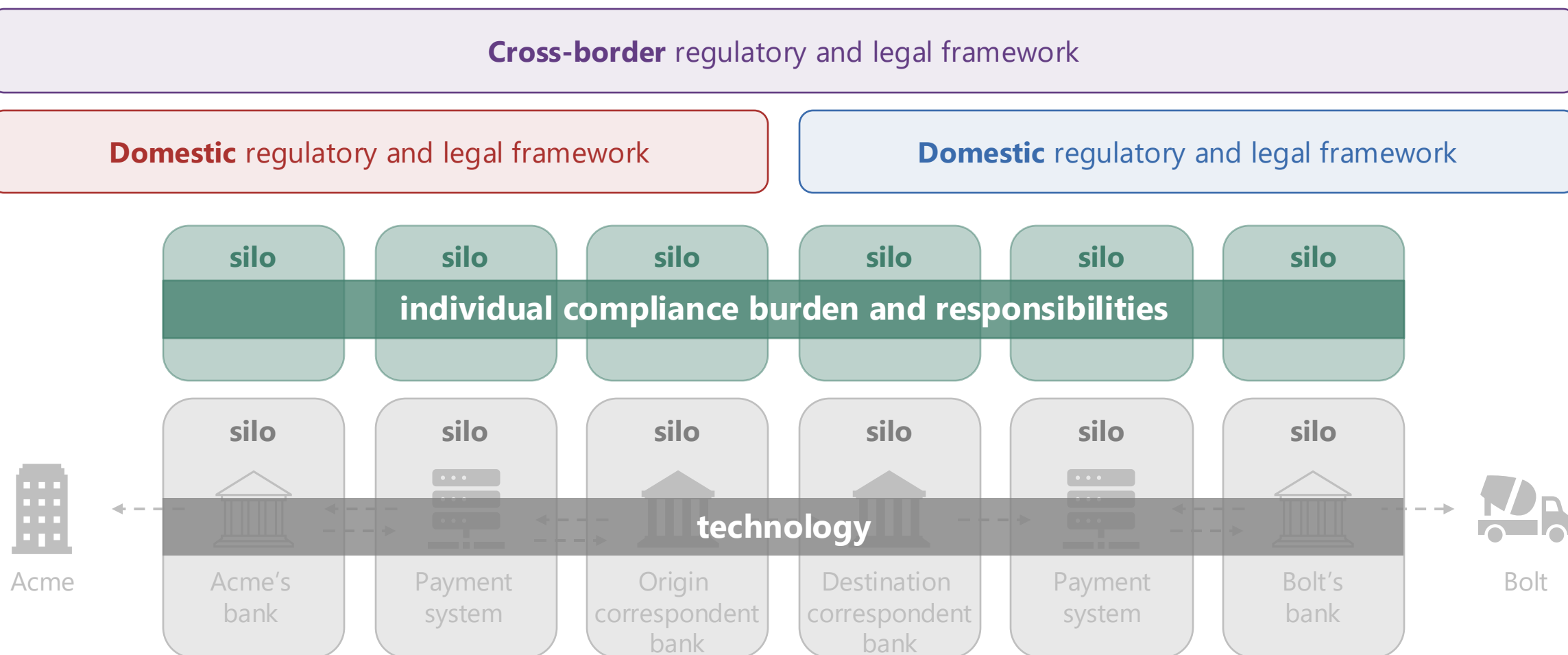
It gets more complicated...



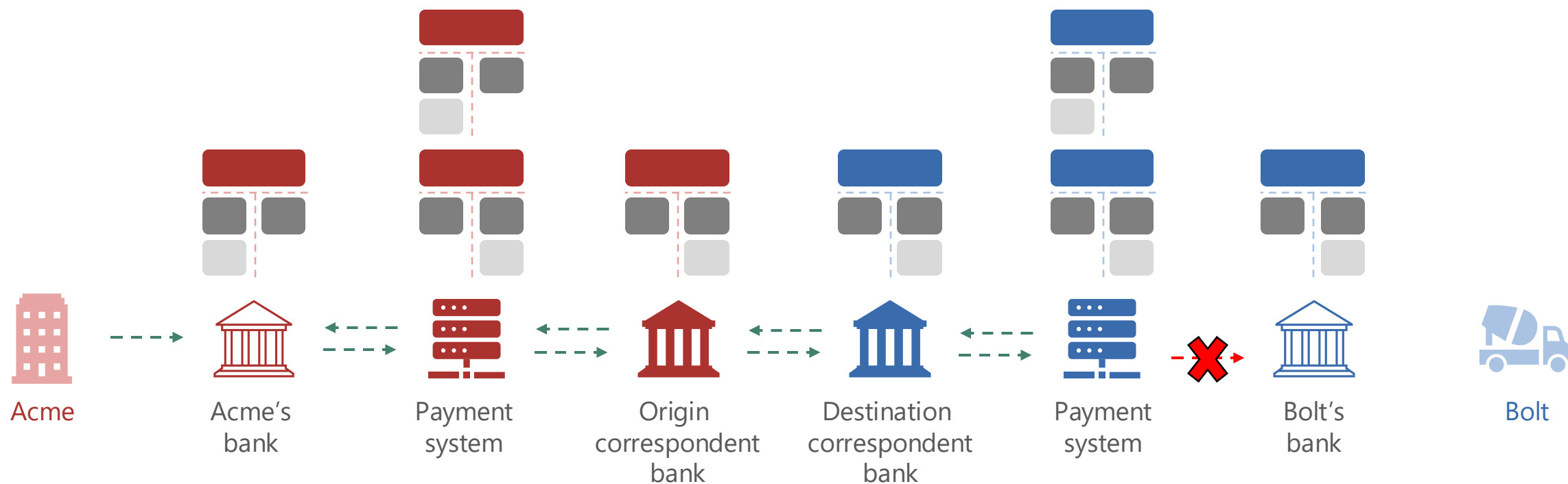
Institutional silos...



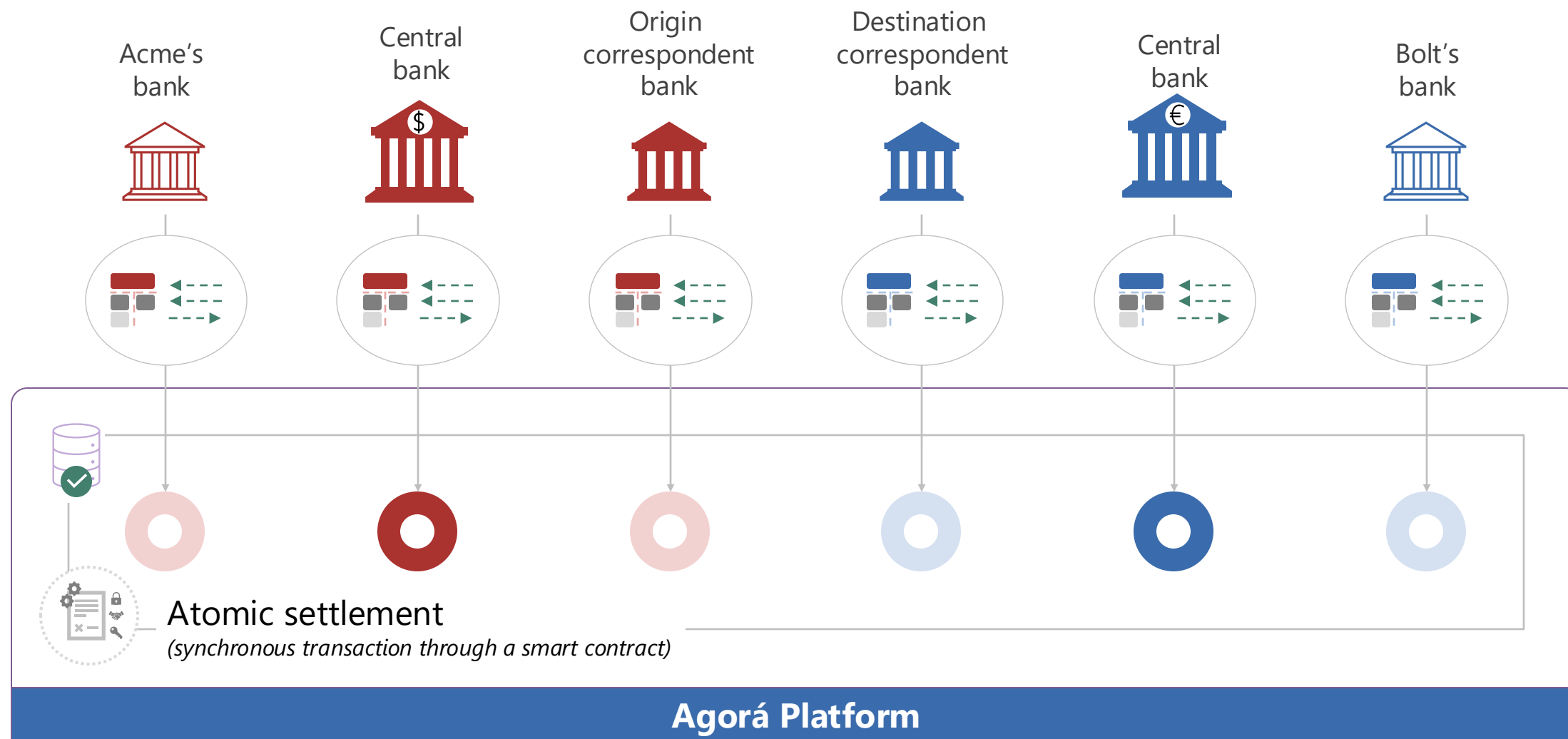
Different legal and regulatory frameworks...



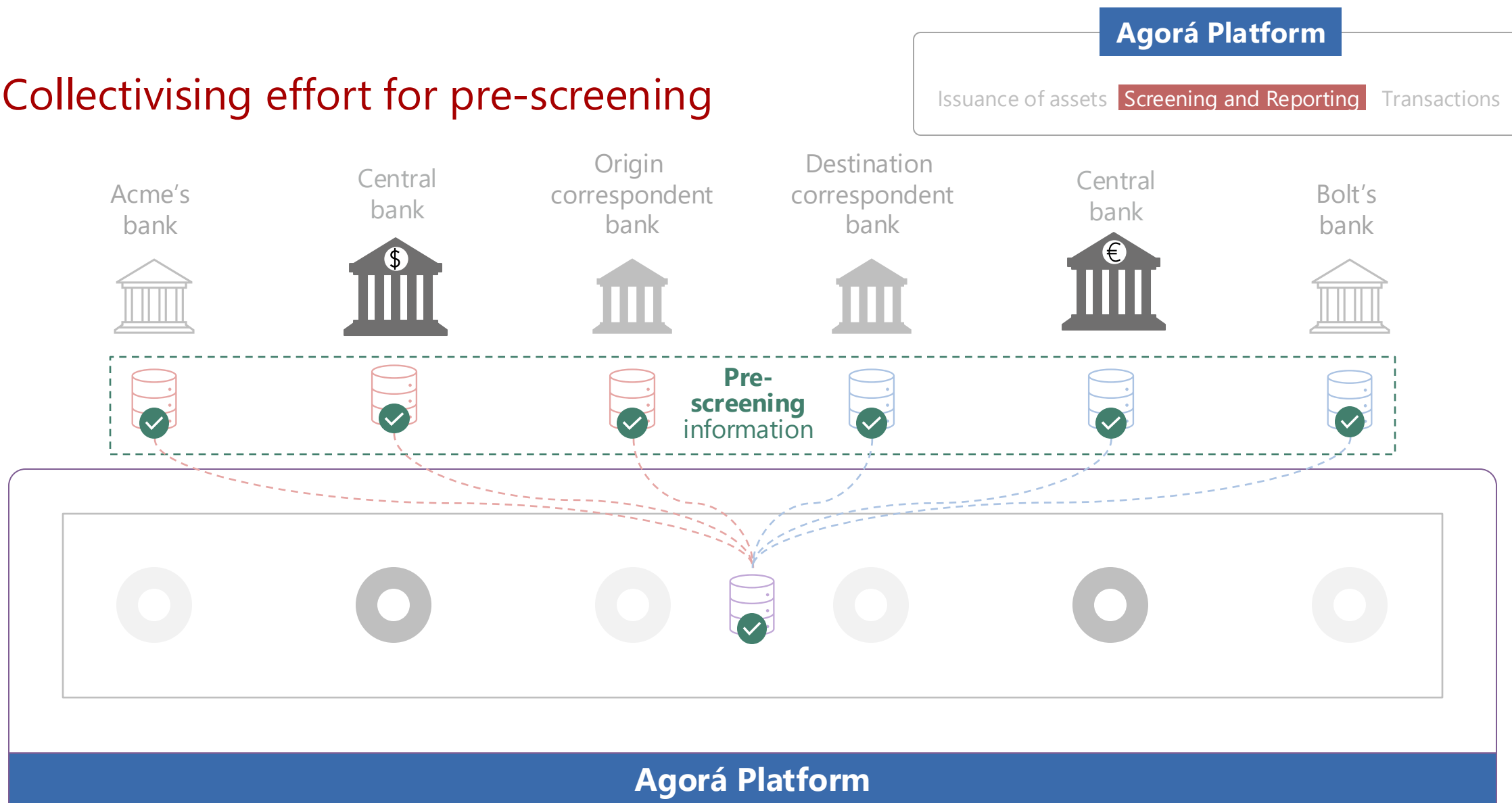
What if something goes wrong...



Tokenised monies and information on a shared programmable platform



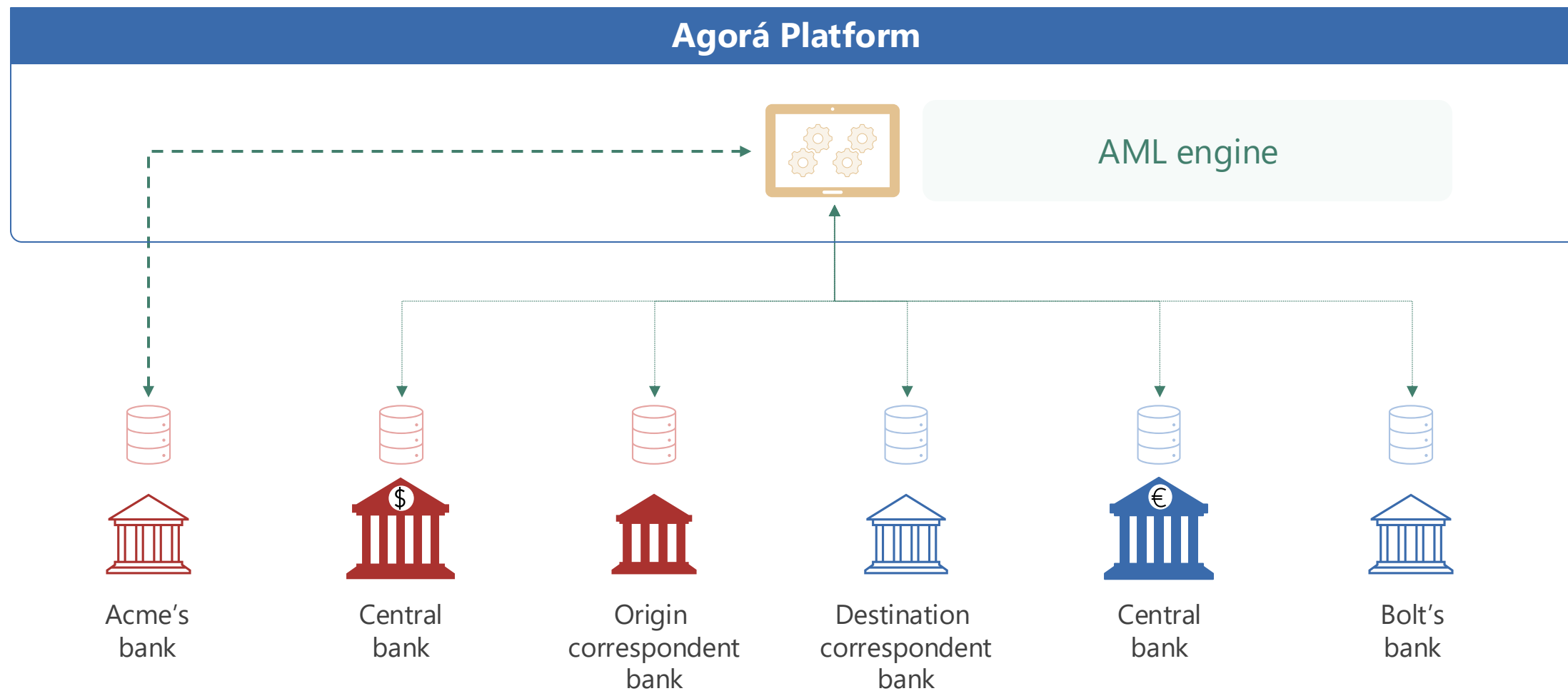
Collectivising effort for pre-screening



Collectivising effort for transaction monitoring

Agorá Platform

Issuance of assets **Screening and Reporting** Transactions



Agorá PlatformIssuance of assets **Screening and Reporting** Transactions

Other BSIH projects will contribute

- Pre-screening capabilities have already been developed in [Project Mandala \(BIS \(2024b\)\)](#).
 - PoC demonstrates the feasibility of encoding jurisdiction-specific policy and regulatory requirements into a common protocol for cross-border use cases.
 - In Project Agorá, the efficiency gains may also come from embedding prescreening confirmations into the end-to-end payment transaction.
- Enhanced AML procedures for detecting suspicious networks and flows of funds have been explored in [Project Aurora \(BIS \(2024a\)\)](#).
 - A decentralised privacy and security approach using federated learning.

Agorá Platform

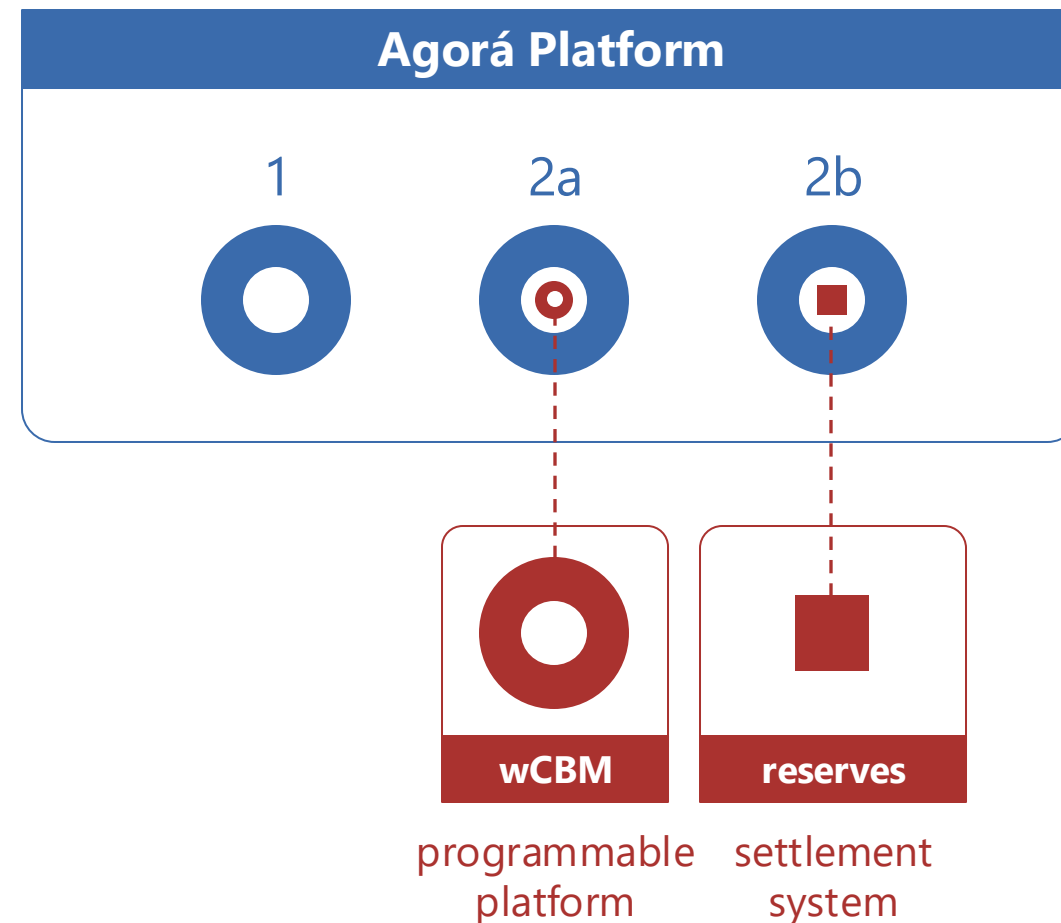
Issuance of Assets Screening and Reporting Transactions



wholesale central bank monies

Issuance of wholesale CB money

1. new component of monetary base
2. depository receipt



Agorá Platform

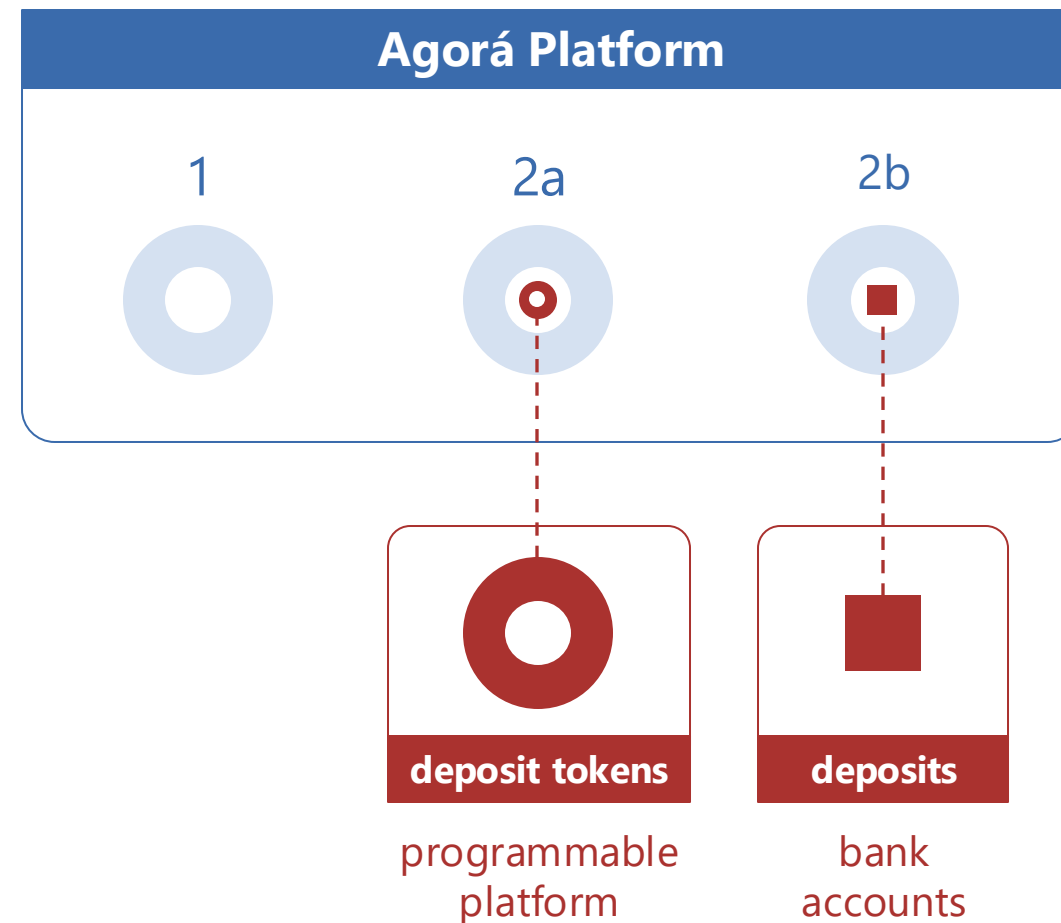
Issuance of Assets Screening and Reporting Transactions



commercial bank monies

Issuance of tokenised deposits

1. unique
2. mirrored



Summary

- Goal is to bring people together from private and public sector, different jurisdictions
 - Demonstrate value while preserving key aspects of correspondent banking structure and central bank access policies
 - **Perfecting intermediaries** not replacing them
 - Provide legal and regulatory clarity on aspects of tokenized transactions
- Build a prototype that could be the basis for future programmable FMI

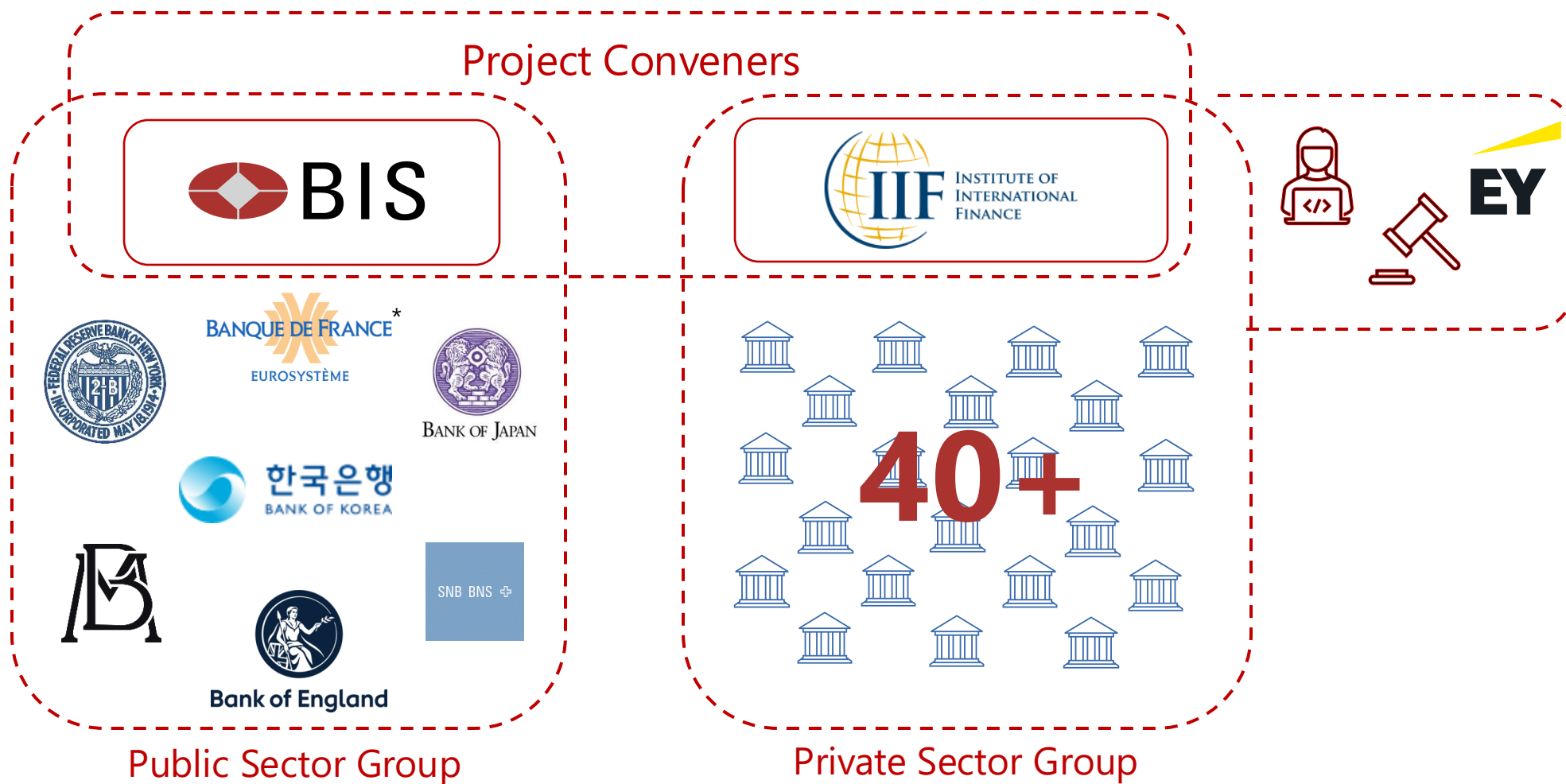
Project Agorá Structure

Agorá – a global project



Seven jurisdictions, 5 time zones, 15 hours difference ...

Agorá – private sector



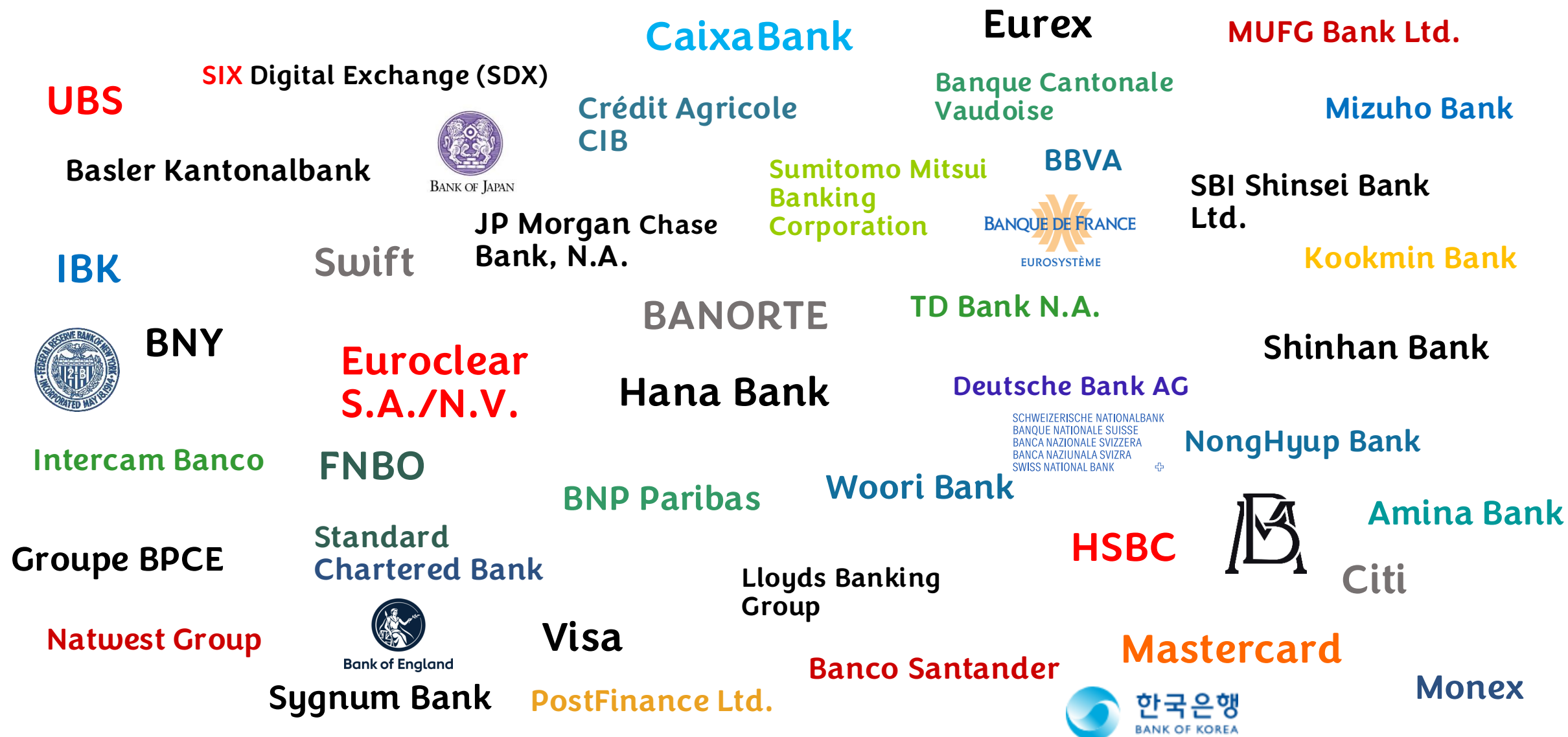
* Representing the Eurosystem

Agorá – private sector

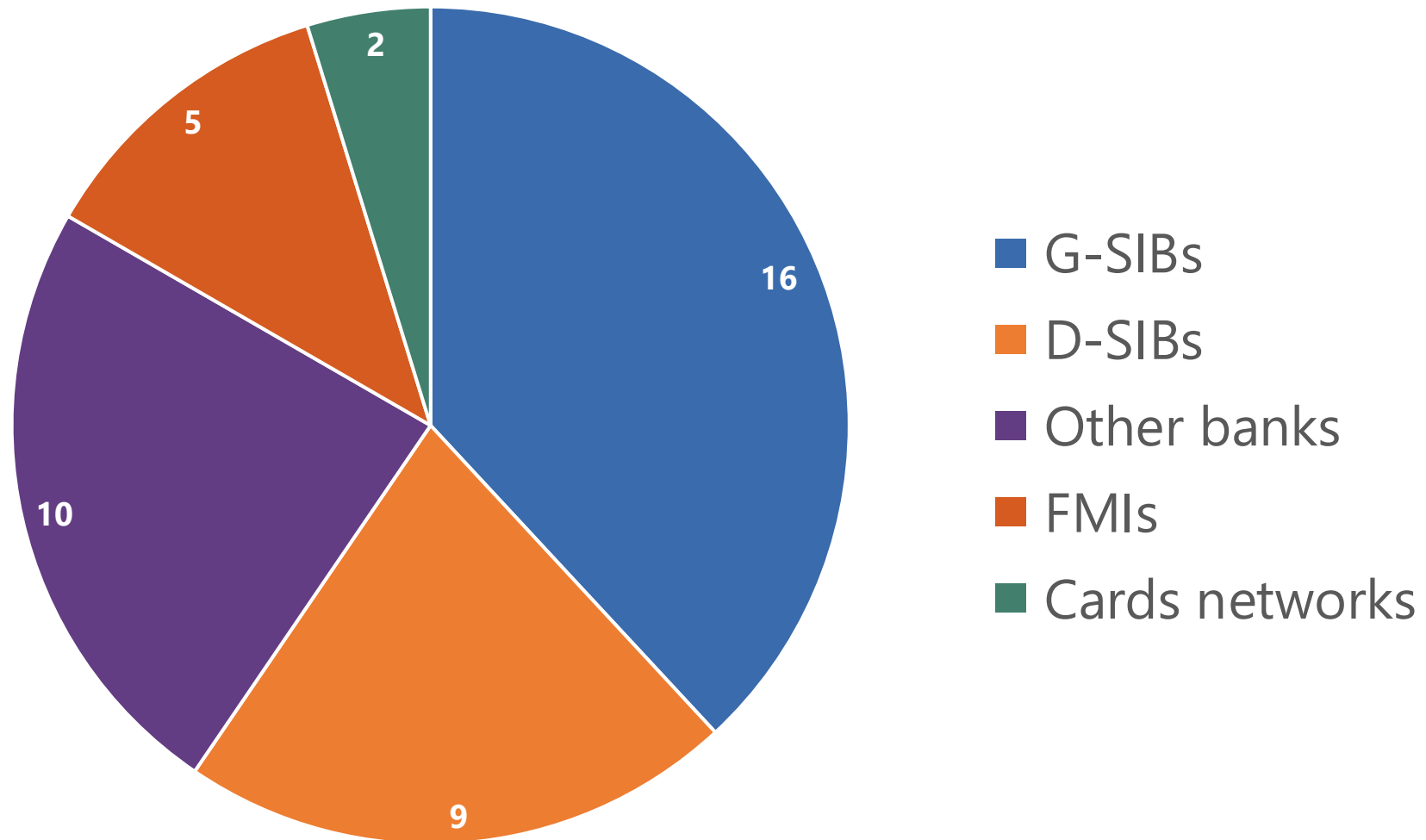
No.	Entity Name
1	Amina Bank
2	Banco Santander
3	Banorte
4	Banque Cantonale Vaudoise
5	Basler Kantonalbank
6	BBVA
7	BNP Paribas
8	BNY
9	CaixaBank
10	Citi
11	Crédit Agricole CIB
12	Deutsche Bank AG
13	Eurex
14	Euroclear S.A./N.V.
15	FNBO
16	Groupe BPCE
17	Hana Bank
18	HSBC
19	IBK
20	Intercam Banco
21	JP Morgan Chase Bank, N.A.

No.	Entity Name
22	KB Kookmin Bank
23	Lloyds Banking Group
24	Mastercard
25	Mizuho Bank
26	Monex
27	MUFG Bank Ltd.
28	Natwest Group
29	NongHyup Bank
30	PostFinance Ltd.
31	SBI Shinsei Bank Ltd.
32	Shinhan Bank
33	Six Digital Exchange (SDX)
34	Standard Chartered Bank
35	Sumitomo Mitsui Banking Corporation
36	Swift
37	Sygunum Bank
38	TD Bank N.A.
39	UBS
40	Visa
41	Woori Bank

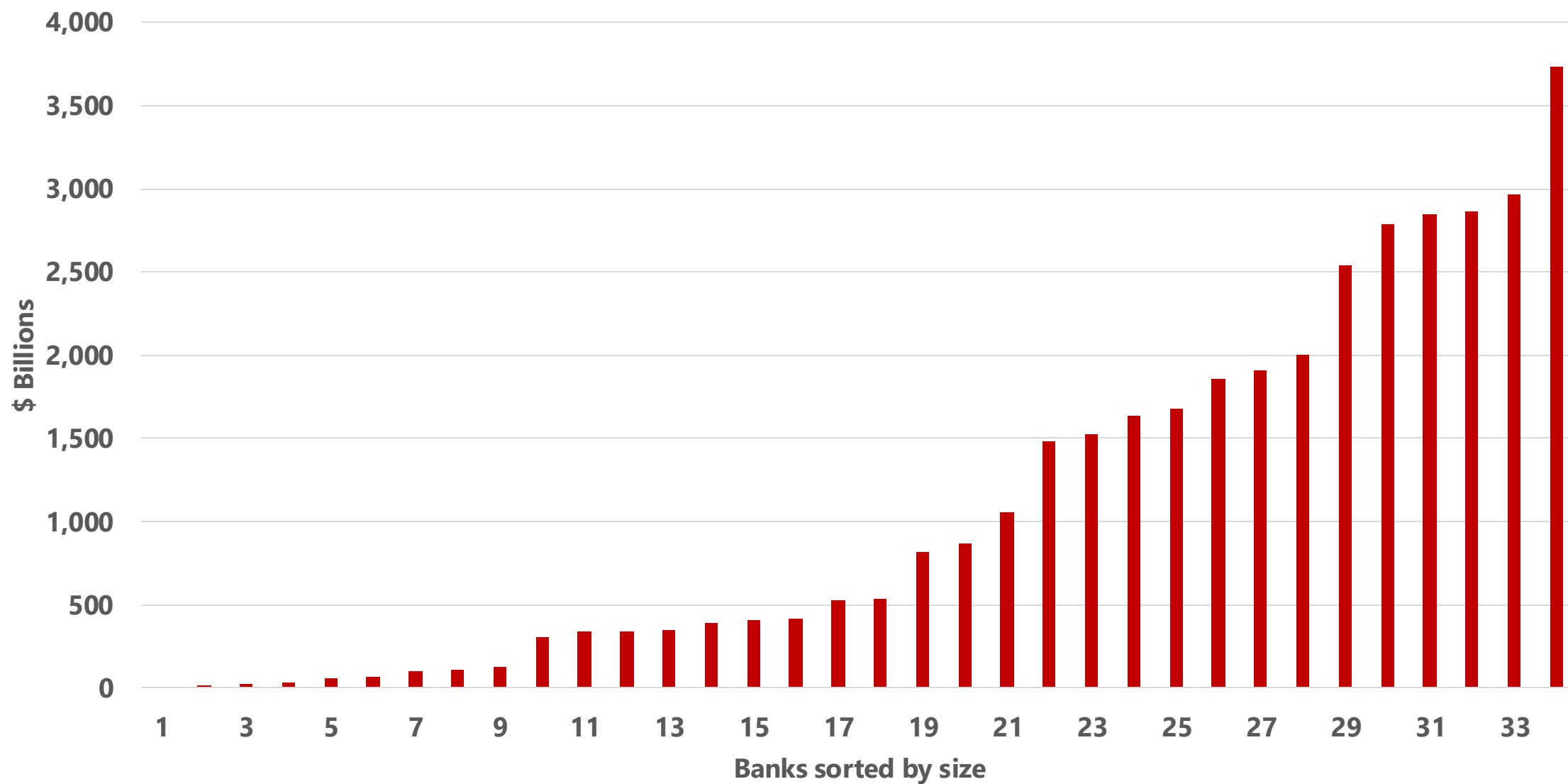
Agorá – private sector diversity



Agorá – business model diversity



Agorá – size diversity



Project Agorá - Working Structure

Project Agorá Conveners



Project Agorá Committee

A senior official from each project participant

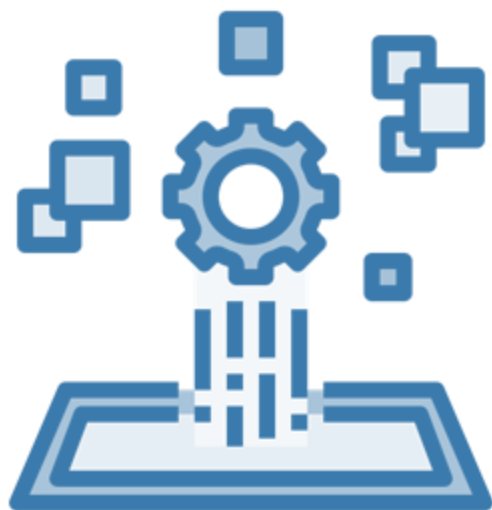
Business

Legal

Tech

Comms

Outputs



Platform prototype



Final report

A painting of ancient ruins, possibly a Roman forum or temple complex, featuring several classical columns and arches. The scene is set against a backdrop of a cloudy sky and distant hills. The word "Questions?" is overlaid in large, white, bold text across the center of the image. The painting style is impressionistic, with visible brushstrokes and a soft, atmospheric quality. The ruins are made of light-colored stone, and there are some small figures of people in the foreground, suggesting a sense of scale and history. The overall mood is contemplative and historical.

Questions?

A painting of ancient ruins, possibly the Forum of Trajan in Rome, featuring a large colonnade of Corinthian columns. The scene is set under a dramatic, cloudy sky. In the background, there are lush green trees and a hillside with more ruins. Several small figures of people are visible in the courtyard, adding a sense of scale. The overall style is that of a 19th-century academic painting.

Thank you

