JOINT PRESS RELEASE

Frankfurt/Main, 28 November 2016

Joint Deutsche Bundesbank and Deutsche Börse blockchain prototype

Today the Deutsche Bundesbank and Deutsche Börse jointly presented a functional prototype for the blockchain technology-based settlement of securities. The innovative prototype is designed to provide the technical functionality for the settlement of securities in delivery-versus-payment mode for centrally-issued digital coins, as well as the pure transfer of either digital coins or digital securities alone. In addition, it is capable of settling basic corporate actions such as coupon payments on securities and the redemption of maturing securities.

The Deutsche Bundesbank and Deutsche Börse plan to develop the prototype further over the next few months, and this product will then be used to analyse the technical performance and the scalability of this kind of blockchain-based application.

"With the blockchain prototype, the Deutsche Bundesbank and Deutsche Börse want to work together to find out whether this technology can be used for financial transactions, and if so, how this can be achieved. The Deutsche Bundesbank hopes that this prototype will contribute to a better practical understanding of blockchain technology in order to assess its potential," explained Carl-Ludwig Thiele, Member of the Deutsche Bundesbank's Executive Board.

"Along with the Deutsche Bundesbank we are innovatively and creatively addressing potentially radical technological opportunities for the financial sector. We will continue to do our utmost to leverage blockchain's efficiency potential and to better understand and minimise the associated risks of this technology," added Carsten Kengeter, CEO of Deutsche Börse AG.

The blockchain-based prototype is the first result of a collaborative research project between Deutsche Börse and the Deutsche Bundesbank. The prototype is purely a conceptual study. It is far from being market-ready. The two institutions will continue to work on improving the prototype and drawing up a test concept.

The prototype has the following features:
• Blockchain-based payments and securities transfers as well as the settlement of securities transactions against both instant and delayed payment

• Maintenance of confidentiality/access rights in blockchain-based concepts on the basis of a flexible and adaptable rights framework

• General observance of existing regulatory requirements

• Identification of potential to simplify reconciliation processes and regulatory reporting, and

• Implementation of a concept based on a blockchain from the Hyperledger project.

Media contacts

_Deutsche Bundesbank, Directorate General Communications_

Tel: +49 69 9566 3511, presse@bundesbank.de

_Deutsche Börse:_

Heiner Seidel, +49 69 211 17764, heiner.seidel@deutsche-boerse.com

Reproduction permitted only if source is stated.