

【NEWS RELEASE】

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Sumitomo Mitsui Banking Corporation

Participation in the Bank for International Settlements' Project "Agorá"

Sumitomo Mitsui Banking Corporation (President and CEO: Akihiro Fukutome, hereinafter "SMBC") is pleased to announce its participation in Project Agorá (hereinafter "the Project").

Project Agorá, launched by the Bank for International Settlements (BIS), a group of central banks, and the Institute of International Finance (IIF), will proceed to the next phase with private sector financial firms including SMBC, in their exploration of how tokenization can enhance wholesale[※] cross-border payments.

Project Agorá (Greek for "marketplace") brings together seven central banks: Bank of France (representing the Eurosystem), Bank of Japan, Bank of Korea, Bank of Mexico, Swiss National Bank, Bank of England and the Federal Reserve Bank of New York, convened by BIS. They will work in partnership with a group of private financial firms convened by IIF.

The Project builds on the unified ledger concept proposed by the BIS (link) and will investigate how tokenized commercial bank deposits can be seamlessly integrated with tokenized wholesale central bank money in a public-private programmable core financial platform. This could enhance the functioning of the monetary system and provide new solutions using smart contracts and programmability, while maintaining its two-tier structure.

This major public-private partnership will seek to overcome several structural inefficiencies in how payments happen today, especially across borders, which add a layer of challenges: different legal, regulatory and technical requirements, operating hours and time zones. Plus the increased complexity of carrying out financial integrity controls (e.g. against money laundering and customer verification), which today are often repeated several times for the same transaction, depending on the number of intermediaries involved.

SMBC is committed to supporting this project and contributing to overcoming the current challenges of cross-border payments. We will also continue our efforts to enhance cross-border payment services.

[※]This refers to settlements between central banks and private financial institutions.

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