

Utility Settlement Coin

Blockchain from a Central Bank Perspective –
Distributed Ledger Technology for Payment, Clearing and Settlement

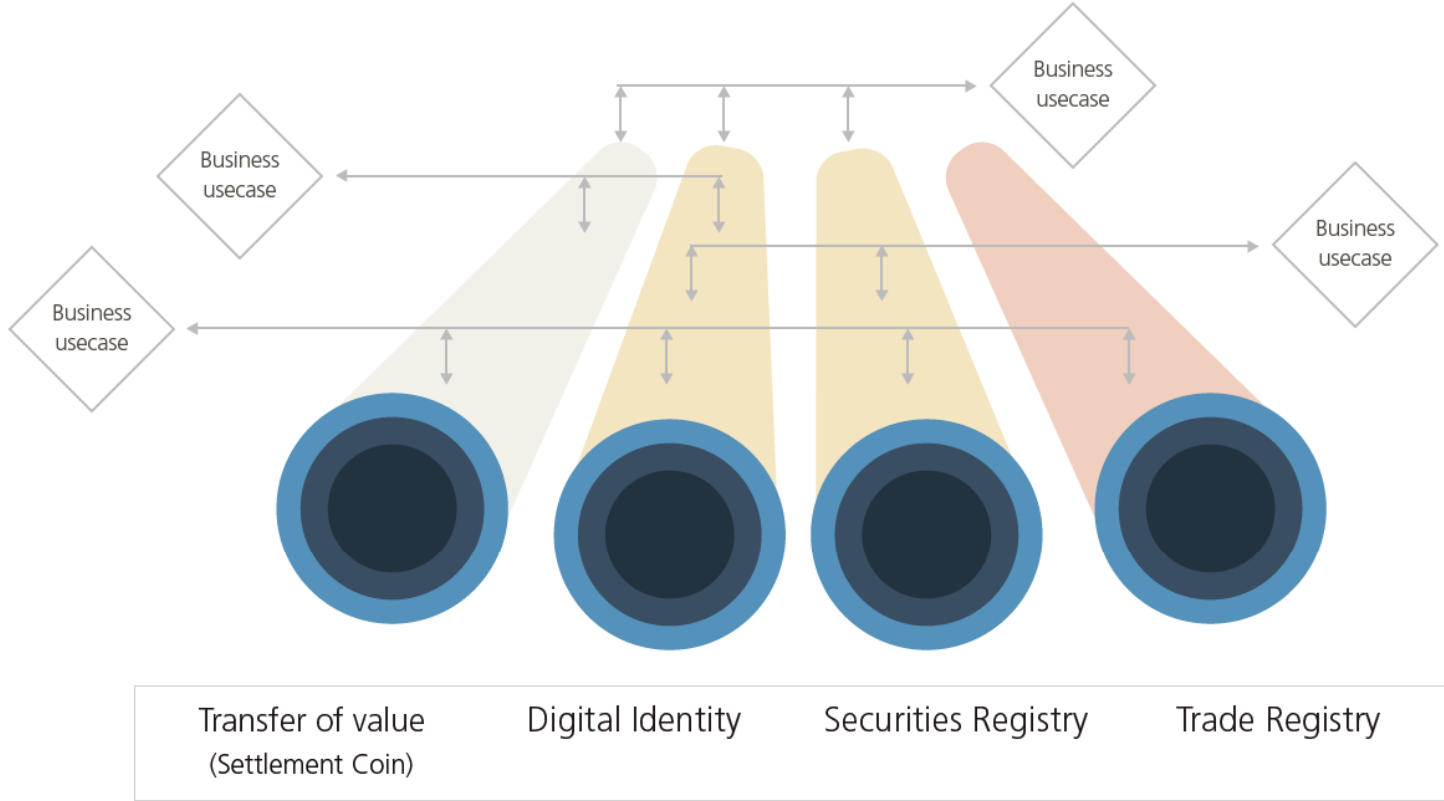
Beat Bannwart
Head Strategic Innovation & Market Development
Corporate & Institutional Clients



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Building an Eco-System on a Common Market Fabric

Infrastructure based on interoperable rails



Market Utility Services



Note: For illustrative purposes only

Utility Settlement Coin

Overview and Background

Overview

Utility Settlement Coin (USC) is envisaged to be a series of **digital cash** instruments for major currencies

Digital: ownership of the USC ownership is recorded on a distributed ledger layer, effected and validated by cryptographic signature of the USC's beneficial owner

Cash: fully asset-backed by cash at the corresponding central bank

Accordingly, the two aspects of the USC design are:

- Legal and market structuring of the digital cash instrument
- Next generation, distributed ledger payment rails

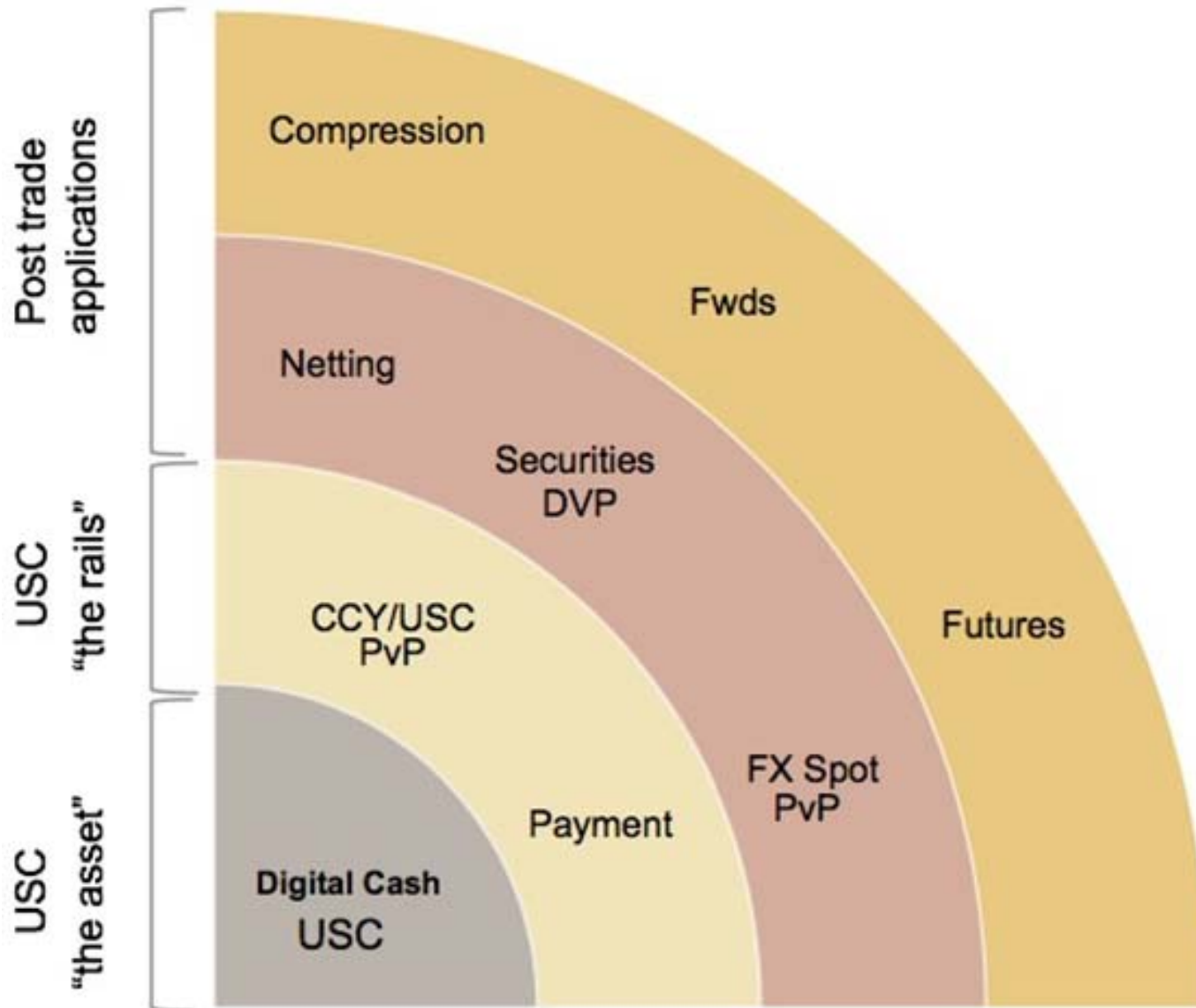
Background

The idea was originally developed with UBS and Clearmatics in 2015 during Phase 1 of the project

The seemingly unrelated points which motivated this idea can be outlines as:

- Distributed ledger technologies will fundamentally transform post trade operations and market structure. As cash is a leg to almost every trade, this will happen only if there is a way of settling cash on the distributed cash rail
- Access to central bank money will be liberalized due to post crisis regulations, changes in market structure and compelling policy rationales

'Layers' forming a likely Roadmap



USC Project – Structure and Objectives



- OBJECTIVES**
- ▶ Create a framework for the Utility Settlement Coin and the Utility Trust for discussion and review with identified Central Banks and Regulators
 - ▶ Create a beta product, with MVP within key flows of a future production platform
 - ▶ Raise awareness of the project and build traction across future participants