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Helaba to participate in ECB trials

Helaba has been selected with four use cases to participate in ECB trials of new technology for the settlement of wholesale transactions. In the scope of the Deutsche Bundesbank's payment system Trigger Solution, a Wirtschafts- und Infrastrukturbank Hessen (WIBank) registered bond will be issued digitally through the fintech Cashlink Technologies. Helaba will be responsible for the settlement of this transaction using a digital to-kenisation process.

In May, the ECB launched the first wave of a seven-month trial phase to test distributed ledger technology (DLT) for the settlement of wholesale transactions in central bank money with the aim of exploring technical solutions and gaining practical insights. The Deutsche Bundesbank is providing its DLT-based Trigger Solution for the trial phase that links DLT transactions to Europe's traditional TARGET2 real-time gross settlement system. The integration of distributed ledger technology allows securities transactions to be settled in central bank money, minimising credit and liquidity risks. Helaba successfully applied to participate in the trial phase by proposing four use cases.

"We believe it is crucial to be involved from the outset in order to gain further know-how, engage in a dialogue with other market participants and consolidate Helaba's role in providing future digital solutions", says Thomas Groß, Helaba's CEO, in explaining the bank's involve-ment in the trials. In addition, he emphasises that Helaba's strategy also includes collaborating with selected fintechs. An example of this approach is an equity stake the bank acquired last year in Cashlink. Meanwhile, this Frankfurt-based fintech provides unparalleled infrastructure in Europe for asset tokenisation solutions.

In the course of the ECB's exploratory work, WIBank will be issuing a digital registered bond in collaboration with Cashlink, while Helaba will handle the settlement of the transaction. Besides WIBank's digital registered bond, within the scope of the ECB trials there are also plans to issue two digital registered bonds by German savings banks in conjunction with the S-Group banks, as well as a digital bond for a DAX-listed company together with DekaBank.

"We are delighted to be able to participate in the trials alongside our strategic investment Cashlink", says Benjamin Bürkner, Managing Director at Helaba Digital. "We are already working closely with the ECB and other financial service providers in various working groups, including on the digital euro. The fact that we are now participating with all four of the use cases we submitted is a clear sign that we are on the right track", he adds.

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