

[HKMA publishes joint report on Project Sela \(with photos\)](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA), together with the Bank of Israel (BOI) and the Bank for International Settlements Innovation Hub (BISIH) Hong Kong Centre published a joint report, titled "Project Sela – An accessible and secure retail CBDC ecosystem", at a report launch conference hosted by the BOI in Tel Aviv on September 12 (Tel Aviv time).

As the first collaborative project between the two central banks on the fintech front, Project Sela demonstrated the technical feasibility of a retail central bank digital currency (CBDC) architecture that can promote competition and innovation in digital payments by allowing non-bank payment intermediaries to connect directly to the CBDC ledger of the central bank. Leveraging distributed ledger technology (DLT), a proof-of-concept prototype was developed to showcase how the technical implementation of the proposed architecture can incorporate strict cybersecurity, legal and policy requirements.

Deputy Chief Executive of the HKMA, Mr Howard Lee, said, "We are pleased to have successfully completed this project with the BOI and BISIH Hong Kong Centre. This project provided valuable practical insights into the cybersecurity, technical and policy aspects of a retail CBDC implementation. While the HKMA has not yet made a firm decision on whether and when to introduce an e-HKD in Hong Kong, the outcomes of Project Sela will inform our on-going exploration. We hope that Project Sela will also benefit other central banks in their own evaluations of different retail CBDC architectures."

Deputy Governor of the BOI, Mr Andrew Abir, said, "Competition and innovation require a flourishing and open ecosystem with many different types of service providers. This was our initial goal in Project Sela as a proof-of-concept, and the project proved the feasibility of the model we had in mind. If central bank money is to go digital, cybersecurity is key, and the project provided an opportunity to discuss and study cybersecurity elements of CBDC with our partners. The BOI is honoured to collaborate with institutions that stand at the frontier of CBDC explorations."

The Head of the BISIH Hong Kong Centre, Ms Bénédicte Nolens, said, "Project Sela explored the feasibility of a CBDC system where the central bank operates the retail ledger and a new type of intermediary, called an Access Enabler, provides broader access to the CBDC, promoting competition and innovation. It showed that this can be achieved without compromising cybersecurity or the privacy of end users from the central bank."

The [report](#) is available on the HKMA website.

