

HKMA unveils Project Ensemble to support development of Hong Kong tokenisation market

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

The Hong Kong Monetary Authority (HKMA) today (March 7) announced the commencement of Project Ensemble, a new wholesale central bank digital currency (wCBDC) project to render support to the development of the tokenisation market in Hong Kong.

The new project will seek to explore innovative financial market infrastructure (FMI) that will facilitate seamless interbank settlement of tokenised money through wCBDC. The project will initially focus on tokenised deposits, which is a digital representation of commercial bank deposits, issued by commercial banks and made available to the general public. With wCBDC as the foundation, tokenised deposits can be used for tokenised asset transactions, unlocking new opportunities for optimisation and innovation in the tokenisation era.

At the core of Project Ensemble is a wCBDC Sandbox that the HKMA will launch this year to further research and test tokenisation use cases that include, among others, settlement of tokenised real world assets (e.g. green bonds, carbon credits, aircraft, electric vehicle charging stations, electronic bills of lading and treasury management). It could potentially forge a new FMI that bridges the existing gap between tokenised real world assets and money in transactions.

To help set industry standards and a future-proof strategy, the HKMA will form a wCBDC Architecture Community consisting of local and multinational banks, key players in the digital asset industry, technology companies and the CBDC Expert Group (Note 1). The HKMA will also continue to partner with Cyberport and the Hong Kong Science and Technology Parks Corporation to foster the development of asset tokenisation and support homegrown fintech innovation.

Project Ensemble forms a key part of the HKMA's broader portfolio of initiatives to facilitate the development of the tokenisation market, comprising e-HKD and collaboration with the BIS Innovation Hub Hong Kong Centre such as mBridge (Note 2), Dynamo (Note 3) and Genesis (Note 4). It will also build on the experimentation of tokenised deposit use cases that the HKMA conducted with HSBC, Hang Seng Bank and Ant Group in 2023. The HKMA will engage relevant international stakeholders, including other central banks and organisations, to join future experiments and exploration in the wCBDC Sandbox.

Finally, if the wCBDC Sandbox garners sufficient interest from the

industry, the HKMA will conduct a "live" issuance of the wCBDC at the appropriate time.

The Chief Executive of the HKMA, Mr Eddie Yue, said, "Hong Kong has always championed innovation and international collaboration. Project Ensemble will provide fresh impetus to our vibrant financial industry and reinforce our forefront position in tokenised money and assets. We welcome global talents and industry players to come to Hong Kong and be part of this very exciting tokenisation journey."

Note 1: [CBDC Expert Group](#)

Note 2: [Project mBridge: experimenting with a multi-CBDC platform for cross-border payments](#)

Note 3: [Project Dynamo: catalysing innovation for SME growth](#)

Note 4: [Project Genesis: prototype digital platforms for green bond tokenisation](#)