

[Hong Kong Monetary Authority partners with Banco Central do Brasil on Cross-Border Tokenisation Initiatives](#)

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

The Hong Kong Monetary Authority (HKMA) announced today (October 28) the collaboration with the Banco Central do Brasil (BCB) to conduct cross-border tokenisation experiments under Project Ensemble and Drex pilot programme. The two institutions will link their experimental central bank digital currency (CBDC) infrastructures, namely the Ensemble Sandbox and the Drex pilot platform, to explore cross-border payment-versus-payment (PvP) and delivery-versus-payment (DvP) settlement use cases in areas such as trade finance and carbon credits.

Building on the Co-operation Agreement (Note 1) signed by the HKMA and the BCB in 2018 to foster innovation in financial services across their respective markets, the collaboration follows the announcements by both parties of their latest rounds of experimentations involving CBDCs and tokenised assets. The HKMA launched the Ensemble Sandbox in August this year to conduct experiments with industry participants across four main areas: fixed income and investment funds, liquidity management, green and sustainable finance, and trade and supply chain finance.

Meanwhile, the BCB announced 13 themes for the second phase of its Drex pilot programme in September this year. With the Brazilian CBDC, Drex, as the foundation, the Drex pilot aims to support the development of a tokenised financial market in Brazil. The Drex platform is being developed in co-operation with more than 70 companies, bringing together a diverse set of financial market participants.

The Chief Executive of the HKMA, Mr Eddie Yue said, "The seed of the collaboration between the HKMA and the BCB, planted a few years ago, has now blossomed. Project Ensemble is all about collaboration with industry partners to advance the tokenisation market. In this regard, the BCB is an excellent partner, especially as we share a common vision of driving the future of the financial industry through technology. We are both taking concrete steps to turn this vision into reality."

The Governor of the Banco Central do Brasil, Mr Roberto Campos Neto, said, "The collaboration with the HKMA is an important step in this new phase in the construction of Drex. Participating in cross border experimentation and debates is fundamental to help in the creation of an even better integrated global financial market. Thus, we consider to be symbolic the connection of two jurisdictions on opposite sides of the globe."

Note 1: For further details, please refer to

www.hkma.gov.hk/eng/news-and-media/press-releases/2018/09/20180910-3/.