



# DIGITAL BRAZILIAN REAL

Press Conference

Updated Guidelines  
Directives of its pilot-project – ‘*Piloto RD*’

March 2023

# AGENDA



- 1** Purposes
- 2** Digital Brazilian Real – Guidelines
- 3** *Piloto RD* – Basic Requirements
- 4** *Piloto RD* – Communication Strategy
- 5** *Piloto RD* – Technical Aspects
  - a. Technical objectives of the Pilot RD
  - b. Technical guidelines
  - c. Platform
  - d. Calendar

# *Piloto RD*

## Purposes

- Real Digital platform pilot development
- Consultation channel with society on its development



# Digital Brazilian Real

## Guidelines

March 2023



# Brazilian Digital Real – Guidelines March 2023

**Guideline 1.** Emphasis on the development of innovative business models with the incorporation of technologies – such as smart contracts and programmable money – compatible with the settlement of operations through the “internet of things” (IoT).

**Guideline 2.** Focus on the development of online applications, bearing in mind the possibility of offline payments.

**Guideline 3.** Issuance of the ‘Digital Real’ by the BCB as a means of payment to support the provision of retail financial services that will be settled through deposit tokens, necessarily issued by regulated entities of the National Financial System (SFN) and the Brazilian Payments System (SPB)



# Brazilian Digital Real – Guidelines March 2023

**Guideline 4.** Application of the current regulatory framework to operations conducted within the future ‘Digital Real’ platform to avoiding regulatory asymmetries

**Guideline 5.** Ensuring legal certainty in transactions conducted on the platform of the ‘Digital Real’

**Guideline 6.** Compliance with all privacy and security principles and rules provided for in Brazilian legislation, especially by Complementary Law No. 105/2001 (‘Bank Secrecy Law’), and Law No. 13,709/2018 (the Brazilian General Personal Data Protection Law – LGPD)

# Brazilian Digital Real – Guidelines March 2023

**Guideline 7.** Technological design that allows full compliance with international recommendations and legislation regarding to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction, including compliance with court orders for tracking illicit operations.

**Guideline 8.** Adoption of a technological solution based on DLT that enables:

1. Initial registration of assets of different natures
2. Decentralization in the provision of products and services
3. Interoperability with legacy domestic systems and with other systems for registration and information transfers information, as well as trading of regulated digital assets
4. Integration with systems in other jurisdictions, with a view to making cross-border payments.

**Guideline 9.** Adoption of resiliency and cybersecurity standards equivalent to those applicable to critical infrastructures in the financial market.

## Tests

- ✓ **DLT infrastructure**
  - ✓ Programmability of financial assets
  - ✓ DvP with a tokenized Federal Government Bond (TPFt)
- ✓ **Level of privacy of information in compliance with legal framework**



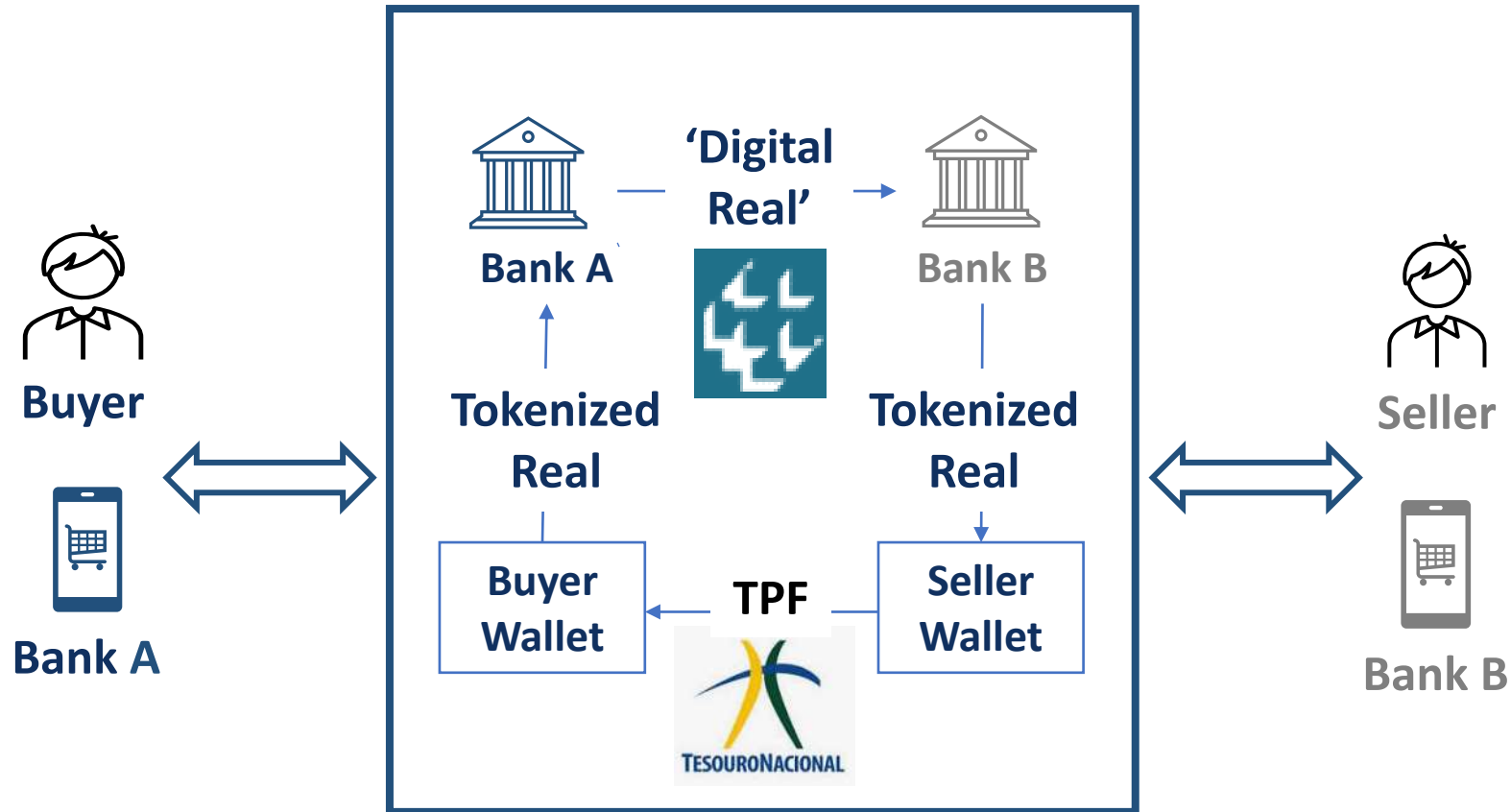
## 1 Multi-Asset DLT

- ✓ **Digital Real – Wholesale purposes**
  - ✓ Bank Reserves and Settlement Accounts
- ✓ **Tokenized Brazilian Real – Retail purposes**
  - ✓ Demand deposits held at financial institutions
  - ✓ Accounts held at payment institutions
  - ✓ Federal Government Bond (TPFt)

## 2 Simulation of transactions

- ✓ Issuance, redemption and transfer of the assets, and the related financial flows
- ✓ DvP up to the end customer level (atomic settlement).

# Piloto RD



“Pix of the financial services”

**DvP up to the  
end customer  
level**

Atomic settlement\*

\* Simulated transactions and clients

## 3 Fractionalization of assets

## 4 Access to services through financial and payment institutions

- ✓ Tokenized Brazilian Real
- ✓ API provided by the financial service provider

## 5 Technological and business directives

- ✓ To be defined exclusively by the BCB
- ✓ **'Digital Real' Forum**: channel of consultation between the BCB and representative entities from the segments involved



# *Piloto RD* Communication

- ✓ *Workshop*
- ✓ *Forum 'Digital Real'*

# Digital Brazilian Real

## *Piloto RD*

### Technical aspects

# Piloto RD – Goals

- ✓ Permissioned DLT
- ✓ Evaluation of technological solutions considering the following aspects
  - ✓ Decentralized architecture
  - ✓ Privacy
    - Bank secrecy and the Brazilian Personal Data Protection Law (LGPD)
  - ✓ Potential programmability gains



## 1 Test environment

## 2 Participation and operation

- ✓ Limited number of participants
- ✓ Limited working hours

## 3 Technological architecture

- ✓ Compliant with the 'Digital Brazilian Real' Guidelines – March 2023
- ✓ Long-term perspective

## Pilot RD platform

# Platform: Hyperledger Besu

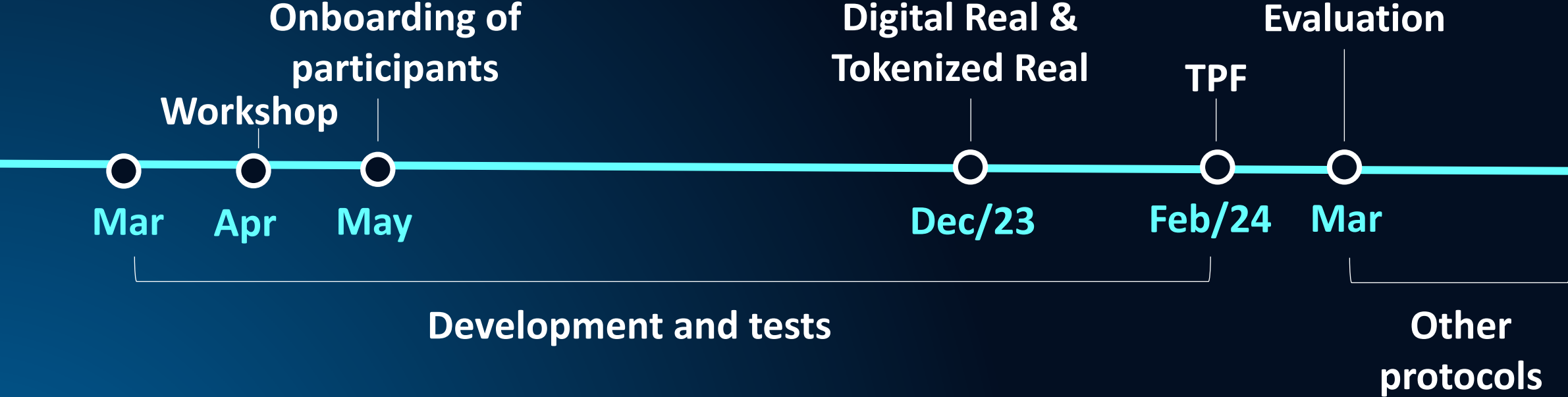
Suitable for the *Piloto* RD given the following features:

- ✓ Compatible with EVM in a permissioned network
- ✓ Support for transaction privacy and ability to incorporate additional modules
- ✓ Open Source with active development by the Hyperledger community
- ✓ Several IT providers (Brazil and abroad)
- ✓ Platform with projects in production

# *Piloto RD*

## Schedule 2023/2024

# Piloto RD – Next Steps



# DIGITAL BRAZILIAN REAL

Thank you!