

Terms of reference of the New Technologies for Wholesale settlement Contact Group (NTW-CG) for the Eurosystem exploratory work on new technologies for wholesale central bank money settlement

1. Preamble and objectives

The Eurosystem investigates the potential use of new technologies in the context of market infrastructures and payments with an open mind. This approach includes exploratory work led by the Eurosystem (Eurosystem exploratory work) that investigates how central bank money settlement of wholesale (large value) financial transactions in euro could take place in the presence of new technologies such as Distributed Ledger Technologies (DLT). As part of this exploratory work, from May 2024 until November 2024 the Eurosystem engages in experiments and trials¹ with financial market stakeholders. Eurosystem exploratory work does not prejudice any policy direction of the Eurosystem. In case the Eurosystem interacted with DLT platforms in Eurosystem exploratory work that involved non-Eurosystem financial market stakeholders, neither the experiments and trials that the Eurosystem might engage in, nor their potential sequencing are to be understood as legitimating any of the Eurosystem solutions that are experimented and trialled with. Accordingly, Eurosystem experiments and trials are without prejudice to any potential future financial market structure in these areas.

The Eurosystem has set up the NTW-CG to support and to facilitate an active dialogue with financial market stakeholders. The Eurosystem engages with the NTW-CG to inform on the Eurosystem's exploratory work, including its key features and principles and how it intends to organise it. The NTW-CG does neither have a formal advisory nor a steering role with respect to the Eurosystem's exploratory work.

2. Responsibilities and purpose

The NTW-CG exchanges views on the organisation and direction of the Eurosystem's exploratory work. It shares information with the Eurosystem regarding developments in the field of DLT and other new technologies, articulates its members' needs, and acts as a sounding board for the Eurosystem exploratory work. In particular, the NTW-CG shall share information and provide its views on:

- Updates on the market use of new technology such as DLT and other new technologies for the purpose of wholesale central bank money settlement in euro;

¹ Experiments will not involve the actual settlement of wholesale financial transactions in central bank money while trials will do so within the perimeter defined by the Eurosystem.

- Needs and interest of financial market stakeholders to explore DLT solutions for wholesale settlement in euro central bank money;
- New-technology-based solutions and use cases identified by the Eurosystem and by NTW-CG members;
- Operational aspects of the Eurosystem exploratory work, timeline and sequencing of experiments and trials, sourcing and costs, criteria and required arrangements to govern the participation of financial market stakeholders in the Eurosystem exploratory work;
- Selected results of the exploratory work.

3. Composition

The NTW-CG aims to be broadly representative. Its members should cover different geographical backgrounds, types and sizes of institutions and reflect a variety of service offerings. The NTW-CG is chaired by the Eurosystem. In addition to NTW-CG members, observers and exceptionally other non-member experts may attend NTW-CG meetings. The ECB provides the Secretariat of the NTW-CG.

Members

Members shall be:

- A broad representation of member institutions of the Advisory Group on Market Infrastructures for Payments (AMI-Pay) and the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo);
- A limited number of institutions that are not represented in the AMIs (e.g. FinTechs) that have shown keen interest and/or relevant activities in the field of asset and or cash settlement while applying new technologies, whereby Eurosystem National Central Banks and competent authorities support with such identification in their respective jurisdictions. Active participation in the Eurosystem exploratory work will be taken into account;
- Relevant industry associations.

Members are expected to contribute to a wide perspective on the potential development of European financial markets. Members bring their knowledge and expertise and actively contribute to the NTW-CG's discussions. Members may share views of their individual institutions in case (i) they acknowledge these as such to the other NTW-CG members and (ii) only if such individual views can add value to the responsibilities, objectives and purpose of the NTW-CG.

Membership and the term of appointment are considered by the ECB. Members will be selected and appointed by the Chairperson. Members are expected to attend all meetings. They should contact the NTW-CG Secretariat, if they are unable to do so. Each institution is invited to nominate one alternate who can participate in the exceptional absence of the member, subject to the Chairperson's approval.

To ensure openness and broad representation, membership is subject to annual review. It will be based on merit, including regular attendance, active contributions to the group, and the role of the member's institution and the member in new technologies for wholesale central bank money settlement topics. The ECB can suspend membership. To enhance the diversity and inclusion of the Contact Group, institutions are encouraged to take into consideration the Equality, Inclusion and Diversity Charter² when applying for membership. Applicants should complete and submit an application form³ and relevant documentation to the NTW-CG Secretariat at the latest by 15 May of each year.

If an existing member changes roles in the nominating institution or leaves it, this member must timely inform the NTW-CG Secretariat. An existing member's seat will not be automatically passed on to a nominated replacement. Applicants with the intention to permanently replace existing members are to submit an application form⁴ together with relevant documentation to the NTW-CG Secretariat at the same time of the announcement of the membership change.

Observers

- The following entities are invited to participate in the NTW-CG as observers:
 - All Eurosystem central banks;
 - Supranational authorities at European level, including the European Commission and the European Securities and Market Authority.
- The Chairperson may invite representatives of non-euro area central banks and the Bank for International Settlements (BIS), e.g. in the context of specific topics, such as PvP use cases.

Non-members

- The Chairperson may invite external (non-member) experts to present or discuss specific issues or topics.

4. Information sharing with the Eurosystem

The Chairperson informs the relevant Eurosystem governance structures about the discussions and views expressed in the NTW-CG.

5. Ways of working

The NTW-CG shall work in an open and transparent manner. Meeting material and relevant outcomes shall be shared with all members and the public to facilitate the circulation of information also outside of the organised meetings.

² Available [here](#) on the ECB's website.

^{3,4} Available [here](#) on the NTW-CG's webpage.

Meeting documentation, meeting summaries and the list of NTW-CG members and observers are published on the ECB's website. Members can provide comments to the meeting summaries prior to publication. Meeting summaries will, as a matter of principle, not reflect individual members' views.

Meetings

The NTW-CG shall meet online or in person. The NTW-CG shall, in principle, meet at least four times a year. Ad hoc meetings may be organised when necessary, at the discretion of the Chairperson. The working language shall be English. By default, no recording of virtual and physical meetings is allowed to take place.

Members are expected to attend and actively participate in all regularly scheduled virtual and physical meetings and to contribute to the NTW-CG's deliverables. Chapter 3 "**Composition**" explains the modalities for the nomination of alternates and potential replacements of members, and the role of the Chairperson to decide on this.

To allow for the NTW-CG to also discuss results of the exploratory work, it will meet at least until end 2025. Continuation of the NTW-CG after the Eurosystem exploratory work ends will be decided by the Eurosystem in due time.