

## **Media Release**

Stuttgart, Germany, 1 October 2024

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## **Boerse Stuttgart Group sets the course for the digitalization of the European capital market with ECB blockchain tests**

**Comprehensive test of secondary market transactions with tokenized securities and central bank money // Settlement time reduced from two days to just a few minutes // Six partner banks and Bundesbank involved**

As part of the European Central Bank's (ECB) explorations, Boerse Stuttgart Group has tested the settlement of exchange transactions with blockchain-based securities against central bank money for the first time. The successful test marks a significant progress in the development of a digital capital market.

The partners Commerzbank, Deutsche Bank, DZ Bank, LBBW, Bankhaus Metzler and V-Bank were connected to Boerse Stuttgart Group's blockchain-based settlement solution as trading and settlement participants. The settlement solution was linked to the Deutsche Bundesbank's trigger solution and thus to the traditional euro payment system.

With the partner banks, Boerse Stuttgart Group tested a large number of transactions with five tokenized securities – including bonds, funds, and a share. The focus was on the interoperability of blockchain and central bank money: The tests showed that the settlement processes can be mapped automatically, step by step and directly between the trading participants – efficiently, securely and without counterparty risk. The settlement time was reduced from two days to just a few minutes.

“Blockchain technology is a game changer for the digitalization of the European capital market. We at Boerse Stuttgart Group are pioneers in this field. With the successful completion of the ECB blockchain tests, we have taken an important step in the EU. In Switzerland, our exchange for tokenized securities BX Digital is set to launch in 2024. It will use our self-developed, innovative, blockchain-based settlement solution,” says Dr Matthias Voelkel, CEO of Boerse Stuttgart Group.

In contrast to other use cases in the ECB tests, Boerse Stuttgart Group gathered insights not only based on a single transaction, but through numerous test cases in a wide variety of scenarios. The settlement processes were tested both under normal conditions and for exceptional cases. Boerse Stuttgart Group's broker EUWAX AG and its crypto custodian Boerse Stuttgart Digital Custody were also involved in the ECB tests.

**About Boerse Stuttgart Group**

Boerse Stuttgart Group is the sixth largest exchange group in Europe with strategic pillars in the capital markets business and in the digital and crypto business. It operates exchanges in Germany, Sweden and Switzerland. As a true pioneer, it has built the largest digital and crypto business of all European exchange groups. Boerse Stuttgart Group has a workforce of 700 and premises in Stuttgart, Berlin, Frankfurt, Ljubljana, Milan, Stockholm and Zurich.