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MAS Helps Develop Blockchain-based Prototype for Multi-Currency Payments

November 11, 2019 | News

The Monetary Authority of Singapore (MAS) has led the successful development of a blockchain-based prototype that enables payments to be carried out in different currencies on the same network.



The Singapore FinTech Festival (SFF) and the Singapore Week of Innovation and TeCHnology (SWITCH) will come together for the first time as SFF x SWITCH. Running from 11 to 15 November, this event will gather the global innovation and business community in Singapore. The inaugural SFF x SWITCH will feature innovative technologies across five key sectors –FinTech, Urban Solutions and Sustainability, Health and Biomedical Sciences, Advanced Manufacturing and Engineering, and Services and Digital Services to catalyse cross-industry exchange and learning in technology adoption, application of R&D, and commercialisation of new solutions. Organised by MAS in partnership with The Association of Banks in Singapore and in collaboration with SingEx Holdings, the Singapore FinTech Festival (SFF) is the world's largest FinTech festival and a global platform for the FinTech community to connect, collaborate, and co-create with one another. The Monetary Authority of Singapore (MAS) has led the successful development of a blockchain-based prototype that enables payments to be carried out in different currencies on the same network.

This prototype network, developed by MAS in collaboration with J.P. Morgan and Temasek, has the potential to improve cost efficiencies for businesses. It is currently undergoing industry testing to determine its ability to integrate with commercial blockchain applications. The applications that were tested successfully will be showcased at the Singapore FinTech Festival and Singapore Week of Innovation and TeCHnology (SFF x SWITCH) 2019.

This development marks the latest milestone for Project Ubin which is into its fifth phase. Building on the work of Phase 4 of Project Ubin, the payments network will provide interfaces for other blockchain networks to connect and integrate seamlessly. It will also offer additional features to support use cases such as Delivery-versus-Payment (DvP) settlement with private exchanges, conditional payments and escrow for trade, as well as payment commitments for trade finance.

Beyond technical experimentation, the fifth phase of Project Ubin sought to determine the commercial viability and value of the blockchain-based payments network. To date, MAS and its partners have engaged more than 40 financial and non-financial firms to explore the potential benefits of the network.

John Hunter, Global Head of Clearing and Interbank Information Network (IIN), J.P. Morgan, said, “J.P. Morgan is excited to be an infrastructure partner of MAS and Temasek for Phase 5 of Project Ubin. By leveraging our key learnings from building the Interbank Information Network® (IIN) and the JPM Coin, J.P. Morgan is well-positioned to support the development of a blockchain-based payments network and operate at scale.”

Chia Song Hwee, President & Chief Operating Officer, Temasek, said, “Blockchain technology has great potential in transforming businesses and opening up new business opportunities. To better understand the impact and value of blockchain technology, we are pleased to have partnered with MAS and J.P. Morgan for the Ubin platform. The inclusion of non-financial services companies has demonstrated the applicability of blockchain technology beyond capital markets and trade finance. We look forward to deeper collaboration and support for Singapore’s pioneering efforts in the blockchain space.”

Accenture has been commissioned to publish the project report in early 2020. The report will describe the blockchain use cases that would benefit from a blockchain-based payments network and set out additional features that the network could provide. In addition, the technical specifications for the connectivity interfaces that were developed will also be released for public access under Apache License Version 2.0.

Sopnendu Mohanty, Chief FinTech Officer, MAS, said, “There is growing evidence now that blockchain-based payments networks are able to enhance cost efficiencies and create new opportunities for businesses. We hope this development will encourage other central banks to conduct similar trials, and we will make the technical specifications publicly accessible to accelerate these efforts. We look forward to linking up with more blockchain networks to improve cross-border connectivity. This will be a big step forward in making cross-border transactions faster, cheaper, and safer.”