



BANK OF THAILAND

BOT Press Release

Communications and Relations Office, Corporate Communications Department
Tel. +66 2283 5016-7 Fax. +66 2283 6969 www.bot.or.th

No. 5/2019

Re. : The outcome and findings of Project Inthanon Phase I and the Project's next steps

Project Inthanon is a collaborative effort with the goal to develop and test a proof-of-concept (POC) for domestic wholesale fund transfer using wholesale Central Bank Digital Currency (wholesale CBDC). The project explores the potential in using Distributed Ledger Technology (DLT) to enhance Thailand's financial infrastructure and to encourage collaborative learning among involved parties.

Project Inthanon Phase I (August 2018 – January 2019) was conducted by the BOT, a technology partner R3, and eight participating banks including Bangkok Bank Public Company Limited, Krung Thai Bank Public Company Limited, Bank of Ayudhya Public Company Limited, Kasikornbank Public Company Limited, Siam Commercial Bank Public Company Limited, Thanachart Bank Public Company Limited, Standard Chartered Bank (Thai) Public Company Limited, and The Hongkong and Shanghai Banking Corporation Limited.

The outcome and findings of Project Inthanon Phase I

The results of Project Inthanon Phase I indicated that DLT can fulfil basic payment functionalities. In addition, the technology demonstrated capabilities to help enhance payment efficiency and to support interbank transfer and settlement during off-hours. It is worth noting that despite its high capabilities, DLT would need more time to mature to the stage in which the technology can be fully adopted for the payment system infrastructure. More experiments would be needed to further affirm DLT's capabilities, and any challenges to comply with international payments standard such as scalability, security and system resiliency should be explored.

The learning outcome and test results from Phase I provide an important basis for the development of Thailand's payment system. (Further details on the Phase I results are available for download at the following URL:

https://www.bot.or.th/English/FinancialMarkets/ProjectInthanon/Documents/Inthanon_Phase1_Report.pdf

The Scope of Project Inthanon Phase II

Based on the developed POC, the BOT, R3 and the eight participating banks will continue to collaboratively explore further applications of DLT in two areas: (1) *Interbank Trading and Repurchase transaction* to reduce delivery and settlement time for financial transactions related to BOT issued debt instruments on DLT system, and (2) *Regulatory Compliance and Data Reconciliation* to explore how DLT can facilitate banks' reconciliation of customer accounts and money transfers in compliance with the BOT regulations in order to reduce error and associated compliance costs.

Project Inthanon Phase II will start in February 2019 and is expected to be completed by the third quarter of 2019 after which the BOT will publish a project report accordingly.

Bank of Thailand

29th January 2019

For further information, please contact:

Financial Markets Department, Financial Markets Operations Group

Office of Corporate Strategy, Corporate Strategy and Relations Group

Payment and Bond Department, Information Technology Group

Information Technology Department, Information Technology Group

Tel: 0 2356 7532, 0 2356 7611

E-mail: Inthanon@bot.or.th