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Welcome to a new episode of BFRR, our Bitcoin Fiat and Rock and Roll podcast that explores the intersection of traditional finance, digital assets and digital money and helps you understand how digital assets and money will evolve in the future. I'm Co-host Jonas Groß and today I'm joined by Floris Lugt and Jan Lebbe, the co-heads digital assets of ING Wholesale Banking, but they are not just with ING. They serve as representatives of the stablecoin initiative of 9.

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major European banks from nine countries. You might have heard about this in our podcast or in the media already before, which is of course ING, Banka Sella, KBC, Danske Bank, Deca Bank, Unicredit, SEB, Kaiser Bank and Rife Eisen Bank International. So big crowd of very reputable European banks. And this is also what we will discuss today. So first, welcome to you, Floris and Jan. It's really a great pleasure to have you here with us today. Thank you. Great to be here. Pleasure is ours. I appreciate that.

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What we cover today is we will discuss basically your stablecoin initiatives in detail. So I think the initiative had from my perspective a really massive um public traction in the media. At least I mean, I remember the days when you posted the announcement that everybody was talking about it. So this has also got us of course very curious to understand a little bit more. And that's exactly what we want to do in this episode. Today, go a little bit deeper on how this all came, what the goals are, maybe also how you differentiate and just understand a little bit more.

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your approach. So maybe let's get started, you know, at looking at ING first. how basically did let's say the general blockchain journey at ING Bank look like in the past years? Maybe you can also shed a little bit of light on when this journey started, which initiatives just to get a little bit of a feeling where this was coming from. Yeah, I can start as it was at the blockchain team at ING since the start in 2016 when there was

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a reshuffle of our global head of payments to all ING employees, with the ask who was interested to explore the potential of blockchain technology. So then we formed a whole team existing out of developers and initiative leads, initiative leads which were linked towards the various business lines.

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that could be impacted or benefit from this new blockchain technology like trade finance, financial markets, collateral payments. The latter I was myself, was the initiative leader of payments on DLT then. And like this, ING was involved in many initiatives. We were spread around the whole blockchain space. Almost all trade finance initiatives were part of Contour, Marco Polo, Congo, HQLAX. It was our blockchain team that started building the platform.

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The current CTO was an IG developer at that time. And then finally, we were an active participant there. was still a board observer there. So we were active in many things. as you know, the Gartner hype cycle of blockchain moved from a peak to inflated expectations towards the true of disillusionment. So also our own blockchain team follows this path a little bit. Various initiatives failed. People moved to function outside the entity or outside the blockchain space.

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Based to this, we also had a more like back to basic strategy of our new CEO. So also the blockchain team had more like a back to basic strategy or digital asset strategy focusing on the key components that a bank should build to service our clients. And that was a little

bit maybe also how our stablecoin project started. And it's really interesting to always see. mean, this has been almost 10 years, right? So often for people, seems, you know,

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A bank is setting up a project team and then one year later you have a stablecoin. And I guess this perception really is not true, right? It takes longer. You have the hype cycle. You need to build up a team. You have all the business lines that may be impacted, which I guess is most of the banks potentially, right? So it's interesting how these journeys do develop within banks. How was it then basically that this idea of a joint A of a stablecoin came up? First question also of a joint stablecoin, because of course having a lot of parties involved is always good when you think about distribution.

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but always a lot of cooking at the table can also make things very complicated. So how did this idea come up and maybe also when was this? Yeah, maybe. if I tell the story from an IG perspective, three and a half years ago, our board made the request to develop a more holistic digital asset strategy. So already there are many impactful initiatives ongoing, but it was also based on experimentation basis.

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And now the request was, what is the holistic strategy there? And what we recognized at the time, and at the time I was not a digital as an expert, but I was involved or responsible for innovation activities within the treasury department and work with Jan, for example, on the HQAX. But there we recognized that still our clients were not benefiting sufficiently from all the opportunities that blockchain brings.

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And why is that? Well, our analysis was that certain standards were missing that make it difficult for the ecosystem to get together and develop new solutions because then you need to agree first on the standards. And one of these standards was a common and trusted means of payment. And then if you look at the options there, one, of course, if you talk about issues of money, and here you talk about issues of money, it's just a new technology, then you first look at the central bank.

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And ECB is of course developing a digital euro, but the digital euro will not be issued on blockchain, most likely. So we wanted to focus specifically on the benefits that blockchain brings. ECB is also developing a wholesale CBDC. However, that is a settlement of central bank reserves. So that's interbank only. And so if you want to serve your clients on the pocket payment use cases for B2C or retail use cases, that's also not a suitable solution.

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So what can banks then do? Essentially, two types of instruments can be developed by banks. One is tokenized deposits. That is probably a very good digital payment instrument with many benefits. However, that is fairly difficult to develop because if, for example, if ING would issue a tokenized deposit, it would be an ING deposit still. what's the effect? So tokenized deposits is just the deposits we have on our balance sheet today, right?

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But as soon as you want to make a payment, you tokenize it, which means you register and log in. So you can do that from ING. But then if we make a payment to another bank, whether it is KBC, uh Commerce Bank, BNP, or whatever, that bank receives an ING deposit and needs to convert it into the deposit of its own bank. That means already you need a platform where all these banks can talk to each other if you want to develop a wide network. Plus, we need to settle the underlying cash.

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This all can be done and the underlying settlement can, for example, be done by a lossless UDC. But it requires quite a few years of development also because you then need to integrate it into your own payment systems as individuals make. So that might take quite a few years. The final instrument that banks can develop is the stablecoin. And the stablecoin has a large benefit is that these instruments already exist. They are out there in the market. There is also a regulatory framework in Europe available through NICAR. The technology is not...

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very new anymore. Many stablecoins have been developed already quite efficiently. So it's something that you can do relatively easily in a short period of time and therefore discover the market and hopefully serve clients already very soon. Klas, you don't have the fungibility issue that you just mentioned with tokenized deposits, right? If you send something from Bank1toB. Exactly. So this we recognized and we set out to talk to other banks. We noticed that there's a lot of like-minded ideas among other banks.

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This was about three years ago and we had in the beginning of 2023, we had a large workshop where 12 of the largest European or Eurozone banks, should say, were gathered. And in this workshop, very quickly, everyone agreed, yes, banks should collectively develop a joint means of digital payments because that helps us to serve our clients and unlock the benefits of

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blockchain technology for our clients. So that was actually very easily arranged because there were a lot of who were in agreement and also thinking about these kinds of ideas. The questions or the debate was more about which instrument to focus on. So the instruments I was just discussing, which use case to focus on, et cetera. But very quickly it was agreed we need to work together to avoid this fragmentation and to set up this form of infrastructure that we need such that the banks can individually develop new

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products and services and compete on that front, but not on the underlying infrastructure. And this timeline is very interesting because this was basically before now all these stablecoin topics went super hot, right? So three years ago, this was probably where most of the banks did not, besides the one you gathered, did explore this seriously, I think. Yeah, that was a little bit of a challenge because you needed to not only convince the blockchain enthusiasts of the banks with who we talked to.

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But those blockchain enthusiasts, those leads of digital assets, needed to content also their management. Say, okay, let's do this. Let's go on board this journey. To get bad judge in people, right? Yeah, not only explaining the benefits of blockchain. Okay, that is not too difficult, but also explaining the benefits of stablecoins who are so kind as depositors, as Floris now clearly mentioned, and say, okay, let's invest time and money and effort in this. yeah, at that time, market cap was

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100 billion, think. Mekor was not yet in place. It was in draft. How do you see it? The fruits of Seymourcoin becoming mainstream was not there yet. So that did not help at that point in time, but the enthusiasts made it sufficient people to get on our journey. I think this is really interesting and very relevant. So thanks for telling the journey how this all began because...

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What I also hear from you is that the key driver was also client demand so that you basically said, look, there is all this stuff getting digital now coming on blockchain tokenized, but this cash lag is missing and as you said Floris, this can be a wholesale CBD as well, potentially

even a retail CBD and also tokenized deposits. But this is all further down the road and also serves different use cases as wholesale is more interbank, I guess. So yeah, I think this is also very important so that you really build this and also I think it was important for your management.

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to get an okay to proceed with that if you have a clear business case in mind and also know exactly that there's custom demand, right? And it's not just an F and research and development initiative that you want to set up between banks. I can imagine when you have all these bank stakeholders on the table, like how, let's say frictionless were these discussions because there are probably a lot of different interests, different policies. It's also, I think, nine different countries currently, right? So.

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It's very different economies and everything. Like how easy was this in this whole process? Well, uh the difficulty did not lie so much in different banking cultures or country cultures or anything like that. Typically, so just like Jan and I became responsible for this project and for digital payments in general within IG.

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We were speaking to similar departments, mostly within the other banks. If you speak to the other experts, there's very much alignment on what we needed to do. I mean, there's lots of discussion about details or about precise use cases or partners, et cetera. There's plenty of things to debate, but never really a certainty about whether we should do this at all or whether this would be a good idea at all. So the difficulty that Janne already mentioned a bit was more...

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This is something very new and approval for every bank needs to go all the way up to the board. So you need to make time and capacity available to get even to even get this approval and get the approval itself. Right. So that is just something that takes time and banks need to prioritize over something else that is also important for the bank itself for their clients. So the challenge was more, can we

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prioritize this collectively as a bank consortium enough within our own banks to get these approvals such that we can get every bank to invest and be able to move forward. And that has taken some time indeed, but that has been time well spent, I think, because like you mentioned before, three years ago, the world looked a bit different. Now we are further advanced, but the banks also needed this time to understand what these developments are.

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What you can then do with stable coins, what kind of products you can offer, what kind of benefits the clients can then really have. And those debates, some banks are more advanced than others, but for the many banks that we've spoken to, this has also been a bit of a starting point to have that internal discussions within those banks and really think about what they could develop and what they could offer and what it would really mean. So that has been going on, by the way, not thanks to us. This is a development that was ongoing already.

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but we've been helping a bit to drive that forward. And that is, I think, a large part of what has been happening over the past three years. And I can't really imagine this takes time, but it seems you made it. congrats to this, because I really think it's not easy. um A question that we are getting very, very often from the audience, because when we have our monthly news episodes, we always talk about stablecoins. know, this player wants to see a stablecoin, that player. And the question is always...

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Do we now need another stablecoin? We do have a lot of stablecoins. We also do have lot of, let's say, EUR stablecoins, like the one from Circle, also Unity issuing one with the consortium. So uh we would like to maybe ask this provocative question. So does it really need another stablecoin? Or maybe to frame this question a little bit more politely, what do you think is your USP or your right to win compared to other EUR stablecoins out there? I think do we need another stablecoin?

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not just another euro stablecoin. I think we need a widely adopted uh stablecoin, a widely adopted euro stablecoin, which the markets trust because let's face it, we have gone through a big evolution already. Stablecoins are now being used for remittances, for merchant payments, etc. But for stablecoins to become really mainstream, the market needs a stablecoin which they can trust.

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And that is something and not only a stable coin which the market can trust, but also other kinds of tools which they can trust like custody wallets, et cetera. And I think that is our unique selling point that we as banks offer this towards our clients, not only the stable coin, but also the other kinds of services like custody wallets, yield bearing assets, which the market needs because the stable coin is not yield bearing. I think that is the thing that the market needs. And that is also our unique selling point to

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see this stablecoin not only as an end means, but as a utility for the banks to offer digital payments towards our clients, which the clients can use to solve the inefficiencies that they are seeing and which they are trying to solve with certain applications that they're forming. I talk to a lot of clients, to a lot of industry platforms, et cetera, and they all say, wow, not only a euro stablecoin issued by banks is something that our clients would need,

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but definitely also the other services. is that TrustLayer Max2, obviously also the distribution network of the banks, because we do have a lot of clients, we do have a lot of reach. So that is something that I think differentiates us a little bit from the other ones, and which is necessary for Euro stablecoins to compete with US dollar stablecoins, because that was also a little bit to go back into the history.

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We saw the stablecoin market being dominated by US dollar stablecoins. We also saw the need for a strong uh Euro answer towards that. by providing a strong Euro stablecoin, we do not only want to serve as our clients, facilitate innovation in the market, but also make sure that the Euro remains relevant into the whole payment So a broader mission basically. So what you're saying, Jan, if I understood you correctly, is you say, I mean, it's not just another stablecoin, it's a stablecoin with a lot of...

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power, let's say networking distribution power behind, right? And this is something that you currently don't see in the market, you know, uh let's say from competitors and something you can provide and bring to the table. Besides the facilitation of other use cases. I really like that. So also serving your clients to take the stablecoins and do whatever they want with that, right? Build their value added services on top. Yeah. It's the power to talk to our clients that are seeing inefficiencies, that want to solve these and jointly create this. We do not need to

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focus on only the stablecoin, not only on the payment lag, but also on the wider industry, on other parties that solve inefficiencies. That's what I think is our special power. When we talk

about inefficiencies, the question directly comes to the use cases, right? So what is your current focus in terms of use cases that you aim to serve with the stablecoin? Let's first say we see the whole digital asset eco space as divided in three big pillars. On the one hand, you have the crypto space.

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crypto trading and DeFi. We have then the more threat-fi space, the traditional financial transactions, cross-border payments, settlement of securities, and then more like the tokenized real-world assets with tokenized IP rights, tokenized energy, etc. We want to tackle all these kinds of use cases.

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Just be clear, we do not want to only be the crypto stablecoin. we do see the need, obviously. So if you look at the whole stablecoin space, obviously crypto is a very, very important uh aspect of that space. So we definitely want to be active in crypto trading, even in DeFi, but we see that also a bit as a means to enhance because in order for your stablecoin to be efficient, also uh have fixed spreads to interoperate with other uh

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currencies, the stablecoin needs to be liquid. you need to have sufficient volumes and with crypto trading and DeFi you can definitely enable these. But as mentioned, our broader goal is to facilitate innovation by the wider industry and to help the wider industry with more the traditional financial transactions as well. And there obviously you have the cross-border payments, remittances, merchant payments.

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internal treasury payments, supply chain payments, programmable payments. there, there's a big advantage to gain due to the blockchain technology. And we're talking with various parties, various applications, also with various other currency consortia. Settlement of tokenized securities. You need a payment layer, a chain, to enable AtomicSwap to reduce settlement risk. So definitely also we're talking to various uh tokenized securities platforms.

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And then obviously also the settlement of other forms of tokenized assets, IP rights and energy in the music industry and et cetera. Yeah, that are definitely also use cases that where we see us play a role. Good to add to that. Good to explain and understand the model that we envision. So the bank consortium, the bank shareholders will be shareholders of a company that will be dedicated to the issuance.

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of the stable coin and E-money institution and the EMI. That is the company that we are developing right now. And that uh EMI will be focused fully on the issuance of the stable coin. And that stable coin will be designed to be a general means of on-chain payment for whatever use case you want to use it for. The issuer will not be in the driving seat or develop use cases. It will initially, but uh it will not have

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direct client interaction. It will always have banks or other licensed costs as intermediaries and they will have the client relationship and they will therefore also determine what kind of use cases they want to offer for their clients. So as issuer and as consortium, we want to prioritize certain use cases because we need to go to market strategy, we need to go live at some point.

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But ultimately, it's not up to the issuer or the consortium to decide what use cases there will be for this stablecoin. That's up to the banks and CASPs to think that's super interesting. That's super interesting. So that you basically say, this issuer only like presses the button

when there is demand for issuance, right? So only does the issuance and the use cases are driven by the consortia banks, obviously, and also by other banks and other cards that just integrate this into their use cases. So I think that's really interesting in terms of distribution and on your approach.

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as well. How do you see the cooperation with the markets? Because there are obviously a lot of stablecoin issuers there. There are a lot of companies in the space when it comes to payment processing. Like Stripe, for example, who's entering this game now. We also know that PayPal, MasterCard, Visa dedicated the stablecoin topic as core of their strategy. How do you see yourself cooperating with this player? Or do you see yourself cooperating at all? You need to make sure that when

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The party in Europe uses your stablecoin to send to somebody on the other side of the world in Latin America or something like that, or in Asia. And the one is using an Ethereum address, the other one is using a Solana address that both parties can connect. So from that point of view, we definitely see the need to cooperate with other stablecoin issuers as well. We are in close contact with issuers in Asia, also in Latin.

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to make sure that if a bank sends this stablecoin towards another bank's client, that they can connect, that they can meet, for example, travel rule information, that they can execute a VIX in a very efficient way. So we are talking with other banks, with other consortia, also with other market players from an VIX point of view, from a travel rule point of view, various parties can play a role. Also, the PSP is currently playing an orchestration role in the current payment space.

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are positioning themselves to also play a role in the stablecoin space, the likes of Bridge, etc. So definitely we are talking to them because connectivity, is a global play, the stablecoin market and connectivity from one area to the other is important. So it would be totally wrong to only look at ourselves. You need to reach out to various players into the market that both can contribute. And the strategy also clearly shows that you are also looking into the

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use cases outside the euro area, right? Or where you said, you know, this is not just a chance for ING for the consortium, but for whole Europe to foster the role of the euro. If you consider these cross border, cross currency use cases as well, right? Yeah, foster the role of the euro. So it is now, nowadays seen a bit sometimes as a battle of uh using the euro versus US dollar. And it's something, of course we do promote that

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our clients are not dependent on US dollar or stable coins or other currencies. But yeah, trust that's only natural, right? So we have European clients who receive income in euros and want to do their spending, their transactions also in euro. So if this is a new innovative payment means that unlocks a wide range of new uh use cases and opportunities.

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then of course we need to have that available in euro. That's mostly how we see it. It also helps the strategic autonomy angle, which is a very important policy objective for the European Commission and the ECB. So not to be dependent on non-European players. So our initiative contributes to that as well. We support that very much, the principle, but it's in the outset what we intend.

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So we intend to make new, provide new opportunities for our clients. And of course, we think it makes a lot of sense that it's European players that provide this service for uh European clients. So these strategic autonomy angles and more like a by-product, let's say that results from the fact that you're serving client needs with your stablecoin.

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Let's now dive a little bit more deeper into your timeline. So I think if I remember this correctly, you made the announcement on this consortium, I think in September. um And I think in there it stated that you aim to launch in the second half of 2026. Did I get this right? Or maybe you can also illustrate some of the steps in between. So what are you currently working on? guess, licensing, legal entity setup, hiring, or how does this look like?

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It's correct what you say. Currently, we are very busy with the development of the new company that we are setting up, which means indeed hiring management and staff, which is of course a very important uh activity there. Also, we are developing the tech platform in the meantime. We had started doing that already uh before the summer. So the shareholder agreement was signed in September, but before that we were already collaborating with the consortium.

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to take the initial steps. We are also developing the risk management framework, which is essential to apply for the EMI license that we need to have. In addition, we are doing other activities like we need the name, we need uh branding, we are hiring a supervisory board, which we need. So all the steps that you normally do to just set up a new company, it will be a good tech, right? That we are setting up, that we are doing right now. We do think...

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that it can be done fairly quickly so that about a year from now or perhaps even a bit sooner we will be able to go live somewhere during the second half of 2026. Maybe also important to say is that we do not do this by ourselves. We're indeed building the tech infrastructure, for example, but we also want to further experiment. are reaching out to clients, potential partners.

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to experiment, to do proof of concepts. In the last couple of years, we already issued our stablecoin on the likes of Ethereum, Polygon, Solana, et cetera. We plan to continue to do this and to test our stablecoin to add certain features which our clients want. So uh definitely before the go live, we will have uh already experimented sufficiently with our stablecoin and providing it to our server as part We already know on which platform to issue the stablecoin. So I think

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always like for all unity it was also starting on I think Ethereum and enrolling rolling out more chains month by month. Do you already know that or is this something that comes later when you did the risk model the license and it's a little bit early? It will not be an exotic platform that nobody has heard of so I don't think there will be too many many surprises. I think if you watch the other stablecoin issues closely it's always a very similar pattern and

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Yeah, would surprise me if you would pick an exotic one, but let's see. We can invite you back when you launch then next year on that. so also Floris, from understanding your process, developing the risk framework, did some of experimentation, you also built the tech in the back. And then I guess, yeah, you also have to apply formally for the EMI license. I think you said you did do this with an entity out of the Netherlands, right? Yeah, that's correct.

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So the EMI will be based in the Netherlands. So the regulator will be the Dutch Central So you also expect that this process of getting the license will be smoothly then, right? So I'm just asking because I, course, from Germany just have experience with German BaFin, you know, how long specific things take and sometimes it's quicker, sometimes it's less quick. Yeah, I guess you're already in touch with the regulator and it's also not a surprise what they will get on the table or you can share some insights. They are aware, of course.

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Will that then be smooth? Will this be seen? Of course, that is the objective. ah We know the DB as quite a tough regulator, so they will not go easy on us, I'm quite sure. And rightly so, because one of the key elements of the stablecoin is that it needs to be 100 % trusted by the users. That's the only way it will be used. That's the only way in which clients will want to use

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stable coin for their payments. That also we benefit there from a good regulator that is strict about the legal regulatory requirements that we have here. So we spent a lot of time and effort now in preparing that and the process of developing a risk framework is not just something you do for the license of course. It will be developed further going forward but it's certainly one of the focus areas right now and then yeah we will

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more closely together with D &B to make sure that it meets their requirements. uh within the foreseeable future, they will be able to provide... How did you come up with the conclusion to choose the Netherlands or the D &B as a regulator? Because obviously you have nine banks, so you have nine opportunities for what to do and where to base your legal entity. How come that you chose the Netherlands? The Netherlands had a few advantages. One, has quite a well-developed financial sector.

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That applies to other countries as well, course, but it's also one advantage of the Netherlands. Also, the payment sector is quite well developed. Like I mentioned, there is a regulator that's known to be quite strict, but also quite fair. And that's out of ING, we already have quite a good relationship with. We also thought it could be a benefit, you know, it balances typically fairly politically neutral. So we want to be there with a large consortium you want to avoid.

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that there is one country more benefiting than another country, for example. So a more medium sized country could be beneficial there. So in the end, we led it on the Netherlands with a good financial sector and a good also highly educated workforce. But we could have chosen another company as well, as long as it would be somewhere within the EU. could fit. Okay. Yeah. And I think it's interesting which approach you choose here, because I think also for Unity, they also choose, you know, like

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Buffin, like as a regulator, to get also this German stamp to say, look, this is a tough regulator, we made it. And I think for you, it's then very similar to say also for the DNB, it's a rather tough regulator. So it's a very good sign if you get the license and if you get this stamp from the DNB.

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Of course, we currently do see that every asset, every bank is, or kind of every bank is now looking into stablecoin or at least uh saying publicly that they are looking into stablecoins. So I'm really curious to see how many more stablecoins we will see in the next couple of years. m Is it also possible still for interested players in Euro stablecoins to m join your consortia? And if so, do you need to come from a different country because you have nine different countries? Or what's your approach on the country?

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We want to make this obviously a whole European initiative. So in the end, we want to a utility which is backed by as many banks as possible, by as many countries as possible. if you map all the various banks towards the European map, then a couple of countries are still missing. So definitely, we would want to many more banks to join at a certain point in time.

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Although we really want to focus now also on getting the stablecoin live to make sure that we meet the timelines which we have met for ourselves and which are quite tight. Before we go into wrapping up this episode, one more question on infrastructure because you mentioned in beginning Jan that you contributed to a lot of different initiatives on blockchain. You started working on this with ING 2016. You did a of projects on permissioned blockchains like Marco Polo and others.

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And currently I have the feeling it's still a debate like where the future of money will lie, right? Will it be permissionless? Will it be stable coins? Will everything be interoperable, all open system or will this rather be on permission DLTs, permission tokenized deposits and maybe also for other use cases? And you know, what's your perspective here? Because I think some, some initiatives, as you said Jan, they did not succeed and I'm also

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rather skeptical when it comes to permissioned infrastructures, to be honest, because we've seen in the past that most of them, at least from my outside perspective, did not succeed. But what's your perspective? You worked on them. So what do you think? How will the future look on permissioned versus permissionless infrastructures? So first of all, we want to ensure stable going on all the platforms where there's a demand, where there's an added value, where there is a business case. And that can be

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both on permissions and on permissionless blockchain. So we think we will issue in the next couple of years on both kind of blockchains. We think there is a uh market for both of them, but the demand however, depends on the need of the market, what the users need. For example, privacy is something that has been underestimated a little bit on permissionless blockchains. And we think that how the market will evolve will also depend on further technological evolution. Will the market be able to find them?

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Ideal privacy components, knowledge proof, et cetera, will they be able to apply them in a seamless way on certain blockchains? How will digital identity be developed? Can you integrate that for, for example, a seamless verifiable credential, seamless whitelisting for transactions? So I'm very curious to see how the markets will further develop. Obviously no crystal ball there, but until, so very curious to further monitor.

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the market is for the monitoring of technology solutions. And in the meantime, as mentioned, where we see value, will issue a stable cost. So pretty easy client demand driven, right? And I think that's also interesting when we look, for example, at how can Nexus did that, because I think the volumes currently are also very interesting. And they also seem to go where the customer interest is, where use case lies and interest is, and then they go into there. So I think it's a smart approach.

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And Badjan, your, so I understand you are basically neutral from a stable coin perspective now asking you from your ING blockchain background perspective, what do you think about these infrastructures? So would you still say, you know, there is place for both, for

permission and permission less, it depends on the use case, or, know, maybe you have some lessons learned from all the work you did in the past nine years on these initiatives. As mentioned, you need to build a blockchain which your clients trust.

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For example, is banks for interbank settlements, I cannot imagine that in the current state, the current privacy state, etc. of public blockchains, that banks would use public blockchains for interbank settlements now. So if you look at the various solutions that are currently being built, Finality, etc. these are still on permissions blockchains. Certain other parties, retail or orient.

36:29

or even corporates could move towards public blockchains, et cetera, because of their requirements. I do see that openness is super important. So by design, I would prefer to have public blockchains and to have all parties linked to us because this is a network play. All parties will need to share the same ledger, but there are certain requirements that certain parties might have in regards to privacy, et cetera, which will need to be paid in. So public blockchain.

36:59

where everybody is on, where there are some components with regards to privacy, meeting AML requirements and stuff so that regulators and banks can meet regulatory requirements. That's what needs to be baked into those systems. I'm sure the markets will move. I'm really curious to see what the market progress will be on these privacy preserving technologies. Because I mean, zero knowledge proofs are out now for a while and there are so many great innovation in the L1, L2.

37:28

space here. So I'm really curious to see if this tech capabilities will be set up in a way that they can also really comply with the regulatory stuff and make banks and other companies use it. So yeah, definitely with you, we should monitor that. And I'm also personally working a lot on the topic of digital identity as well. And here, of course, also lot of potential now is coming with verifiable credentials, right, making experiences seamless when it comes to payment, when it also comes to identification, authorization, authentication. So

37:58

Yeah, I think pretty exciting future ahead. And you mentioned Jan, and this is kind of one of last questions to you guys. You don't have the crystal ball, but still, let's now try or assume you had the crystal ball. And this question, of course, goes to both of you. If we now meet again in five years, and of course, I hope we do meet before, but if we look into 2030, what do you think, you know, how will the stablecoin market look like? Will there be a consolidation? Will there be mirage of stablecoins? Will maybe stablecoins issue even have access to central bank money?

38:28

Will we not talk about stablecoins anymore because they will just be widely accepted? What's your perspective on maybe from five years from now? Where do we stand? Yeah, maybe if I go first, So five years from now, we believe there will be indeed multiple digital payment instruments side by side, each with their own sets of use case. to make a storage of stablecoins or stablecoin will be there. Next to that, there will be tokenized deposits developed by banks.

38:57

and there will be also CBTC from the ECB. And each will serve its own specialized sets of use cases, we believe, and also five years from now. What we think will happen is that all the, by then the banks in Europe, but also across the world, is the development we now see, will be offering digital asset products and digital payments to their clients. So offering wallets, offering custody, offering

39:27

tokenized security settlement, offering tokenized real world assets, et cetera, et cetera. The promise behind these developments has been there for quite a long time, but really if banks put their shoulders behind this and that development is now really ongoing and will be very advanced, I think in five years time, yeah, these markets, I think will really have taken.

39:50

It will go with any kind of innovation. You will see a wave of consolidation in stable coins. will see the technology maturing and various parties in the industry contributing towards a better customer journey, which will lead towards further mainstream adoption. I think blockchain will for a long time still exist. Blockchain payments and financial transactions will for a long time.

40:18

still exists next to regular payment transactions. With the industry maturing, the market finding solutions for certain things as we just mentioned, you will see an evolution there. And so it be very interesting to further monitor the whole. eh

40:37

the whole ecosystem. definitely a bullishness on stablecoins, but also coexistence with other forms of money, tokenized deposits, CVDCs and existing payment solution. That's what you're seeing in your crystal ball for 2030. Great. Definitely. And I'm very much looking forward to do this part jointly. So with other banks, with other industry parties, blockchain benefits most if all parties are there, if all parties contribute, if all parties cooperate.

41:03

Yeah, very eager to go on this path further in any joint debate. If I may, there's one thing maybe good to clarify and to add. So with the stablecoin, we don't have the ambition to replace the current payment infrastructure within European SEPA area. Right? That is sometimes a misconception that we hear. The stablecoins that we are developing, the stablecoin really to replace anything that has already worked very well.

41:32

So that is not needed for payments in the SEPA area. That's also not what we hear our clients say to us. So we really think the stable coin can be used for those new innovative opportunities that are much more difficult to develop right now with the existing payment infrastructure. So very beneficial for programmability from cross border payments, from settlement of uh tokenized securities, for example, other tokenized assets. So where transactions are now

42:02

complex or cumbersome. There we think blockchain can provide a new solution where it's efficient and robust already. So there we don't want to replace that. we don't want to use our stable coin. For example, if you go to supermarket tomorrow and you want to make a payment, we don't foresee that that will happen with our stable coin, perhaps in the longer term, but that's not our ambition in the short term. So really a coexistence of different payment solutions and the novel use cases you aim to serve that occurrence.

42:32

solutions like Zepa is not serving today. And I really liked what you said, Jan, also on the cooperation and approach because so often we, think one of the key issues in payments is that so many folks work in silos. So it's really great to see that you made it work to get all these key players sitting on the same table, setting up an entity and working on that. And yeah, and you know, if now people listen from any other of these nine countries and wants to join, they should reach out to you, I guess.

42:57

And even if they are from the nine countries, there's still room to cooperate, if I understood you guys correctly. Yeah, in every forum, in every conference that I go to, come along with parties, say, wow, you guys are doing this. From industries where we never knew that the parties were trying to solve certain inefficiencies via certain applications.

43:22

to keep them coming and to continue those discussions. maybe to wrap this episode up, is there anything I did not ask but I should have asked which you would like to share with our audience? Well, Jonas, maybe interesting for the audience is that we had our first press release end of September where we announced collaboration but we did not announce various other topics. As Floris mentioned, we are now getting our management in place. eh

43:52

We did not reveal the name of the entity, although we already have this approved within the industry or within the consortium. So there will be another presence at the beginning of December where we announce all these things. So management and finally the big reveal of the name together with also a website that we are working on, et cetera. So from that point in time, the public, the audience can have somewhere to search for our initiative and also can put a name with

44:21

not to face but to hold. That's good. Yeah, that's really good. Thanks for sharing this Jan, because I think a name will help a lot, right, for referencing also the initiative and not just talking about this bank consortia, stablecoin, but have a name to that. So thanks for sharing that. And maybe whenever this is announced, feel free to share this with me as well. So then we can forward this also to our dear listeners in the networks we have been building up. Cool.

44:45

Yeah, I think thanks so much, Jan. Thanks, Floris, for being with us here today. It was really great to learn more about your stablecoin and we look forward to seeing what's next, how the market develops, also how everything works with the licensing, with the rollout the next year. So definitely the invite to come back and thanks again for being with us today. It was our pleasure. Happy to stay in touch and for the monitor jointly.

45:11

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45:41

See you next time. Bye bye.