

# PRESS RELEASE



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## The Riksbank tests cross-border payments with the e-krona

*Sveriges Riksbank and the central banks of Israel and Norway and the Bank for International Settlements (BIS) are launching Project Icebreaker, a joint exploration of how Central Bank Digital Currencies (CBDCs) can be used for international retail and remittance payments.*

Cross-border payments continue to be plagued by high costs, low speed, limited access and insufficient transparency. The [G20](#) has launched an ambitious programme to improve cross-border payments, aiming to achieve faster and cheaper, as well as more transparent and inclusive cross-border payments. One of the workstreams explores how CBDCs could play a role in enhancing cross-border payments. The BIS Innovation Hub and other international institutions and standard-setting committees have been working together to investigate the use of CBDCs for cross-border payments. The [most recent report](#) was published last July.

Project Icebreaker is a collaboration between Sveriges Riksbank, the Bank of Israel, Norges Bank, and BIS Innovation Hub Nordic Centre to develop a “hub” to which participating central banks will connect their domestic proof-of-concept CBDC systems. The objective is to test some specific key functions and the technological feasibility of interlinking different domestic CBDC systems.

The architecture is designed to enable immediate retail CBDC payments across borders, at a significantly lower cost than with existing systems, which are typically based on payments being sent via several different banks to the final recipient (the so-called correspondent banking system).

The project will run through the end of the year, with a final report expected in the first quarter of 2023.

*“Sveriges Riksbank is collaborating in this experiment as part of the e-krona project,” said Mithra Sundberg, Head of the E-krona Division. “By interlinking our current e-krona platform, developed in a test environment, with the other countries we gain valuable lessons regarding cross-border payments using a CBDC. We also gain better understanding of important design and policy choices needed to secure cross-border functionalities if we decide to issue an e-krona.”*



*"Efficient and accessible cross border payments are of extreme importance for a small and open economy like Israel and this was identified as one of the main motivations for a potential issuance of a digital shekel. We are privileged to be exploring the topic in this project together with partners that have vast knowledge and experience on CBDCs as well as on cross-border payment policies. The results of the project will be very important in guiding our future work on the digital shekel,"* said Bank of Israel Deputy Governor, Andrew Abir.

*"We are delighted to be part of one of the first experimental test of cross border retail CBDC together with our partners BIS Innovation Hub, Sveriges Riksbank and Bank of Israel. This will add significant value to our experimental test of domestic retail CBDC payments,"* said Torbjørn Hægeland, Norges Bank's Executive Director for Financial Stability.

*"This first-of-a-kind experiment will dig deeper into the technology, architecture and design choices and trade-offs, and explore related policy questions. These learnings will be invaluable for central banks thinking about implementing CBDCs for cross-border payments,"* said Beju Shah, Head of the BIS Innovation Hub Nordic Centre.