



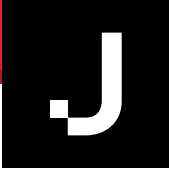
PRJ.JASPER



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# INTRODUCTION TO PROJECT JASPER

*There is growing interest worldwide in distributed ledger technology (DLT) – a shared database that can be used to facilitate payments, among other things, in a fast, more transparent and flexible way. With such well-known examples of DLT as Bitcoin, it's a technology that has garnered the attention of financial institutions and payments organizations around the globe.*



**THE GOAL OF THE  
PROJECT IS TO BETTER  
UNDERSTAND HOW THE  
TECHNOLOGY COULD  
TRANSFORM THE  
FUTURE OF PAYMENTS  
IN CANADA.**

**S**ince a shared database provides timely and secure exchanges of information, it represents a tremendous opportunity as part of a modern payments system. As a result, Payments Canada has launched a research initiative, called Project Jasper, on the heels of the international attention. The goal of the project is to better understand how the technology could transform the future of payments in Canada.

Project Jasper also investigates opportunities to leverage DLT to support settlement on the books of the Bank of Canada and promote innovation in the payments ecosystem. Payments Canada is doing this research to inform our plans to Modernize Canada's payments system. However, there is no current plan to use DLT since there is still a lot Payments Canada needs to learn about it before it can be implemented.

Payments Canada, the Bank of Canada, financial innovation firm R3 Lab and Research Centre, CIBC, TD, Scotiabank, Bank of Montreal, RBC, National Bank and HSBC have come together as a team to investigate DLT. Jasper marked a significant milestone in the payments industry as it is the first time in the world that a central bank participated in a DLT experiment in partnership with the private sector.



**PAYMENTS  
CANADA**



**Scotiabank**



**BANK OF CANADA  
BANQUE DU CANADA**



**HSBC** 



**BMO** 



**NATIONAL  
BANK  
OF CANADA**

**r3.**



## ■ PHASE 1

**March - June 2016**

### PLATFORM ALLOWS FOR CENTRAL BANK-ISSUED DIGITAL RECEIPTS FOR DEPOSITED FUNDS

The first phase of Project Jasper was launched in March 2016 and concluded in June 2016. The purpose was to investigate the use of central bank-issued digital receipts for deposited currency to support settlement on a DLT platform developed and built by the Project Jasper team.

Phase I culminated with a demonstration of the Jasper platform at Payments Panorama in June, 2016.

The project team evaluated the new platform relative to standards set internationally for systemically important payments infrastructure. In its oversight role, the Bank of Canada ensures that systemically important systems, such as Payments Canada's large value transfer system, which clears and settles billions of dollars each day, operates with risk-management standards that help promote stability in the Canadian financial system. The platform met several of the standards, but gaps existed in the area of the finality of asset ownership – whether assets are legally a financial institution's with no chance of reversal – operational risk, as well as access and participation requirements.

## ■ PHASE 2

**December 2016 - April 2017**

### NEW DLT PLATFORM EXPECTED IN 2017

The second phase of Project Jasper, which was launched in December 2016, continues to focus on settlement but also includes the build of a new platform that will be used for further DLT experimentation.

The new platform will again be evaluated on the ability to meet the standards required for systemically important systems and will fill some of the gaps that existed with the first platform.

The Jasper II platform and associated research is expected to be completed by the end of April.