Digital Forms of Sovereign Currency

Regional Payments Week
Lima, Peru

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Giori Digital SA

Legacy of the Giori family in the production of secure banknotes

Founded by Mr. Roberto Giori
• Former President of the Swiss-based De La Rue Giori company
• Son of Gualtiero Giori, who provided the technology for all the central banks in the world to become fully independent from foreign suppliers and gain full autonomy in the field of fiduciary notes.

Staffed with industry experts
• Deep understanding of central banks
• Decades of technology and telecom industry expertise
Digital Legal Tender in the Digital Domain:

A successful digital legal tender requires:

• The political commitment of the government
• Model to fit the existing central bank mandate
• Coordination with the Private Sector
• Focus on broad adoption
• Incentives to use it
Based on the proven models, and processes in use by central banks today:

**Full, exclusive Central Bank control:**
- Centralized control for digital legal tender over the entire life cycle

**Distribution through Financial Institutions:**
- Licensed counterparty institutions with regulatory compliance for KYC, AML

**Interoperability with Payment Networks:**
- Digital User Wallets with broad interoperability to payment networks, mobile, and internet commerce
Account-Based versus Value-Based Methods

**Account-Based**

- Cash held in Bank Vault
- Ledgers: Individual User Account Balances
- User access to Physical Cash
- User access to their bank balances held on account

**Value-Based**

- Wallets: Individual Users holding Legal Tender
- Legal Tender transactions are managed through any digital payment method

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Preferred Model: Value-Based

Issued by the Central Bank
Distributed by Commercial Banks

- Full central control under the exclusive authority of the Central Bank

- Central Bank controls every aspect of the Design and Issuance of the currency

- Central Bank has complete life cycle control of the currency

- Digital currency is administered in monetary policy side-by-side with physical banknotes and coins
ISSUING: Central Bank: similar to issuing banknotes

Central Bank issues paper banknotes

1. Banknote Design
2. Banknote Printing
3. Serial Numbers
4. Storage in Vault

Central Bank issues Giori Digital Money (gdm):

1. Digital Design
2. eNote Production
3. Cryptographic Signature
4. eNote Storage

gdm produces eNotes: a digital form of legal tender in the same denominations as banknotes.
Giori Digital solution for Digital Legal Tender

GSMT:
Global Solutions for Money Technology

Generate - Store - Issue
GDM - Giori Digital Money
• Central Bank’s exclusive control to issue and manage the full life cycle of digital currency

Circulate - Manage - Report
GEM - Global eNote Manager
• Manages the user wallets containing digital currency and coordinates interoperability to payment networks.
Circulation through Licensed Institutions

Transaction Manager to provide the User Interface

 gsmt

Central Bank gdm

Mobile Operator

Merchant Chain

Commercial Bank

eNotes

Mobile

Internet

Bank

Transaction Manager (TM)

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User access is through Payment Systems

Existing payment systems provide the User Interface

• Giori Digital does NOT replace any part of the payment ecosystem

• The existing payment systems provide the User instructions for transactions

• The GEM manages the User’s wallets
Giori Digital focus on Interoperability

Giori Digital strategy is to promote interoperability with existing Payment and Banking Systems

• Broad interoperability through APIs at the GEM

• Comply with Regulations and Payment Standards
Giori Digital has visited 80 Central Banks

Every situation is unique!
A matter of time ...

Full Implementation: 2 to 3 years

GSMT: Delivered to a Central Bank for Internal Test

GSMT sandbox Ready

GSMT Concept GSMT Prototypes

2010 2017 2018 ... 2025 ...
Digital Sovereign Currency versus E-Money:

Using a digital form of sovereign currency for Central Banks

Administration:
• Fiduciary Trust is not needed

User Adoption:
• Trusted and accepted as legal tender the same as cash

User Warrantee:
• Central Bank is the warrantee for the User as cash

Interoperability:
• All payment systems can use the same legal tender

Traceability:
• Greater visibility for each eNote beyond just the account level
thank you!

For Further Information:

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