



PRESS RELEASE

BANK OF GHANA ANNOUNCES SUCCESSFUL COMPLETION OF CROSS-BORDER TRADE USING DIGITAL CREDENTIALS

1. Bank of Ghana (BoG) in collaboration with the Monetary Authority of Singapore (MAS) has successfully completed the first proof of concept (POC) under Project DESFT (Digital Economy Semi-Fungible Token) which demonstrated the use of digital credentials for international trade and cross-border payment.
2. Project DESFT, an initiative by BoG and the private sector was initiated in June 2023. The DESFT solution comprises the following:
 - a. Universal Trusted Credentials (UTCs) – A digital trusted credential framework and standard that enables licences, certificates, and trade records to be represented and exchanged. This had been earlier developed by the United Nations Development Programme (UNDP), with support from MAS, BoG and other global organisations.
 - b. Central Bank Digital Currency (CBDC) - The Ghanaian CBDC, (eCedi) infrastructure was designed and developed by G+D, while Fidelity Bank Ghana provided banking services and facilitated eCedi exchange transactions.
 - c. Stablecoin – The Singapore dollar-pegged stablecoin issued by StraitsX was used for digital payments based on the Purpose Bound Money (PBM)¹ concept.
 - d. Trade marketplace – a trade marketplace was provided by local SME platforms, with integrated cross-border trade connectivity supported by Proxtera².
 - e. Escrow arrangement – The DESFT solution by Ample FinTech based on the PBM concept, facilitates payment upon successful verification of digital credentials and trade fulfilment.

¹ Purpose Bound Money: Protocol that sets the conditions upon which underlying tokenised digital currency can be used. More details may be found here. mas.gov.sg/-/media/mas-media-library/development/fintech/pbm/pbm-technical-whitepaper.pdf

² Proxtera is a meta-hub of B2B platforms, and related services for cross border trade, financing and fulfilment.

3. The first phase of the project involved the design and development of a trusted credential system aimed at enhancing the participation of Ghanaian Micro, Small and Medium-sized Enterprises (MSMEs) in international trade. This allows trade partners and financial institutions to efficiently verify the authenticity of trade information, thereby reducing the friction and cost for MSMEs in developing regions to participate in global trade.
4. Expanding on this groundwork, the second phase of Project DESFT culminated in the successful execution of a cross-border trade between Ghana and Singapore in April 2024 leveraging the DESFT solution and was showcased at the 3i Africa Summit.
5. The live trade transactions demonstrated the feasibility of utilizing the proposed Ghanaian domestic retail CBDC platform, the eCedi in cross-border transactions. This affirms the potential of the eCedi system demonstrated for future interoperability with various cross-border credential and payment platforms. The prospective introduction of the eCedi is poised to significantly enhance Ghana's dynamic payment ecosystem, fostering inclusive growth and innovation, while improving consumer experiences. With its interoperability with the DESFT system and verifiable credentials via UTC, the eCedi has the potential to facilitate the participation of Ghanaian MSMEs in international trade in a cost-effective manner.
6. Dr Maxwell Opoku-Afari, the 1st Deputy Governor of the Bank of Ghana said, “Project DESFT is aimed at supporting SMEs in Africa to engage in international trade by removing significant obstacles they face, such as establishing trust with overseas trade partners and obtaining support in cross-border payments and supply chain finance. We believe that the new generation of financial technology offers innovative approaches to these challenges. After nearly a year and two phases of development, we have crafted a reliable information exchange solution founded on UTC standards and Semi-fungible Token technology. Furthermore, we have rigorously tested a cross-border payment solution built upon the principles of Purpose Bound Money (PBM) and conducted real trade experiments which fully align with our predetermined objectives.”
7. Mr Sopnendu Mohanty, Chief FinTech Officer of MAS, said, “I congratulate the Bank of Ghana and participating FinTechs from Singapore, Ghana, and Europe for completing the trade experiments under Project DESFT. The project offers MSMEs in developing regions increased access to financial services, unlocking international trade opportunities. I look forward to

seeing more applications of such solutions soon to foster closer Singapore-to-Ghana and ultimately Africa-to-Asia collaboration.”

8. The next phase of Project DESFT will build upon its current achievements and focus on highly automated digital credential processes, programmable payments across multiple digital currencies, and support for supply chain finance.
9. Kindly direct any enquiries or questions to the FinTech and Innovation Office of the Bank of Ghana. You may call telephone number 0302 739 650 or send an email to fintech@bog.gov.gh.

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