

Annex 1: Project Rosalind Phase 1

API Users and Advisors Group - Terms of Reference

1. Background

The BIS Innovation Hub is set up to create public assets by leveraging public-private collaboration. The project “Rosalind” is a collaboration with the Bank of England, and its objective is to explore how different public and private systems and infrastructures could interoperate, to safely and securely distribute and make retail central bank digital currency (CBDC) transactions. It also aims to study how a robust and vibrant ecosystem could be achieved with an open application programming interface (API) at its heart to promote innovation.

The project is based on a model where CBDC will be issued by a central bank and distributed through user-facing applications provided by payments interface providers (PIPs), mostly from the private sector. An API is needed to act as a platform to connect a central bank core ledger with PIPs.

Project Rosalind will be delivered in two phases. Phase 1 will focus on designing and building the open API platform, testing, and validating API functionalities through use cases. Phase 2 will focus on use cases discovery and exploration of key topics such as adoption and ecosystem building.

An API Users and Advisors Group has been formed (“Group”) to support a timely and high-quality delivery of API prototypes and to draw insights on functionality and interoperability (systems to interoperate with other systems and one form of money to be converted into another form).

Participants to the Group understand that the work in the Group will be governed by the terms of reference set out in this document (“Terms of Reference”).

2. Objectives for phase 1 API development

The Group will contribute to identifying, prioritizing and validating API functionalities for phase 1 API development. The Group will be structured into two tiers, API users and technical advisors, with around 10-15 members in total. The first tier (API users) will aim to provide user perspective to test, validate and enrich API functionalities through use cases exploration and development. The second tier (technical advisors) will aim to provide technical advice on API design and build, such as the use of messaging standards.

3. Participants

Participants are private and public sector companies and organizations from technology, payments, banking, and other relevant sectors that have agreed to participate in the Project and that have demonstrated their capability and willingness to commit and participate throughout the development period. By participating in the Project, and actively contributing to Phase 1 API development work, each Participant consents to these Terms of Reference. Participants are hereinafter referred to as “Members”.

All Members are expected to provide their full commitment during the 6-month development period, likely to be from July 2022 to the beginning of 2023.

4. Contributions

Members are expected to share their user perspective, to help explore, validate, and enrich API functionalities that are critical to support a diverse range of use cases, and to test the scope of innovation. The Group should also play a critical advisory role to help design and build a best-in-class API with high levels of scalability and extendibility. The output of this group is considered critical to the success of Project Rosalind, in terms of deepening the central banking community's understanding in how retail CBDC could be used and what the public sector could do to build a robust ecosystem for innovation.

5. Community Meetings

All Members will be invited to regular show and tell meetings (likely to be monthly) where technical demonstrations of the API work will be provided by the project team for feedback. The Group will meet at least 3 times during the 6-month project period to discuss progress, outcomes, and share insights.

Additional activities expected of API users are listed below:

- API users will meet with BIS/BoE business owners on monthly basis (likely to be one hour) to contribute to the content of the project backlog.
- API users are required to develop their use cases (as part of their submission to applying for membership of this Group) into solutions in the form of proof of concepts or prototypes, in their own development environment, with their own data and their choices of programming languages and tools. Upon the completion of phase 1, they will have the opportunity to showcase their solutions together with the project team at the phase 2 global showcasing event.

Technical advisors are required to attend fortnightly one-hour meetings with the project team in the first two months after the development work starts (likely to be July to September 2022) to contribute to discussions on core technical specifications.

Note that as the project progresses, there might be cases where changes need be made to the plan we set out above. We aim to keep the overall level of commitment unchanged and will work with the Group to discuss and agree on any specific changes.

6. Timelines and processes

As the API development work is expected to run from July 2022 to the beginning of 2023, we aim to have the Group formed in the second half of July and with its work completed when the project finishes.

Expected timeline are as follows:

- Introductory meeting on 19th July 2022 at 1-2pm (BST)
- Phase 1 is expected to run from July 2022 to the beginning of 2023.
- Phase 2 global showcasing event likely to be held in Q4 2022/Q1 2023. The exact date will be confirmed later.

7. Confidentiality

Members will treat as confidential any non-public information shared with the Group in the context of the Rosalind Project, and shall not disclose such information to third parties except in accordance with the Terms of Reference or with the previous consent of the Member who owns the information.

It is the responsibility of any member to ensure that they are confident in the level of protection for any information shared. If they are not satisfied, then it is the member's responsibility to not share any such information. At no point will Members be encouraged to provide information they view as unsuitable for sharing with outside organizations.

The BIS reserves the rights to use the information shared by Members on Project Rosalind deliverables, including relevant publications and announcements. The BIS will seek permissions before disclosing names of individuals and organizations.

8. Intellectual Property

The BIS may make available API prototypes for the Members to interact with. The BIS holds the IP rights to the API prototype. API users will retain the IP rights to the solutions they owned or developed prior to, or during their collaboration with BIS through the Group's work.

The BIS will retain the right to make use of all information that Members share (in oral or written form) within the Group to further its work on the API prototypes. This could include, but would not be limited to, feedback on API functionality, insights from use cases development and solutions that members come up with etc. The BIS also retains the right to make such information publicly available, for example in the form of a report describing the use cases and the findings derived from developing these use cases. In such information, the BIS will not reveal the identity nor the affiliation of any members, unless a member consents to its identity and affiliation being made known.

9. Conflicts of interest

Members are responsible for identifying and declaring any conflicts of interest that may arise from participating in the Group.

10. Competition law

It is the responsibility of each Member to ensure they understand and comply with their obligations under all applicable competition law. To the extent that any Member is unclear about these, they should seek legal advice and if appropriate arrange to undertake competition law compliance training/seek further guidance at their respective organizations.

11. Disclaimer

Neither the BIS nor the Bank of England, or any of its staff, officials, or representatives are responsible for any views or statements expressed by members of the Group. Views expressed by the Group in its outputs may not reflect the views of the BIS or the Bank of England. The activities, discussions, and outputs of the Group should not be taken as an indication of future policy by the Bank of England or any central banks.

12. Use of Name, Acronym or Logo

Members of the Group may not, without the prior written consent of the other Members, the BIS, Bank of England, and any other companies and organizations providing services to the BIS, use their names, acronyms, or logos in any advertising, publicity releases, presentations, or any other publicly distributed information relating to the Project. In all cases, when the use of names, acronyms or logos is required and permitted, each Member shall provide, to the other Member(s), their names, acronyms, and logos in a format to be used for the purposes permitted.

13. General Provisions

These Terms of Reference are not a public document. Their latest version will be made available on the secure website of the BIS.

These Terms of Reference apply for an indefinite duration until such time as they are terminated by the BIS upon written notice to the other members, provided that these Terms and Conditions will continue to apply to any information shared prior to the effectiveness of such termination.

These Terms of Reference may be amended by the BIS, provided that Members have been consulted in advance of the issuance of any amendments. Updated Terms of Reference will be provided to all Members.

Nothing in or relating to these Terms and Conditions shall be deemed a waiver, express or implied, of any of the privileges and immunities of any participating institution.