

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

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Press release:

**Digital Shekel Challenge:**

**For the first time, the Bank of Israel invites various entities to connect to the Digital Shekel experimental environment and to develop innovative and groundbreaking uses in the world of payments**

[**Video**](https://www.youtube.com/watch?v=264_rWUT6Hw)

[**More information in the Digital Shekel Challenge web page**](https://www.boi.org.il/en/economic-roles/payment-systems/future-payment-methods/digital-shekel-cbdc/the-digital-shekel-challenge/)

Like many other central banks, the Bank of Israel has in recent years been examining the possibility of issuing a central bank digital currency (CBDC), or digital shekel. As part of the work plan for the potential issuance of a digital shekel, the Bank of Israel is planning a “Digital Shekel Challenge” – an experiment inspired by the “Rosalind Project” that was carried out by the BIS Innovation Center.

For this trial, the Bank of Israel has built a technological prototype that models the core of the digital shekel system and its APIs. Payment service providers and other service providers will receive access to the system and to a broad range of functions through which they will be able to develop services and make them accessible to end users from the general public, and provide advanced payment options using a digital shekel.

Through the Digital Shekel Challenge, the Bank of Israel invites various entities from the private and public sectors and from the academia to study the development potential of uses in the digital shekel system. Contestants in the Challenge will be asked to develop various technological use cases for the digital shekel, using the API layer. Preference will be given to uses that are original and innovative in the world of payments, whether they take the form of improvements to existing applications or are completely new applications. The uses may correspond to the unique needs of a certain population group, serve the needs of a particular industry, or support an innovative application that will serve a broad range of scenarios. While some of the use cases may be universal by nature, it is important that they be specified and presented in the context of uses that are relevant to the Israeli economy.

A team of experts will judge and rank the top projects, which will be presented at a conference that the Bank of Israel will arrange at the end of the process.

In the first stage, those interested in competing in the Challenge will have to answer a [Public Call](https://www.boi.org.il/media/44pmzvhm/digital-shekel-challenge-public-call.pdf) through a [registration form](https://www.boi.org.il/media/wkqgaalz/digital-shekel-challenge-registration.docx). Entities and teams that the Bank of Israel selects to participate in the Challenge will be able to connect to the trial environment and begin the exciting journey of developing groundbreaking use cases together with the project team through the innovative digital shekel environment.

Those who wish to obtain further details on the Challenge and to ask questions can join a webinar (in Hebrew) that will be held on Sunday, 9 June at 16:00 [(link to register)](https://docs.google.com/forms/d/1byw-Z2DuQOBcAsb8X-XBzhZSgUGpyODLMQCJ75G5oDU/edit?pli=1)

**Bank of Israel Deputy Governor Andrew Abir: “The Digital Shekel Challenge is another step toward the means of payment of the future. It aims to create an innovative and competitive ecosystem of ways to make payments. The digital shekel’s success will depend on cooperation between the Bank of Israel and the private and government sectors. The Challenge is the first time in which we are enabling the financial industry in Israel and abroad, as well as a wide range of interested parties in the payments array, to collaborate in practical terms with us in the thinking, planning, and design of the digital shekel.”**