

Blockchain based Digital transformation

First Blockchain powered ecosystem in Azerbaijan



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Cashless Azerbaijan strategic initiative 2018-2020



Objectives

- Increase the volume of **non-cash payments**
- Reduce the size of **cash economy**
- Involve **financial flows** in the bank circulation
- Increase the **investment opportunities** of banks
- Expand the use of **digital payment services**

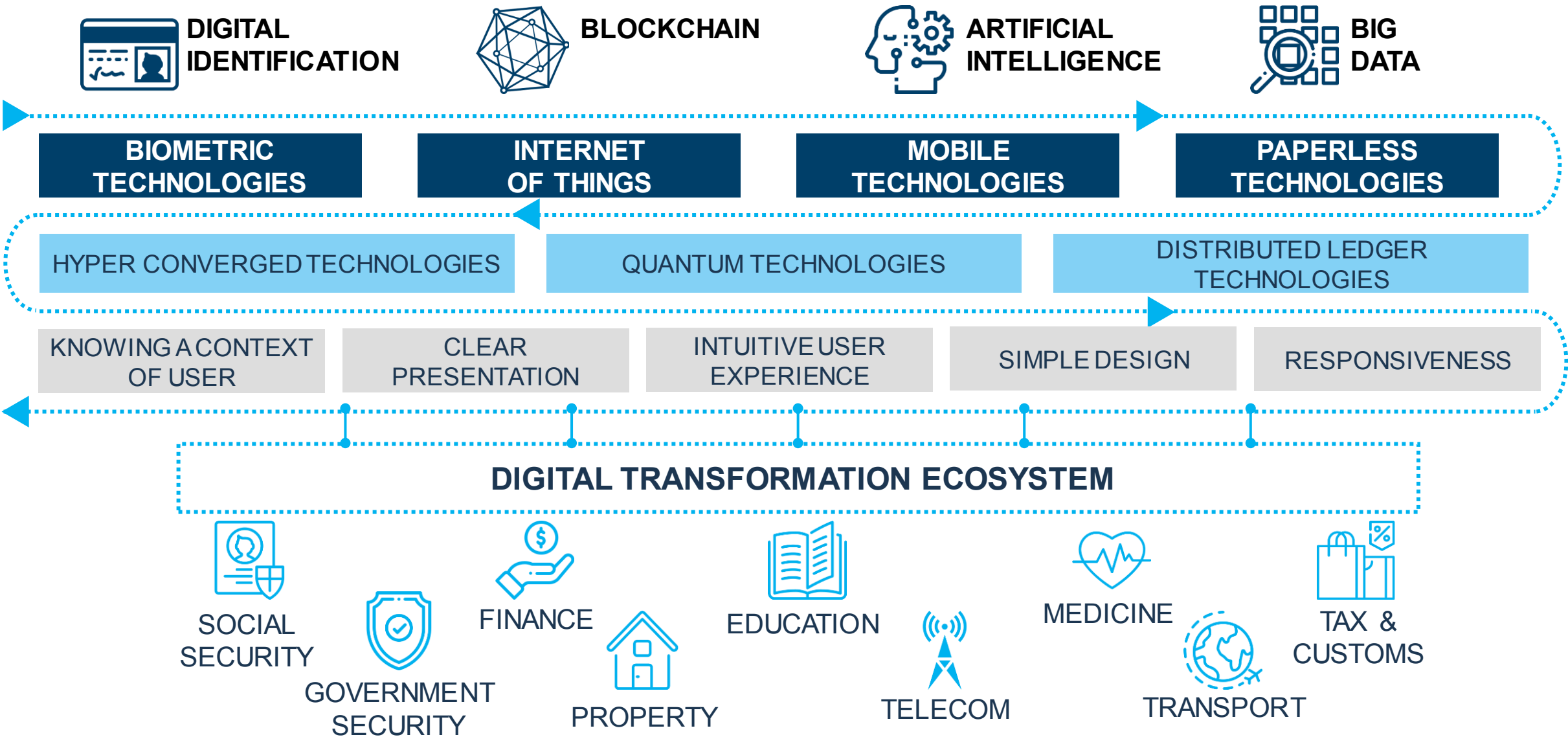
Macro strategies

- Creation of more **favorable regulatory environment**
- **Financial markets development**
- Strengthening of **financial inclusion**

Actions

- Implementation of special mechanisms for promoting **digital payments**
- Strengthening **mutual trust**
- Increasing **transparency**
- **Revitalization of banking sector**
- **Money market development**
- Introduction of new, **innovative and affordable banking services**
- Increasing the **accessibility of banking services**
- Increasing **financial literacy**

Research on digital trends



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Project scope

- Development of Blockchain infrastructure between financial institutions,
- Development of Digital Transformation Plan and PoC presentation,
- Development of Digital Identification System on Hyperledger Fabric.

Digital services on Blockchain

- Open bank account for individuals and legal entities,
- Applying for a loan,
- Signing digital contracts in customer-bank relations,
- Customers' video-identification service,
- Other banking & insurance services.

Context diagram – Parties types

Identity Holders



1. State Bodies

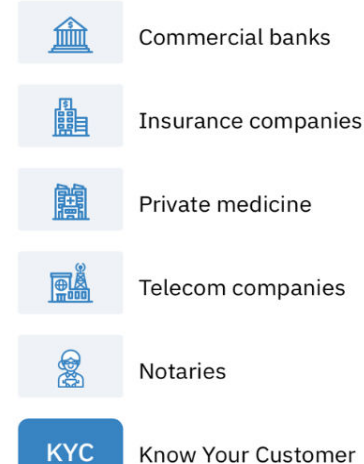
E-services



Digital Identification System

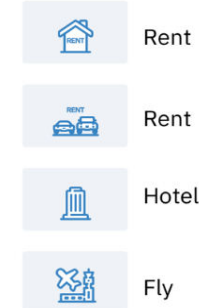
2. Regulated by State

E-services



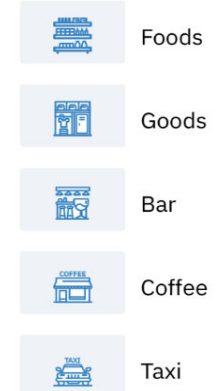
3. Name

E-services



4. Pseudonym

E-services



Pilot project participants

Innovation partners



Lenovo™

IBM

Government agencies



FINANCIAL MARKET
SUPERVISORY AUTHORITY



MINISTRY OF JUSTICE



STATE COMMITTEE ON
PROPERTY ISSUES



FINANCIAL
MONITORING SERVICE



AZERBAIJAN
BANKS ASSOCIATION



THE STATE AGENCY FOR
PUBLIC SERVICE AND
SOCIAL INNOVATIONS
UNDER THE PRESIDENT



MINISTRY OF TAXES



MINISTRY OF LABOR AND
SOCIAL PROTECTION OF
POPULATION



MINISTRY OF TRANSPORT,
COMMUNICATIONS AND
HIGH TECHNOLOGIES

Commercial banks



Bank Respublika
sizə faydalı



unibank
Hər kəsin bankı



The philosophy of the identification process

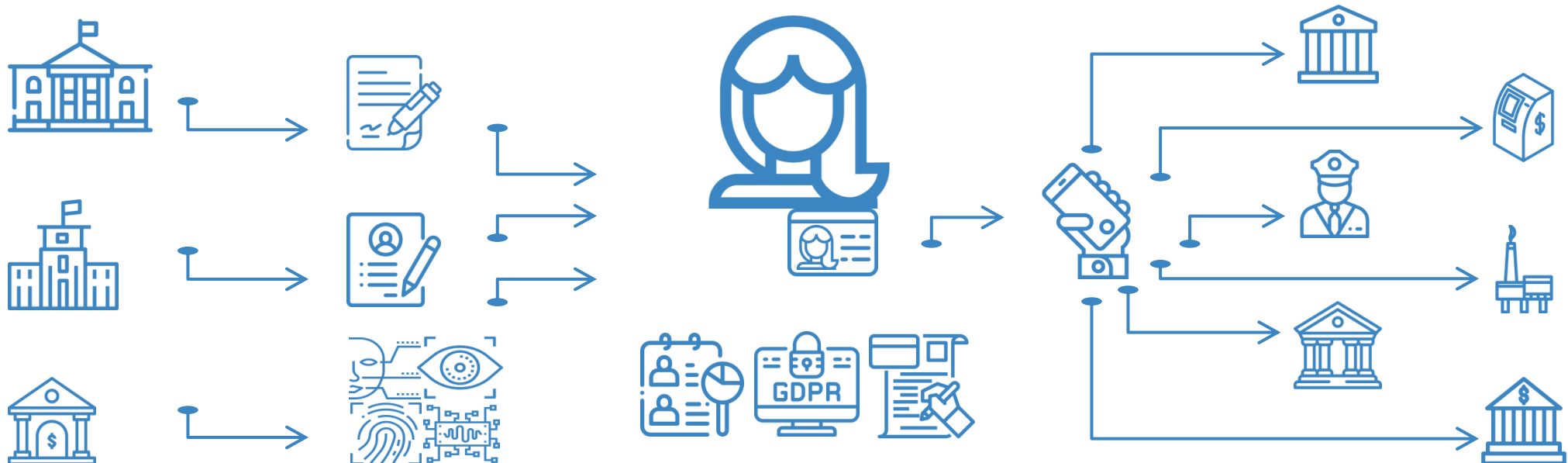
Compliance requirements

Follow W3C standards as much as possible,
Apply W3C decentralized ID principles,
Apply security by design approaches,
Meet GDPR requirements,
Provide a single point of truth and integrity for the data,
Protect data from fraud and replacements.

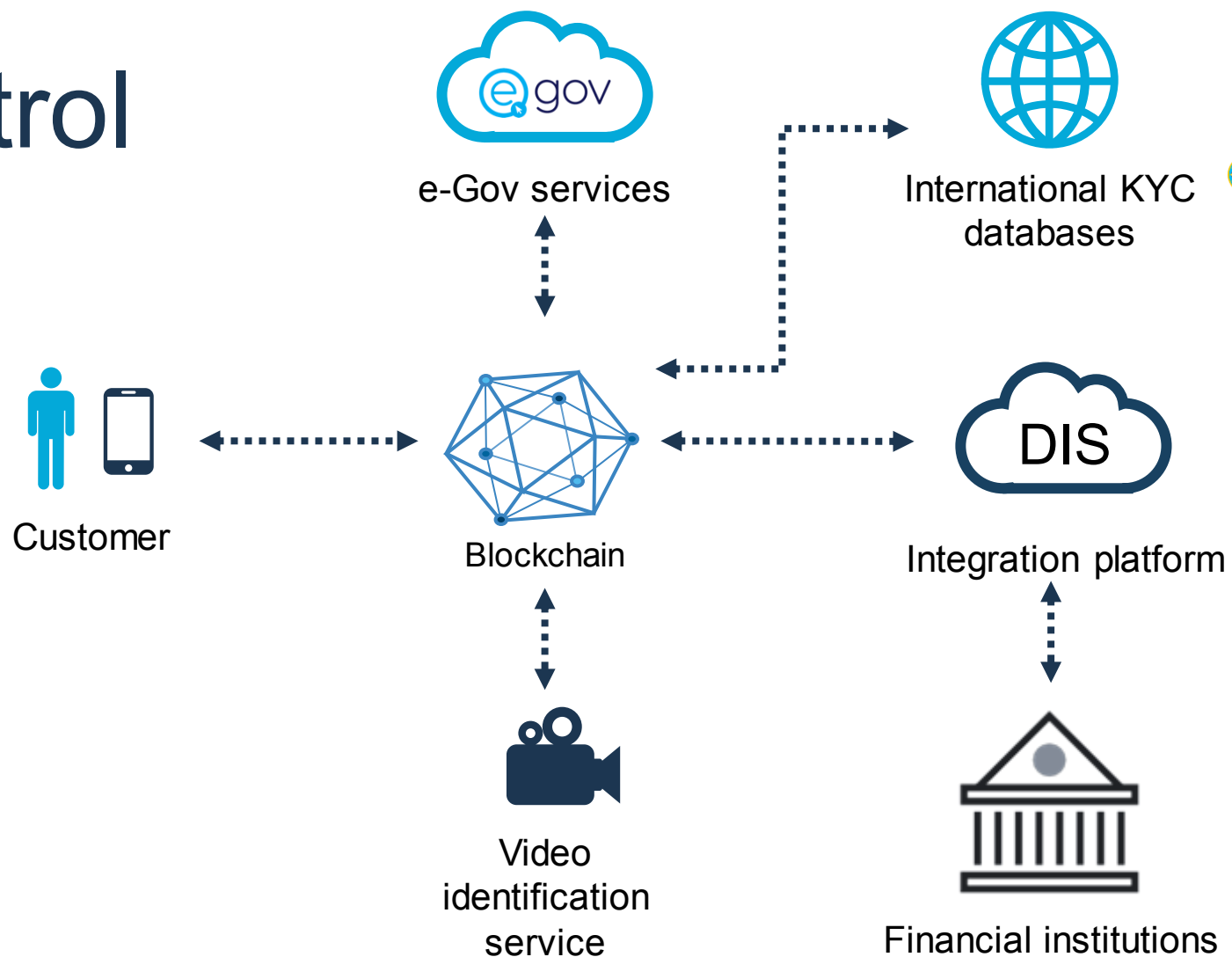
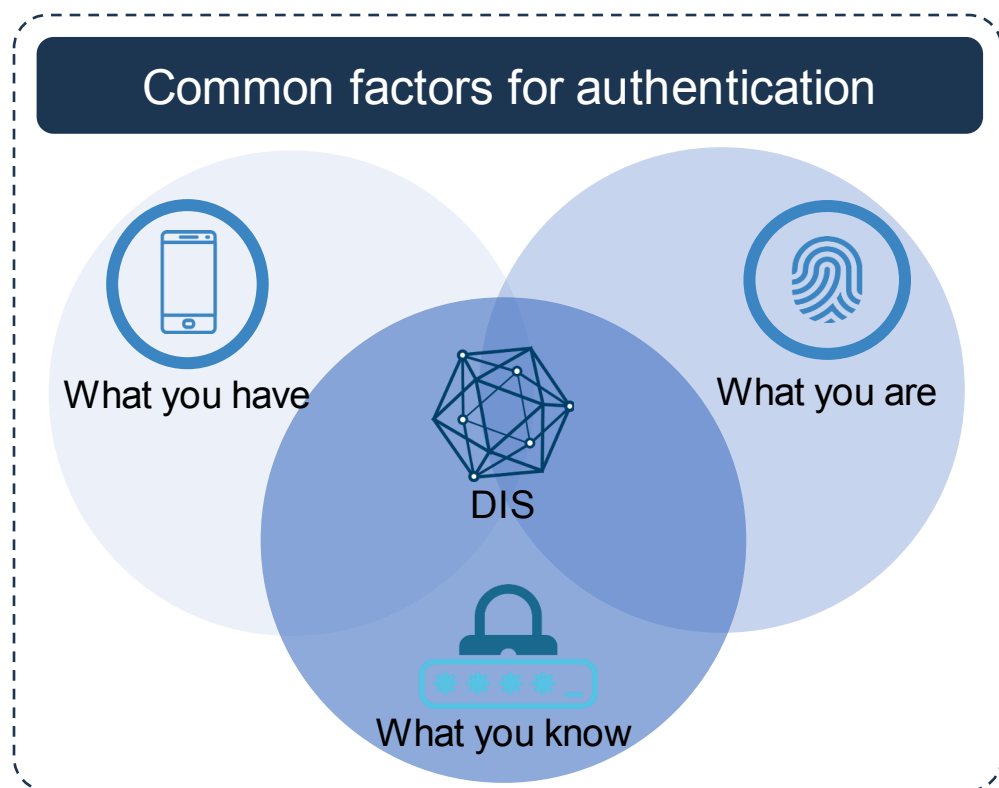
Issuing party

Identity holder

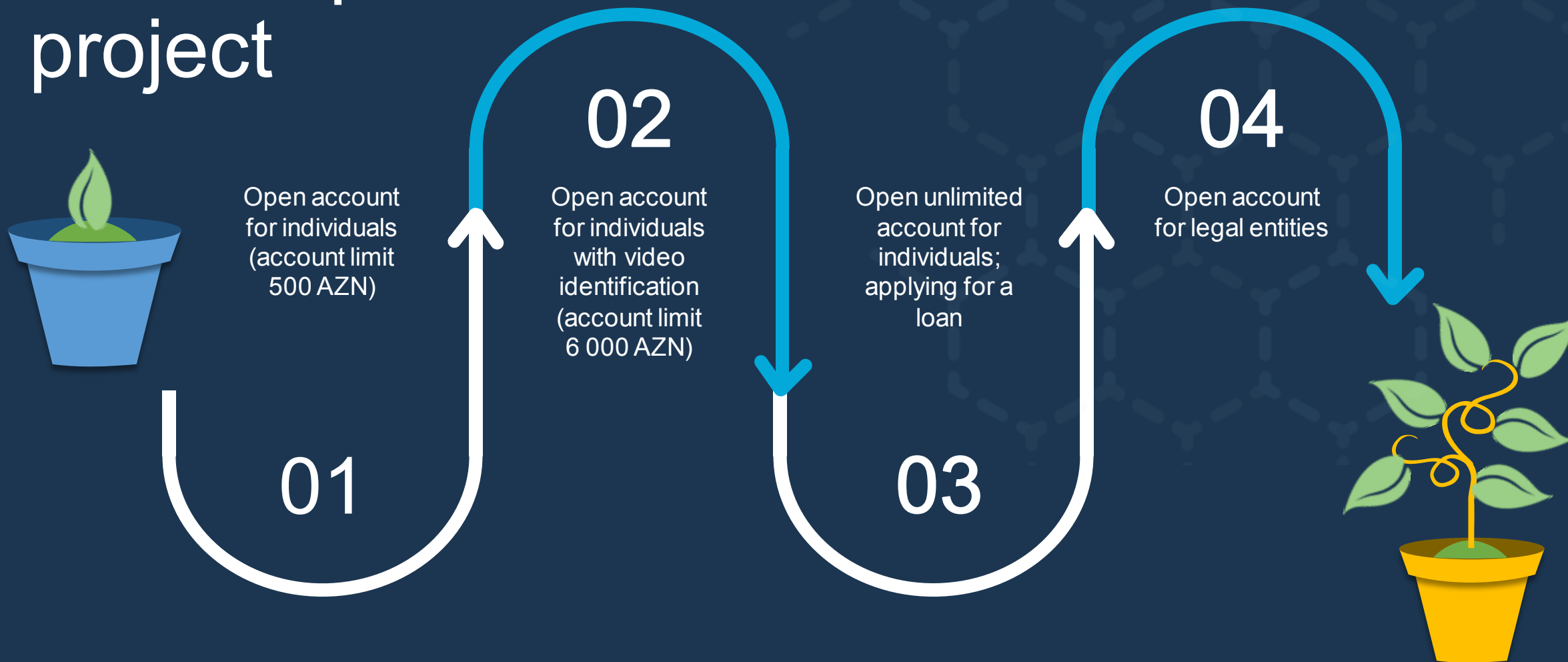
Relying party



Digital Identification System – trusted identity in your control



Release plan for First pilot project



System integration to current identification services

New generation
identity cards

Core banking
systems of the
banks

e-Government
services

Video identification

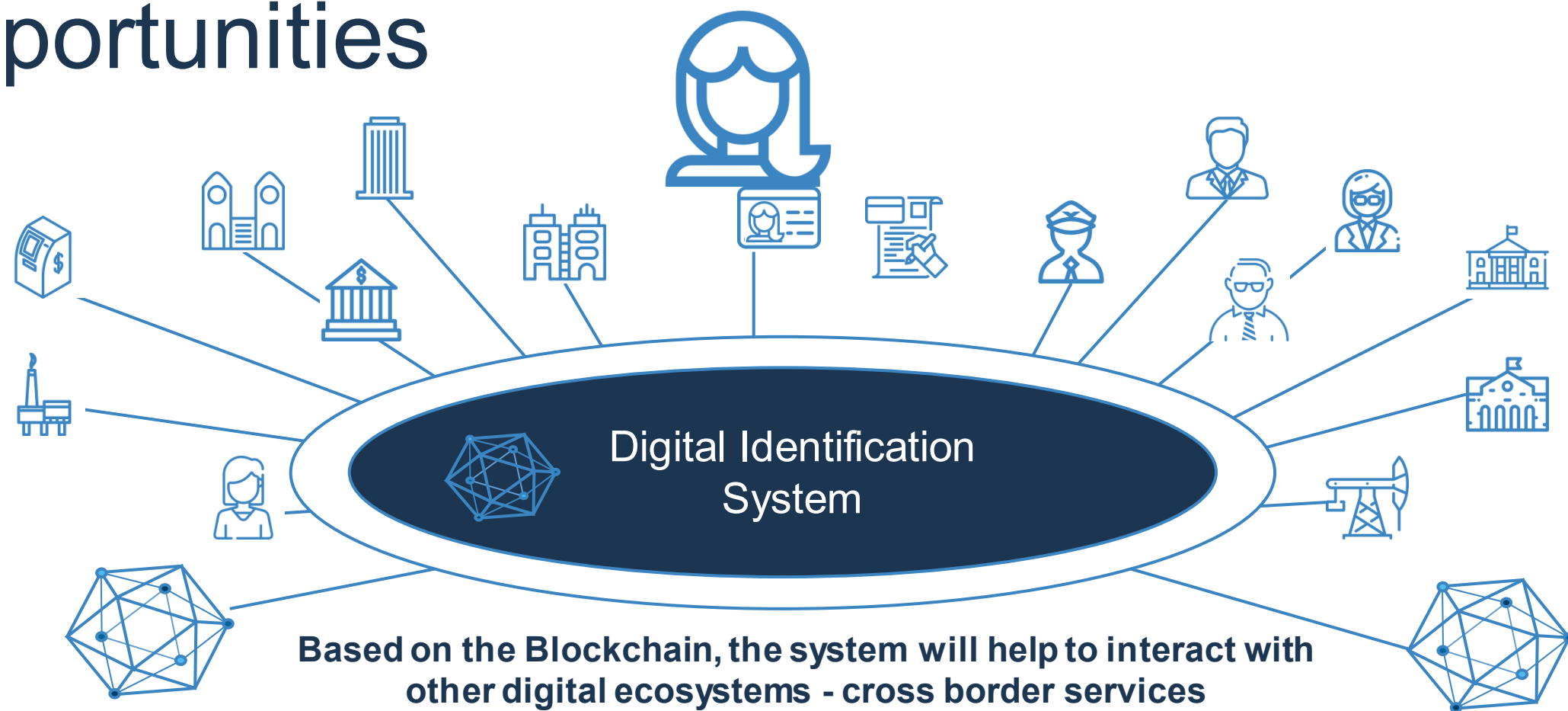
Fingerprints



... future integration with the new
technologies and systems
will be possible



System expansion opportunities



Thank you!



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