BankChain Alliance

An Industry-Owned Banking Network

Designed by banks.
Owned and governed by the industry.

An industry-owned banking network

In short, we are building **a network.** A bank-designed, industry-owned, highly secure network on a common banking platform (blockchain) which allows financial institutions to access programmable (or smart) payments within a secure and regulated environment enabling tokenized deposits and network issued stablecoins (in contrast to externally issued stablecoins). This will allow banks to efficiently deliver modern products and services in a rapidly evolving financial ecosystem – while preserving local lending and supporting communities.

It is designed to be both low risk and low cost to join and accretive to every member bank.

The network provides a foundation for banks to innovate and build new products and revenue streams that they could not easily build on their own and would be difficult and redundant for smaller groups of local banks to recreate. It will become a marketplace where banks can offer the products they have built back to the rest of the network, creating a virtuous cycle of value creation that grows and becomes more efficient with every participant. The more banks that join, the more valuable it becomes for everyone.

The why

We are developing an industry-owned banking network to be able to offer programmable (or smart) payments services within a secure and regulated environment that protects depositors and consumers from potential fraud while also preserving local lending and reducing the industry's dependence on external vendors for access to modern payment technology.

- **Creating a secure environment.** Where blockchain payment services are provided outside of the federally and state regulated banking system, consumers and their deposits are subject to greater risk of fraud or theft.

- **Preservation of local lending capacity.** Deposits removed from the banking system are not only placed at greater risk, but also reduce local banks' ability to maintain local lending services. As an alternative however, each dollar that converts to a network issued stablecoin or tokenized deposits maintains member banks' local lending capacity to the benefit of local communities across the nation.

- **Reducing vendor dependence.** Banks have long relied on external vendors that control the pricing and timing of access to modern financial technology. A network owned by the banking industry puts banks in control of the services they offer and better positioned to react to serve the particular needs of local customers.

- **Shared capability.** Building this infrastructure alone is beyond the reach of most community and regional banks, and would be inefficiently redundant even for larger groups. The broad, open network creates opportunities for members to share innovations and capabilities where appropriate, reducing duplication, enhancing efficiency, and accelerating adoption. This puts product development within reach that no single institution or smaller group could fund or create on its own.

Banking industry designed, funded, and governed

To best position the banking industry for independence from expensive and not always responsive third-party vendors, the network is owned by banks and state banking associations. A working group of bankers and state associations are designing the technology specifically with local banking needs and services in mind.

The initial capital raise has been committed by state banking associations. It is expected that all state associations will have an equal opportunity to invest. Future participation in the network will be open to all state associations and banks. No state association or bank will have preferred treatment because of their commitment during the initial capital raise.

Further, it is expected that banks will also have an opportunity to invest. We anticipate that state associations and banks that invest will have a preferred equity stake, but that is still being determined and must be balanced against a primary goal of keeping the platform low cost.

As a member owned entity, we are looking at the Federal Home Loan Bank governance model with day-to-day executive oversight still being determined. Community banks (less than $10B) and large banks ($10B and higher) will each have six seats on the board of directors, with state associations having three seats who represent banks of all sizes.

The right moment is now

The next generation of payment infrastructure is being built right now, and banks need to decide whether we are going to own it or rent access to it later. The reason to act now is simple: the regulatory framework is forming, the technology is ready, stablecoin and non-bank payment rails are already gaining volume.

If we build together, we can tailor the infrastructure to our customers' needs, preserve local lending, and ensure community and regional banks are not blocked out, priced out, or pushed to the edges of the next era of banking. If we wait, we will have to join someone else's network on someone else's terms.

Request for Proposal (RFP) Process Underway

To determine the best tech partner and platform to support our vision, we currently have an RFP process underway. It includes key principles such as fairness for banks of all sizes, accretive by nature, providing bank-grade security, innovation that unlocks new ideas and simplicity, enabling easy integration.

Requirements for any tech partner for the BankChain Alliance include: equity opportunities for banks and voting rights; privacy needs and regulatory compliance banks expect; support for bank-issued tokenized deposits and a network-issued stablecoin; reserve management, settlement and liquidity capabilities; bank readiness and scalability; programmability; and the ability to avoid vendor lock-in.

The value proposition: programmability

We already have real-time payments. We have RTP. We have FedNow. Real-time is a feature, but the value proposition is programmability.

Programmability -- the ability to embed logic, conditions, and rules directly into how money moves, is something the existing banking infrastructure fundamentally cannot do. That is what makes this different.

Real-time settlement v. programmability

Real-time payments are like a fast postal service. Programmability is like a postal service that can read the address, verify the recipient's identity, confirm the package meets customs rules, hold it if conditions are not met, and deliver it all automatically, without a single human touching it. Intelligence is built into the system itself.

Over time, those programmable rails become a vital infrastructure to support a new marketplace. Banks that build something useful on top of the network can offer it to every other bank on the network. The more banks that join, the more valuable it becomes for everyone.

Programmability for banks explained

- On a programmable network, a loan disbursement can be released in tranches automatically upon verification of milestones.
- A liquidity swap between two banks can execute itself when predefined collateral conditions are met.
- A compliance check can run at the protocol level, not in a back-office spreadsheet, but in the transaction itself.

And the wallet, the interface each bank uses to participate, is not just a place where a balance sits. Each bank's wallet carries its own rules, preferences, and permissions. When two wallets interact on the network, those rules are automatically executed. That is not something a bank can replicate on its own. That is only possible because the network exists.

Day 1 Use Cases

1. **Programmable Escrow:** Automated release of funds upon completion of predefined milestones such as property closings, construction draws, title events, logistics confirmations, or multi-party approvals.
2. **Trade and Supply Chain Finance:** Automated settlement tied to shipment, delivery, inspection, and contractual milestones, reducing reliance on manual letters of credit and document-heavy processes.
3. **Corporate Treasury Automation:** Real-time liquidity optimization, account sweeping, treasury rebalancing, and automated movement of funds across institutions based on predefined rules.