

Press release

For business editors
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Commerzbank tests blockchain-based machine-to-machine payment solution for the first time

- **First use of cash on ledger for automated M2M payment processing in co-operation with Daimler Trucks**
- **M2M settlement of payments as part of the pilot project involving the direct handling of charging processes of trucks**
- **Further development steps for eMoney-based payment processing are being investigated in collaboration with industrial partners**

Working together with its research and development unit main incubator, Commerzbank is the first German bank to develop a blockchain-based payment solution for machine-to-machine (M2M) payments. A fully automated payment process between an electric charging point and a Daimler truck system has taken place. For this transaction, Commerzbank issued Euros on a blockchain and provided Daimler Trucks with “cash on ledger” (i.e. the money on the blockchain) to process the payment.

As a result of digitalisation, machines are increasingly interconnected with each other and operating with rising degrees of autonomy. At the same time, independent communication and interaction between machines (called machine-to-machine or M2M) is happening, this also enables the settlement of mutual payments. This means that payments in automated contexts will no longer need to be triggered by human intervention. Current payment systems are not yet able to meet these requirements.

“After having completely digitised securities transactions in past pilot projects, the focus is now shifting to DLT-based payment structures. As a bank we see our mandate as creating new digital payment architectures for our clients”, says Stephan Müller, Divisional Board Member Transaction Banking, Commerzbank.

The pilot successfully demonstrated that both charging and subsequent payment processes can be performed fully automatically and without any human interaction. Over the short term this may lead to efficiency gains in logistic chains while also leveraging considerable potential as vehicle automation increases. The solution can also be used profitably for many further user cases in machine-to-machine communication, such as in the chemicals sector, in manufacturing or in the real estate industry.

Press contact

Josefin Altrichter +49 69 136-80209

About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in almost 50 countries. In the two business segments Private and Small-Business Customers and Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to its clients' needs. Commerzbank finances approximately 30% of Germany's foreign trade and is the leading finance provider for corporate clients in Germany. Due to its in-depth sector know-how in the German economy, the Bank is a leading provider of capital market products. Its subsidiaries Comdirect in Germany and mBank in Poland are two of the world's most innovative online banks. With approximately 1,000 branches, Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank serves more than 18 million private and small business customers, as well as more than 70,000 corporate clients, multinationals, financial service providers, and institutional clients worldwide. In 2018, it generated gross revenues of €8.6 billion with approximately 49,000 employees.

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