



## **Memorandum of understanding (MoU)** between the City of Lugano and Tether

### **Plan ß | Phase II**

#### **1. Background and vision**

This Memorandum of Understanding is entered into in continuity with the Memorandum signed in March 2022 between the City of Lugano and Tether within the framework of “Lugano’s Plan ß”. The Parties acknowledge the strategic value of the initiatives, projects and collaborations launched under the previous agreement, as well as the institutional, economic and technological impacts generated thereby. This Memorandum does not supersede or archive the prior agreement, but rather represents its evolution, completion and extension within an updated strategic framework.

The original project also developed through the experimentation of Bitcoin payments as a concrete use case of decentralized technologies applied to an urban context. The new phase broadens both its scope and ambition, progressively extending its focus to digital infrastructures, technological resilience and digital sovereignty.

This Memorandum therefore marks the launch of a new strategic phase entitled Plan ß | Phase II – Integrated Program for Digital Sovereignty and Resilience of the City of Lugano, based on interoperability, governance transparency and incremental experimentation. “Plan ß | Phase II” integrates blockchain, artificial intelligence, digital finance, distributed infrastructures, peer-to-peer solutions and deep-tech innovation under a shared vision: a City capable of governing its own digital transformation, reducing critical dependencies and enhancing operational continuity and decision-making capacity.

The initiative aligns with the vision Lugano Duemilatrecenta – Development Guidelines and the City of Lugano’s Digital Strategy 2025–2030, contributing to the objectives of innovation, sustainability and quality of life defined by the Municipal Council.

Lugano reaffirms its role as a Living Lab promoted by the City, where institutions, academia, businesses and citizens co-create digital solutions; collaboration with industrial partners is embedded within this framework without altering its governance or public-interest purpose.

In this context, Tether and its controlled/affiliated companies act as strategic industrial partners, providing technologies, expertise and infrastructure to support the digital growth of the City and its economic ecosystem, in accordance with the principles of this MoU.

## 2. Purpose and scope

The primary purpose of this Memorandum is to contribute to positioning the City of Lugano as an international model of digital innovation, resilience and technological sovereignty.

This Memorandum establishes a cooperation framework for the period 2026–2030 aimed at:

- promoting the development of sovereign, interoperable digital infrastructures oriented toward operational continuity;
- strengthening research, development and innovation in the fields of AI, blockchain, distributed systems, peer-to-peer technologies and deep-tech;
- supporting the digitalization of the real economy and institutional processes (including trade finance, production supply chains and public services);
- increasing levels of resilience, cybersecurity and data protection within the City's digital systems.

### 2.1 Implementation Principles and Safeguards

The Parties agree that implementation shall follow these principles:

- **Compliance and authorizations:** each initiative shall comply with applicable laws and, where necessary, be subject to evaluations, opinions, authorizations or consultations with competent authorities and/or relevant internal bodies.
- **Incremental approach:** initiatives shall start through pilot projects and proof-of-concepts, with impact, risk and benefit assessments prior to any scaling.
- **Interoperability and technological neutrality:** open standards, modular design and lock-in reduction.
- **Security and data protection:** cybersecurity and data protection by design, with risk-proportionate measures.
- **Transparency and public interest:** measurable benefits and appropriate reporting, where relevant.
- **Academic autonomy:** research collaborations shall respect scientific independence and institutional priorities.
- **Coordinated communication:** relevant public communications shall be coordinated between the Parties (see Final Provisions).

## 3. Pillars of cooperation

Cooperation under “Plan B | Phase II” is structured around five pillars. Operational initiatives may begin as pilot projects and, where necessary, be governed by separate implementation agreements defining objectives, responsibilities, compliance requirements, timelines, costs and operational modalities.

### Pillar I – Institutional infrastructure for digital assets and programmable settlement

**Objective:** transform SwissLedger into an institutional blockchain for the real economy and digital assets.

- development of SwissLedger as an institutional blockchain open to banks, financial institutions and large enterprises;
- platform for tokenization of real-world assets and creation of digital financial instruments;
- programmable settlement and experimentation with agentic payments among systems, companies and autonomous agents within controlled/sandbox environments;
- development of educational and research programs on Bitcoin and open protocols in collaboration with universities, research centers and local institutions.

**Expected outcome:** institutional digital infrastructure for a tokenized economy, supported by a research and education hub on Bitcoin and decentralized technologies.

### Pillar II – Lugano as a global hub for digital trade and commodities

**Objective:** position Lugano as an operational center for digitally regulated trade and commodities.

- Lugano as a hub for trade finance and digital commodities;
- tokenization of goods, contracts and trade documentation;
- instant settlement through stablecoins with end-to-end traceability;
- automation of trade flows via smart contracts and programmable payments.

**Expected outcome:** a global hub for real-time regulated digital trade.

### Pillar III – Sovereign digital identity and zero-knowledge services

**Objective:** build a decentralized, voluntary/opt-in and privacy-preserving digital identity ecosystem.

- decentralized digital identities for citizens, businesses and institutions;
- use of zero-knowledge proofs for verification without data exposure;
- civic wallets for access to services, payments and digital assets;
- identity layer enabling services and transactions among autonomous digital agents.

**Expected outcome:** secure and private digital identity as the foundation of digital services.

### Pillar IV – Local AI and autonomous economic agents

**Objective:** develop a decentralized and sovereign AI ecosystem.

- local and decentralized AI infrastructures inspired by models such as QVAC;
- autonomous AI agents for public, financial and operational services;
- integration of AI, digital identity and programmable payments;

- creation of networks of autonomous economic agents operating and settling transactions.

**Expected outcome:** a digital economy based on autonomous agents and local AI.

#### Pillar V – Resilient digital city and autonomous infrastructure

**Objective:** build a distributed and independent urban digital infrastructure.

- distributed networks and peer-to-peer infrastructures for critical services;
- decentralized storage and computing for operational continuity;
- advanced cybersecurity and privacy-preserving technologies;
- Lugano as a city-laboratory for autonomous digital infrastructures.

**Expected outcome:** resilient, autonomous and natively digital urban services.

## 4. Commitments of the parties

The Parties declare their intention to collaborate in accordance with their respective competencies, roles and available resources, in compliance with applicable procedures.

### 4.1 Commitments of the City of Lugano

Within its competencies and resources, the City intends to:

- act as a Living Lab for experimentation and pilot projects;
- facilitate, where appropriate, integration of digital solutions into public services, subject to approval by competent City bodies;
- promote administrative simplification, training and digital awareness;
- foster ecosystem collaboration with academic and industrial actors in line with the MoU principles.

### 4.2 Commitments of Tether

#### **Overall Contribution (Equivalent Value / In-Kind)**

Tether, directly or through controlled/affiliated companies and in compliance with applicable laws and internal procedures, commits to supporting implementation of the Pillars through an overall indicative equivalent value contribution of **CHF 5,000,000** over the duration of this Memorandum (the “Contribution”).

The Contribution is primarily intended as in-kind support (resources, expertise, initiatives) rather than direct financial funding, unless otherwise defined in separate implementation agreements.

For planning and monitoring purposes, the Contribution is on average referenced at **CHF 1,000,000 per Pillar**, subject to reallocation depending on priorities and project maturity, as defined in a Contribution Plan.

The Contribution may include, by way of example:

- deployment or provision of qualified personnel (including via affiliates);
- know-how transfer, training, mentorship and capacity building;
- applied research, prototyping and proof-of-concepts;
- access to infrastructure, tools, testing environments and technical support;
- funding or co-funding of academic initiatives (scholarships, laboratory programs, industrial PhDs);
- support for initiatives aligned with the Pillars in digital literacy and security.

## 5. Implementation methodology

Implementation follows a common methodological approach across all areas of cooperation, reflecting the digital awareness principles promoted by the City through Lugano Living Lab: **learn, experiment, participate, and where appropriate, scale and replicate.**

### 5.1 Living Lab and applied research

The City has operated as a Living Lab since 2018. This approach is autonomous and non-exclusive.

This Memorandum does not establish a new Living Lab nor transfer ownership, governance, control, exclusivity or branding of “Lugano Living Lab” to any private partner.

Initiatives shall follow applied research principles:

- prototyping and proof-of-concepts;
- measurement of results and impact assessment;
- structured risk management;
- iterative adaptation based on evidence.

The adopted approach enables the progressive validation of solutions in real operational contexts, with structured risk oversight and an informed evaluation of large-scale adoption decisions.

### 5.2 Education, awareness and participation

The creation of knowledge and expertise is further strengthened in “Plan B | Phase II”. The Parties will promote continuous training programs, awareness initiatives, and public events aimed at:

- strengthening digital skills within the administration and local ecosystem;
- fostering understanding of technologies and governance models;
- encouraging participation, dialogue, and dissemination of the results of pilot initiatives.

The participatory dimension is conceived as a lever to increase transparency, trust, and the quality of digital solution adoption.

In continuity with the initiatives launched starting in 2022, the Parties confirm the organization of the Plan B Forum as an annual flagship event, aimed at international dialogue, outreach, and positioning Lugano as a digital innovation ecosystem.

In alignment with “Plan B | Phase II”, the Parties may also promote, in parallel or on a separate date, a recurring format dedicated to user digital resilience (citizens, businesses, and public administration), based on practical sessions, tutorials, and guided workshops, with the objective of producing operational tools that are reusable and updated over time. By way of example, the format may include the annual publication of replicable deliverables such as:

- **Lugano Digital Survival Kit (v1, v2, ...):** checklists and tutorials for citizens; checklists for SMEs (MFA, backup, phishing, basic incident response), checklists for public administration (minimum security standards and procurement);
- **Lugano Platform Literacy Guide:** interpretative criteria and practical signals to recognize lock-in, dark patterns, data brokers, AI-washing, and dynamics of information manipulation or “AI-enhanced” scams;
- **Digital Pact:** concrete and measurable annual commitments (citizens / institutions-companies), aimed at risk reduction and strengthening digital trust.

### 5.3 Scalability and replicability

The solutions developed and validated within the Living Lab will be designed from the outset to be scalable, modular, and interoperable.

Should the pilot initiatives demonstrate value, sustainability, and compliance:

- the initiatives may be extended within the City;
- adapted to other urban or institutional contexts;
- proposed as reference models at national and international level.

In this way, Lugano is positioned not only as a place of experimentation, but as a replicable learning and innovation platform, capable of exporting expertise, methodologies, and solutions.

## 6. Governance and duration

This Memorandum shall remain in force for four (4) years from the date of signature and may be renewed or extended by written agreement between the Parties.

A Joint Implementation Committee shall be established, with operational coordination functions and annual review of activities.

The Committee shall adopt an annual work plan and, where appropriate, an updated roadmap of priority initiatives, defining responsibilities, indicative timelines, and measurement criteria.

In compliance with the competences of the existing and competent municipal bodies, the Committee shall in particular perform the following functions:

- define the operational priorities and monitoring indicators (KPIs) of the projects launched within the scope of this Memorandum;
- oversee implementation from an operational perspective, including risk management measures, security, compliance, and data protection, in accordance with applicable regulations;
- assess the necessity, scope, and content of any implementing agreements relating to individual initiatives.

## 7. Final provisions

### 7.1 Nature of the Memorandum

This MoU establishes a framework of cooperation and intent. Except for confidentiality and intellectual property provisions, it is non-binding and does not entail financial obligations for the City absent separate implementation agreements.

### 7.2 Implementation agreements

Specific projects may be governed by separate agreements.

### 7.3 Confidentiality

The Parties shall maintain confidentiality in accordance with applicable law, including public transparency obligations.

### 7.4 Intellectual property

Pre-existing IP remains with each Party. Joint IP shall be regulated in implementation agreements.

### 7.5 Third parties and non-exclusivity

No exclusivity is implied.

## 7.6 Public communication

Public announcements shall be coordinated unless legally required.

## 7.7 Amendments

This MoU may be amended only in writing.

Lugano, 3 marzo 2026

Paolo Ardoino, CEO  
Tether

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Michele Foletti, Sindaco  
Città di Lugano

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Robert Bregy, Segretario comunale  
Città di Lugano

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