Implementing the Interledger Protocol in Ripple

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How Ripple addressed scalability and transaction privacy

Ripple is thrilled to introduce the Interledger Protocol (ILP) for efficient payments across payment networks.

Time and again, we've heard from banks that Ripple changes the game—providing banks the ability to transact directly, instantly and with certainty. We've also consistently heard from our bank partners two primary wish list items.

First, as we saw with the introduction of the U.K.'s Faster Payments System, more efficient payments lead to a dramatic increase in

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overall transaction volumes. As Ripple drives new efficiency in payments globally, our partners expect an unprecedented level of scalability.

Second, financial institutions require the highest level of transaction privacy to protect their customers. Though customer information (PII) and individual transaction data never touches Ripple's public ledger, banks prefer not to have aggregate transaction data recorded on the ledger.

Over the last year, we've been working to fundamentally address both of these issues. That's why we're so excited to introduce ILP and the benefits it brings to Ripple.

With Ripple and ILP, banks can leverage unlimited scalability and complete transaction privacy. This comes in addition to all of the existing advantages of Ripple's distributed financial technology.

Today banks are deploying Ripple's solutions for Cross-Currency Settlement and FX Market Making. When those solutions are ILP-enabled, banks won't have to change much – market makers will still hold accounts at their banks and they'll establish relationships with the other banks and market makers with whom they want to transact. ILP enables transactions across any number of different ledgers and exchanges using cryptographic escrow and a specialized two-phase commit protocol.

ILP will also enhance the reach and impact of the Ripple Consensus Ledger (RCL), which serves as the root ledger for the digital currency XRP. Digital currencies continue to play a critical role in the burgeoning Internet of Value. As always, our focus is to make XRP the best bridge asset for market makers providing cross-currency liquidity.

To participate in the discussion about open, neutral and universal payment standards, we encourage you to join the W3C Interledger Community Group. Visit Interledger.org to learn more.

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