

SARDEX. NOT BY MONEY ALONE...

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Telos: When Sardex was founded in 2009 many people considered it a utopian dream: with a circuit of over 3,500 enterprises it is now a consolidated business destined to grow. Tell us the story behind Sardex and why it is so successful?

Roberto Spano: First and foremost, people often underestimate the complexities and specificities behind our success. In fact, contrary to what has often been reported, Sardex.net is not just a way to either deal with lack of liquidity, save money or increase one's turnover. Sardex.net has been primarily designed so that every member can increase its network of fiduciary relationships by establishing strong, long-lasting ties with other network members based on a common vision and shared rules and values.

We believe that the success of our initiative doesn't depend only on economics, which obviously play an important role, but on the links created by the Circuit. The relationships and collaboration with and between members is what really drives the project.

This is why I am convinced that the Circuit is more than just a financial tool. When it became part of the web, together with the firms, professionals and collaborators of our affiliated enterprises and third sector associations, the network profited in terms of possibilities and opportunities, but above all it gained in terms of support and links with the territory, revealing its enormous ability to generate social impact and cohesion.

Data analysis shows that in the last few years there's been an exponential growth in the number of operations (with a significant increase in small operations). Our members have begun to use Sardex.net on a daily basis for anything to do with their everyday lives (food shopping, entertainment, donations, *etc.*). These simple gestures - participation in the Circuit - are not only a way to save money, but also help all our members increase their participation in community life and boost reciprocal mutual trust.

In my opinion Sardex.net is a new way of rethinking the economy and local communities: interconnected, collaborative and supported by the strength of the group and mutual trust.

Sardex sells itself as a payment tool supplementing the official currency. Compared to a traditional currency what advantages does it provide? Is their coexistence problem-free?

The way you've asked this question suggests that you may have misunderstood what Sardex represents for its members. So it's important to immediately clarify one point: Sardex.net is first and foremost a network of local operators. It is designed to facilitate human rather than economic relationships between economic operators in Sardinia. To successfully pursue this objective and qualitatively and quantitatively increase interaction between our members we studied several dedicated tools and services including a mutual credit structure linked to an internal unit of account (the Sardex) and a compensation system.

Obviously mutual credit as a funding channel does not replace traditional funding channels, but instead works in parallel. A supplementary, additional rather than substitutive channel that allows affiliated businesses to provide reciprocal, interest-free credit by exploiting their own unharnessed productive potential and boosting their fiduciary territorial ties within their respective communities.

It follows that the Sardex.net network is also an additional market that ensures an increase in turnover and customer base by working in parallel with the Euro rather than replacing it. The turnover generated by sales through the Circuit enables businesses to reduce costs, improve their cash flow and make investments that would otherwise be postponed due to lack of liquidity.

Your detractors maintain that this facilitates tax evasion. What's your reaction to these accusations?

Simply that these accusations are groundless and unsubstantiated. I'd say the opposite is true. Probably the detractors who use these arguments are talking off the top of their heads. Yet all they have to do is read only some of the material and academic literature about Sardex published on the web in order to avoid making new, unfounded and superficial accusations. The rationale behind what I'm saying is very simple and obvious to anyone who's studied the subject even superficially.

In fact, all transactions between members are duly invoiced and recorded. They are very normal invoices in Euro. The only difference is that in the box where invoices normally require you to indicate the terms of payment, our members must write: "Payment made using the Sardex.net network".

All payments are accounted for in our system. Every operation must be accompanied by the date and number of the sales receipt/invoice/receipt. So, rather than a tool facilitating tax evasion, it's a way to make it *de facto* impossible, at least as regards the turnover generated by operations made using the Circuit.

Did you encounter regulatory problems either in Italy or in the EU when you developed Sardex? If so, how did you solve them?

We didn't run into any particular problems, either in Italy or abroad. When we designed and developed our activity we made a point of being careful and scrupulously respect all existing regulations. In fact, even when Sardex.net was on the drawing board we considered every aspect both in terms of risk management and compliance. The latter were issues we bore in mind when we invented and designed Sardex.net. Thanks to an ongoing, constructive collaboration with the regulators we managed to deal with them calmly and successfully.

Editorial

How do we become interested in interviewing a certain person for Primo Piano Scala c? Simple. A short article in a newspaper catches our attention, a comment made during a conversation, a reference found on the web perhaps while researching another issue. Sardex was inspired by a comment by one of our readers who had seen our slideshare about **Bitcoin**: 'you're xenophiles like so many others, why don't you write about Sardex instead?' Hit where it hurts most, we immediately set about gathering information.

But apparently not enough, but it wasn't our reader's strong suit either. We realised we hadn't really understood what Sardex was when its MD Roberto Spano, with the typical courtesy of his native island gave this answer to one of our questions: *The way you've asked this question suggests that you may have misunderstood what Sardex represents for its members*. So today, in this editorial, instead of commenting I'm going to tell you a story about Gabriele Littera, Piero Sanna, Carlo Mancuso, Giuseppe Littera and Franco Contu from Serramanna, Sardinia.

A group of friends, nearly all humanities or marketing graduates with very little financial experience, tried to create something that would allow them to work in their beloved island, increasingly impoverished after the crisis in 2008. Not only impoverished, but an island where credit had run dry. Banks had stopped granting loans to local entrepreneurs. Cash had become increasingly rare. The immediate equation is: no liquidity = job cuts. So the four youngsters decided to create a currency. The idea came to Giuseppe when he was studying in Leeds where he read about the complementary Swiss currency **WIR**.

To make a long story short, it inspired the complementary currency, Sardex, valued at 1 Euro (1 Sardex = 1 Euro). How does it work? Every company becomes a member of the Circuit by paying a registration fee as well as an annual or monthly fee after which all the members in the network can sell goods and services and buy goods and services from other members. But it's very different to a barter, to Bitcoin or Blockchain. A practical example will help to explain: a hairdresser who has already sold services that have been paid in Sardex by other circuit members, has accumulated a few Sardex in his account.

Now he needs new furnishings; he uses the network and finds a company that sells them. They cost 2,000 Sardex. That virtual amount will be paid into the account of the furniture company. In turn, the furniture company needs mobile phones for its employees; it finds them in the circuit for 1,500 Sardex. It simply deducts from its account 1,500 of the 2,000 Sardex paid into the account by the hairdresser. All this takes place without using the Euros in their bank account. A simple and sophisticated project developed by these Sardinian friends. In the words of the Financial Times: these men have **The Sardex Factor**.



Roberto Spano graduated in Economics and Commerce at the University of Cagliari. He went on to study Corporate Finance at the Bocconi University and Microcredit and Microfinance at the Institute for International Political Studies (ISPI) in Milan. He has accrued 25 year of employment experience in service and industrial businesses as a controller, administration and finance manager, extraordinary corporate transactions manager and CEO. He was one of the founders of the Tecnai consultancy company providing consultancy, management and training in business models and economic-financial strategies. His preferred research topics include: networks, local economic growth models, microcredit, reciprocal claim/swap agreement models, complementary currency and multilateral compensation systems. He is the Managing Director of Sardex. Amateur sportsman, enthusiastic scuba diver and a scholar of local economy. Roberto thinks that "handshakes spark the connective intelligence of networks".