|  |  |  |
| --- | --- | --- |
| itu_logo | **International telecommunication union****Telecommunication Standardization Bureau** |  |
|  | Geneva, 18 August 2017 |
| Ref: | **Corrigendum 1 to TSB Circular 39** | - To Administrations of Member States of the Union;- To ITU-T Sector Members;- To ITU-T Associates;- To ITU Academia |
| Contact: | **Vijay Mauree** |
| Tel: | +41 22 730 5591 |
| Fax: | +41 22 730 5853 |
| E-mail: | vijay.mauree@itu.int  | **Copy:**- To the Chairmen and Vice-Chairmen of ITU-T Study Groups;- To the Director of the Telecommunication Development Bureau;- To the Director of the Radiocommunication Bureau;- To the Directors of the ITU Regional Offices |
| Subject: | **Creation of a new Focus Group on Digital Currency including Digital Fiat Currency (FG DFC) and the First Meeting of FG DFC and the Workshop on Standards for Digital Fiat Currency, 12-13 October 2017, Beijing, China** |

Dear Sir/Madam,

1 I am pleased to announce the establishment of the [ITU-T Focus Group Digital Currency including Digital Fiat Currency](https://www.itu.int/en/ITU-T/focusgroups/dfc/Pages/default.aspx) (FG DFC) further to the agreement by ITU-T TSAG at its meeting in Geneva from 1-4 May 2017.

2 The first meeting of FG DFC is scheduled to take place on 13 October 2017 at the Institute of World Economics and Politics (IWEP), Chinese Academy of Social Sciences (CASS), No. 5 Jianguomennei Dajie, Beijing, 100732 China. The FG DFC meeting will be preceded by a Workshop on Standards for Digital Fiat Currency for Universal Financial Access on 12 October 2017 at the same venue. The workshop is organised jointly by ITU and the Institute of World Economics and Politics at the Chinese Academy of Social Sciences (CASS) with the kind support of theInstitute of Digital Money, the People’s Bank of China, the Chinese Academy of Information and Communications Technology and the Digital Fiat Currency Institute. The draft programme for the workshop and the agenda for the FG DFC meeting are found in **Annexes 2 and 3**, respectively.

3 Many stakeholders are researching and working on digital currency and central bank-issued digital currency (digital fiat currency (DFC)). Implementations of DFC using different technologies and in different phases of deployment have begun, and it is the objective of this Focus Group to investigate the various platforms and their characteristics. Like fiat currency in paper form that played a key role for financial inclusion for the past centuries, and continues to do so, a digital fiat currency must also be accessible by all citizens of a country and as such, could be a catalyst for accelerating interoperability in digital financial services.

4 Telecommunications/ICT infrastructure provide the best platform today that can help central bank-issued digital currency achieve this goal. Digital fiat currency will require even more efficient, secure and seamless interoperable services to be built within the ICT infrastructure. This Focus Group will work with stakeholders from across sectors to investigate requirements for DFC, security aspects, and interoperability standardization. The Focus Group will operate under procedures set out in Recommendation ITU-T A.7. TSAG serves as the parent group. The agreed Terms of Reference are included in **Annex 1**.

5 FG DFC is open to ITU Member States, Sector Members, Associates, Academia and to any individual from a country which is a member of ITU and who is willing to contribute to the work; this includes individuals who are also members or representatives of interested standards development organizations, Central Banks and Fintech industry players.

6 Mr David Wen, eCurrency, has agreed to be the chairman of the Focus Group. I believe that by establishing the Focus Group, ITU-T will meet the expectations of its membership and demonstrate its ability to address critical topics requiring urgent attention from both policy makers and market participants.

7 Contributions are invited on use cases related to digital currency and digital fiat currency with a particular emphasis on the network infrastructure requirements, security features and interoperability with other payment system infrastructures.

8 Remote participation will be available for the meeting. More information about remote participation and the documents for the meeting will be made available on the Focus Group web page: [https://www.itu.int/en/ITU-T/focusgroups/dfc/](https://www.itu.int/en/ITU-T/focusgroups/dfc/Pages/default.aspx).

9 Participant registration will begin at 0830 hours on 12 October 2017 at the meeting venue. No registration fee is required for participating in this meeting.

10 The discussions will be held in English only.

11 The documents will be made publicly available. Please use the template for the FG documents available from the Focus Group web page. Participants shall submit input documents to the FG-DFC Secretariat in electronic format by sending them to: tsbfgdfc@itu.int. **The deadline for document submission for this meeting is 1 October 2017**. Please note that this is a paperless meeting.

12 Please register for the FG DFC meeting and workshop via the online form at <https://www.itu.int/online/edrs/REGISTRATION/edrs.registration.form?_eventid=3000999> as soon as possible but not later than **12 September 2017**. Please note that **pre-registration of participants is carried out exclusively *online.*** To provide you with any updates concerning the meeting planning, please fill in your valid e-mail address on your registration form.

13 **Funding for Experts** may be provided. Please note that the decision criteria to grant this funding include but is not limited to the following:

1. Available budget;
2. Participation of Experts from Least Developed Countries or low Income Developing Countries (<http://itu.int/en/ITU-T/info/Pages/resources.aspx>);
3. Role and activities of the applicant strongly related to digital currency implementation and financial inclusion;
4. Proven experience in the areas of competence of the FG;
5. Written contributions by the applicant towards making a presentation at the meeting;
6. Equitable distribution among countries and regions;
7. Gender balance.

Preference will be given to national regulators and public officials. Expert funding requests (please use enclosed form at **Annex 4**), must be returned to ITU not later than **31 August 2017 by e-mail to** **tsbfgdfc@itu.int****.**

14 We would remind participants that citizens of some countries are required to obtain a visa in order to enter and spend any time in China. **The visa must be requested as soon as possible, preferably at least four (4) weeks before the date of beginning of the meeting** and obtained from the office (embassy or consulate) representing China in your country or, if there is no such office in your country, from the one that is closest to the country of departure.

15 All requests for letters of invitation for visa purposes must be addressed to Huifang Tian by e-mail: tianhf@cass.org.cn with copy (CC) to tsbfgdfc@itu.int, bearing the words **“Letter of invitation for visa”** as subject and should be sent before the deadline of **14 September 2017**. **The e-mail should also include as attachments the duly completed form in Annex 5 specifying the name and functions, date of birth, number, dates of issue and expiry of the passport of the individual(s) for whom the visa(s) is/are requested and a copy of the notification of confirmation of registration approved for the ITU-T meeting in question.** Participants will need to make their own arrangements for transport from the airport to the hotel.

Yours faithfully,

Chaesub Lee
Director of the Telecommunication
Standardization Bureau

**Annexes: 5**

**ANNEX 1**

**Terms of reference of Focus Group Digital Currency including Digital Fiat Currency**

**1 Introduction**

The Focus Group will carry out an investigation of the digital fiat currency platforms, focusing on the platform features and characteristics, security challenges to prevent counterfeiting of currencies in digital form and overcome challenges of interoperability with other payment systems.

The ITU-T Focus Group on Digital Currency including Digital Fiat Currency will incorporate expertise and specialists from Central Banks, ICT regulatory authorities, financial institutions, financial service providers, security professionals, other standards bodies such as Global Platform and ISO, and academics to address the governance, ICT infrastructure support, and security aspects of Digital Fiat currency and its implication to further the fruit of Financial Inclusion efforts currently achieved through ICT projects and solutions. The focus group will analyze ICT solutions and projects in the area of infrastructure services regarding how a secure and interoperable digital instrument and their applications can enhance current financial inclusion solutions and projects in the area of regulatory compliance, security, protocols and processes that ITU-T study groups can standardize, and best practices that could facilitate the implementation of such solutions on a global scale.

This Focus Group will work primarily on Digital Fiat Currency and does not exclusively work on or endorse a single particular solution.

The Focus Group will study the network functionality necessary to support digital fiat currency including network security and protocol requirements as well as interoperability of digital fiat currency with other digital currencies.

**2 Objectives**

The main objectives of the Focus Group are to:

* Study the economic benefit and impact of introducing DFC over mobile money;
* Investigate the ecosystem of digital fiat currency implementation for financial inclusion;
* Map the functional network reference architecture and process components required to implement digital fiat currency and integration with existing payment systems for interoperability;
* Identify use cases, requirements and applications of digital fiat currency;
* Develop better understanding of the security, regulatory implications, consumer protection, fraud prevention and counterfeiting issues of DFS and how can digital fiat currency can address these concerns;
* Identify critical sovereign security, transparency and verifiability of DFC technology and provide guidelines towards the escrow of critical software and hardware components to ensure trust and verifiability; and
* Identify new areas for standardization in ITU-T study groups.

**3 Relationships**

This Focus Group will work in close collaboration with all ITU-T and ITU-D study groups, especially ITU-T
SG 17.

This Focus Group will collaborate with relevant entities, in accordance with Recommendation ITU-T A.7.

These entities include the following: financial institutions, telecommunications regulators, financial regulators, non-governmental organizations (NGOs), policy makers, SDOs, industry forums and consortia (such as ISO TC 68, W3C, etc.), payment systems networks, remittances companies, ICT companies, academic institutions, research institutions and other relevant organizations.

**4 Specific Tasks and deliverables**

The main tasks for the Focus Group will be to:

* Create a repository of documentation of the legal, regulatory and policy aspects of Digital Fiat Currency that serves as the governance foundation.
* Collect and document information on current initiatives from the stakeholders involved in digital fiat currency. This will involve developing use cases, requirements, and identifying exist standards related to digital financial services deployments across the world.
* Perform a gap analysis between the existing ICT infrastructure services and what is required by a seamless interoperable DFC solution.
* Perform a gap analysis on the work that was completed on DFS, the ongoing work in ISO TC 307, and other ongoing work in digital financial services.
* Collect best practices and lessons learned from existing efforts in achieving interoperability among different payment systems by the integration of traditional payment systems with digital fiat currency.
* Investigate use cases of architecture and ICT infrastructure used for implementation of digital fiat currency.
* Undertake an assessment of the benefits and lessons learned of implementations of existing digital fiat currency technology, focusing on the impact of digital fiat currency on enhancing security and interoperability in digital financial services to advance financial inclusion.
* Undertake an assessment of current security standards and best practices from other standards bodies and industry consortia that are applicable to the different components of an ICT infrastructure using digital fiat currency.
* Investigate current standardization work in digital fiat currency to identify areas which could be standardized in ITU-T.
* The Focus Group shall send its deliverables to the parent group, at least four calendar weeks before the parent group meeting.

The main deliverables of the Focus Group are as follows:

* Collect documentation that provides a reference foundation to the governance aspects of Digital Fiat Currency from the Central Bank and regulator perspective.
* Report on best practices and guidelines on policy and processes to ensure the sovereign security, transparency and verifiability of critical technology components.
* Report on the possible economic benefit and impact of DFC on mobile payment ecosystem.
* Develop definitions of terminologies and taxonomy for digital fiat currency and its ecosystem.
* Report on digital fiat currency ecosystem, describing the role and responsibilities of various stakeholders and uses cases for financial inclusion.
* Report on interoperability scenarios for digital fiat currency implementation.
* Develop a security architecture and reference model for implementation of digital fiat currency.
* Report on use cases for digital fiat currency and integration framework with existing payment systems for interoperability and consumer protection.
* Report on use cases for big data analytics in digital fiat currency implementation.
* Report on ICT security and governance reference model for digital fiat currency and assurance framework for compliance.
* Report on new areas for standardization in ITU-T study groups.
* Organize thematic workshops and events in order to collect inputs from various stakeholders.

**5 Parent group**

The parent group is TSAG.

**6 Leadership**

See clause 2.3 of Recommendation ITU-T A.7.

**7 Participation**

See clause 3 of Recommendation ITU-T A.7. A list of participants will be maintained for reference purposes and reported to the parent group. It is important to mention that the participation in this Focus Group has to be based on contributions and active participation.

**8 Administrative support**

See clause 5 of Recommendation ITU-T A.7.

**9 General financing**

See clauses 4 and 10.2 of Recommendation ITU-T A.7.

**10 Meetings**

The frequency and location of meetings will be determined by the Focus Group and the overall meetings plan will be announced as soon as possible. The Focus Group will use remote collaboration tools to the maximum extent, and collocation with existing meetings to the maximum extent. The meetings will be announced by electronic means (e.g., e-mail and website, etc.) at least four weeks in advance.

**11 Technical contributions**

Contributions are to be submitted at least twelve calendar days before the meeting takes place.

**12 Working language**

The working language is English.

**13 Approval of deliverables**

Approval of deliverables shall be taken by consensus.

**14 Working guidelines**

See clause 13 of Recommendation ITU-T A.7.

**15 Progress reports**

See clause 11 of Recommendation ITU-T A.7.

**16 Announcement of Focus Group formation**

The formation of the Focus Group will be announced via TSB Circular to all ITU membership, via the ITU-T Newslog and other means, including communication with the other involved organizations.

**17 Milestones and duration of the Focus Group**

The Focus Group lifetime is two years from the first meeting, but extensible by decision of the parent group if necessary.

The first meeting of the Focus Group is planned to be in the fourth quarter of 2017.

**18 Patent policy**

See clause 9 of Recommendation ITU-T A.7.

**ANNEX 2**

**Draft Programme of the First Workshop on Standards for Digital Fiat Currency (DFC) for
Universal Financial Access**

**October 12, 2017**

**Beijing, P. R. China**

 ****

**Organized by**

International Telecommunication Union (ITU)

Institute of World Economics and Politics,

Chinese Academy of Social Sciences (IWEP/CASS)

**Supported by**

Institute of Digital Money, the People’s Bank of China

Chinese Academy of Information and Communications Technology

Digital Fiat Currency Institute

|  |
| --- |
| **Workshop on Standards for Digital Fiat Currency (DFC) for Universal Financial Access****12 October 2017** |
| 09:30 – 10:30 | **Welcome Address*** ITU/TSB
* eCurrency

**Keynote Address*** Basic Components of Digital Fiat Currency – Mr Yao Qian, Institute of Digital Money, the People’s Bank of China
 |
| 10:30 – 10:45 | **Coffee Break** |

|  |  |
| --- | --- |
| 10:45 – 12:00 | **SESSION 1: Policy and Regulatory Landscape**The aim of this session is to explore the interoperability, policy and regulatory challenges facing stakeholders in the digital fiat currency ecosystem. The session will be a panel discussion and will provide an opportunity for different stakeholder groups to share their perspectives on the policy and regulatory challenges and possible measures for consideration at the international level. |
| 12:00 – 13:15 | **SESSION 2: Regional Spotlight: The Chinese Experience for Digital Financial Access**A dedicated session from experts, researchers and practitioners to share the success story of China’s mobile and digital financial service advances in the past few years. Hosted by the Chinese Academy of Social Sciences. |
| 13:15 – 14:15 | **Lunch** |
| 14:15 – 15:30 | **SESSION 3: DFC Application in Developed and Developing Economy**This session will discuss how DFC can have advantageous macro economic impact for developed economy, and can improve the compliance, interoperability as well as security of Digital Financial Services in developing countries.Panel Moderator“The DFC deployment race: who will deploy DFC first, developed economy or developing economy?” Mr Vijay Chugh, Former Chief General Manager of RBI. Panelist will be expert from countries that have started experimenting DFC as well as experts in DFC solution.  |
| 15:30 – 15:45 | **Coffee Break** |
| 15:45 – 17:00 | **SESSION 4: Security Issues in Digital Financial Services**This session will consider the main security issues facing central banks in digital fiat currency. The session will also discuss technical measures and standards that can be implemented to address these issues and to ensure the security of financial transactions. |
| 17:00 – 18:15 | **SESSION 5: Architecture of DFC for Interoperability**This session will discuss the reference architecture of DFC with respect to the issuance, distribution at the various levelsThis session will also discuss the various interfaces for DFC to be distributed over the existing financial and non-financial services. |
| 18:15 – 19:15 | **Networking Reception** |

**ANNEX 3**

**Draft Agenda for the FG DFC Meeting**

|  |
| --- |
| **13 October 2017** |
| 08:30 – 09:30 | **Registration**  |
| 09:30 – 10:30 | **Opening plenary session*** Welcome remarks
* ITU/TSB
* Focus Group Chairman
* Focus Group rules, mailing list and ITU IPR policy
* FG DFC Terms of Reference
 |
| 10:30 – 10:45 | **Coffee Break**  |
| 10:45 – 12:30 | **Focus Group structure** * Discussion on Focus Group structure
	+ Working Groups mapping to FG DFC terms of reference and deliverables
* FG DFC Management Team and Working Group leadership
* Briefing on Working Group meetings in the afternoon
 |
| 12:30 – 14:00 | **Lunch** |
| 14:00 – 16:00 | **Working Group Meetings (in parallel)** |
| 16:00 – 16:15 | **Coffee Break** |
| 16:15 – 17:30 | **Working Group Meetings (in parallel)** |
| 17:30 – 18:30 | **Closing** **Plenary*** Fireside Chat: A conversation with Klaus Loeber, Bank for International Settlements (BIS)
	+ An update on BIS/CPMI Digital Currency Working Group (BIS perspective) – Klaus Loeber, CPMI
* Closing panel: report-outs from Working Groups
 |

**ANNEX 4**

**FUNDING REQUEST FOR EXPERTS**

|  |  |  |
| --- | --- | --- |
|  | **ITU-T Focus Group Digital Currency including Digital Fiat Currency (FG DFC)****12-13 October 2017, Auditorium and Conference Room in CASS,****Beijing, China** |  |
| **Please return to:** | **ITU, Geneva (Switzerland)** | **E-mail :** **tsbfgdfc@itu.int** |
| **Request for funding to be submitted before 31 August 2017** |
| **Note: All fields on the form should be completed**Registration Confirmation ID No.: …….………………. (obtained after online registration)**Country:** **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****Name of the Administration/Organization/Company:** **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****Title (Mr / Ms) \_\_\_\_\_\_\_\_\_\_\_\_\_ (family name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****(given name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****Tel.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_****PASSPORT INFORMATION :****Date of birth: \_\_\_\_\_\_\_\_\_\_\_\_\_ Passport number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Nationality: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** **Valid until (date): \_\_\_\_\_\_\_\_\_\_\_\_\_ Date of issue: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Place issued: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| **Please state your competence and experience in digital currency or digital fiat currency implementation :** |
| **NOTE:** Applications for funding should be accompanied by a formal letter on your organization’s letterhead confirming your nomination to participate in the FG DFC meeting and a scanned copy of your passport. The letter should be signed by the Head of the organization and bear the official seal/stamp of the organization. Your application will be rejected if the letter confirming your nomination is not provided before the deadline.  |
| **Signature of candidate:** | **Date:** |

**ANNEX 5**

**LETTER OF INVITATION FOR VISA REQUEST**

**(Deadline for sending is 14 September 2017)**

*[Note: Visa approval might take time. Please send your request as soon as possible]*

Please use **CAPITAL** letters.

|  |  |
| --- | --- |
| Surname & first name(s): |   |
| Gender: |  |
| Position: |   |
| Organization: |   |
| Address: |  |
| Telephone: |  |
| Fax: |  |
| Nationality: |  |
| Passport number: |  |
| Date of issue: |  |
| Place of issue: |  |
| Date of expiry: |  |
| Country & city where you will obtain the visa: |  |
| Date of birth: |  |
| Place of birth: |  |
| Date of arrival: |  |
| Date of departure: |  |

***Please return this form together with a scanned copy of your national passport and
a copy of the ITU e-mail confirming your registration for the meeting to:******Huifang Tian, Institute of World Economics and Politics (IWEP), Chinese Academy of Social Sciences (CASS)***

**E-mail:**tianhf@cass.org.cn with CC to tsbfgdfc@itu.int
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_