




Using CBDCs across borders: lessons from practical experiments


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BIS Innovation Hub

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June 2022



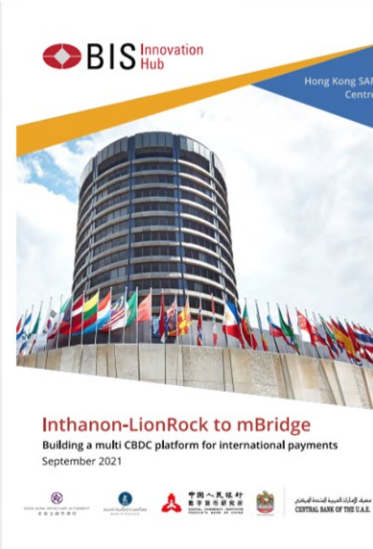
Inthanon-LionRock
Leveraging Distributed Ledger Technology to Increase Efficiency in Cross-Border Payments



PROJECT JURA
Cross-border settlement using wholesale CBDC



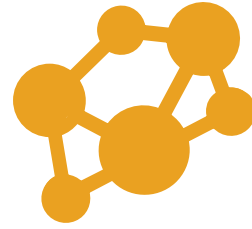
BIS Innovation Hub
Project Dunbar
International settlements using multi-CBDCs
March 2022



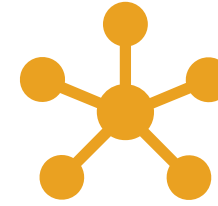
BIS Innovation Hub
Hong Kong SAR Centre
Inthanon-LionRock to mBridge
Building a multi CBDC platform for international payments
September 2021



How are the experiments similar?



Interlinked platforms



Common platform



No access for non-residents

- Fedwire 1918 – 1970
- TARGET
- *NEXUS*
- *SWIFT – CAP GEMINI (CBDC)*

- Fedwire > 1970
- TARGET2






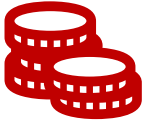





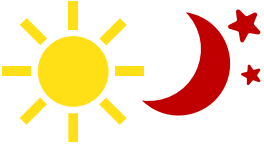


Access for non-residents

- Swiss RTGS (SIC)



How do the experiments differ?

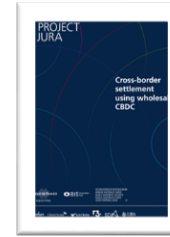
	ILR2	Jura	Dunbar	mBridge
Output	 PoC	 Prototype	 Prototype	 Pilot
Transaction type				
Type of CBDC				
Currencies	HKB, THB	EUR, CHF	AUD, MYR, SGD, ZAR	HKD, CNY, THB, AED
Use cases	P, PvP	P, PvP, DvP	P, PvP	P, PvP

How do the experiments differ?

ILR2



Jura



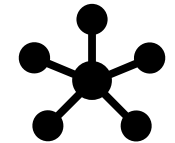
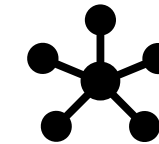
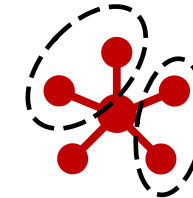
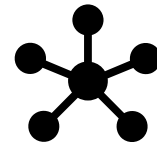
Dunbar



mBridge



Interoperability model



DLT

Hyperledger
Besu

Corda

Corda
Quorum

mBridge
Ledger

Non-resident financial institutions

Hold and transfer

Hold and transfer

Hold and transfer **w/ ok of sponsor bank**

Hold_and transfer

Operator

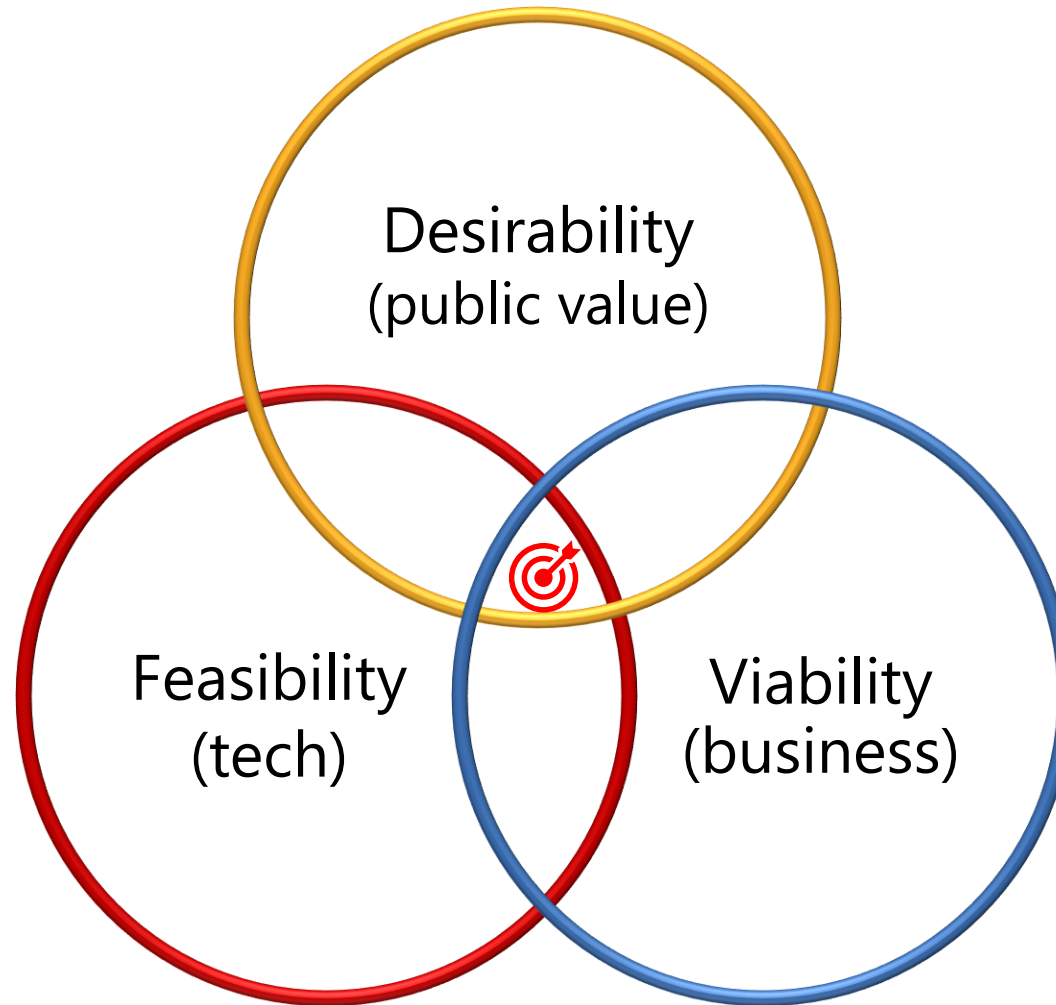
Central banks

Private

Central banks

Central banks

What are the key insights?



What are the key insights?

Feasibility:

- Yes (lower costs, faster settlement, operational transparency) but...
- Scalability and performance
- Resilience and security
- Data

Desirability:

- Cross-border and international payments
- PvP for non CLS currencies
- Cross-border securities settlement

Viability:

- Perhaps but
- Is it "Built it and they will come"?
- Governance and control
- Regulatory and legal requirements

