Digital Currencies and Financial Inclusion: Policy Principles for Advancing Financial Inclusion

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Policy Principles for Financial Inclusion - One

- **Digital currencies must be <u>interoperable</u>, as otherwise financial inclusion cannot be achieved if consumers/businesses/governments cannot engage in peer-to-peer transactions across different systems**

- **Digital currencies should operate through <u>competitive and open networks</u>, as otherwise costs will be high and use will be restricted**

- **They must be <u>secure</u> as otherwise cyber attacks and other breaches can undermine trust**

- **Digital currencies must be <u>effectively regulated and supervised</u> to ensure safety, soundness, stability and investor/consumer/data protection**

Policy Principles for Financial Inclusion - Two

- **There must be <u>universal access</u>, and policy efforts should aim to close the digital divide**

- **To mitigate the risk of exclusion, both governments and financial intermediaries should aim to advance <u>digital financial literacy</u> programs**

- **A <u>national digital identity system</u> would be very helpful for facilitating adoption, which could be through biometric means or other innovations**

- **A <u>centralized data registry</u> would also be very helpful for facilitating adoption balancing data sharing (for example for non-collateral based lending using behavioral data analytics) with safeguarding privacy for the public good**

Thank you