

## CBDCs and Unified Ledgers: The new edge of money

Third Conference on the International Roles of the U.S. Dollar

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Milano 28.11.2024

# The new edge of money evolves around two megatrends:

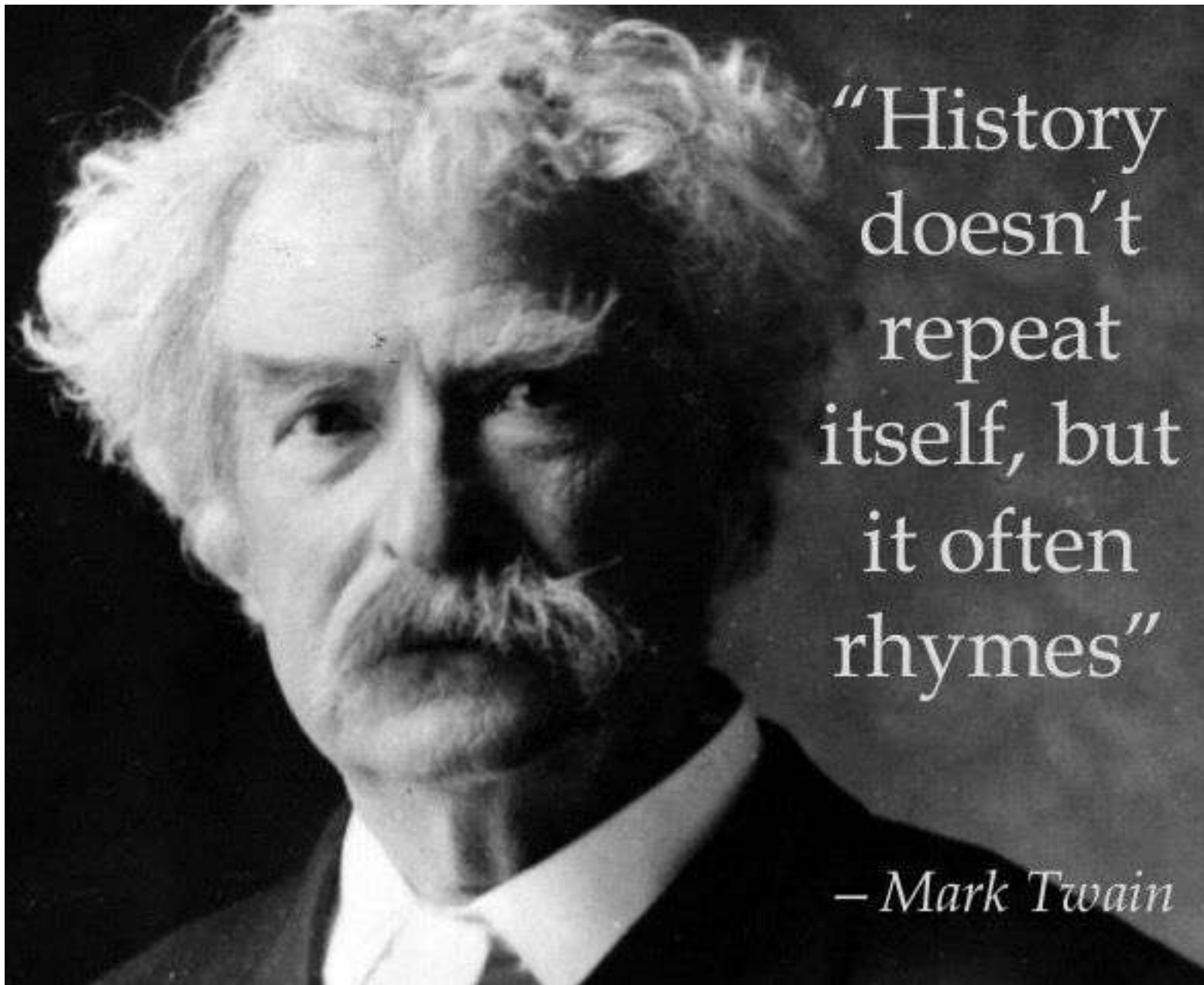
- New era of currency competition
- Tokenisation (wholesale)



# **New era of currency competition**

# Money is a remarkable innovation

- Privilege of issuance => Economic power
- => Currency competition among issuers
  - within and across sectors
  - within and across countries



“History  
doesn't  
repeat  
itself, but  
it often  
rhymes”

– *Mark Twain*



# 19<sup>th</sup> and early 20<sup>th</sup> century China

“chaotic eccentricities\*”

Sector

Private

Public

Domestic



Domicile

Foreign



1793 - 1957


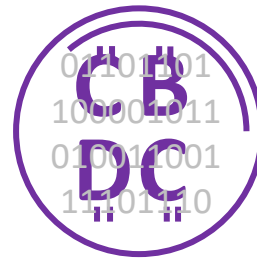
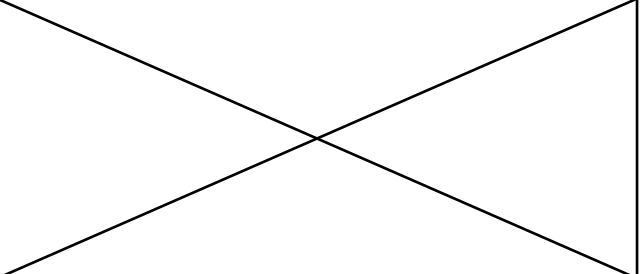
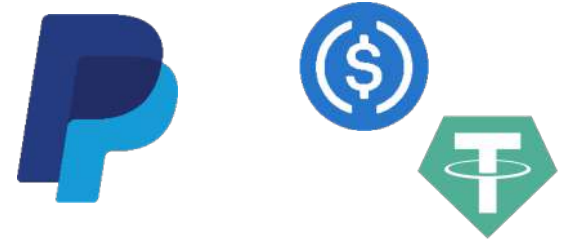

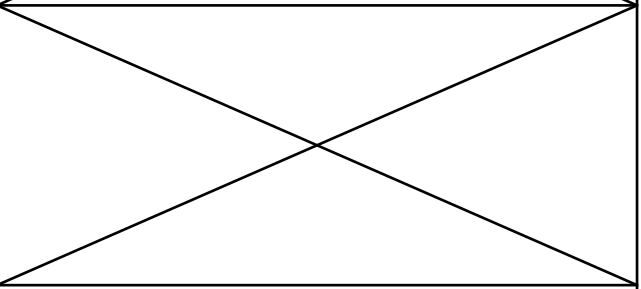
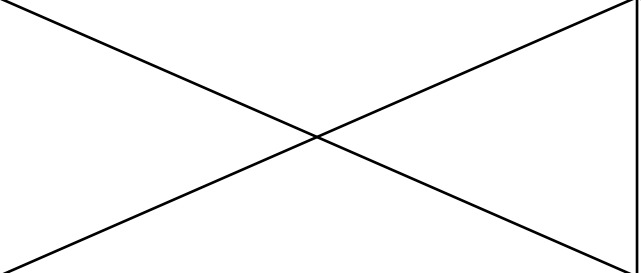
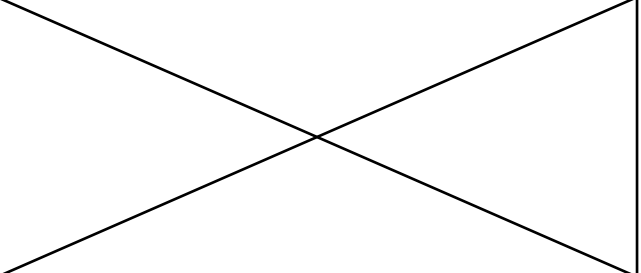
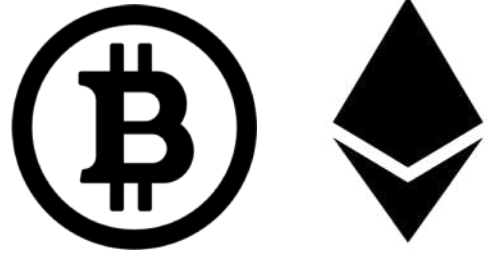
\*Debin Ma: Money and Monetary System in China in 19-20th Century: an Overview





# New era of currency competition?






## Sector

		Private	Public	NA
Domicile	Domestic			
	Foreign			
	NA			



# Tokenisation, wholesale payments and settlement

# Tokenisation: wholesale payments and settlement

		Cash leg			
		Reserve balances	Private “coins” backed by reserves	Tokenised CB money	Tokenised deposits
Business case	Domestic Payments	BoE RTGS Renewal		Experiments	RLN US + UK
	Cross border Payments	 RTGS.global		Dunbar* mBridge*	<b>Agorá*</b> Partior
	Traditional securities	 SIX Fedwire Wired to deliver.			
	Tokenised securities	Helvetia	 SDA a SIX company	Helvetia Jura*, RSN	Promissa
	Another currency	 CLS*	 FNALITY*	Mariana*	

\*PvP

A painting of an ancient Greek marketplace (Agorá) with classical buildings and people. The scene is set in a sunlit courtyard with several classical buildings featuring columns and pediments. People are seen walking and interacting in the marketplace. The sky is a mix of blue and white, suggesting a bright day with some clouds.

# Agorá

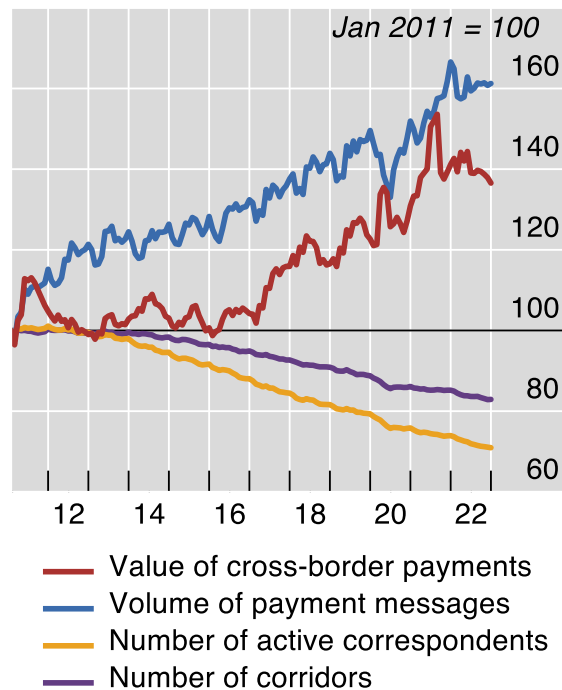
{αγορά /a-go-rah/}

“marketplace” in Greek

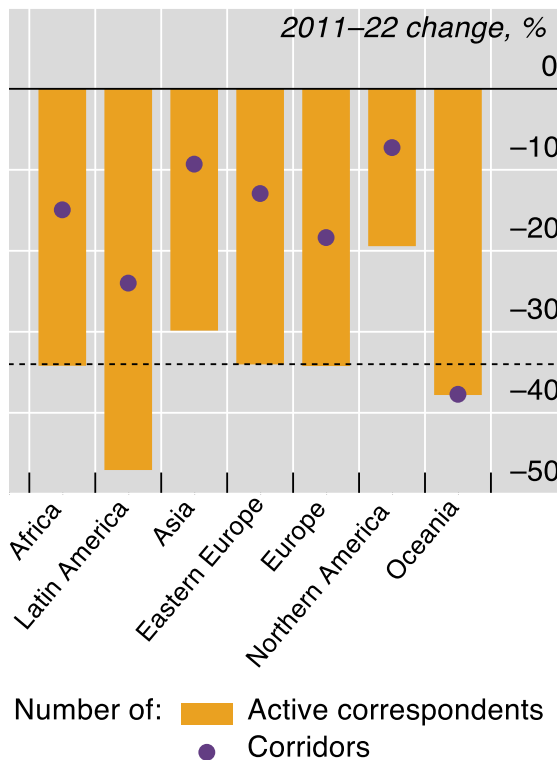


# The cross-border payments landscape

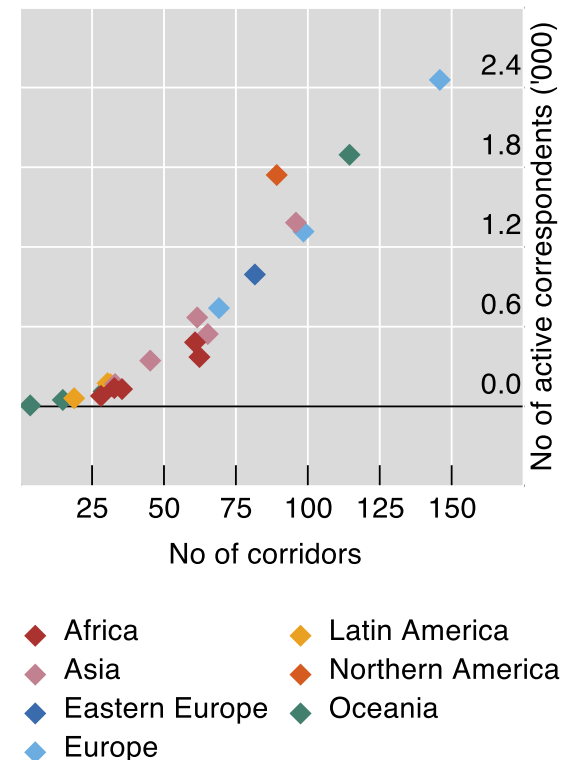
Banks have been retreating<sup>1</sup>



The decline is global<sup>2</sup>



Some regions are less connected<sup>3</sup>



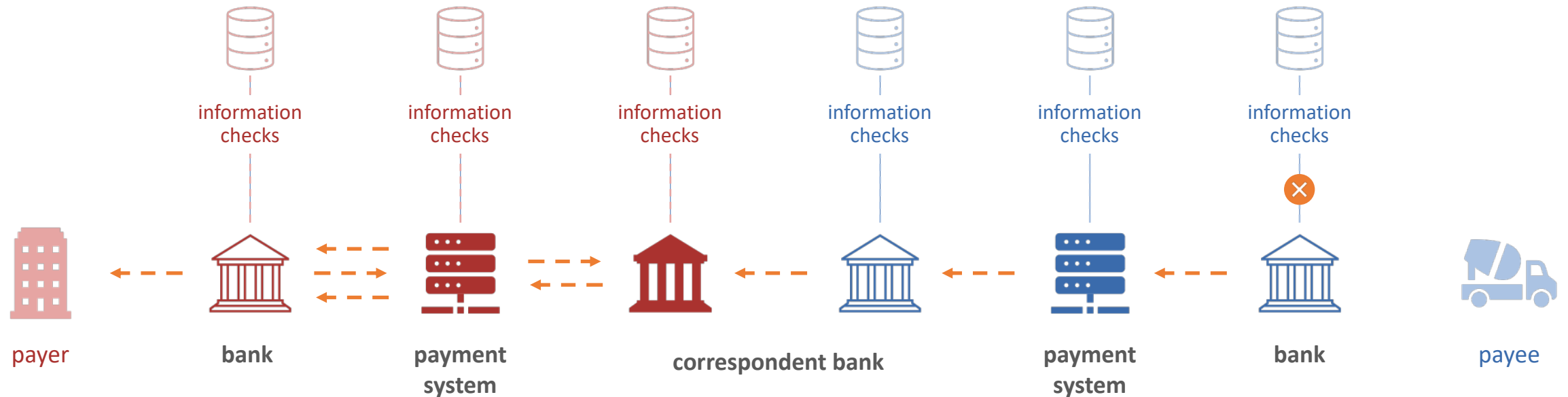
<sup>1</sup> Three-month moving averages. <sup>2</sup> The black dotted line shows the average percentage change of active correspondents across regions. <sup>3</sup> 2022 data.

Sources: R Garratt, P K Wilkens and H S Shin (2024); T Rice, G von Peter and C Boar (2020); SWIFT BI Watch and National Bank of Belgium (2023).

# The cross-border payments illustration

cross-border payments

done today

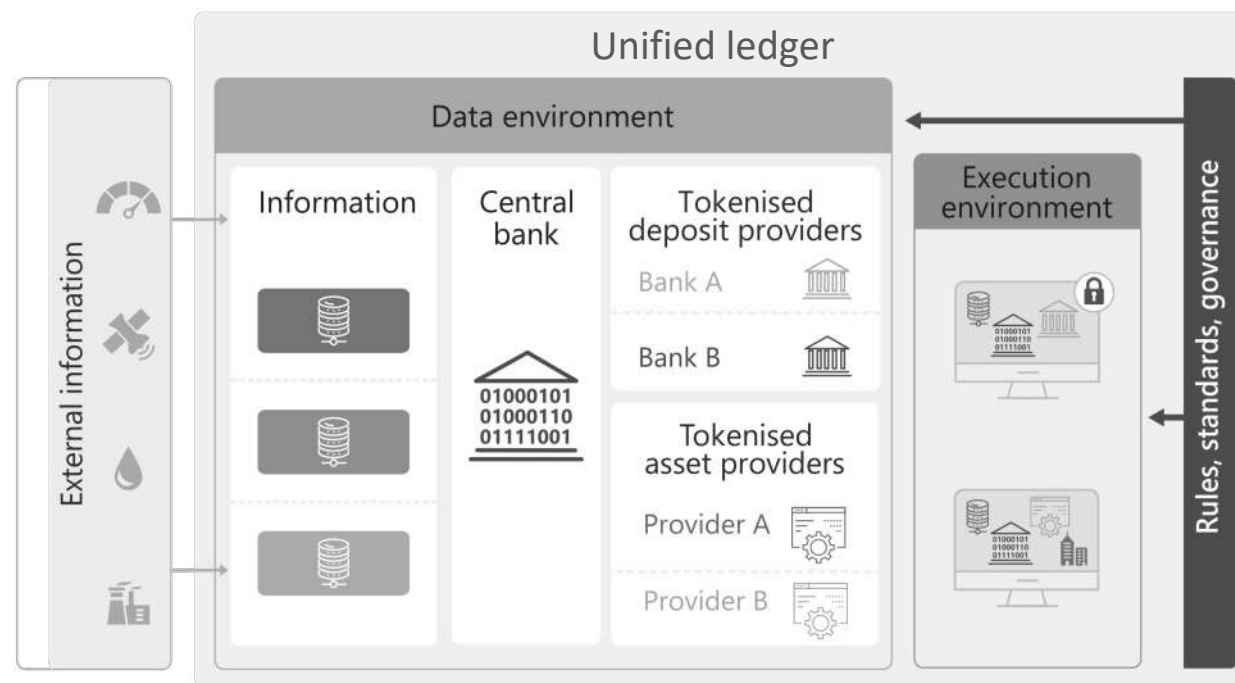


--> payment messages (failure in delivery of funds)

# What is a unified ledger?

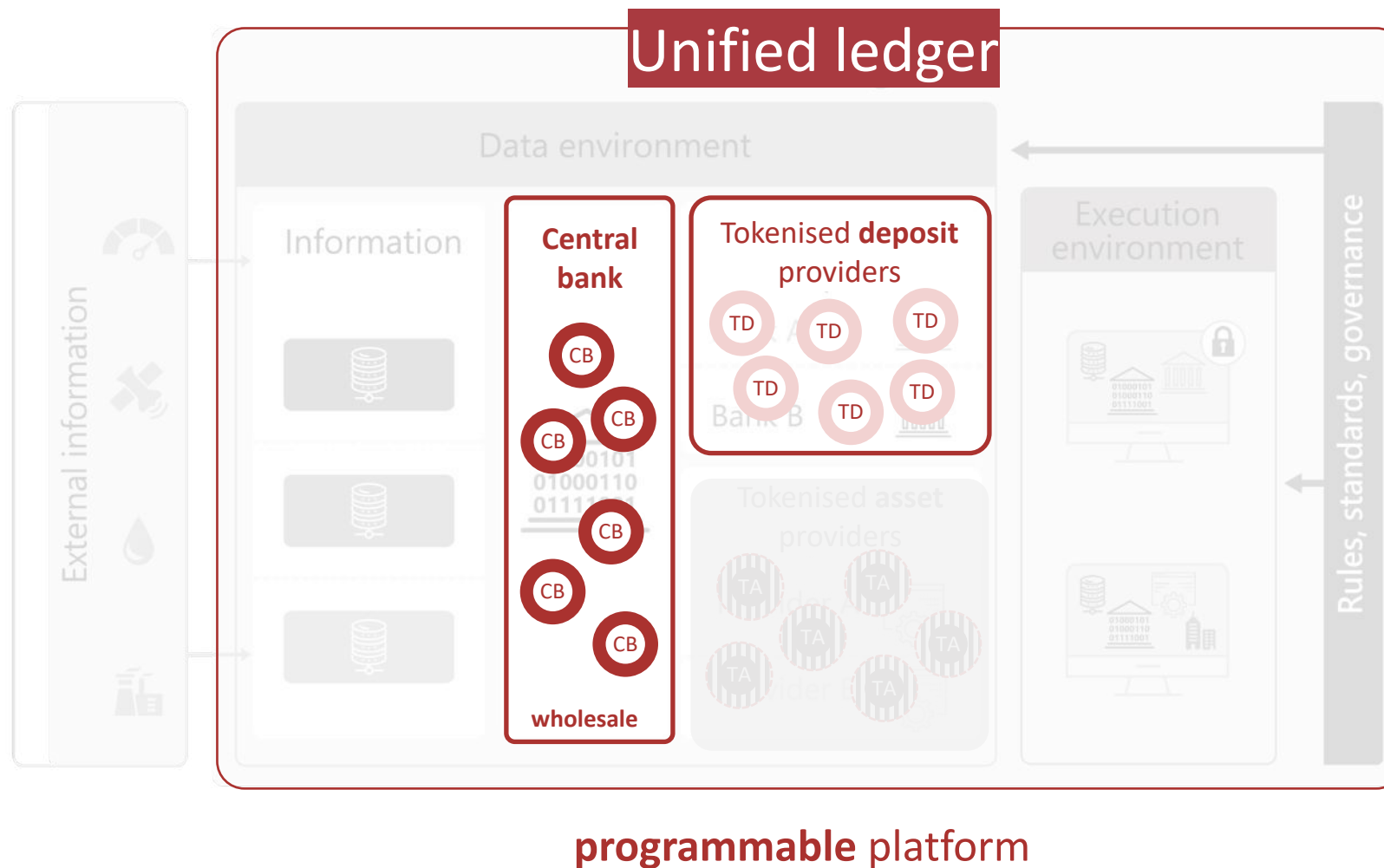
## Annual Economic Report 2023

### Chapter 3 – Blueprint for the future monetary system: improving the old, enabling the new

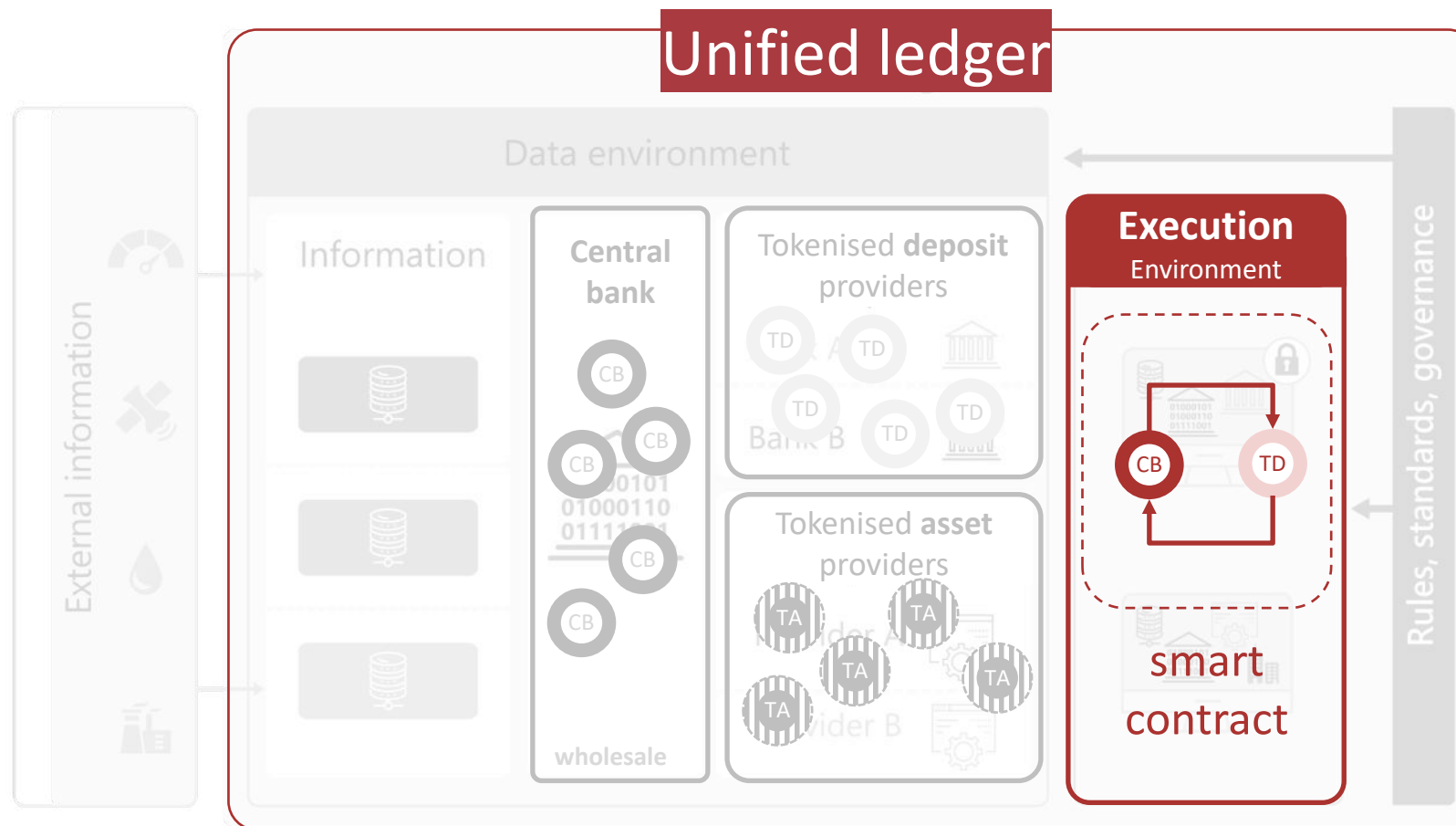




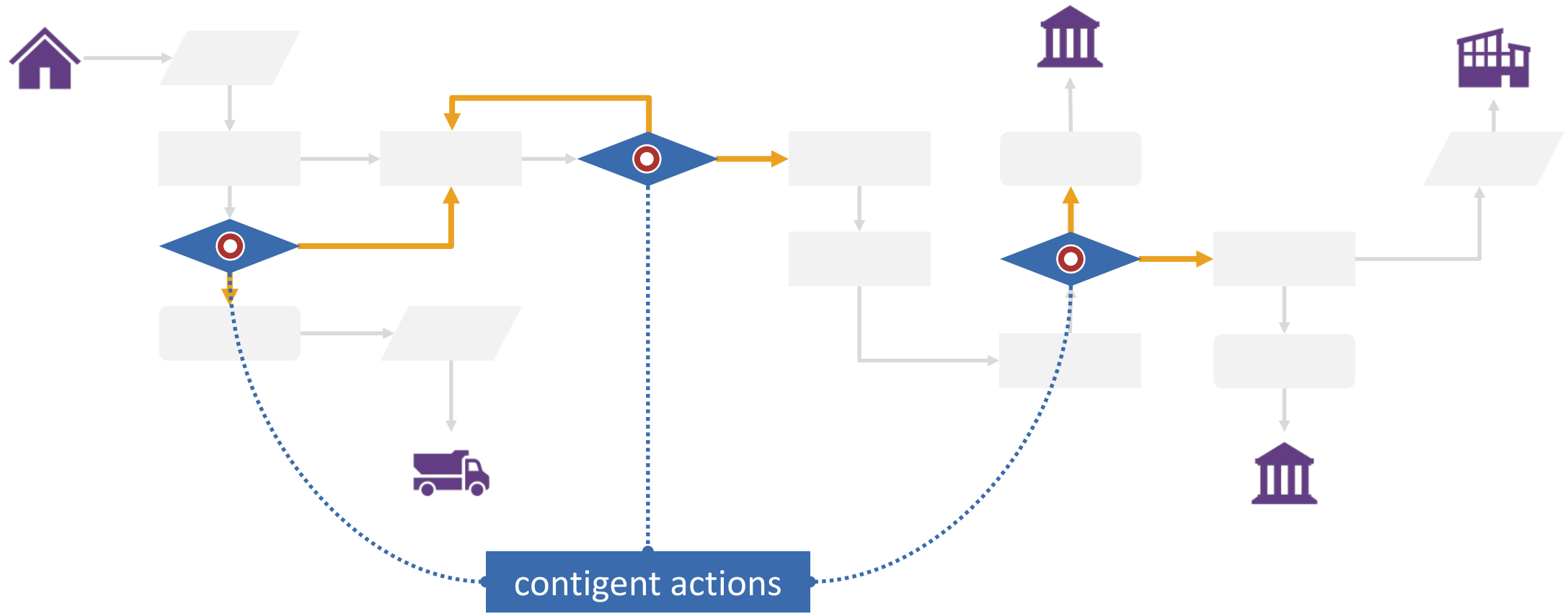
# What is a unified ledger?



# What is a unified ledger?

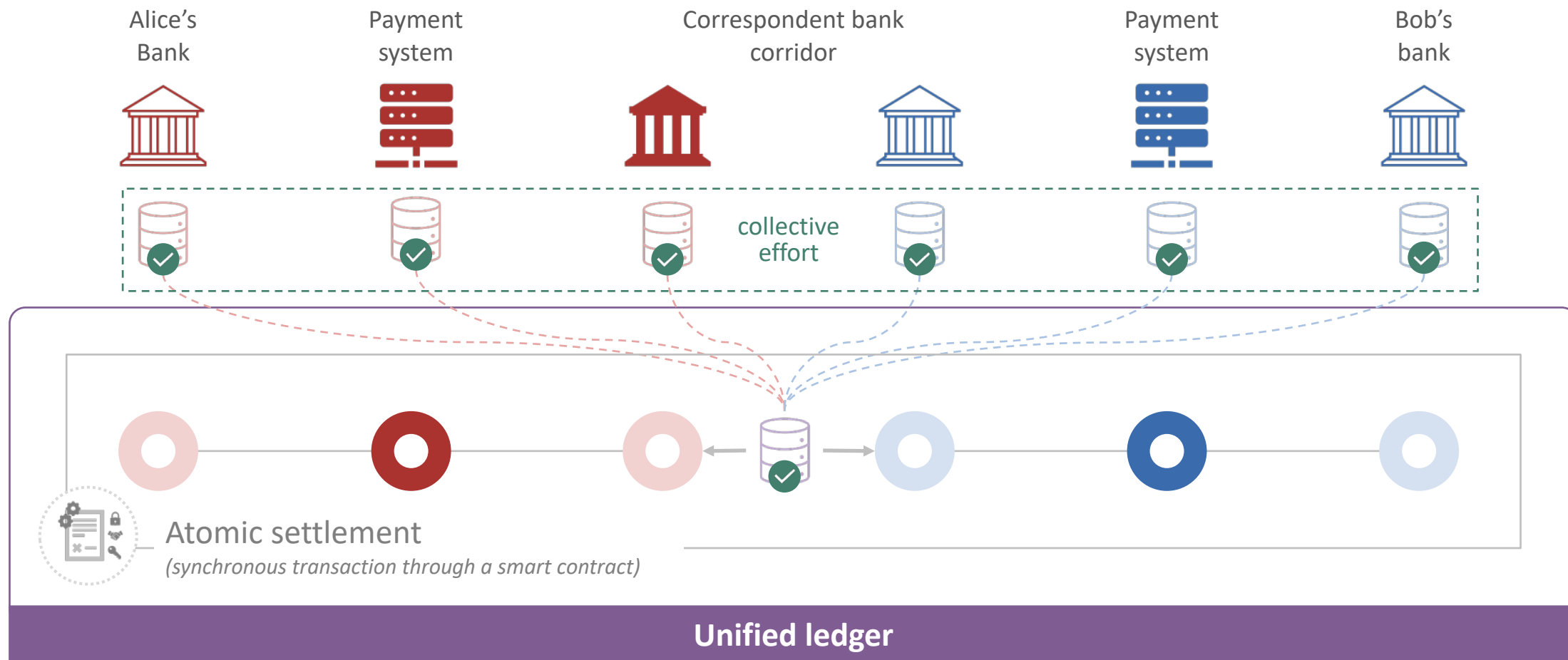


# Tokens enable the contingent performance of actions





# Cross-border payments in Agorá



 wholesale central bank monies

 Tokenised deposits or deposit tokens

## Project Agorá overview

A global project, which involves 7 jurisdictions, 5 time zones and 15 hours difference

