Digital Currency Standards: A Steep Climb. A Worthy Goal.

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The Digital Currency/Payments Universe Is Large and Growing

- Cryptocurrencies
- Mobile money
- Payment system overlays
- Full stack payment solutions
- Faster payments and Real-Time Gross Settlement (RTGS) adoption
- Libra and Stablecoins...



What's Accelerating the Narrative in Digital Currency?

• Libra

- People's Bank of China (PBOC) DC/EP
- COVID-19 'overnight' digital transformation

Digital Currencies on Blockchain – Functional Components

- 1. Store of value
- 2. Peer-to-peer transfers
- 3. Data immutability
- 4. Security and resilience
- 5. Integration with other ecosystems & smart payments



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Blockchain platforms enable loose coupling between disparate systems. This enables smart payments to share data with different systems enabling triggered payments against goods and services, invoices, IoT devices and more...

Digital Currencies on Blockchain – Non-Functional Components

- 1. Scalability and throughput
- 2. Integration with existing and legacy systems
- 3. Interoperability with other ledgers
- 4. Efficiency and cost of operations
- 5. Reliability and resilience
- 6. Maintainability and change management
- 7. Regulation and compliance

Digital Currencies on Blockchain – Non-Functional Components

- 1. Scalability and throughput
- 2. Integration with existing and legacy systems

3. Interoperability with other ledgers

Payment systems will need to interact and interoperate with other payment systems to provide a comprehensive solution and ensure payments aren't limited to a specific technical implementation.

- 4. Efficiency and cost of operations
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CBDC payment systems, by virtue of being critical national infrastructure, must adhere to geographically dependent standards of regulation and compliance. Compliance, auditability, data encryption, risk assessments and controls are all important elements that should be carefully considered.

There is a lot of work to be done...

- The scope for digital currency adoption may be significant. This implies that the work to land upon the right standards will also be significant.
- Key, non-negotiable (function and non-functional) requirements will come into play.
- Meaningful standards are years away, but we can and should start the work now.
- Success for standards will follow the success for digital currencies themselves - via robust Public/Private partnership. A combination of emergent and collaborative standards setting.