

ITU WORKSHOP: DFC SHOWCASE

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ITU HQ

WELCOME REMARKS

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David Wen, Chairman of the ITU Focus Group on Digital Fiat Currency

Distinguished colleagues and friends,

Good morning. It is a great pleasure to welcome you all to this 'DFC Showcase' event.

We are nearing the conclusion of the work of our ITU Focus Group on digital fiat currency, DFC.

This group has been very successful in bringing together the wide range of interests investigating DFC.

DFC is complex. It raises challenging questions for policymakers, business leaders and technologists.

Our Focus Group has offered a venue for all DFC stakeholders to learn from one another and clarify their respective roles in the DFC ecosystem.

We have seen a keen focus on learning from experience. Central Banks have shared insight into their experiments with DFC. This analysis of DFC use cases has been a key driver of our Focus Group's work to explore enabling technologies and how they might come together as part of a viable DFC solution.

It is in the Focus Group's reference architecture for DFC that we see the results of this work – this reference architecture touches on all considerations relevant to the introduction of a DFC solution.

We will learn more about this reference architecture as well as the other deliverables of the Focus Group during the course of this DFC Showcase event.

But let me take a minute to highlight the significance of this work from ITU's perspective.

The timing of the group's establishment was impeccable. We have seen BIS and IMF publishing a range of DFC studies over the past two years, studies which highlight that all BIS member Central Banks are conducting research on DFC. These studies also show that around 50 per cent of Central Banks have reached the stage of Proof of Concept, and that around 10 per cent have launched pilot programmes.

As interest in the topic has grown, the Focus Group has offered Central Banks a venue to find expertise to assist their DFC investigations.

Understanding convergence always begins with inclusive dialogue. This dialogue enables new partners to move forward on a basis of mutual trust and understanding.

ITU standardization work is supporting digital transformation in areas ranging from energy and transportation to healthcare; agriculture; smart cities; and, of course, financial services.

The ITU standardization platform, for many years central to building trust in the ICT sector, is now helping the ICT sector build trust with its many new partners – from automotive to fintech to healthcare, and many more.

But it takes time to reach the common understandings necessary to develop common technical standards.

ITU is in the business of brokering international technical agreements.

We start with dialogue, but that dialogue is a means to lay the groundwork for these international agreements.

This Focus Group has hosted this dialogue for DFC. The group's final deliverables provide a framework for more expansive collaboration – we will move ahead with confidence that we are speaking on the same terms.

This DFC Showcase welcomes an excellent line-up of speakers and a diverse expert audience. I am glad to say that this is typical of events arranged by our Focus Group on DFC.

We will hear from Central Banks, Fintech companies and universities. We will take deep dives into different applications and architectures relevant to retail and wholesale DFC, as well as cross-border DFC.

And we will conclude with a very important discussion around how we could best sustain the momentum created by this Focus Group.

ITU aims to be a valuable partner to all industries undergoing digital transformation. We have spent many years building new partnerships, bringing ICT decision-makers together with decision-makers in other sectors.

This hard work is bearing fruit. Years of dialogue have created the conditions necessary to deliver influential ITU standards for sectors such as automotive, healthcare and fintech.

Membership in ITU's standardization arm has taken a sharp upward trajectory. In 2018, we welcomed 45 new members, including MVNOs and MVNEs, manufacturers of unmanned aerial vehicles, telematics and automotive companies, OTT application providers, fintech companies, energy utilities, and companies specializing in quantum cryptography and quantum communications.

We are on course to welcome an even greater number of new members in 2019.

I encourage you to join this growing community. Joining ITU will enable you to influence the development of international standards that encourage and protect key investments, standards that are helping us to tap into the full potential of digital transformation.

Let me conclude by thanking David Wen, our Focus Group Chairman, as well as all of the contributors to the Focus Group's work.

We have shown that ITU is certain to make a key contribution to the future of finance. I thank you for the significant part that you have played in that.

Thank you. I wish you a most informative workshop and enjoyable stay in Geneva.

[797 words ~ 8 minutes]