

FDCI

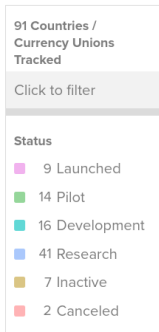
**Future of Digital
Currency Initiative**

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The promise of CBDCs



[Atlantic Council]

- **CBDC APIs will be the *operating systems* for money**
 - Enable new classes of application & speed innovation
 - Increase financial inclusion, raise living standards
 - Leverage **blockchain**—incredible fintech innovation

What blockchain really gives us



- 1. Distribute novel digital tokens (cryptocurrencies)**
 - Limit supply & achieve high market value
 - But is this the monetary policy that we want?
 - 2. Secure transactions between any two parties in the world**
 - Atomically transact with parties who don't know each other
 - Bootstrap markets & eliminate inefficiencies
- **CBDCs hold the promise of #2 without the need for #1**

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Why standards matter



- **Interoperability preserves self-sovereign monetary policy**
 - Seamless cross-CBDC transactions increases utility of currency
- **Standards facilitate central bank innovation**
 - Ensure continued backward compatibility
- **Good standards will avoid bottlenecking innovation**
 - Allow third-party systems and blockchains to transact in CBDC
- **Stanford FDCI works on interoperability research challenges**
 - Liquidity across assets, fair markets in digital assets, credit networks, communication protocols robust to sabotage, ...