



Central Bank Digital Currency

Understanding CBDC

- Central Bank Digital Currency is a digital currency issued and administered by central banks and regulated under a nation's monetary policy.
- CBDC is a digital asset that can be used to store value and make digital payments.
- With the increased adoption of digital assets and understanding the advantages of blockchain-based solutions, central governments are looking at ways to capitalize on the opportunity under a controlled environment.
- Emerging economies are at the forefront of the research and adoption of CBDC.

The features that CBDC aims to capitalize on:

- Digital assets
- Government-backed
- Regulated by the country

Categories of CBDC

Wholesale CBDC

- CBDC has the potential to enable faster cross-border transactions and streamline the payment line between central and private institutions.
- CBDCs in this format is very much sought after as their implementation and use have the potential to change the current system.
- CBDC can make existing wholesale financial systems faster while making its use economical and safer.

Retail CBDC

- CBDC is meant to use consumers and people to transact for their everyday payments.
- This uses a blockchain-based distributed ledger that offers desired traceability, anonymity, and availability qualities.
- Using blockchain here removes any third-party involvement, providing more security in the system.

Benefits of Wholesale CBDC and Retail CBDC



Benefits of Wholesale CBDC

- Increased availability
- Streamlined reconciliation process
- Encouraged use of digital technology
- Enhanced monetary policy

Benefits of Retail CBDC

- Improved settlement of interbank payments
- Reduced risk
- Increased participation
- Effective pricing for transfer

Can CBDC Drive Financial Inclusion?

- One of the major issues in the current banking system is the accessibility of banking services to the public.
- Many people do realize the importance of financial inclusion and thus choose to remain unbanked to maintain privacy.
- CBDCs can be of help here to improve financial inclusivity in any nation.
- CBDC allows and improves the access payment methods and bank accounts accessible via the internet.
- The use of CBDC enables the user to transact worldwide with ease with anonymity, lower fees, and without an intermediary.
- CBDCs utilize blockchain technology to create economic opportunities for unbanked and unaccessed.

THANK YOU!

Any Questions?

Visit

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