

Dear Friends,

The arrival of CBDC is imminent. Eighty percent (80%) of central banks (up from 70%) are engaging in some sort of work, according to the sequel to the [BIS survey](#) on CBDC, including the [17 retail CBDC projects or reports](#) mentioned in the March BIS Quarterly Review. For example, the [Bank of Canada](#) is implementing an initiative to build, as a contingency, the capability to issue a cash-like CBDC to the public, should the need ever arise.

Furthermore, the Bank of Canada, Bank of England, Bank of Japan, European Central Bank, Sveriges Riksbank, Swiss National Bank and Bank for International Settlements have created a [group](#) to share experiences, assess use cases, design choices, share knowledge on technologies on CBDC. The [appointment of the heads of the BIS Innovation Hub](#) in Singapore and Switzerland in February will facilitate common approaches and accelerate tangible outputs.

COVID-19 heightens the age-long concern of the hygiene risk of cash. 'There will be more outbreaks. That is not a maybe,' said Alanna Shaikh, the global health consultant. A long term alternative to physical cash now looks even more appealing. As the most trusted institutions, central banks are well placed to issue digital currency, as [stated in an OMFIF](#) research report.

You will read the synthesis of the latest developments and eCurrency's perspectives in this issue of eCurrency Newsletter. eCurrency wishes you and your family good health.

*Miles Au Yeung*  
Chief Markets Officer

## CBDC DESIGN AND TECHNOLOGY

### Centralized issuance and control, decentralized distribution and payment

The papers published by The Bank of Canada, the Bank of England and the Bank for International Settlements in February and March call for designs whereby central banks issue and control the supply of CBDC, and third parties provide payment and other value-added services to the end users. The CBDC platform could be built using more conventional centralized technology and the case for blockchain technology is not clear. [Read More](#)

### Blockchain is the wrong technology choice for delivering CBDC

Blockchain technology continues making progress in addressing some of the concerns. Performance can be improved by moving portions of the functionality off-chain. Consensus can be replaced by a notary. However, a technology built for the purpose is better suited than one that is repurposed. [Read More](#)

### How central banks can achieve a safe, non-counterfeitable CBDC

eCurrency Digital Secure Currency (DSC) technology has the highest security standards. Encryption is performed with specialized security hardware offline and online. The currency instruments are protected by secure quantum resistant algorithms, guarding against counterfeit and tampering. A supervision system gives central banks real-time traceability, and a secure open application programming interface (API) allows for ease of integration with existing payments systems. The eCurrency architecture meets the policy and operational requirements of central banks while ensuring that they continue to benefit from private payments services innovations. [Read More](#)

## DIALOGUE WITH MOVERS AND SHAPERS



In this episode of Dialogue with Movers and Shapers, Barry Cooper, Technical Director of Centre for Financial Regulation and Inclusion (Cenfri) and Jonathan Dharmapalan, Chief Executive Officer of eCurrency explore the immense opportunity of central bank digital currency (CBDC) beyond the immediate challenges with host, Lars Arvidsson, Chief Commercial Officer of eCurrency.

[Listen to Dialogue](#)  
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## BEYOND COVID-19



### COVID-19 Provides Another Rationale for Central Bank Digital Currencies

A state-backed digital currency is an important topic of discussion among central banks around the world, who are looking to address challenges from the proliferation of private digital monies, to advance financial inclusion, and to preserve economic stability. Meanwhile, the global coronavirus crisis highlights additional benefits from CBDCs. The handling of physical cash during this time has been of concern. Moreover, many countries are in the process of distributing relief funds to their citizens. This could have been done more efficiently and securely with CBDCs. [Read More](#)

## GLOBAL FORUM



Thomas Kudrycki, CTO of eCurrency, discussed the policy decisions, the minutiae of IT execution of CBDC implementations and key issues of planning the adoption of their CBDC with central bankers at the World Banknote Summit (WBS). eCurrency expects the CBDC landscape to continue evolving at an accelerated pace and it will continue contributing its expertise and solutions to this exciting new form of cash. [Read More](#)