

Bank of England

Item 2: Summary of survey results

**CBDC Technology Forum
8 March 2022**



Bank of England

Item 3: Interoperability

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Convertibility vs Interoperability

Convertibility: The ability to exchange one form of money for another (often involving a 3rd party)

Interoperability: The ability to convert from one form of money to another automatically and seamlessly

Existing forms of money are convertible but not always interoperable

Assumptions around an interoperable CBDC

A UK CBDC will need to interoperate with prominent retail payment schemes to facilitate moving money between CBDC and commercial bank money

A UK CBDC will need to be convertible with physical cash

Outstanding questions for the Forum

- How should this interoperability and convertibility be achieved?
- If and how should a CBDC interoperate with card schemes?
- If and how should a CBDC interoperate with DeFi & stablecoins



Member Presentation

Bank of England

Item 4: Inclusion, focus on CBDC offline capability

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Current Barriers to Financial Inclusion & how CBDC can help

(From Engagement Forum)

Unbanked

- 1.3 million people in UK
- Partly caused by identification barriers
- Unbanked incur a “Price Premium”

CBDC can help by

- Being available to everyone (universal)
- Having frictionless access to CBDC wallets
- Being able to make and receive payments

Current Barriers to Financial Inclusion & how CBDC can help

(From Engagement Forum)

Access to Cash

- Cash use fell by 35% in 2020 compared to the previous year
- 10% of UK adults unsure how they would cope in cashless society
- Lower income individuals, migrants and vulnerable groups more likely to rely on cash

CBDC can help by

- Acting like cash but in digital form
- Provide history of spending for credit applications
- Adding payments friction and segmentation if required
- Being secure and private

Current Barriers to Financial Inclusion & how CBDC can help

(From Engagement Forum)

Digital Exclusion

- 1.5 million UK households with no internet access
- 10 million UK people lack basic digital skills

CBDC can help by

- Support people without internet access
- Being as accessible as cash
- Being able to work offline
- Being cheap for consumers

Outstanding questions for the Forum

- What are the main technology features of a CBDC that could mitigate exclusion?
- What are must-haves in order to ensure CBDC is accessible?
- Are there any major trade-offs of making CBDC available on cheap hardware?



Member Presentation

