

CBDC Engagement Forum Terms of Reference

Purpose and scope

1. The Engagement Forum (EF) will provide a forum to engage senior stakeholders and gather strategic input on all non-technology aspects of CBDC from a diverse cross-section of expertise and perspectives. The Bank has not yet made a decision on whether to introduce CBDC, and so the EF will inform the Bank's further exploration of the challenges and opportunities of potentially implementing CBDC.
2. The Bank of England (the Bank) and HM Treasury (HMT) will use the EF to inform their approach to CBDC including policy considerations and functional requirements pertaining to CBDC. More generally, the EF will have an important role in helping the Bank and HMT understand the practical challenges of designing, implementing and operating a CBDC. The EF will not have any decision making responsibilities, no formal advisory capacity nor will the authorities be under any obligation to formally consult the EF. The EF will not replace the generally applicable mechanisms for consultation and engagement that the Bank and HMT operate in fulfilment of their statutory objectives.
3. By way of example, the EF will consider issues such as – but not limited to – 'uses cases' for CBDC, functional needs of CBDC users, roles of public and private sectors in a CBDC system, financial & digital inclusion considerations, and data & privacy implications.
4. The EF will not routinely discuss CBDC technology issues, which will instead be considered in detail by the CBDC Technology Forum (whose Terms of Reference can be found on the Bank of England website).

Chair and secretariat

5. The EF will be co-chaired by the Deputy Governor for Financial Stability at the Bank of England, and Director General for Financial Services at HM Treasury. The Bank and HMT will jointly provide the Secretariat.

Membership

6. Participation in the EF is at the invitation of the Bank and HMT. Members will be drawn from the relevant range of CBDC stakeholders: from financial institutions, to civil society groups, to merchants, business users and consumers. The selection process is set out in Annex 1 to this document.
7. The EF will comprise a diverse set of knowledgeable participants with relevant background and experience in working with retail payments. Members will be very senior figures within their own institutions (for example, C-level executives) and have a strong understanding of the interests of their constituency. Membership is on an individual basis (rather than an organisational basis) and is dependent on individuals having relevant expertise to be able to contribute to the discussions and commit their own time to the EF. A member who steps down cannot therefore automatically pass on their seat to a replacement within their organisation.

8. Given the importance attached to the input of named members, the co-Chairs would not expect members to send an alternate in the event that they are unable to attend a meeting. In this situation members would have the opportunity to provide written feedback on the papers being discussed ahead of the meeting.
9. The members of the EF may nominate senior staff with technical knowledge of retail payments from their organisations to act as the regular, day-to-day points of contact for the Secretariat and to provide inputs for agendas and papers.
10. Non-EF observers may also be invited to attend EF meetings/ workshops if and when it is considered helpful/necessary by the co-Chairs.

Responsibilities and activities

11. The Bank and HMT will engage the EF on material issues related to the CBDC exploratory work programme. In this respect EF members are expected to offer frank and robust inputs and challenge. To facilitate this, meetings will be conducted under the Chatham House rule: participants will be free to use the information received, but neither the identity nor the affiliation of the speaker(s) may be revealed.
12. The co-Chairs may invite members to nominate themselves as lead discussants for certain topics, possibly forming small working groups as required to consider the issues in more detail and present their considerations to the EF.
13. The EF is not a decision-making body for the CBDC exploratory work programme, but its views will inform and play a role in the Bank and HMT's work on CBDC. The activities, discussions, and outputs of the EF should not be taken as an indication of future policy by the Bank or HMT or considered binding for future policy work or decisions.
14. Members of the EF are expected to:
 - attend physical/ virtual meetings as required, including workshops, unless otherwise agreed with the co-Chairs;
 - provide technical, analytical, and business perspectives and inputs to the discussions; and
 - act in a personal capacity and to contribute to the EF with a view to sharing perspectives that reflect their constituency as whole, rather than representing the views or interests of their individual organisations.
15. The co-Chairs are responsible for:
 - Setting the strategy for the EF and shaping its forward agenda;
 - guiding and moderating the discussions in meetings;
 - inviting Observers to attend meetings and/or workshops, where appropriate; and
 - obtaining members' agreement on any proposed outputs.
16. The Secretariat will be responsible for:
 - The organisation and coordination of the EF's activities, including timely circulation of minutes after meetings and publication of summary minutes on the Bank website;
 - preparation of the agenda and materials for the meetings, which may incorporate input from members; and
 - co-ordinating any outreach to other market participants and stakeholders, if required.
17. The EF will meet quarterly for the duration of the CBDC exploratory work programme. The co-Chairs may need to vary the meeting frequency where circumstances demand it.

18. Members can request and/or suggest specific topics to be included in meeting or workshop agendas. Any such request should be communicated to the Secretariat before the relevant meeting or workshop to which the agenda relates. The final content of any agenda will be decided jointly by the co-Chairs.
19. The Secretariat will share with Members drafts of summaries and minutes of the discussions held during the meetings after each meeting. Members may communicate any comments or edits on the content to the Secretariat within one week of receiving the summary. The final content of any meeting summary will be decided jointly by the co-Chairs.

Reporting and accountability

20. The Bank and HMT are committed to being transparent about their work and the work of the EF. Agendas and minutes of discussions will be published after each meeting.
21. The co-Chairs may elect, from time to time, to hold open sessions of the EF where a wider set of participants can observe the meeting, including over digital platforms. Any plans to do this will be discussed with the EF in advance.
22. Interested parties who are not Members of the EF are welcome to send their views on topics discussed by the EF to cbdc@bankofengland.co.uk
23. Any non-public or potentially sensitive information disclosed during meetings will only be included in the minutes with the prior approval of both the speaker who made the comment and the co-Chairs.

Relationship to the wider CBDC work programme and other engagement groups

24. Views from the EF will be fed into the Bank and HMT's wider work programme on CBDC. The co-Chairs will be responsible for representing the EF's views inside their respective organisations, including sharing them with relevant decision making bodies.
25. The issues raised by the EF may inform the topics considered by other engagement groups (for example, the CBDC Technology Forum), and vice versa. The minutes of other engagement groups will be made available to EF members via the Bank's website.

Conflicts of interest, competition law and information-sharing

26. Members are responsible for identifying and declaring any conflicts of interest that may arise from participating in the EF.
27. It is the responsibility of each Member to ensure they understand and comply with their obligations under all applicable competition law. To the extent that any participant is unclear about these, they should seek legal advice and if appropriate arrange to undertake competition law compliance training/seek further guidance at their respective organisations.
28. It is the responsibility of any Member to ensure that they are confident in the level of protection for any information shared. If they are not satisfied then it is the Member's responsibility to not share any such information.

Data protection

29. See Annex 2 for data protection information.

Disclaimer

30. Neither the Bank nor HMT, or any of their staff, officials, or representatives, including but not limited to the EF co-Chairs and Secretariat, are responsible for any views or statements expressed by other Participants.
31. Views expressed by the EF in its outputs may not reflect the views of the Bank or HMT.
32. The activities, discussions, and outputs of the EF should not be taken as an indication of future policy by the Bank or HMT. Bank and HMT policy positions will continue to be developed and communicated in accordance with the usual governance and public consultation procedures of the two organisations.

Annex 1: Membership selection process and criteria

Selection process

1. The Bank and HMT will place a call for interest on 19 April 2021 with a closing date of 14 May 2021.
2. Applicants will be asked to provide a brief summary (no more than 1 page of A4) of their role and experience, as well as their suitability to join the EF and their interest in CBDC. Applicants will also be asked to provide a specific example (no more than ½ page of A4) of a challenge related to the potential use of CBDC in their organisation or constituency, as well as one suggested topic for discussion at the EF. Applications should be submitted by email to cbdc@bankofengland.co.uk
3. The Bank and HMT will review all applications and, using the criteria in Annex 1, select c.20-30 Members to form the EF.
4. As a guide, the Bank and HMT will consider the selection criteria set out below in evaluating applications. In addition to these criteria the Bank and HMT will consider the overall balance of the forum in terms of representation of sectors, areas of expertise and individual characteristics.
 - **Knowledge and experience.** The member should be a knowledgeable and experienced professional from a financial services firm, an organisation active in retail or the digital economy, a university, a trade or consumer representative body, a think-tank, a registered charity or non-government organisation. They should have first-hand professional experience working with retail payments or access to financial services, and/or of shaping and delivering relevant large-scale change programmes.
 - **Understanding of policy perspective.** It is preferable if the member can demonstrate understanding of policy issues related to the use of CBDC in the UK economy.
 - **Resources.** It is important that the member is able to commit sufficient time and resources to the EF. The required commitment will include attendance at meetings four times per year, as well as additional workshops (as required), and preparatory work. Members will also need to provide input into meeting and workshop agendas and papers (potentially at working level from within their organisations).
 - **Diversity.** They should contribute to the overall diversity of members and the institutions they come from. The EF will reflect diversity in all its forms both in terms of individuals and also the organisations that they work for, so that the EF may draw on a rich variety of knowledge and experiences amongst its members. On an individual level, the EF will be representative of the gender and ethnic diversity of the UK population, and seek to incorporate members of different backgrounds to support diversity of thought. On an organisational level, a variety of organisations based on size, geography (reaching all regions of the UK), nature of business, etc. may be selected.

Composition and participation

5. The EF will consist of a group of Members from the public and private sector. Membership will be as representative as possible of the UK retail payments sector.
6. Members are expected to represent institutions from a range of sectors, including (but not limited to):
 - Academia

- Banking and financial services
- Consumer and civil society representative groups
- Fintechs
- Merchants
- Non-Governmental Organisations / Think Tanks
- Payment companies
- Technology companies
- Trade bodies

Annex 2: Data protection information

1. The Bank and HMT may be joint 'controllers' in respect of the personal data they process for the selection of members and the running of meetings for the EF. In other respects the Bank and HMT is each likely to be a separate 'controller' with respect to their own processing of personal data in connection with the EF.
2. The Bank and HMT will collect the name, work email address, job title, name of organisation, and summary of role and experience, from individuals who submit an application for membership of the EF. The Bank and HMT will also collect views, opinions and further personal data where this is shared either verbally or in writing (e.g. by using a 'chat' function) by individuals participating in online meetings for the EF.
3. The information will be used by the Bank and HMT for the purpose of reviewing and assessing applications to become a member of the EF, to communicate with members of the EF and to advance the purposes of the EF as set out more fully in these Terms of Reference.
4. The Bank and HMT will process personal data where necessary for the performance of their tasks carried out in the public interest being the establishment of a forum to facilitate dialogue around the potential adoption of CBDC in the UK. They may share Members' personal data with other members and with observers of the EF where necessary for this purpose.
5. To ensure that the Bank/HMT's external engagement on CBDC is transparent, the names and company affiliations of EF members will be published on the Bank and HMT websites.
6. Safeguarding individuals' personal data is important to the Bank and HMT. Members' and observers' personal data will be stored on secure Bank and HMT systems with controlled access. The Bank and HMT are committed to information security and each uses a range of layered information security measures to protect the data they hold. Each of the Bank and HMT will keep Members' and observers' personal data for so long as is necessary to facilitate the EF or otherwise in accordance with the Bank's or HMT's applicable document retention policies, which are available upon request from HMT and [here](#) for the Bank.
7. Individuals can request that we no longer use your personal data by writing to the Bank or HMT as applicable.
8. Further information about how the Bank processes personal data is set out in the Bank's Privacy Notice at: <https://www.bankofengland.co.uk/legal/privacy>.
9. Further information about how HMT processes personal data is set out HMT's Personal Information Charter at: <https://www.gov.uk/government/organisations/hm-treasury/about/personal-information-charter>
10. Where the Bank or HMT uses an online meeting service provider to host meetings, then the privacy statement of that service provider will apply.
11. Individuals have a number of rights under data protection laws. To contact an organisation about those rights, including making a request for the personal data the organisations hold about you, please see the relevant website above. You can also report concerns to the Information Commissioner's Office, the regulatory authority for data protection in the UK. Contact details can be found on their website.
12. Each organisation's Data Protection Officer can be contacted via the details above.