

# International Implications of China's Central Bank Digital Currency

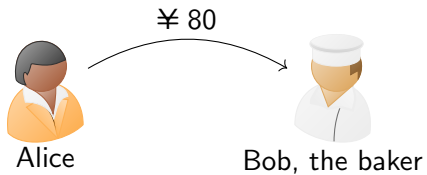
Darrell Duffie

Graduate School of Business, Stanford University

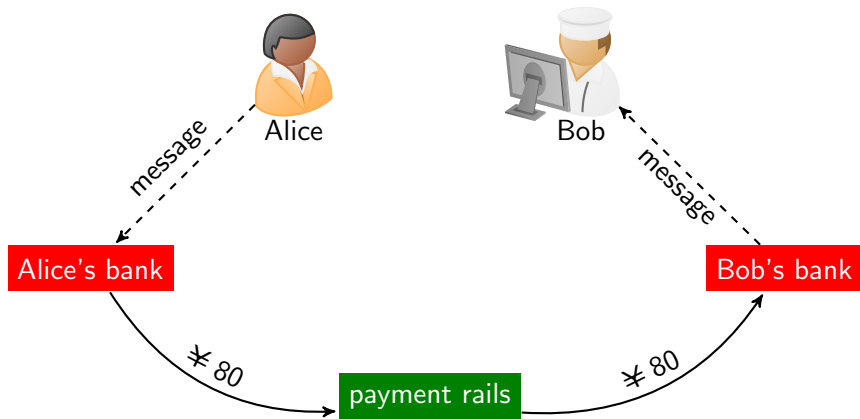
Warwick, Bank of England, Mastercard  
Webinar Symposium on CBDC

March 4, 2021

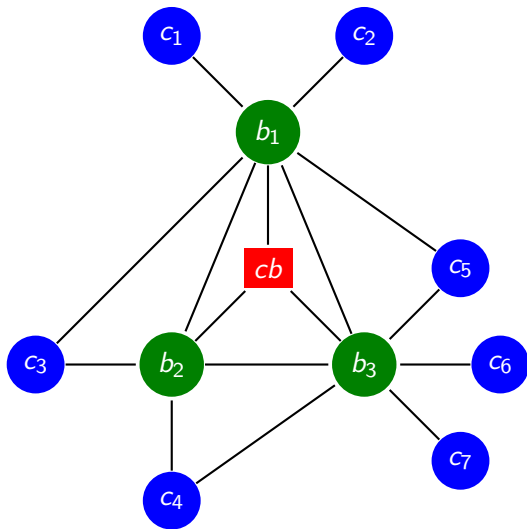
## A payment



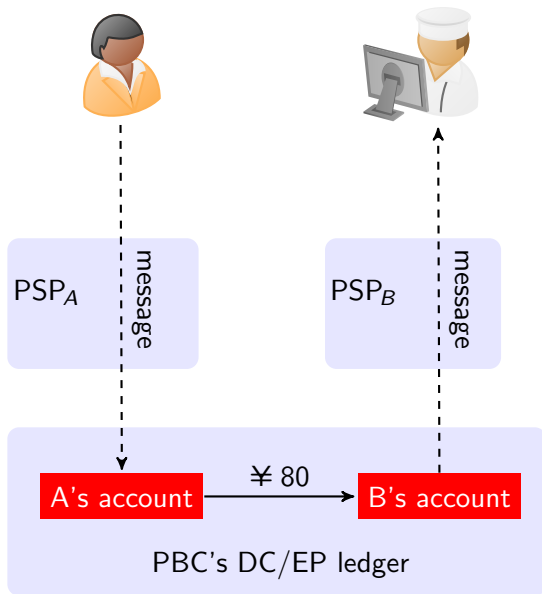
## A conventional bank-railed payment



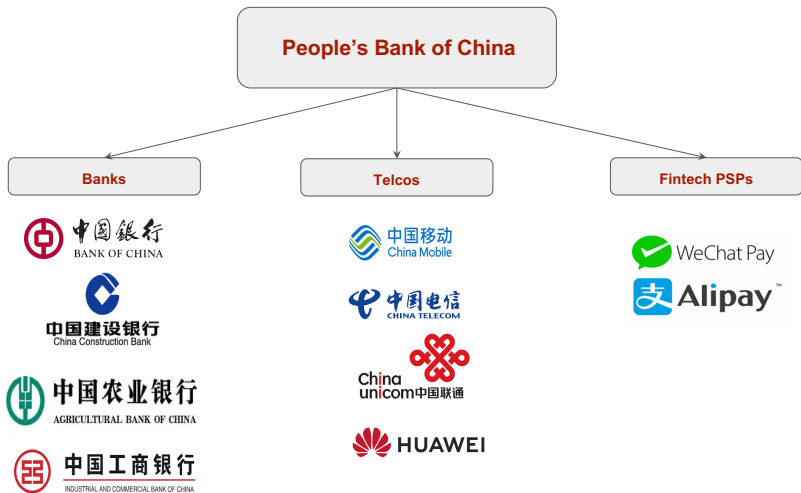
## Bank payment rails



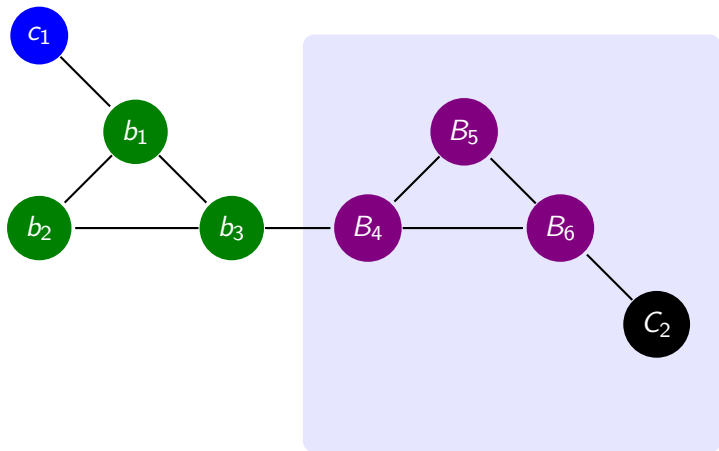
## A DC/EP payment



# Examples of PBC's commercial DC/EP partners



## Cross-border payment via correspondent banks



## International use of DC/EP

ZHU Min, Chairman of China's National Institute of Financial Research

*“So, let's say if Singapore was willing to have the Chinese digital currency moving to Singapore and China was willing to accept the Singapore digital currency, maybe the two countries can sign a deal to work on those things.”*

–World Economic Forum, January 28, 2021.



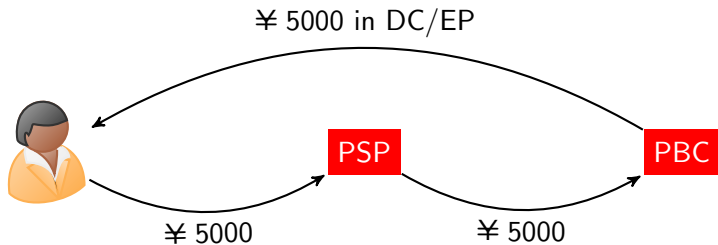
## International use of DC/EP

Christopher Hui, Secretary for Financial Services and the Treasury, Hong Kong.

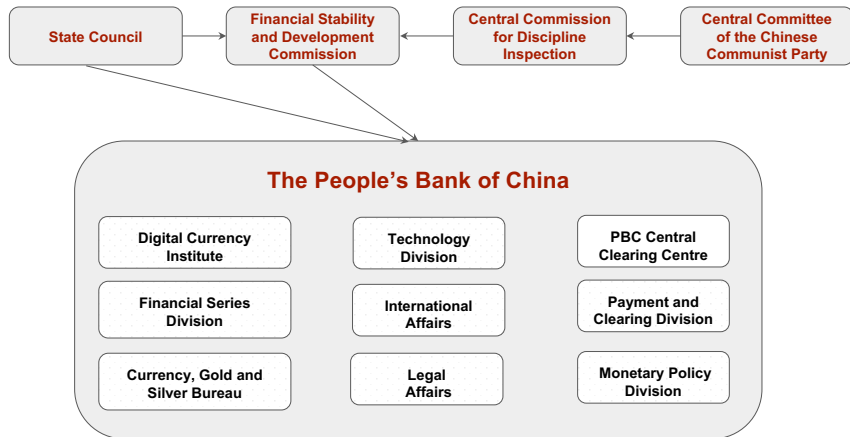
*“In the event that the PBoC would like to explore the use of DC/EP in places outside of the Mainland, including Hong Kong, the Government and the HKMA will actively respond and collaborate.”*

–Hong Kong Legislative Council, October 21, 2020.

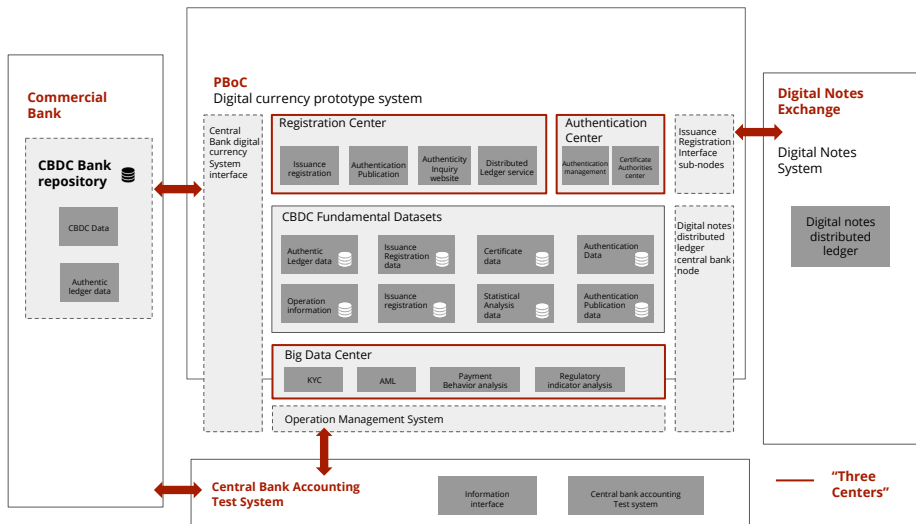
## Appendix: Alice puts ¥ 5000 into her DC/EP account



## Appendix: DC/EP governance



# Appendix: DC/EP infrastructure



Source: Digital Currency Research Institute of PBoC, Binance Research (2019).