IMPLICATIONS FOR FINANCIAL MARKET INFRASTRUCTURES OF A WHOLESALE CENTRAL BANK DIGITAL CURRENCY BASED ON DLT

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A WCBDC issued directly within the distributed network seems to be the most appropriate solution for exchanges inside the network, as it would provide a perfectly liquid and credit risk free payment solution.
II. ROLE OF THE EXISTING FMIS IN THE EUROSYSTEM

SECURITIES
- Sec. account

CASH
- T2S DCA
- Sec. account
- T2S DCA

Settlement instructions

Liquidity

CASH
- PM. account*
- Sec. account
- T2S DCA

Liquidity

CASH
- PM. account
- Sec. account
- T2S DCA

Liquidity

Other RTGS systems

* PM account: Payment module account
** DCA: Dedicated cash account
III. POSSIBLE IMPROVEMENTS WITHIN EXISTING FMIS

The aspects identified are classified according to their greater or lesser potential impact for today’s payment and securities settlement systems.
III. POSSIBLE IMPROVEMENTS WITHIN EXISTING FMIS

Reconciliation of transactions

The current reconciliation of the actors interacting with the FMIs would be more efficient, it could be made in real time or may even become unnecessary.

Multi-currency international transactions

The potential issuance of a WCBDC integrated into a DLT network could enhance the efficiency, transparency and traceability of multi-currency transactions.
III. POSSIBLE IMPROVEMENTS WITHIN EXISTING FMIS

**Accessibility**

A decentralized platform could lower barriers and enable direct access to settlement services to a larger number of participants.

**Availability**

Integrating a WCBDC into a DLT network could increase the availability of the FMIs by removing technical constraints.
The introduction of a WCBDC, either alone or as part of a DLT network, would not per se resolve the problem of international interconnectivity.

In general terms automatic execution of operations could be achieved using other technologies, although it may be less efficient.
III. POSSIBLE IMPROVEMENTS WITHIN EXISTING FMIS

Liquidity optimisation

Neither liquidity optimization routines nor a possible improvement in execution times are determinant for issuance of a WCBDC on a DLT platform.

Security, resilience and integrity

Although DLT networks are highly resilient to date this does not appear sufficient, from a security standpoint, to warrant a radical change in the current design of the FMIs.
Even if it is difficult to foresee a radical change in technology used today by the current FMIs in the short term, the most plausible scenario seems to be a gradual evolve of the FMIs to new technology solutions, integrating new functionalities based on new technologies such as DLT, which will offer new possibilities to their participants.
THANKS FOR YOUR ATTENTION

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