

# Digital Asset

For Immediate Release

## New Report from Digital Asset Shows the Potential for CBDC to Transform Cross-border Payments

*With the right frameworks in place, central bank digital currency could provide faster, cheaper remittances to the world's poorest communities*

**Davos, Switzerland & New York, NY – May 24, 2022** - In conjunction with the World Economic Forum at Davos, [Digital Asset](#), a software and services provider that helps enterprises build economic value through interconnected networks, and Dr. Giovanni Bandi, Fellow and Regulatory Genome Project Director at Cambridge University, unveiled a joint-report analyzing the challenges and solutions for the growth and adoption of central bank digital currency (CBDC) for cross-border payments.

The report, titled “[CBDC: From the Philosophical to Practical for Global Adoption](#)”, highlights how CBDC initiatives, such as the [Banque de France CBDC experiment for securities settlement](#) and others, have shifted from philosophical ideas to practical use cases. The paper builds off previously published work from Digital Asset, focusing on the [technical recommendations of a successful CBDC implementation](#), which identified four key pillars—interoperability, privacy, extensibility and finality of settlement—as critical components for CBDC to realize its fullest potential. This second report dives deeper into initiatives that embraced the four pillars, and based on key learnings, provides additional recommended considerations for practical CBDC deployments to alleviate existing challenges for cross-border payments and other use cases. Many of the challenges identified in the report include structural problems, legacy systems, scaling issues, and entry barriers.

“CBDC technology presents an extraordinary opportunity for banks and other financial institutions to enhance their cross-border payment capabilities,” says Kelly Mathieson, Chief Client Experience Officer, Digital Asset. “In the past year we have seen a significant uptick in the number of countries exploring CBDC implementation. An industry report from the IMF released in 2021 supports this view, stating that approximately 100 of its member countries are moving in this direction. As more central banks plan their paths to CBDC, this report will serve as a guide to help organizations understand what is needed for the growth and adoption of CBDCs, globally.”

According to the report, the top considerations for central banks are:

**Develop standards in the context of a global regulatory framework:** Failure to create a regulatory framework for CBDC could put one country and currency at risk of another’s decisions and policies. There must be standards, underpinned by a common technology framework, which support individual market choices across a global economic network.

**Build CBDCs grounded in privacy:** The balance between privacy and the ability to retain necessary oversight to prevent illicit financial activity is a key challenge for CBDC; thus, technology and design must prioritize safety and privacy. A CBDC should feature privacy within as well as across ledgers.

**Leverage technology that fosters flexibility and interconnectivity:** Interoperability is critical since CBDC adoption will proceed at different speeds, and the greatest value and efficiencies accrue when one CBDC can interact with another.

**Ensure scalability and resilience:** CBDCs must be scalable, secure, and able to meet rigorous performance standards. This includes being able to cope with ever-increasing transaction volumes, providing stability and reliability to maintain confidence and smooth market and payment operations.

“As CBDCs become a reality for financial systems, central banks must acknowledge the current state of play in developing CBDCs and the regulatory frameworks and standards required to efficiently facilitate cross-border trade and remittance flows,” said Dr. Giovanni Bandi, Fellow and Regulatory Genome Project Director, Cambridge Judge Business School. “By following the guidance provided in this report, central banks, financial institutions and service providers will be in a better position to implement their own practical CBDC solutions, fostering growth and global adoption for cross-border payments.”

[Click here](#) to access the full report.

### **About Digital Asset**

Digital Asset is a software and services provider that helps enterprises build economic value through interconnected networks. The company designs and delivers technology that reshapes legacy systems and workflows into efficient, secure, and interconnected applications. Daml, our core technology, is a platform for building multi-party applications. It extracts and simplifies business processes to make data accessible and optimizes workflows using smart contracts. Leading organizations across financial services, insurance and healthcare partner with Digital Asset to create new multi-party solutions that transform disparate silos into synchronized networks. To learn more about the company’s vision to build the Global Economic Network visit <https://www.digitalasset.com/global-economic-network>. To learn more about Digital Asset, please visit [www.digitalasset.com](http://www.digitalasset.com). Click here to follow us on [Twitter](#) and [LinkedIn](#).

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