

IMF working hard on global CBDC platform

REUTERS

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The International Monetary Fund (IMF) is working on a platform for central bank digital currencies (CBDCs) to enable transactions between countries, IMF Managing Director Kristalina Georgieva said on Monday.

"CBDCs should not be fragmented national propositions... To have more efficient and fairer transactions we need systems that connect countries: we need interoperability," Georgieva told a conference

attended by African central banks in Rabat, Morocco.

"For this reason at the IMF, we are working on the concept of a global CBDC platform".

The IMF wants central banks to agree on a common regulatory framework for digital currencies that will allow global interoperability. Failure to agree on a common platform would create a vacuum that would likely be filled by cryptocurrencies, she said.

A CBDC is a digital currency controlled by the central bank, while cryptocurrencies are nearly always decentralised.

Already 114 central banks are at some stage of CBDC exploration, "with about 10 already crossing the finish line", she said. "If countries develop CBDCs only for domestic deployment we are underutilising their capacity," she added.

CBDCs could also help promote financial inclusion and make remittances cheaper, she said, noting that the average cost of money transfers stands at 6.3 per cent amounting to \$44 billion annually.

She stressed that CBDCs should be backed by assets.



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KRISTALINA GEORGIEVA MD, IMF