

The Global Impact of China's Central Bank Digital Currency

Darrell Duffie

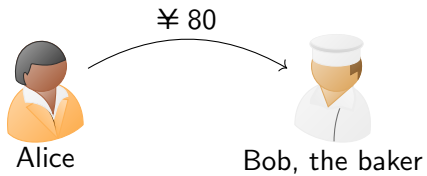
Graduate School of Business, Stanford University

Cryptocurrencies and the Digital Asset Economy
Outlook for 2021

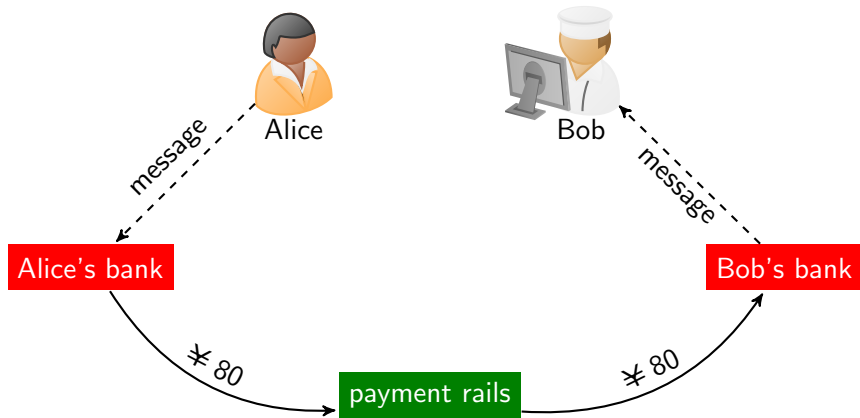
The Gershon Fintech Center
University of Jerusalem

March 24, 2021

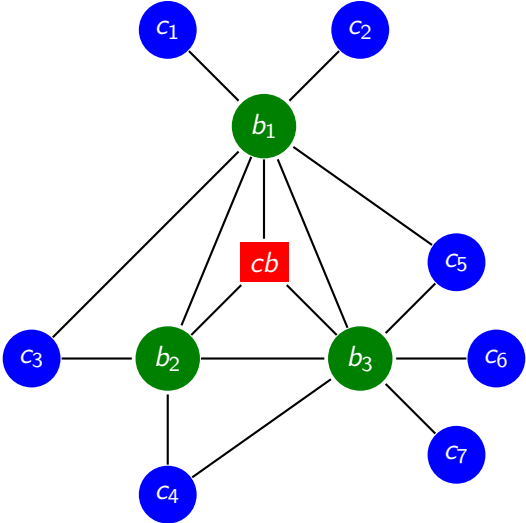
A payment



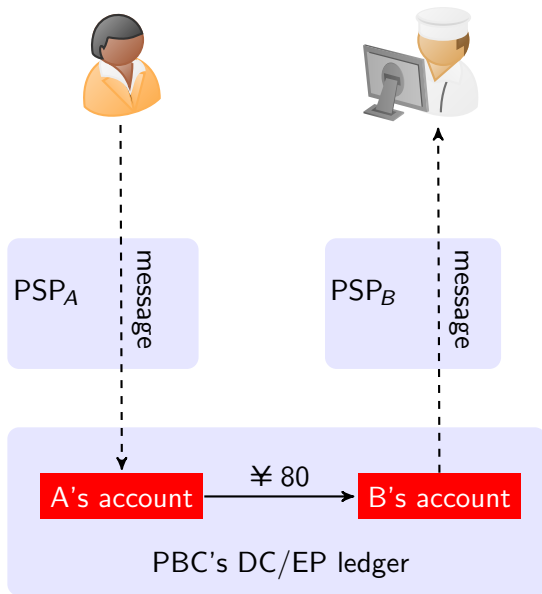
A conventional bank-railed payment



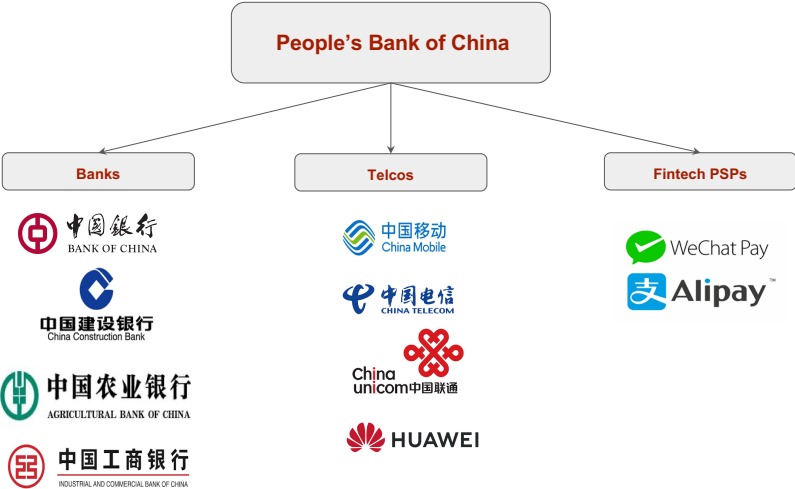
Bank payment rails



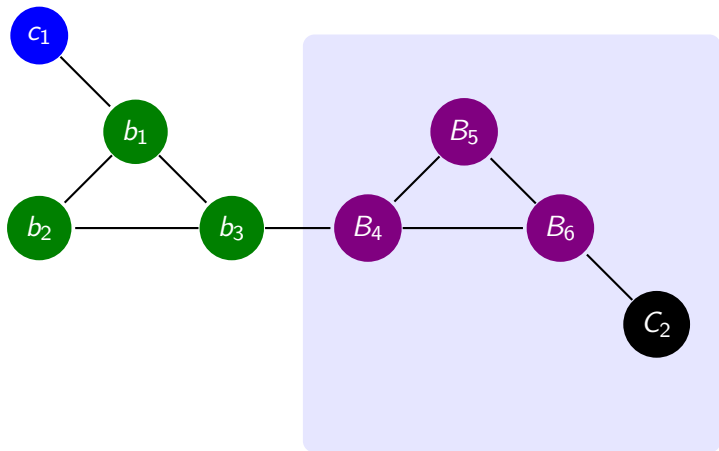
A DC/EP payment



Examples of PBoC'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.

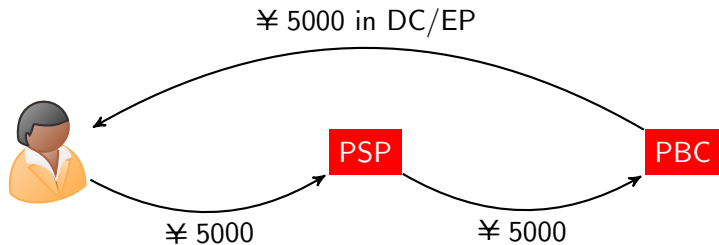
International use of DC/EP

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

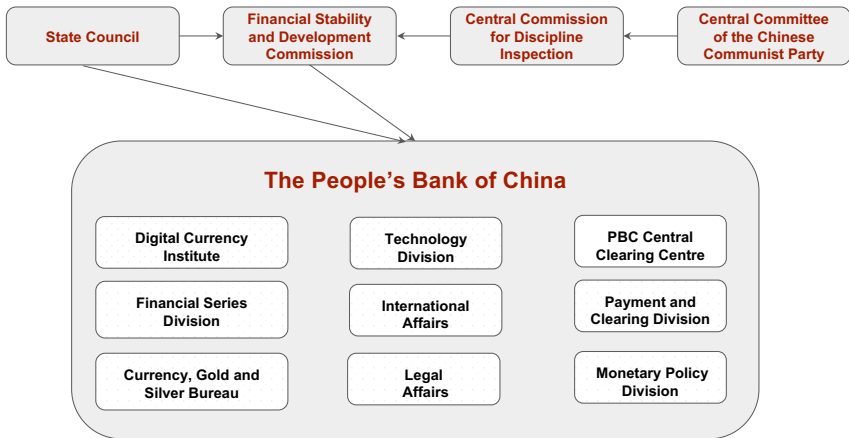
“In the event that the PBoC would like to explore the use of DC/EP in places outside of the Mainland, including Hong Kong, the Government and the HKMA will actively respond and collaborate.”

–Hong Kong Legislative Council, October 21, 2020.

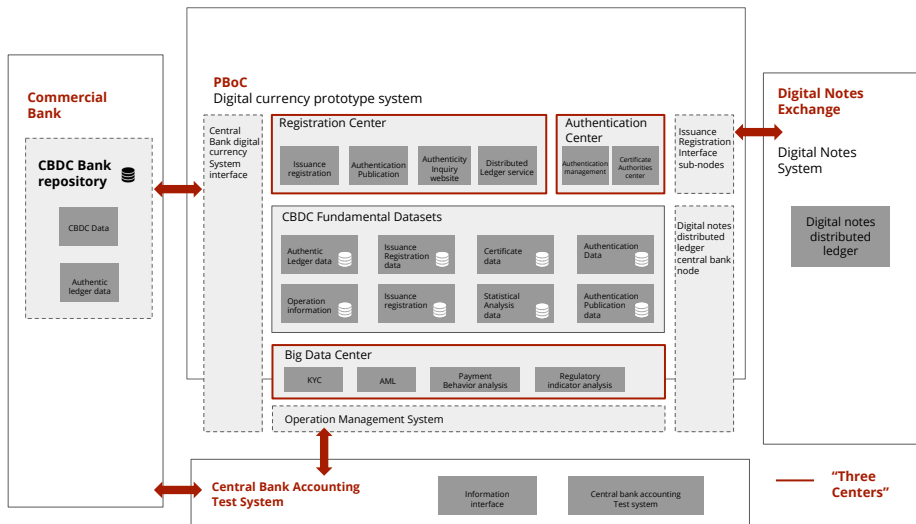
Appendix: Alice puts ¥ 5000 into her DC/EP account



Appendix: DC/EP governance



Appendix: DC/EP infrastructure



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