

CBDC, STABLECOINS AND BEYOND: A DEEP DIVE INTO NEW FORMS OF DIGITAL MONEY

A comprehensive overview of new forms of digital money and how banks can prepare themselves for their implementation and adoption covering Central Bank Digital Currencies (CBDC) and privately issued stablecoins.

Differences between CBDC and stablecoins in terms of definition

- ≡ CBDC is a risk-free liability of a central bank and a digital representation of fiat currency.
- ≡ Stablecoins are issued by a private entity within a closed-loop system.

Both can exist in two forms:

- ≡ as a form of third-party issued digital currency that is pegged to a reference currency (or asset, or a basket of currencies or assets)
 - the issuer aims to maintain a 1:1 peg to the reference currency by holding the equivalent amount of reserves, or through another form of collateralisation
- ≡ as a digital representation of a demand deposit claim existing on a DLT-based network
 - linked to demand deposit holdings

Problems that new forms of digital money could solve:

- ≡ Digitalisation of the economy
- ≡ Enhancement of international cross-border payments
- ≡ Continued lack of access to digital financial services for the unbanked

Key use cases

Key use cases vary by project and jurisdiction:

- ≡ Most of the major CBDC projects today are retail focused
 - facilitating use for consumers and households
- ≡ Some projects explore wholesale use, particularly in the cross-border payments space

Learn more:
download the report
The report "CBDC, stablecoins and beyond: a deep dive into new forms of digital money" is available for download **here:** 

Our mission

The mission of the EBA is to foster dialogue and experience exchange amongst payments industry practitioners towards a pan-European vision for payments. We pursue our mission through involving member organisations and relevant stakeholders in thought leadership on innovation, helping our members to understand and implement regulation and by supporting the development of market practices.

Our activities

The EBA activities cover four core areas:

- ≡ Thought Leadership & Innovation: advancing the understanding of new market trends through working groups, task forces and open fora.
- ≡ Market Practices & Regulatory Guidance: providing guidance on market regulation and implementation through practitioners' panels.
- ≡ Networking & Events: fostering pan-European practitioner exchange through EBAday and other events.
- ≡ Training & Education: providing training & educational services on relevant payments and transaction banking topics to the EBA community through summer and winter schools and e-learning.



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