

Masterclass on Central Bank Digital Currency (CBDC)

The Path to Digital Currency Regulation

Introduction

Many critics have taken an interest in the rise, volatility, and instability of uncontrolled cryptocurrencies. This is especially true given the excitement surrounding a new technology called Blockchain, which is thought to be able to remove some of the restrictions in economic development and power decentralised payment systems. In response to the significant advancements in cryptocurrencies, central banks have been under increased pressure to enhance the efficiency of their legacy payment systems. As a result, they have started pilot programmes to investigate the possibility of creating digital currencies for central banks. The upheaval brought on by the Covid-19 pandemic and advancements in technology, money, and payments have all contributed to the growth of this interest. Consequently, a growing number of nations and central banks are evaluating and planning to implement CBDCs.

For financial and banking professionals, this Course N Carry training course offers a thorough introduction to the subject of CBDCs. It covers the central bank's perspective as well as potential accusations related to the introduction of a CBDC. The original definition of money, the availability of legal tender, the function of central banks, the financial intermediation model, and the dissemination of monetary policy are all put in jeopardy by the shift from public fiat to private electronic money.

This instruction session will emphasise:

- The state of the financial and monetary ecosystem at the moment
- The shift to digital currency
- The technological relationship between CBDC and blockchain
- The digital money conceptual design of a central bank
- Benefits, difficulties, and dangers of CBDC
- Many applications for CBDC initiatives that central banks around the world have put in place

Objectives

After completing this training programme, you will be qualified to:

- Identify the requirements and circumstances that made the switch to a regulated digital currency necessary.

- Recognise the primary technology that will impact the world's banking, financial, and monetary systems the most.
- Describe the many forms of digital currency issued by central banks, including its design, implementation, and compatibility.
- Examine the benefits and difficulties of introducing digital currencies issued by central banks from an economic and technical perspective.
- Distinguish between the many CBDC initiatives that are being implemented worldwide based on their technological and financial aspects.

Training Methodology

This training programme will combine quick talks, brainstorming exercises in groups, and round table discussions. Participants will have the opportunity to collaborate on creating digital currencies issued by central banks and to take a deeper look at how to integrate technology and banking. In the end, participants will compete to design a new CBDC using the principles that were covered in the workshop.

Organizational impacts

The following sums up this workshop's effects on the organisation:

- What effects will cryptocurrencies have on the banking industry, and how should central banks, banks, and regulatory bodies defend their positions?
- How can central banks and commercial banks work together to create a viable, regulated digital currency?
- Possess a thorough awareness of the most recent developments in the international monetary system.
- How can we modernise the entire financial ecosystem by embracing recently emerging technology like Blockchain?
- What impact does financial innovation have on how monetary policy is conducted and carried out?

Personal Impact

The following is a summary of how this training has affected each attendee personally:

- Gaining in-depth understanding of digital currencies in general and CBDC in particular
- Recognising the distinction between cryptocurrencies and regulated digital currencies as well as the entire digitalization of money
- Recognise blockchain technology and comprehend how it directly affects the banking industry
- Possess a thorough understanding of creating, deploying, and managing a digital currency issued by a central bank.
- Best practices pertaining to the most important CBDC initiatives being investigated or put into action by international central banks

Senior managers and executives from any banking or financial organisation, as well as relevant regulatory bodies, are the target audience for this course. The attendees will gain a thorough comprehension and practical application of the latest advancements in the industry, particularly those concerning digital money issued by central banks.

Although a wide range of professionals can benefit from this training, the following will particularly benefit:

- Chief Executives and C-level Workers
- VPs and department heads
- Directors of regulatory authorities
- Teams focused on innovation and digital banking
- Executives of central banks

Course Outline

Day 1

The Path to Digital Currency from Central Banks

- Money: What Is It?
- Making the switch to a cashless society
- Money economics
- Exclusion from finance
- Financial and monetary difficulties
- Cryptocurrency assets and currencies

Day 2

Blockchain: The Groundbreaking Technology

- Ledger Technology Distributed
- Blockchain: What Is It?
- Blockchain advantages
- Blockchain Types
- Workshop that is interactive: The Blockchain game
- The financial system and blockchain
- Investing in Blockchain

Day 3

Central Bank Digital Currency Concepts

- What is the CBDC?
- CBDC Models
- Design thinking and procedure.
- Consequences for the financial system
- Bank disintermediation
- Governance of CBDC
- Workshop that is interactive: Create a new CBDC!

Day 4

Pros, Cons, Difficulties, and Risks of CBDC

- Benefits of CBDC
- The drawbacks of CBDC
- CBDC and commercial banks: a system overhaul?
- Problems with interoperability
- Privacy and security
- Adherence to regulations and risk mitigation
- Technical difficulties

Day 5

Worldwide CBDC Initiatives and the Global Environment

- China: Yuan digital
- Sand Dollar, Bahamas
- Sweden: E-Krona
- UAE/Saudi Arabia: Aber
- ECB/France: Euro Digital
- Talking about several central banks Research reports on CBDC