IMF Work on Digital Money and Fintech

10TH MEETING OF THE AFRICA TRAINING INSTITUTE
KINSHASA, DRC
JUNE 15, 2023

Tommaso Mancini-Griffoli
Division Chief, MCM
What?
<table>
<thead>
<tr>
<th>Denomination</th>
<th>National currency</th>
<th>E-money</th>
<th>Stablecoins</th>
<th>Tokenized assets</th>
<th>Unbacked crypto</th>
<th>CBDC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption pledge</td>
<td>Fixed @ face value</td>
<td>Same as banks</td>
<td>Same as banks</td>
<td>Fixed</td>
<td>Flexible</td>
<td>Own</td>
</tr>
<tr>
<td>Backstop</td>
<td>Government</td>
<td>Private</td>
<td>Private</td>
<td>Own Commodities, securities, pools</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Backing asset</td>
<td>Mixed</td>
<td>Safe &amp; liquid</td>
<td>Safe</td>
<td>Varied</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
Stablecoin reserves vary considerably

Reserves of Top Stablecoins
(Percent and billions of US dollars)

Source: GFSR, Chater 2, October 2021
Bank Deposits vs. Digital Money and Cryptoassets

Cross border payments
International Monetary System
Macro-financial effects
Legal & regulatory frameworks
Other (tech, implement...)

E-money
Stablecoins
Tokenized assets
Unbacked crypto
CBDC

Surveillance
Capacity development
Analytical work
Internal support
CBDC offers potential benefits...

- Safety, resilience, interoperability
- Market discipline
- Rights of citizens
- Financial inclusion
- Efficiency of public revenue/spending
- Catalyst for innovation & growth
- Cross border payments
- Defense against cryptos?

Not the only solution
... as well as risks...

- Banking sector disintermediation
- Operational resilience
- Reputation (incl. low adoption)
- Crowding out private sector

Can be managed? But at what cost?
Retail or wholesale... or CBDC as a platform?

Digital payments for all
  Households & firms

Instant settlement for banks
  Tokenized deposits & assets

Platform
  Programmability, data management...
  Cross border?
Capacity Development
CD activities – current and potentially new?

- Regional workshops
- Training
- Bilateral technical assistance
- Desk reviews/assistance
- Collaboration on data analysis / pilot testing
- Regional seminar series
- Other?
We deliver... and could deliver:

- Geographical coverage: all continents
- 5 regional workshops per year
- 50 TA missions to date, 19 concurrently

Questions:

- Fewer & deeper engagements?
- Important vs. urgent?
- Policy vs. implementation?
- LTXs? Role of training & TA centers?
- New training planned
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ATI, June 15, 2023
Thank You – Merci – Obrigado