Project Jasper and CBDC

Conference on Central Bank Digital Currencies
National Bank of the Ukraine

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THE VIEWS EXPRESSED IN THIS PRESENTATION ARE MY OWN AND NOT NECESSARILY THOSE OF THE BANK OF CANADA.
Motivation for Jasper

- To realise the promised benefits of DLT, do we need central bank cash on ledger?
  - Cost savings/efficiencies
  - Improved Resilience
Phase 1 and 2 Lessons: Wholesale Payments

- Unlikely to be net benefits using DLT over a centralised system for the sole purpose of interbank payments

- Benefits more likely to come from enabling efficiencies in the broader FIs and FMIs via simplified processes (e.g. back office reconciliation)

- LSM implementation is complex – inherently centralised functions in decentralised systems is tricky
Phase 3: Securities Settlement

- To investigate securities settlement DvP using central bank cash on a DLT
Phase 3 Key Lessons Learned

- DLT operational cost savings for participants still uncertain when only post-trade settlement is on ledger
- Small extensions or rebuilds of current systems using DLT is unlikely to show significant improvement
- May only be through a complete revisioning of the financial system that DLT can deliver significant costs savings and improved functionality
Phase 4a: Cross-border Payments

- Partnership with Monetary Authority of Singapore and the Bank of England to examine cross-border payments: Jasper meets Ubin
  - What are the pain points in current system?
    - Lack of standardization
    - Mismatch in operating hours
    - Reliance on multiple intermediaries
    - Regulation
    - Legacy systems
Phase 4b: Cross-border Payments - interoperability

- Partnership with Monetary Authority of Singapore to examine technical aspects of synchronized cross-border payments using DLT and HTLC
  - Atomic payments across Quorum and Corda ledgers
Retail Central Bank Digital Currency