

BLOCKCHAIN TECHNOLOGY IN THE POST-CDBC ERA

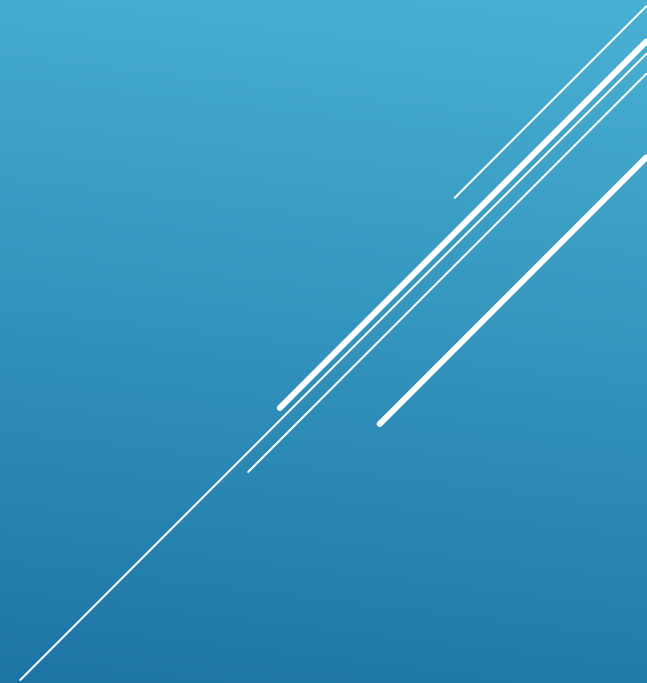
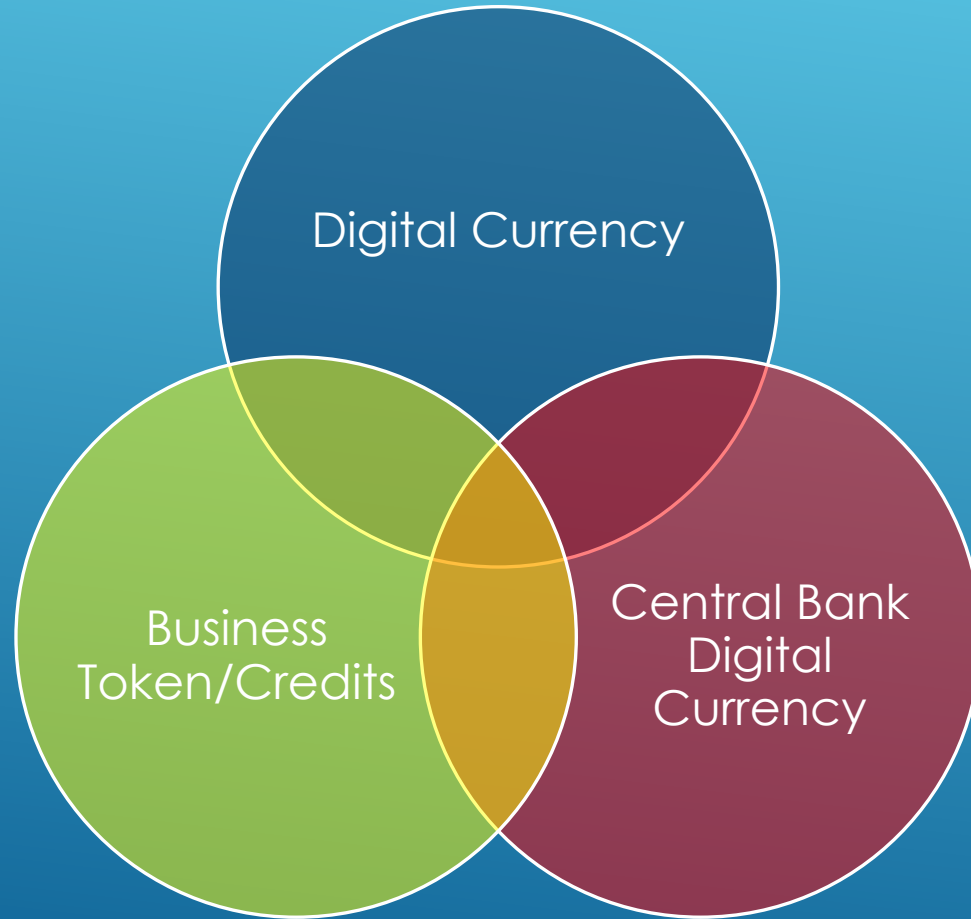
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2020.8

DIFFERENT “CURRENCIES”



DIGITAL CURRENCY

Encrypted/Anonymous

Private/Nongovernmental

No ownership/Unregulated

BUSINESS TOKEN

Do not have independent exchange rate

Can be used as an intermediate accounting unit-Settlement currency

Settlement Provision

Meal ticket, fitness cards/beauty card, game card, mooncake ticket

Circulate within a certain range, reverse exchange is not allowed

CENTRAL BANK DIGITAL CURRENCY

- Issuer : Central Bank
 - Feature : Legal Compensation (No rejection at anytime or anywhere)
 - Regulation Requirements : Anti-money laundering 、 Anti-terrorist financing 、 foreign exchange control 、 taxation 、 Real-name system
 - A tool of monetary policy
 - User demand : privacy 、 dominance
- 

CENTRAL BANK DIGITAL CURRENCY

When : About to come out
Proposal : digital cash

Issued by
central bank

Legality

Online
circulation

CHINESE CENTRAL BANK DIGITAL CURRENCY——DC/EP

Prepared for three years and about to come

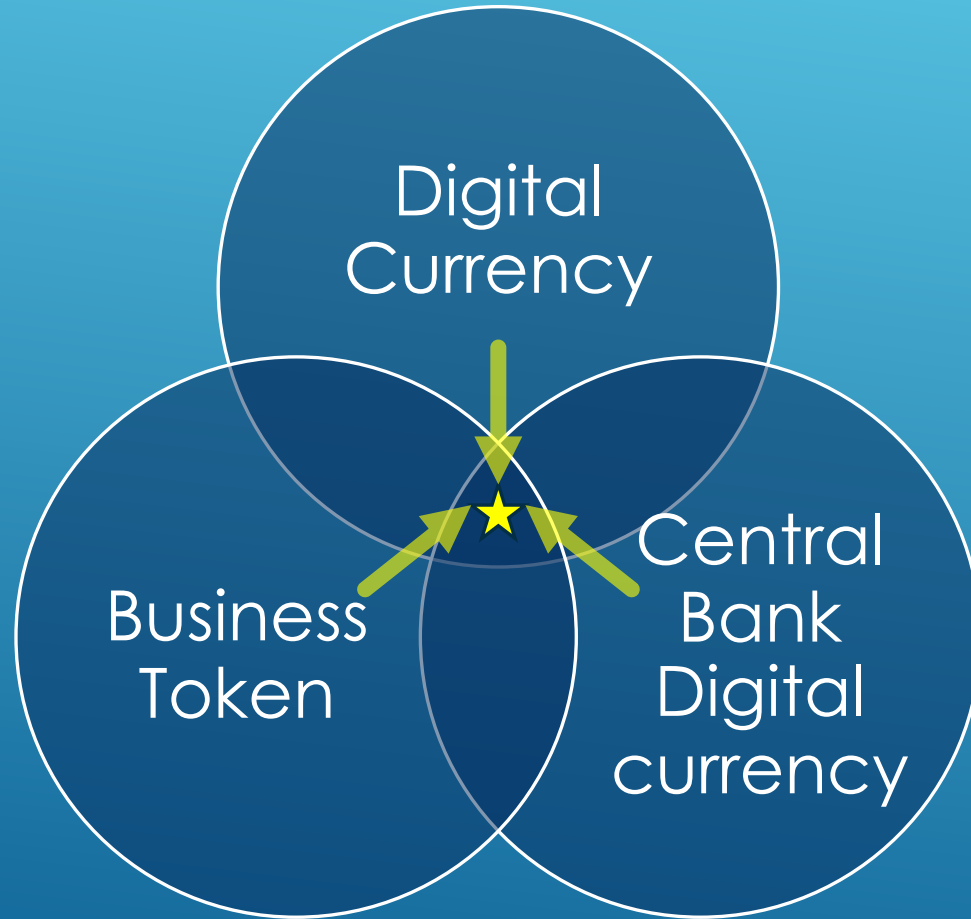
Step by step

Regulation Priority (KYC/Anti-money laundering)

Once it is launched, the impact will be far-reaching: control counterfeit currency, anti-money laundering, foreign exchange control, implementing monetary policy, and helping RMB internationalization and the Belt and Road Initiative.

Guarantee the safety of bank staff

“STABLE CURRENCY” LIBRA



THE LEGAL STATUS OF DIGITAL CURRENCY IN MAINLAND CHINA

	Property	payment	Exchange	Asset valuation
Digital Currency	√	x	x	x
Business Token	√	√	x	x
Central Bank Digital Currency	√	√	√	√

“STABLE CURRENCY”

Definition

- A digital currency linked to the exchange rate of currency assets or equivalent physical assets is called a stable currency
- Stable currency is not an independent category of digital currency

Classification

- According to the linkage method: currency asset mortgage, physical asset mortgage, algorithmic mark-to-market correspondence
- According to the leverage ratio: unleveraged, leveraged

Examples

- LIBRA
- USDT

“A STABLE CURRENCY” LIBRA



FIVE DEMANDS OF LIBRA

No border

- Anti-money laundering
- coinage

Point-to-point

- Mobile payment
- infrastructure

Programmable

- Embed third-party business logic
- “Open Finance”

Zero Handling
fee

- Affecting the existing exchange system and order

Low volatility

- For payment
- Not for investment

“INCLUSIVE FINANCE”

Can't afford mobile phones vs can't build infrastructure

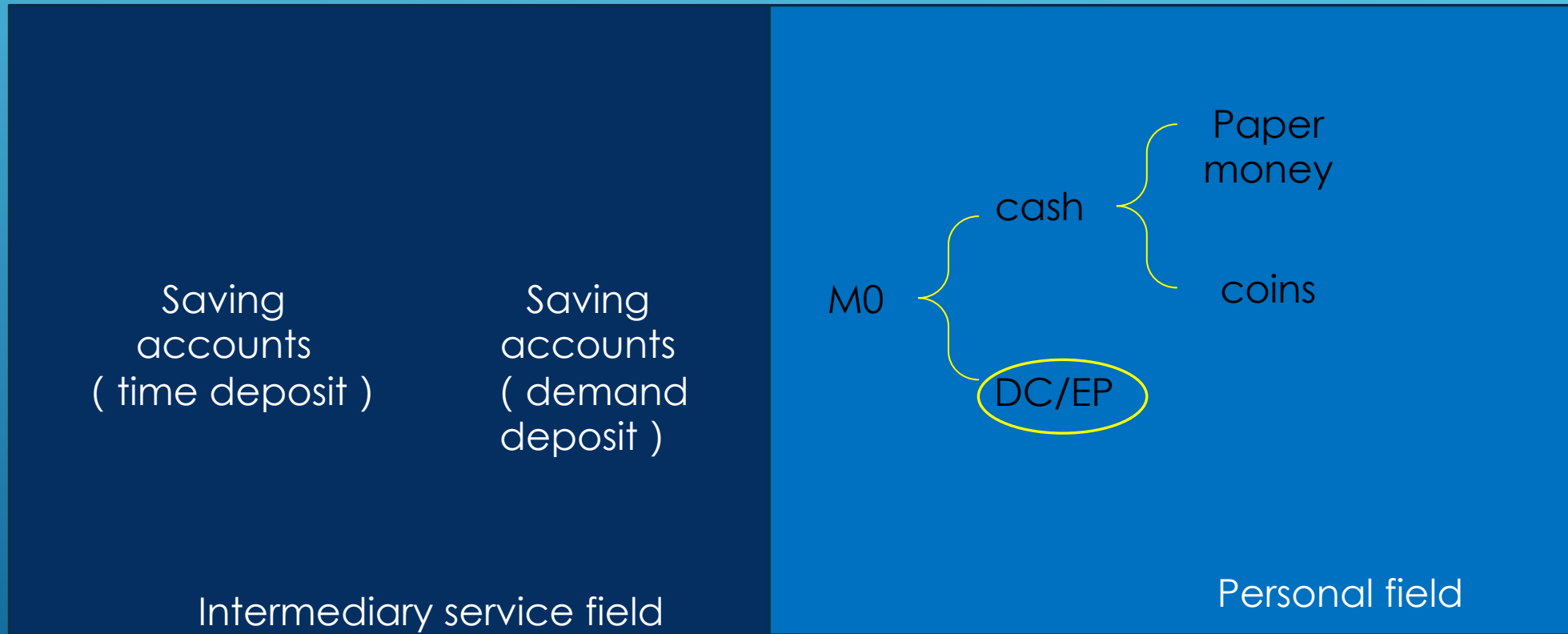
Weak central bank VS. central bank

Overseas Strategy of HAT

A FEW PROBLEMS

- Percentage of 2.7 billion users that accepts Libra
- prevention of "no borders"
- the technical difficulty of conversion from "licensed" to "non-licensed"
- China: the only one capable of responding in the world

DC/EP POSITIONING : DIGITAL CASH



Not another currency, but another form of fiat currency!

DC/EP

- ▶ Issuance is important
- ▶ Within a country
- ▶ Local users
- ▶ Smart contracts are not supported

LIBRA

- ▶ Issuance and circulation are both important. Issuance can be abandoned when necessary.
- ▶ Globally
- ▶ Global users
- ▶ Support smart contracts

DC/EP HAVEN'T GOT CONFLICTS WITH LIBRA. BUT EFFECTIVE PRECAUTIONS HAVE BEEN TAKEN

——IF LIBRA DEGENERATES INTO A SINGLE-FIAT CURRENCY (USD) STABLE CURRENCY?

——IF LIBRA IS ALLOWED TO BE GLOBALIZED ?

——IF LIBRA TARGETS CHINESE USERS?

HOW TO GLOBALIZE DC/EP?

DC/EP : VARIOUS DEMANDS

Coinage & execution tools of Monetary policy

Foreign exchange control

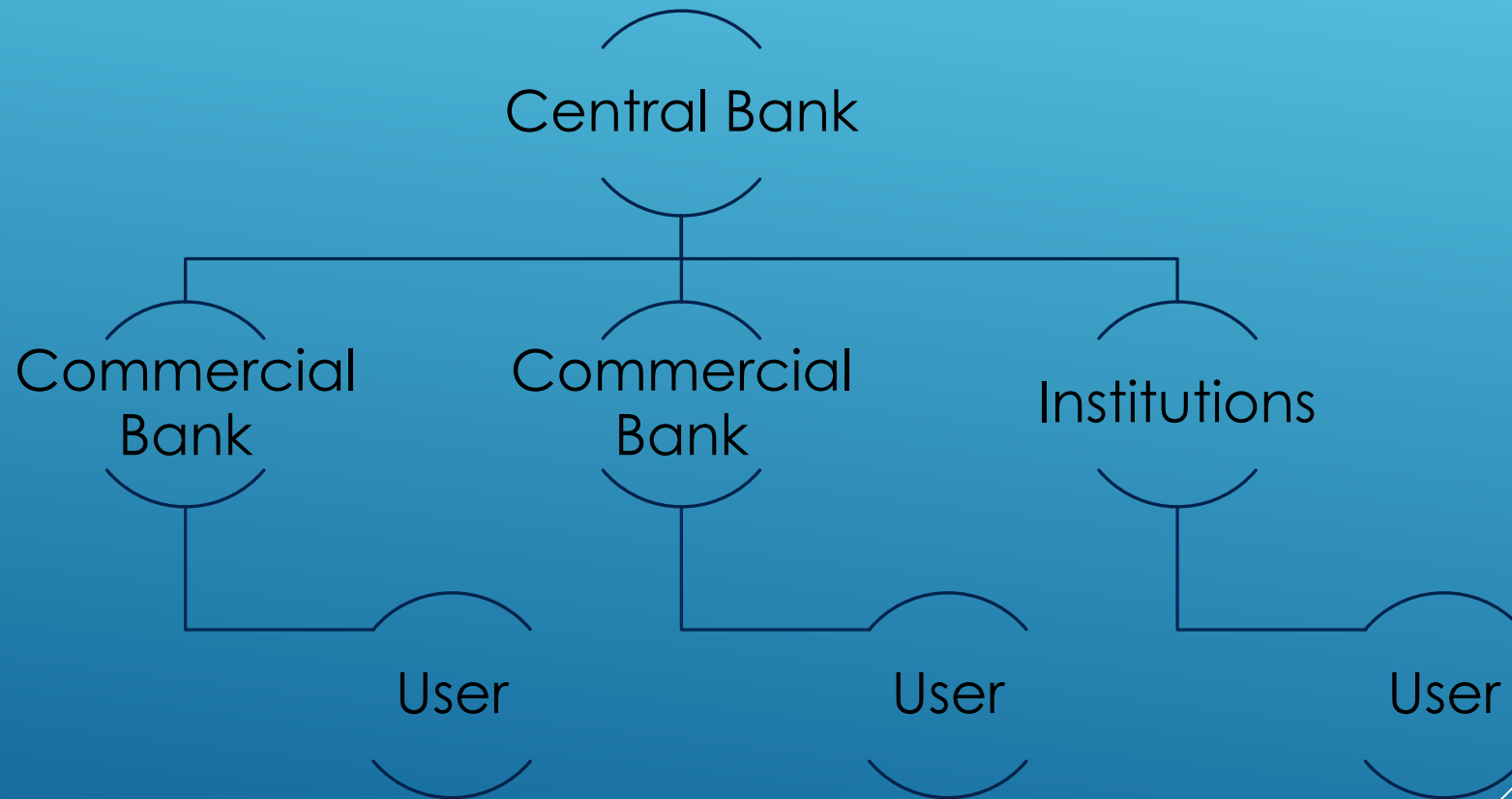
Anti-money laundering

Taxation

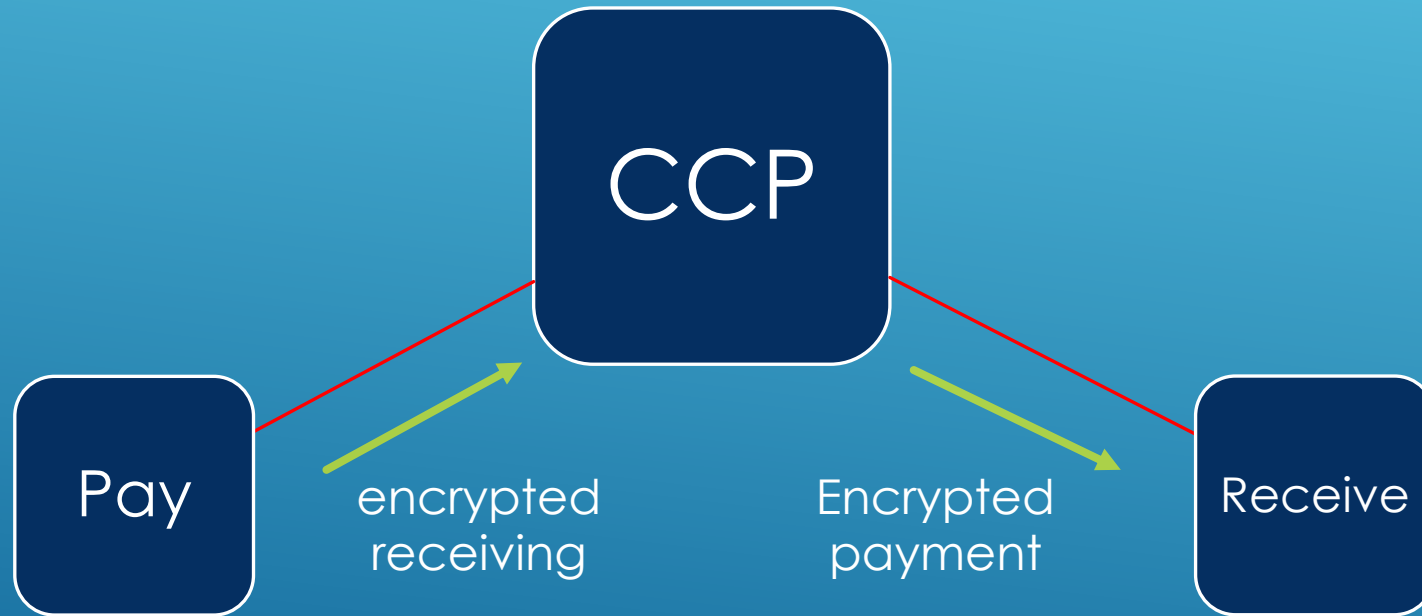
Interests of commercial banks

Privacy Protection

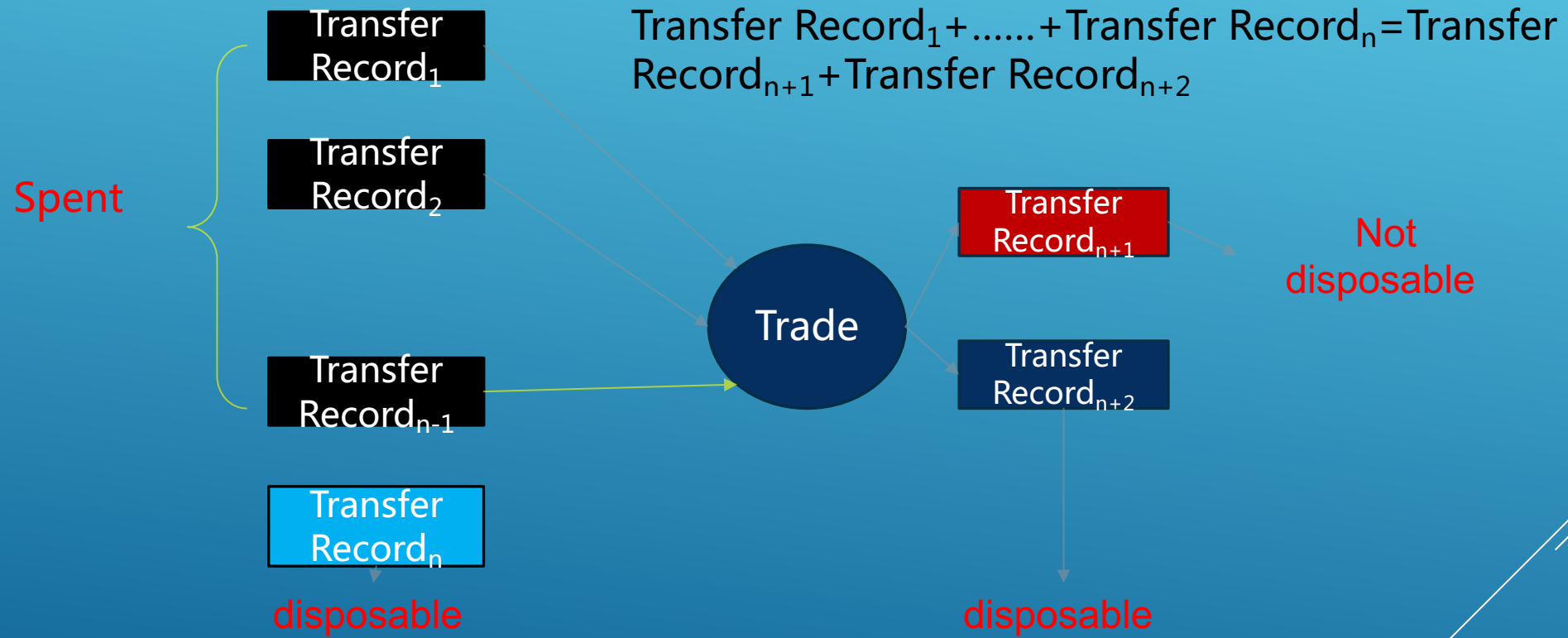
INTERESTS OF COMMERCIAL BANKS : MULTI-LEVEL ISSUANCE



PRIVACY PROTECTION : CENTRALIZED CCP MODE



UTXO-LIKE DESIGN



“TWO DATABASES 、 THREE CENTERS”

Behavioral data

Digital Currency Registration Center

Can recognize behaviors but cannot link to entities

Linked data

Identity Authentication Center

Can link to entities but cannot recognize behaviors

Analysis Data

Big data Center

Can link to entities as well as recognize behaviors, but is read-only

Digital currency database of central bank

Digital currency database of commercial banks

OFFLINE PAYMENT

Offline order receiving

Can be used after returning to the online environment

Chain payment is not currently supported

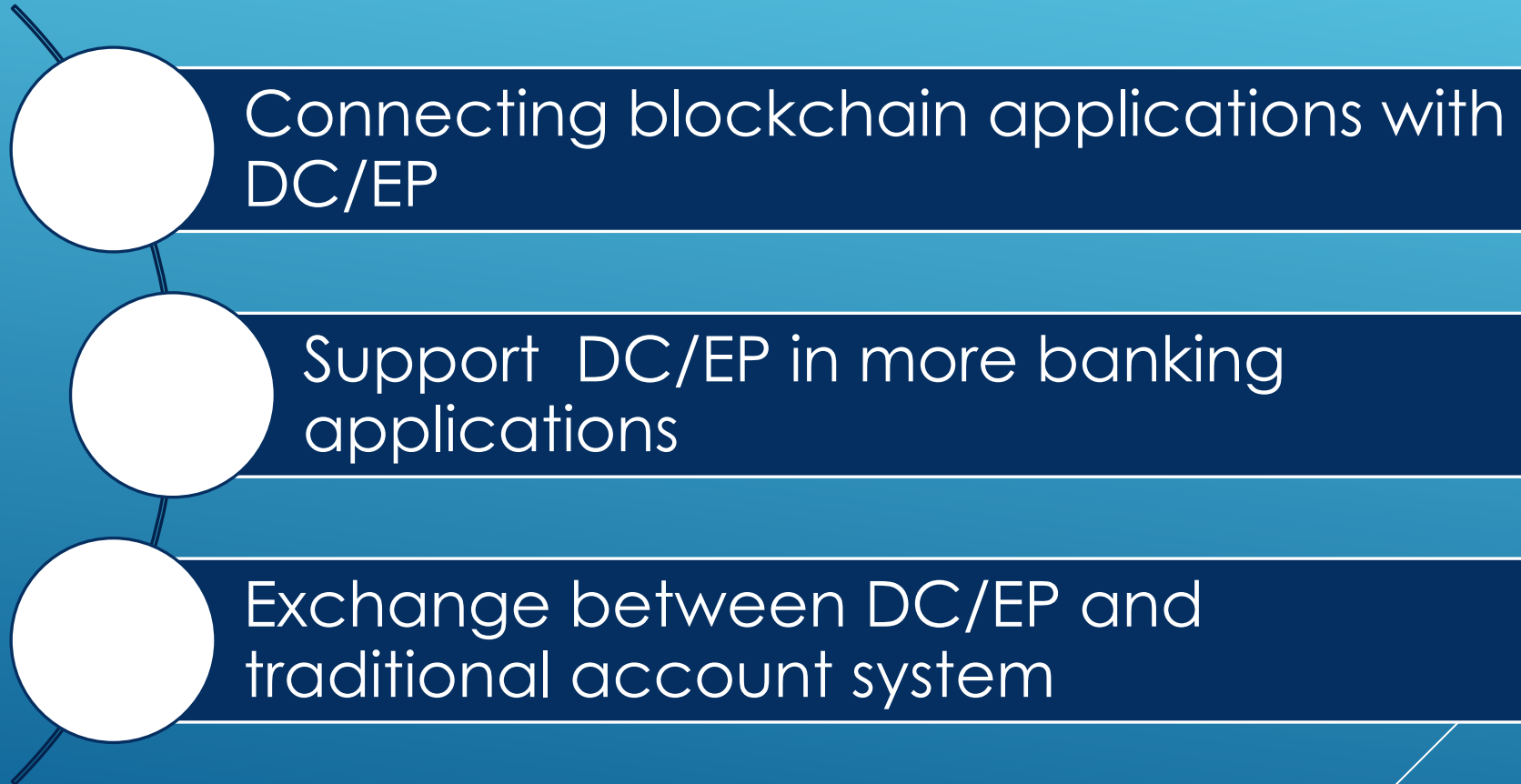
BLOCKCHAIN TECHNOLOGY IN THE POST-CDBC ERA——PUBLIC CHAIN

“Chinese Public Chain” is getting started

Charge DC/EP handling fees

Alliance of "blockchain carriers"

BLOCKCHAIN TECHNOLOGY IN THE POST-CDBC ERA——BANKS

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- Connecting blockchain applications with DC/EP
 - Support DC/EP in more banking applications
 - Exchange between DC/EP and traditional account system

BLOCKCHAIN TECHNOLOGY IN THE POST-CDBC ERA——COMPANIES

Large-scale deployment of
DC/EP equipment



Connecting blockchain
applications with DC/EP



DC/EP charging for pure
proof-of-existence business



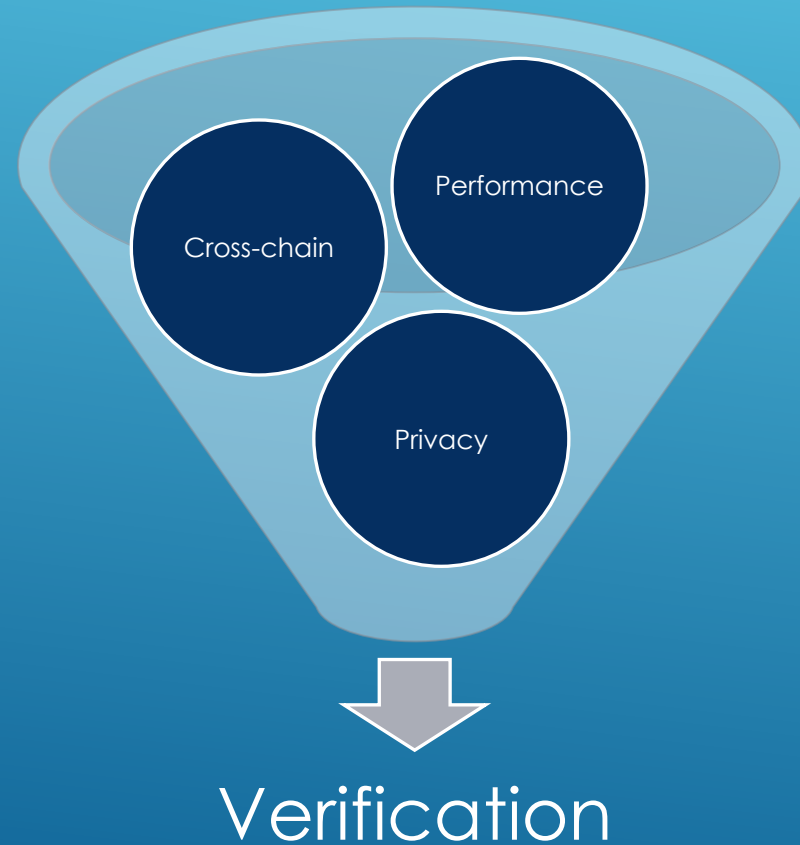
BLOCKCHAIN TECHNOLOGY IN THE POST-CDBC ERA——PEOPLE

Wallet

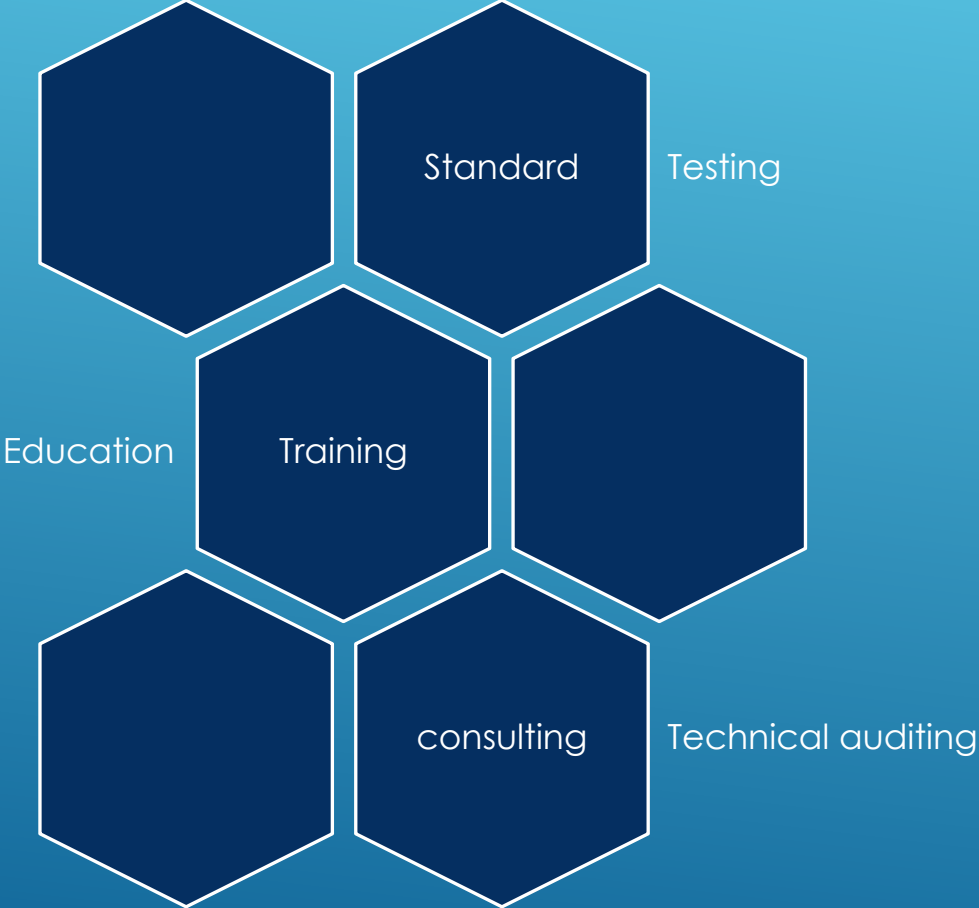
DC/EP Digital ATM

Certificated derivatives

BLOCKCHAIN TECHNOLOGY IN THE POST-CDBC ERA——RESEARCH



BLOCKCHAIN TECHNOLOGY IN THE POST-CDBC ERA——RELATED FIELD



THANK YOU!
JUST FOR YOUR REFERENCE

