



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

The background of the slide features a large, semi-transparent globe on the right side, which is covered in various international banknotes. To the left of the globe, a map of Malaysia is visible, composed of numerous small, embossed currency symbols and characters in various colors and sizes, creating a textured effect.

Digital Fiat Currency (DFC) - and its impact on Financial Inclusion

Global Symposium on Innovative Financial Inclusion

Kuala Lumpur, September 21, 2016

DFC is

- Central Bank Issued
- Fiat Currency
- Legal Tender
- Sovereign denomination
- True to the three tests of currency:
 - medium of exchange
 - store of value
 - Unit of account

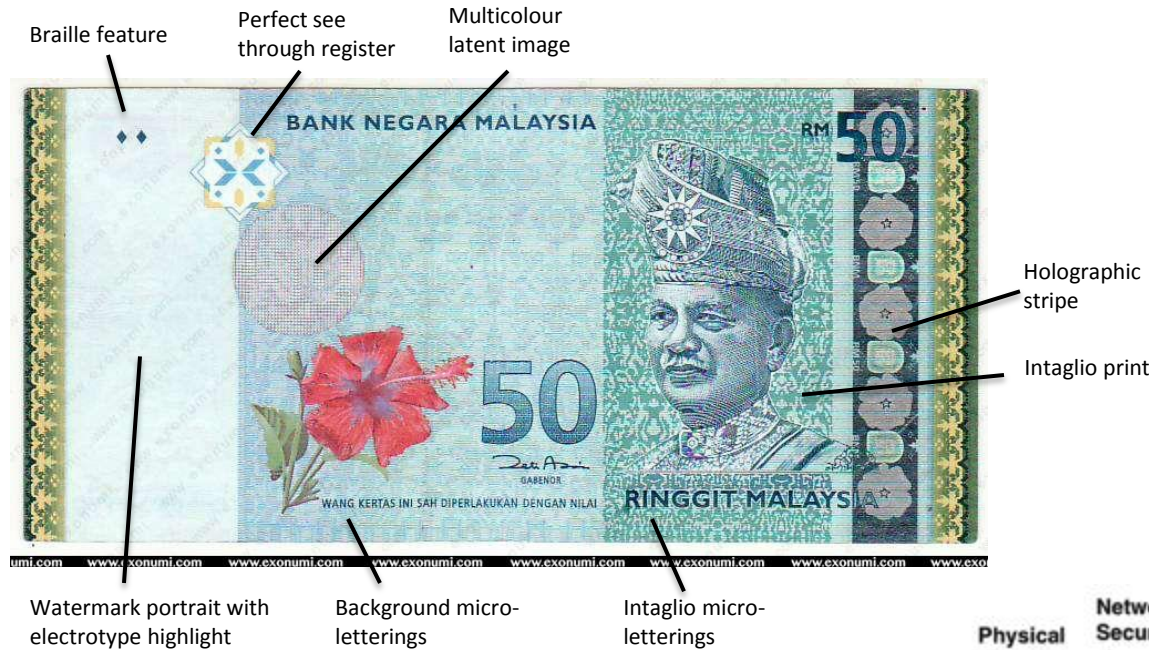
DFC is not

~~Cryptocurrency (BITCOIN)~~
~~Private Digital Currency (CitiCoin or SettleCoin)~~
~~Supra National Currency (Ripple XRP)~~
~~Virtual Currency~~

RegTech

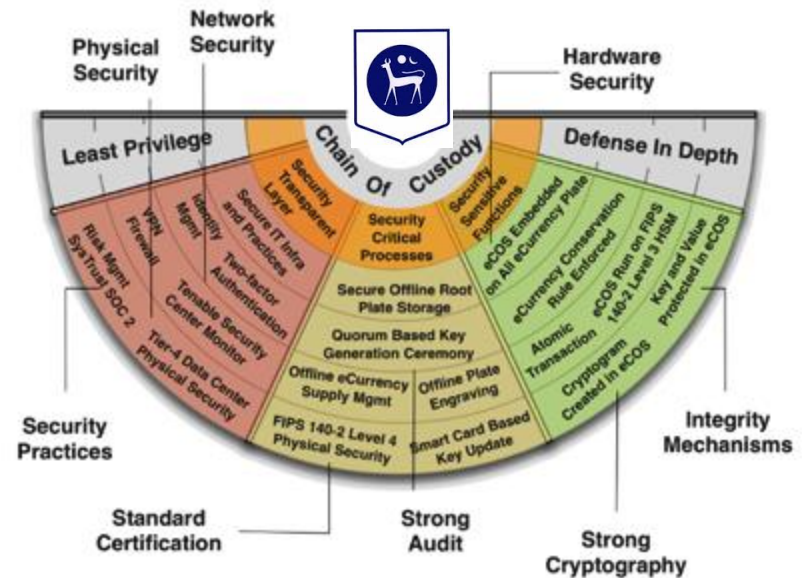
Issuance of a secure instrument

- eRinggit securely constructed with defense in depth



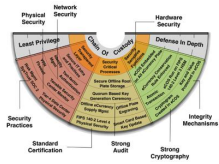
An eCurrency unit is a unique, security construct (crypto-complex) that contains information about the specific unit, to distinctly identify itself and the value of the denomination it represents.

It will mitigate the ever-present risk of electronic counterfeiting.



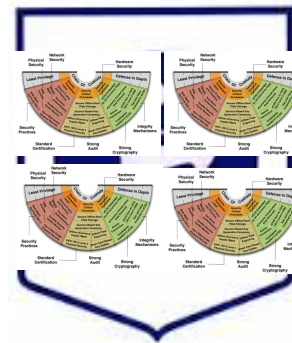
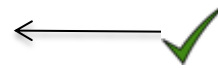
DFC = Interoperability and trust

True interoperability with common unit of account issued by the central bank



Electronic Malaysian Ringgit

- Issued by Bank Negara Malaysia
- Legal tender in electronic form
- Interoperable



What problems are we solving with a DFC?

- Governance and regulatory compliance
 - Enables Central banks to sustainably perform core regulatory and monetary policy roles
 - Improves transparency and monitoring capabilities in economy and financial system
- Interoperability
 - Universally accepted and interoperable digital payment instrument
 - Enables instant settlement and eliminates counterparty- & settlement risk
- Security and trust
 - Infuses trust in all digital transactions
 - Reduces cyber security and fraud risks
- Efficiency and innovation
 - Cost efficiency vs. physical currency freeing up monetary resources
 - A trusted standardized DFC helps accelerate innovation in Digital Financial Services leading to Financial Inclusion



Enhanced
Economic
Growth



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eCurrency

Thank You!

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