Distributed Ledger Technology & Blockchain: Practical applications in Payment and Settlement Systems

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Why is DLT getting so much attention?

• All parties can have access to same set of data:
  • Lowers reconciliation costs
  • Increases transparency

• Enable P2P interactions [De-centralization]
  • Enhances speed
  • Reduces cost

• Immutability
  • Enhances integrity of system

• Programmability and Automate various actions [Smart Contracts]
  • Enhances speed; Reduces cost

• Enhance resilience of System
  • No Single point of failure
Clearly on cross-border payments...

Today: SWIFT + Correspondent = Relay

Tomorrow 1.0: trusted protocol – Bank2Bank

Tomorrow 2.0: party to party = No Banks?
Regional Integration of payment systems

USD  Euro  RMB
CFA franc  Rand  Pula
Cedi  Rupee  Dollar
And on capital markets FMIs...
Other Areas

• Managing reference and ancillary data

• Tiered participation

• Payments in a supply chain

• Collateral management

• Centralized funds management
Objective for this panel discussion

Articulate the key areas where DLT is being applied in payments and market infrastructures **currently** and the **experiences** from them.

What are potential applications in the **medium term** and why

What needs to be **resolved/addressed** from a legal, regulatory, policy and infrastructure perspective, **for the medium term potential** to be realized.