

Joint statement on Multiple Central Bank Digital Currency (m-CBDC) Bridge Project

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA), together with the Bank of Thailand (BOT), the Central Bank of the United Arab Emirates (CBUAE) and the Digital Currency Institute of the People's Bank of China (PBC DCI), today (February 23) announced the joining of the CBUAE and the PBC DCI to the second phase of Project Inthanon-LionRock (Note), a central bank digital currency project for cross-border payments initiated by the HKMA and the BOT. This joint effort is strongly supported by the Bank for International Settlements Innovation Hub Centre in Hong Kong and the project has been renamed as "Multiple Central Bank Digital Currency (m-CBDC) Bridge".

Building on the experience learnt from Project Inthanon-LionRock, the m-CBDC Bridge Project will further explore the capabilities of distributed ledger technology (DLT), through developing a proof-of-concept (PoC) prototype, to facilitate real-time cross-border foreign exchange payment-versus-payment transactions in a multi-jurisdictional context and on a 24/7 basis. The m-CBDC Bridge Project will also explore business use cases in a cross-border context using both domestic and foreign currencies.

Following the joining of the CBUAE and the PBC DCI, the m-CBDC Bridge Project will further foster a conducive environment for more central banks in Asia as well as other regions to jointly study the potential of DLT in enhancing the financial infrastructure for cross-border payments. Eventually, the outcome is expected to alleviate the pain points in cross-border fund transfers, such as inefficiencies, high cost and complex regulatory compliance. Most importantly, the participating central banks will take into account the results of the PoC work to evaluate the feasibility of the m-CBDC Bridge Project for cross-border fund transfers, international trade settlement and capital market transactions.

Note: The HKMA and the BOT conducted a joint research project named Project Inthanon-LionRock in Q4 2019 to study the application of CBDC and DLT to cross-border payments. For more details, please refer to the HKMA's press release at:

www.hkma.gov.hk/eng/news-and-media/press-releases/2020/01/20200122-4