

Digital Money, an Overview

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Size and growth warrant attention

Cryptoassets

2.5 trillion
10% of NY stock exchange
10x growth since 2018 FSB

CBDC

70 % IMF membership
20 requests for TA in 6 months

Bank Deposits vs. Digital Money and Cryptoassets



Private money

Public money

Not money

E-money

Stablecoins

CBDC

Cryptoassets

Denomination

National currency

Same as banks

Same as banks

Same as banks

Own

Redemption pledge

Fixed @ face value

Same as banks

Fixed / Flexible

None

None

Backstop

Government

Private

Private

None

None

Backing asset

Mixed

Safe & liquid

Safe / Varied

None

None

Digital money offers potential benefits...

CBDC

Privately issued digital money

Safety, resilience, market discipline

Efficiency of public policy

Rights of citizens

Financial inclusion

Catalyst for innovation & growth

Cross border payments

Tailored and integrated

... as well as risks...

CBDC

Privately issued digital money

Banking sector disintermediation

Operational resilience

Reputation

Crowding out private sector

Consumer protection

Financial stability

Financial integrity

Market contestability

... and wider policy challenges and opportunities

Domestic

Privacy & data

Legal frameworks & treatment

Public – private partnerships

Banking and credit provision

Fiscal policy efficiency

Climate

International

Currency substitution

Monetary policy independence, Control of financial conditions, FX regime

Capital flow management & effects

Payment fragmentation/ integration

Digital divide

Backstops and reserve currencies