FDTF Call Notes

*20 April 2021*

# Attendees

* Mike Bennett
* Pete Rivett
* Rob Nehmer
* Bobbin Teegarden

# Agenda

* RFI
* Q2 Deliverables planning

# Meeting Notes

## Digital Currencies RFI

### Central Bank Digital Currencies

CBDC in the headlines a lot lately:

See e.g.

<https://www.fintechfutures.com/2021/04/uk-takes-first-steps-towards-cbdc-with-launch-of-new-taskforce/>

Are these necessarily crypto or something else?

Are they a different implementation – for most crypto currencies there is some string somewhere that represents the coin (unique) whereas a separate DC could be just simply tracing balances in an account (account based versus token based DC), without creating coinage to do the transactions.

Isn’t that the same as what we have now – i.e. transfer money.

Recent references about this – e.g. CBDC taking a technological approach? May be different implementations versus PoW (Crypto). IOTA doesn’t use the Blockchain style of mining PoW since it relies on other consensus building mechanism.

So are the CBs thinking of these alternatives?

* Something earlier – money supply side – not necessarily a C2C.
* Different parts of the CB system that could be digitized. This is where the conversation is happening

e.g. Coinbase: margins (bid/offer) is v large. This is because transferring Bitcoin takes a long time, so price is not guaranteed, hence the need for the wide margins.

Other players in that space: huge spread is a source of profit margin, which may be an issue.

#### CBDC WG

What about the OMG CBDC WG?

* Still exists
* Did they meet at the QM? No

Our scope broader in order to include but not replicate what they are doing.

### This DC RFI

2 things to do in any RFI:

* Figure out what we know (stuff we don’t want to ask)
* Figure out what to ask

#### Next Steps

Sketch out some of the variables:

* Token v balance sheet

e.g. for the CBDCs – they might be looking specifically at ledger based?

### For ‘What we know’ (Scope)

Broader landscape of money as a whole

Eg. what is money? No one view but have some basics:

As above – token v not

Money as means of exchange v store of value.

Do a wiki page that sets out the basic parameters of money and currency in terms of scoping

#### Possible kinds of digital currency:

Venmo has a DC that is ledger based – lets you keep something in a vault with a digital ledger that affirms that that exists.

This is <https://silvertoken.com/>

BitCoin – recent event. Implications in terms of what eds up being regulated.

<https://kinesis.money/>

Include in scope: regulatory implications

### Scoping: What we Know v What we Don’t Know

For the RFI – what we don’t already know that we need to figure out

For our scoping – set out what we know or is already known so we can figure out the RFI questions off the back of that.

* Wiki page for the What we know stuff and refer to that

### RFI questions

* recent developments and things that are happening now
* what people anticipate
* Challenges they are experiencing or anticipating

On Venmo: Transferring digital payments – not specific to cryptography (neither is this RFI, at least as we currently envision it).

#### Hackability issues

e.g. if you have (currency) in one or other of:

* The exchange (crypto exchange)
* Your own wallet

In both cases there are distinct security issues. Determines how or where you might trade it.

#### Kenesis

Look at Kinesis:

<https://kinesis.money/>

<https://kinesis.money/mint/>

You can mint your own currency.

#### How Currencies are Backed

Questions: Backing

e.g. gold / metals, fiat (commitments Debt? What else?)

e.g. commitment based idea – indistinguishable from a junk ABS.

On Tokens: fungible v non fungible

Bobbin was talking about something using cattle instead of gold. Common in e.g. Zimbabwe / Kenya – still paid for lobola (dowry) alongside trucks etc.

* How codified?
* How unitized

#### Community Currencies

What we know about these (see previous meeting notes)

### What we Know: Wiki

Do a wiki that sets out the variables 4 ccy

Too broad?

Use 2 clarify. Then decide what in scope 4 the RFI itself out of the whole space.

#### Make that happen:

* Create that page, then people add to it?
  + Or
* Take 1 of these sessions and create it then. Can edit after.

Also clip earlier mtg notes in2 that wiki or an evolving doc. Edit that.

#### Wiki Topics

See wiki created at today’s meeting

## AoB

None.