2.0 Methodology

OMG Responses to Federal Reserve Discussion Paper

The U.S. Federal Reserve (Fed) published a

White Paper

on Money, and Payments: The U.S. Dollar in the Age of Digital Transformation[1], which provided a discussion and analysis of cbdc, some possible designs to address CBDC, and some direct questions they posed to stakeholders about the possibility of adoption of CDBC by the U.S. Federal Reserve.

The Object Management Group is responding to the questions posed by the White Paper. The OMG response is based on a Systems Engineering approach, see Figure 1. The following briefly describes each step in the process:

The White Paper was reviewed and its content was divided into two main sections:

1. A general discussion of what the Federal Reserve believes the CDBC needs to do is restated in terms of a matrix of Federal Reserve “Desirements” (i.e., White Paper Analysis). These “Desirements”[2] are classified according to the four main objectives stated in the White Paper:

- Benefit Considerations
- Policy Considerations
- Risk Considerations
- Design Considerations

2. A set of questions for potential stakeholders to answer. Upon review of the answers to the questions,

   a. Some content was extracted and made into a set of Common Elements that have applicability to multiple answers to multiple questions. For example:

   - Stakeholders
   - Currency Models
   - Stablecoins
   - National Privacy Considerations
   - National Security Considerations
   - International Considerations
   - Dual Payment Networks

   b. Each question's answer tried to have the same outline when formulating answers:

   - Overview
   - Examples
   - Discussion of Examples

The results were then collated into a single OMG response that includes a set of overall recommendations

Figure 1: Overview of the OMG Methodology used to answer the Federal Reserve Questions.
[1)]

Board of Governors, The Federal Reserve System, January 2022, Accessed: 5 May 2022, https://www.federalreserve.gov/publications/files/money-and-payments-20220120.pdf
[2)]

Desirement is a blended word combining the word **Desire** and **Requirement**. **Desirement** is something that is desired, but not absolutely required and is often used to caption the capabilities of a product or system before it has reached the formal requirements phase. Source: Desirement

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