

2.0 Methodology

OMG Responses to Federal Reserve Discussion Paper

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A brief overview of the methodology the OMG used to formulate a response to the **White Paper**.

The U.S. [Federal Reserve \(Fed\)](#) published a white paper on [Money, and Payments: The U.S. Dollar in the Age of Digital Transformation¹](#), which provided a discussion and analysis of [Central Bank Digital Currency \(CBDC\)](#), some possible designs to address CBDC, and some direct questions they posed to stakeholders about the possibility of adoption of CBDC 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 CBDC 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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