sub-Q1: Benefits

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Question

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What additional potential **benefits** of a cbdc may exist that have not been raised in this paper?

Answer

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Probably the biggest benefit would be the adoption of Dual Automated Clearing House (ACH) Network/CBDC Payment Networks as outlined in the Common Elements section on Dual Payment Networks.

1. Development of a near real-time payment network with:

    a. Efficient Consensus Algorithms
    b. Adherence to:

    - U.S. Privacy Laws and Regulations
    - U.S. Security Laws and Regulations
    - International Cooperation and adherence to treaties

2. Development of a **bridge** between the existing Automated Clearing House (ACH) Network and the new U.S. CBDC Network

3. Development of a new standardized Application Programming Interface (API) to connect the outside world to the newly enhanced combined ACH Network and CBDC Network for the existing intermediaries to use for transfers

Figure 1 provides a very simplistic overview of how a Dual ACH/CBDC network might work. The intention is to build onto the existing financial system already in place but to allow an option to use a U.S. CBDC probably built as a Stablecoin. The Existing Intermediaries would still fulfill their existing roles while providing an option to use a CBDC network to transfer the money. The existing validation and verification for the number of transactions, the quantity of money transferred, and all of the checks for criminal activity and assurance for privacy would stay in place.

Figure 1: Theoretical Very Simplified Dual ACH-CBDC Network Concept.