

# Central Bank Digital Currencies

## CBDC

CBDC: The Basics, Threat to Freedom & How will it work in the Metaverse.

# CENTRAL BANK DIGITAL CURRENCIES

- ❖ The Basics
- ❖ Threats to Freedom
- ❖ Metaverse

➤ Why Bitcoin Matters

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*Consultation Areas: Bitcoin, Cryptocurrencies, Blockchain Technology, Beyond Blockchain, DeFi, NFT, & Metaverse*

- *Crypto & Coffee at 8*
- *Metaverse Everything*



# Part A

- What is Central Bank Digital Currency (CBDC)
- History
- How will CBDC work
- The Current state of CBDC
- Countries currently studying, working on CBDC
- El Salvador adopting Bitcoin and its impact
- IMF's stance on CBDC
- When will UAE launch its CBDC

# Part B

- CBDC vs Bitcoin
- CBDC a Threat to Freedom
- Political implications
- Support & Resistance to CBDC
- China's role in CBDC
- Wholesale CBDC
- Retail CBDC
- Multi CBDC
- CBDC's role in the Metaverse



# CBDC





## Issuance

## Management

## Supply

## Digital Wallet

# Digital Currency issued by the Central Bank

- *Same as Fiat Currency / Paper Money*
- *Backed by Faith*
- *Will be Stable coin*
- *Not issued by Commercial Bank*
- *Inspired by Bitcoin & Stable Coins*
- *Will NOT use Distributed Ledger or Open Blockchain*
  - *Centralized Blockchain / Software*

# Central Bank Digital Currency

- Issuance:

- Central Banks will issue digital currency
- Central Bank to Individual- Business- Cross Border
  - No Middle Person
  - Funds received within seconds
  - Each digital currency will be tracked

} KYC/ AML/FATF/ Fraud Detection

- Managing: CBDC will be stable coins

- Will NOT be based on debt
- Who should get the funds & how
  - Loans/ Debts/ Interests
  - Switch from Current Bank to CBDC
    - Incentivize
- Every transaction can be monitored

- Simon Dixon: 6 forms of Money
- Ray Dalio : " How the economic Machine works"

- Ban on CBDC by Republican

# Central Bank Digital Currency

## • Supply

- Unlimited Supply
- Not backed by anything
  - Russia is planning to back it by Gold
- Better manage inflation by (Burning)
  - Ethereum EIP 1559 ( London Hard fork)

- Bitcoin
- Demand vs Supply (Fixed)

## • Digital Wallet

- Issued by Central Bank
- Will be able to reset password
  - Private Key/ Public Key ✗
  - Email password ✓
  - No need for Internet connection
    - Bluetooth

- Much better user experience
- Customer service
  - Complaints
  - Subscription service
  - Chargebacks

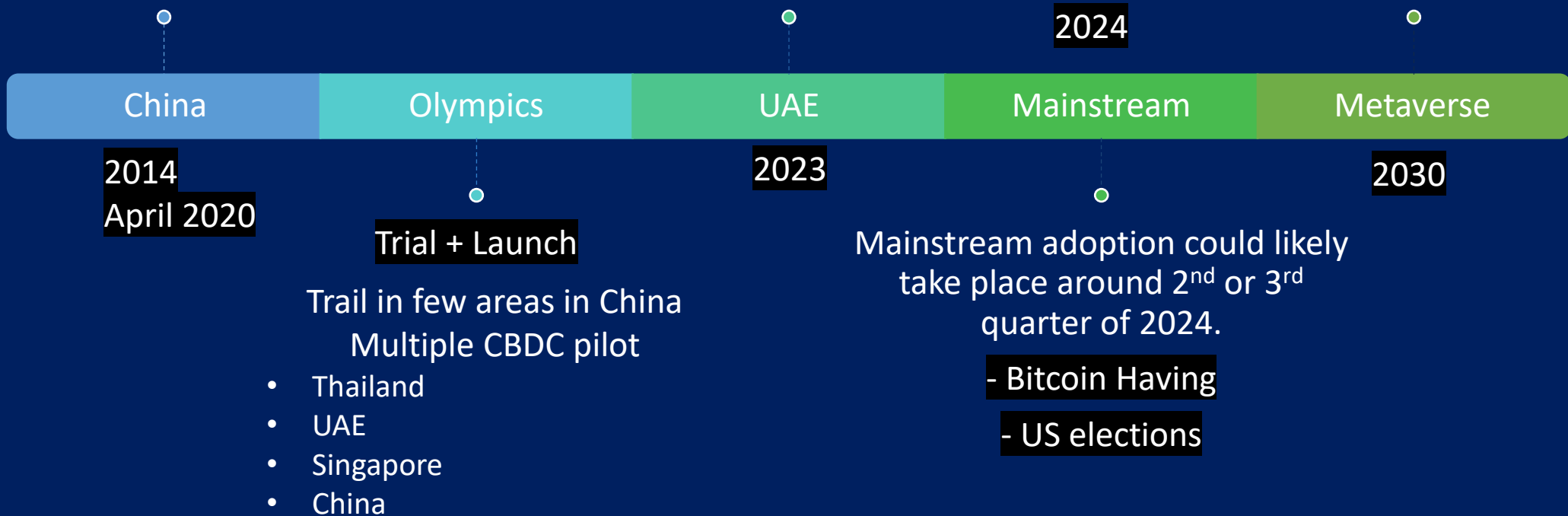
# History & Timeline of CBD

2014- Issued banking license to We chat + Ali Pay

2014- People's Bank of China research team on CBDC

2030 Strategy. It was official announced by WAM that UAE will be launching CBDC in 2030. The news has been retracted But work in progress

Ideal form of currency in the Metaverse? Ideal if it is an Apolitical Metaverse  
Time - Cost - Quality





# CBDCs:

## The Current State of Central Bank Digital Currency Developments Around the World

### Current State of CBDC

- Retail CBDC
- Wholesale CBDC
- Multi CBDC

- China is leading the CBDC race
- 105 countries working on CBDC
- UK very Pro “stable coins” & CBDC
- M Bridge ( 4 countries)
- Bank of International Settlement  
“CBDC not Crypto is the future of monetary system” -Annual Report



# CHINA'S DIGITAL CURRENCY REVOLUTION



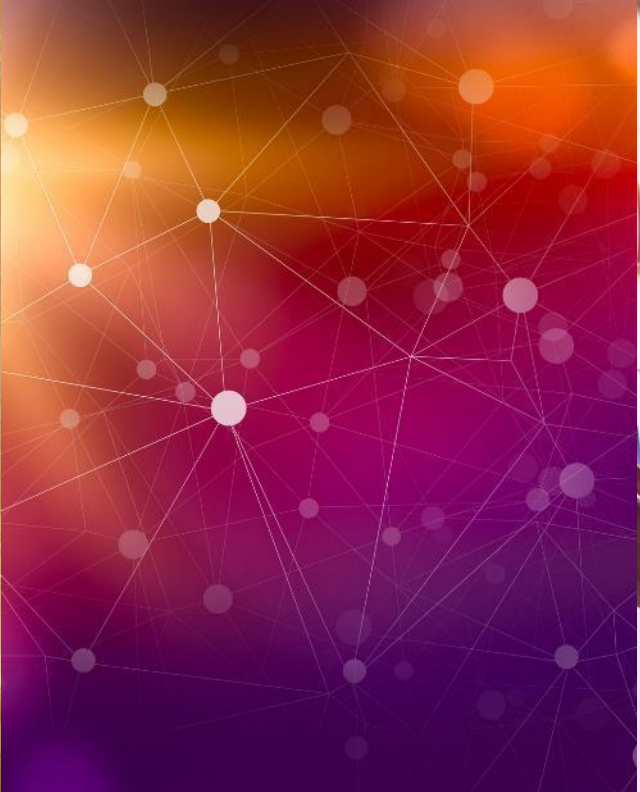
# CASHLESS



## RICHARD TURRIN

## Richard Turrin: The OG of Central Bank Digital Currency

- LinkedIn post: Everyday about CBDC
  - Bank of International Settlements
  - World Economic Forum
  - Money Wars USA vs China
- Bankless Podcast: China's Digital Currency Revolution
  - Lack of Bitcoin knowledge & cryptocurrency
  - Lack of knowledge on International settlements



Financial Inclusion  
Bank the Unbanked

CBDC- Smart Contracts

NFC payments (No internet)

Cross Border: MCBDC

# China is leading the CBDC race

- *Same as Fiat Currency / Paper Money*
- *Not issued by Commercial Bank*
- *Smart contracts*
- *Will NOT use Distributed Ledger or Open Blockchain*
  - *Centralized Blockchain / Software*

# International Monetary Funds stance on Bitcoin and Cryptocurrency & CBDC



**Central Bank Digital Currency**

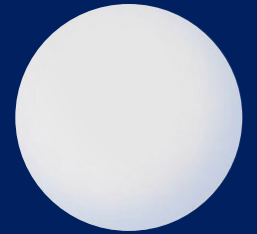


- Bitcoin
  - Peer to Peer Electronic Cash System
  - Financial freedom
  - Economic Freedom
  - Ability to get rich / Better life
  - Ability to make choices
  - Separation of Money & State
- Open source- Permissionless- Borderless-  
Censorship resistant – Neutral- Publicly verifiable

## **Central Bank Digital Currency**

- Financial Dependence to IMF
- Monetary Control
- Loan dependency
- Control over nations economy
- Sanctions (Directly & Indirectly)
- Poor countries remain poor
- Politics over Money
- Strict control over distribution

# When will UAE Launch CBDC



## DMCC

- Crypto Center
- Crypto Valley
- Crypto Oasis

## World Trade Center

- Binance
- DFSA

## Metaverse Strategy

- 1% of GDP 2030
- 42,000 jobs

## Dubai Airport Free Zone Authority

- Crypto license
- Mining investment



- ✓ Emirates News Agency ([www.wam.ae](http://www.wam.ae))
- ✓ Official news agency of the United Arab Emirates
  - ✓ News has been recalled
- ✓ Most likely 2023 -2024 as part of 2030 Strategy