



Central Bank Digital Currencies (CBDCs) Testing Platform, Enabling Central Banks to Assess and Explore National Digital Currencies

- Innovative virtual and custom testing platform allows central banks to evaluate use cases and test roll-out strategies for CBDCs by simulating a CBDC ecosystem
- Central banks, commercial banks, and tech and advisory firms invited to partner with Mastercard to evaluate the suitability of CBDCs in a country or region

HONG KONG, SEPTEMBER 10, 2020 – With the global economy racing to embrace digital payments, central banks also are looking to the future and investigating how to support innovation while maintaining monetary policy and financial stability as they issue and distribute currency. In fact, 80 percent of central banks surveyed are engaging in some form of Central Bank Digital Currencies (CBDCs) work, and about 40 percent of central banks have progressed from conceptual research to experimenting with concept and design, according to a recent survey by the [Bank for International Settlements](#).

Mastercard announced a proprietary virtual testing environment for central banks to evaluate CBDC use cases. The platform enables the simulation of issuance, distribution and exchange of CBDCs between banks, financial service providers and consumers. Central banks, commercial banks, and tech and advisory firms are invited to partner with Mastercard to assess CBDC tech designs, validate use cases and evaluate interoperability with existing payment rails available for consumers and businesses today.

Mastercard is a leader in operating multiple payment rails and convening partners to ensure a level playing field for everyone – from banks to businesses to mobile network operators – in order to bring the most people possible into the digital economy. Mastercard wants to harness its expertise to enable the practical, safe and secure development of digital currencies.

“Central banks have accelerated their exploration of digital currencies with a variety of objectives, from fostering financial inclusion to modernizing the payments ecosystem,” said **Raj Dhamodharan, Executive Vice President, Digital Asset and Blockchain Products and Partnerships, Mastercard**. “Mastercard is driving innovation with the public sector, banks, fintechs, and advisory firms in the exploration of CBDCs, working with partners that are aligned to our core values and principles. This new platform supports central banks as they make decisions now and in the future about the path forward for local and regional economies,” Dhamodharan added.

Sheila Warren, Head of Blockchain, Digital Assets and Data Policy at the World Economic Forum, said: “Collaborations between the public and private sectors in the exploration of Central Bank Digital Currencies can help central banks better understand the range of technology possibilities and capabilities available with respect to CBDCs. Central banks can benefit from support in exploring the option set available to them with respect to CBDCs, as well as gaining insight into what opportunities may be forthcoming.”

CBDCs are designed to be equivalent in value to a nation’s paper currency and subject to the same government-backed guarantees. In addition to printing money, central banks can issue CBDCs as a digital representation of a country’s fiat currency.



Driving Scalable Innovation

While a variety of potential operating models exist, the primary approach sees central banks issuing and distributing currency, including digital currencies, through commercial banks and other licensed payments providers. Mastercard understands every central bank differs in its exploration of CBDCs, and the platform stands ready to explore whether CBDCs fit with the needs of a region or country. The virtual platform can be individually customized to the environment in which the central bank operates, allowing them to:

- Simulate a CBDC issuance, distribution and exchange ecosystem with banks and consumers, including how a CBDC can interface with existing payment networks and infrastructures – e.g., cards and real time payments.
- Demonstrate how a CBDC can be used by a consumer to pay for goods and services anywhere Mastercard is accepted around the world.
- Examine various CBDC technology designs and use cases to more quickly determine value and feasibility in a market.
- Evaluate CBDC development efforts including the technical build, security and early testing of the design and operations.

Central Bank Digital Currencies of the Future

Mastercard is committed to supporting central banks in their chosen path to modernize payments as they look for solutions that seamlessly integrate with existing ways to pay. The company is committed to forging partnerships between public and private sectors to together transform the way people and businesses transact.

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About Mastercard, www.mastercard.com

Mastercard is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. Our decency quotient, or DQ, drives our culture and everything we do inside and outside of our company. With connections across more than 210 countries and territories, we are building a sustainable world that unlocks priceless possibilities for all. www.mastercard.com.

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