

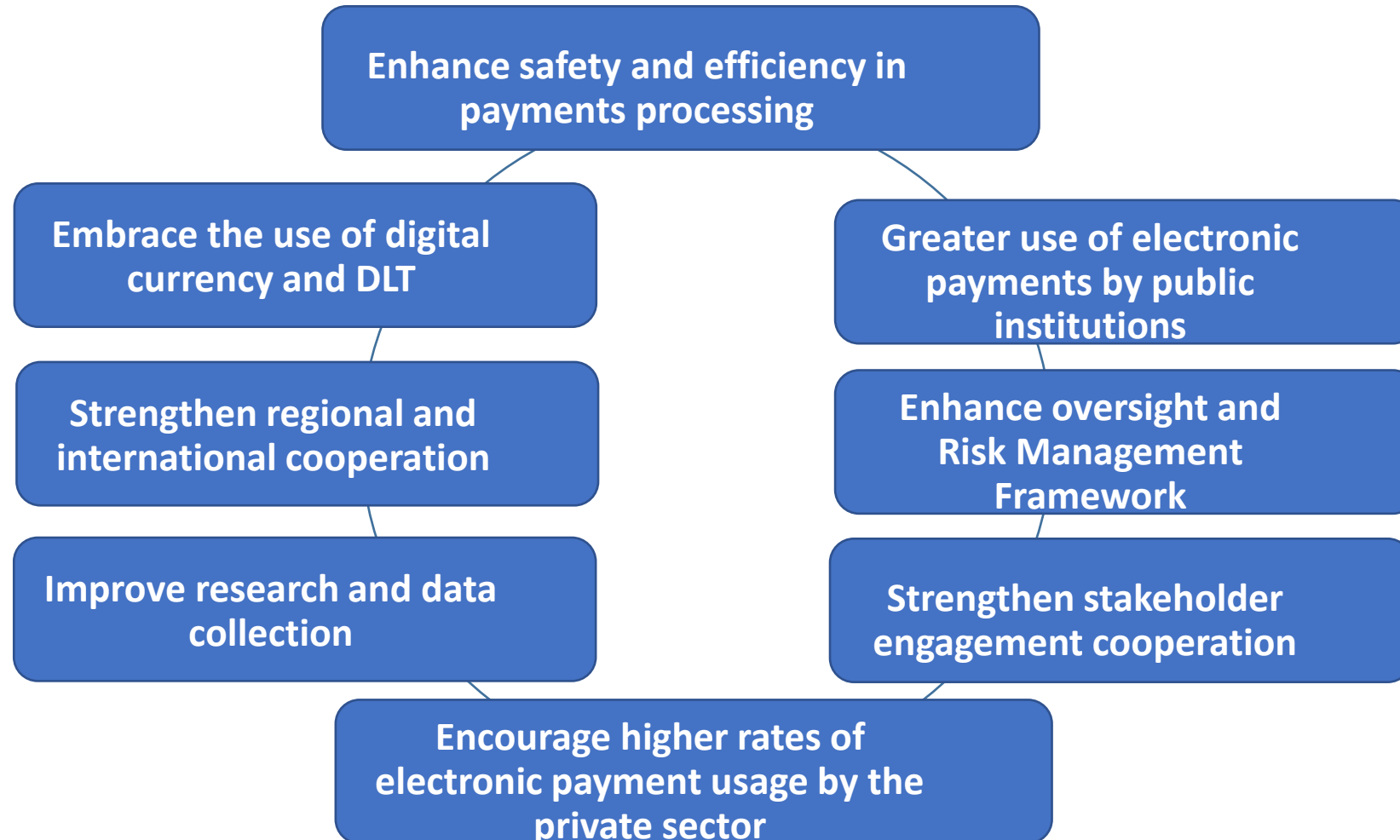
EC Digital Cash

A Safer, Cheaper, Faster way to make
EC\$ Payments and Transfers





STRATEGIC PRIORITIES - ECCU PAYMENT SYSTEM MODERNISATION





CURRENT PAYMENT SYSTEM SHORTCOMINGS

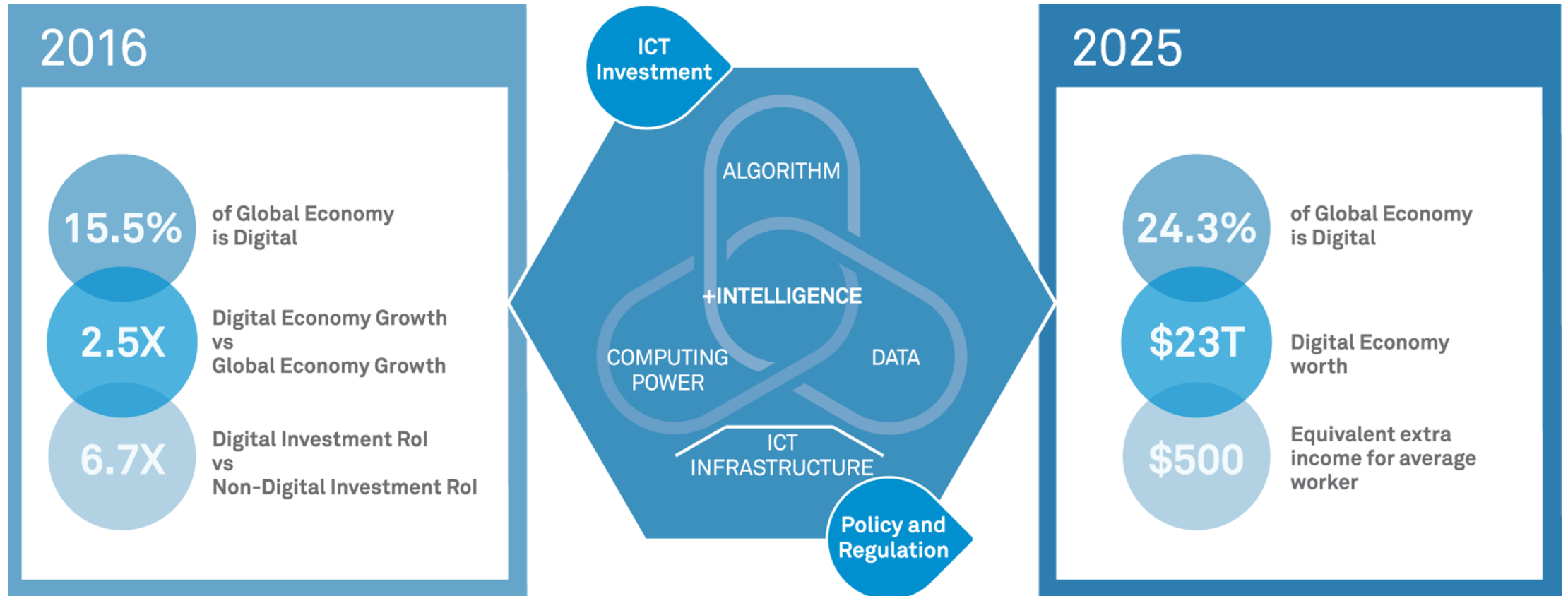
1. High payment processing costs
2. Delays in money transfers and in settling cheque transactions
3. Inherent frictions in physical cash transactions
4. Penalises small transactions
5. Concentration of credit and liquidity risks
6. Limited visibility and recoverability
7. Inadequate to address the needs of various customers
8. Inadequate to drive digital transformation in tandem with the 4th Industrial Revolution





Eastern Caribbean Central Bank

Forecasting the 2025 Digital Economy – Future Opportunities





KEY GLOBAL PAYMENT SYSTEM TRENDS

- Digital Wallets for Payments
- Blockchain
- Virtual Banks
- Mobility
- Real-time Processing
- P2P Payments

Global Digital Payments Market Growth by Region, 2020-2026





Digital version of EC cash transmitted via smart devices on a secure, private permissioned blockchain platform

Near Real time Payment and Settlement enhanced accuracy, certainty, data analytics; drive ease of doing business, resilience, growth and competitiveness

ECCB Monetary Sovereignty and Control mitigating potential adverse monetary and financial stability consequences of alternative currencies

Enhance Governance KYC, AML-CFT; data analytics, real time reporting

Enhanced Privacy and Security DLT, enterprise level security, permissioned access, MFA, secure cloud infrastructure



Improves Lives

Cost and speed efficiencies in payments and transfers within the ECCU
P2P|P2B|B2P| B2B|P2G|G2P|

Digitalisation
Next generation payment methods, technologies, platforms, applications (wallets and APIs), engagements and information structures to drive opportunities for legacy and new services

Financial Inclusion
Reducing the inefficiencies and cost of financial services to increase effective access for the banked, underbanked and unbanked; enhance P2P.

Modular Architecture enabling scalability to meet diverse current and future requirements

Positive impact on development



Merchant

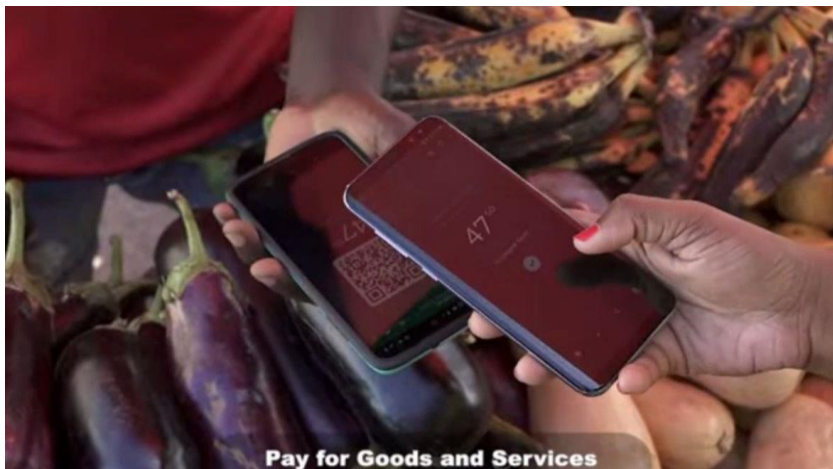
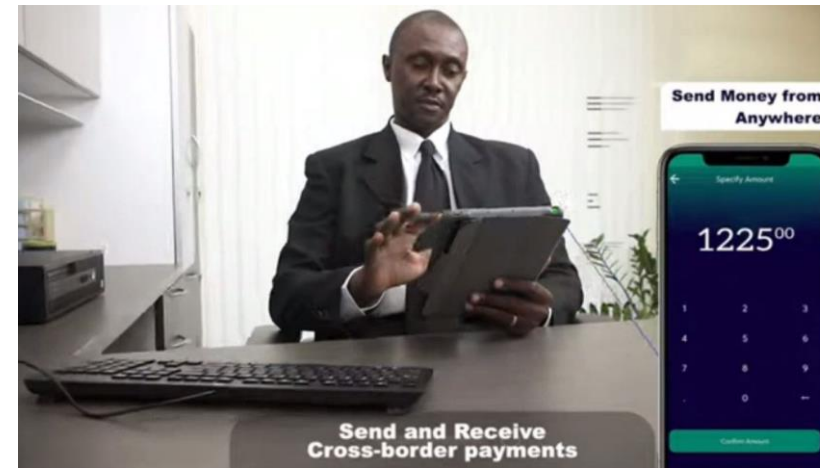
DCash Merchant allows businesses to:

- ✓ Receive digital EC currency payments - locally and cross-border
- ✓ Send live invoices to instantly receive digital currency payments - locally and cross-border
- ✓ Save time - transactions and settlement are instant and simultaneous
- ✓ Save money - transactions are free
- ✓ Increase profitability by reducing wait times and the cost of managing cash



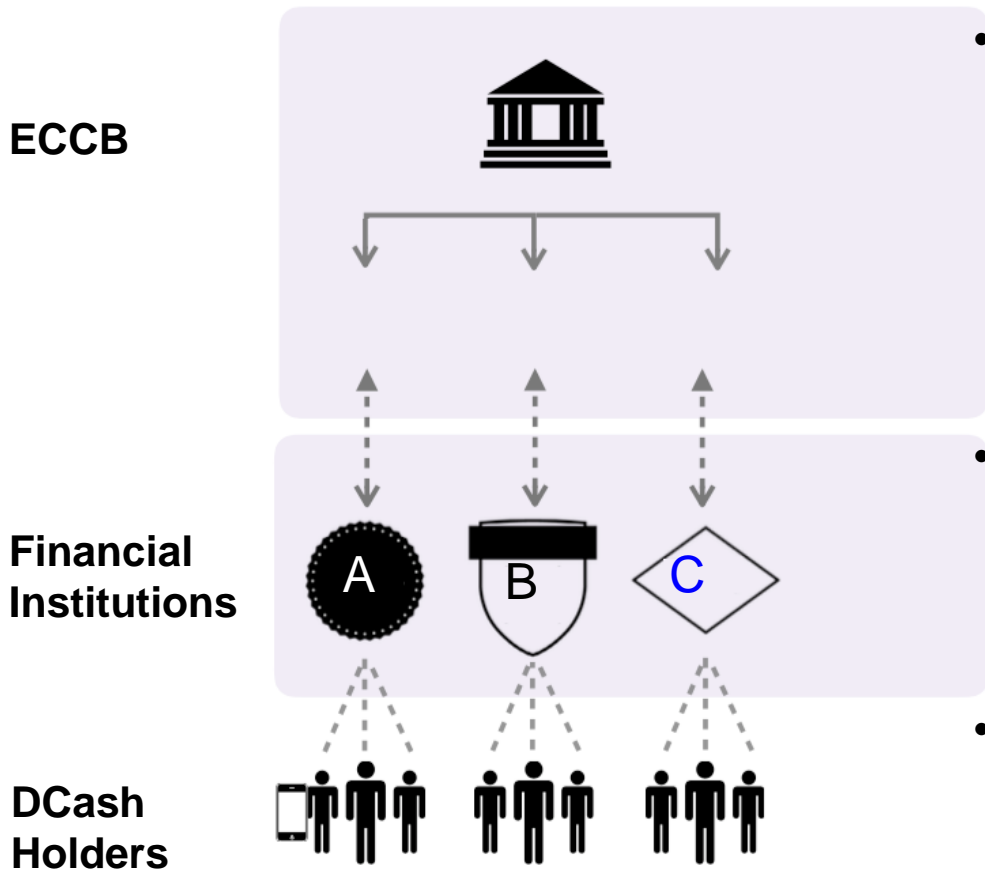
Consumers

- ✓ Send and receive digital EC currency - locally and cross-border
- ✓ Purchase goods and services - locally and cross-border
- ✓ Manage digital EC currency
- ✓ cashIN and cashOUT digital EC currency



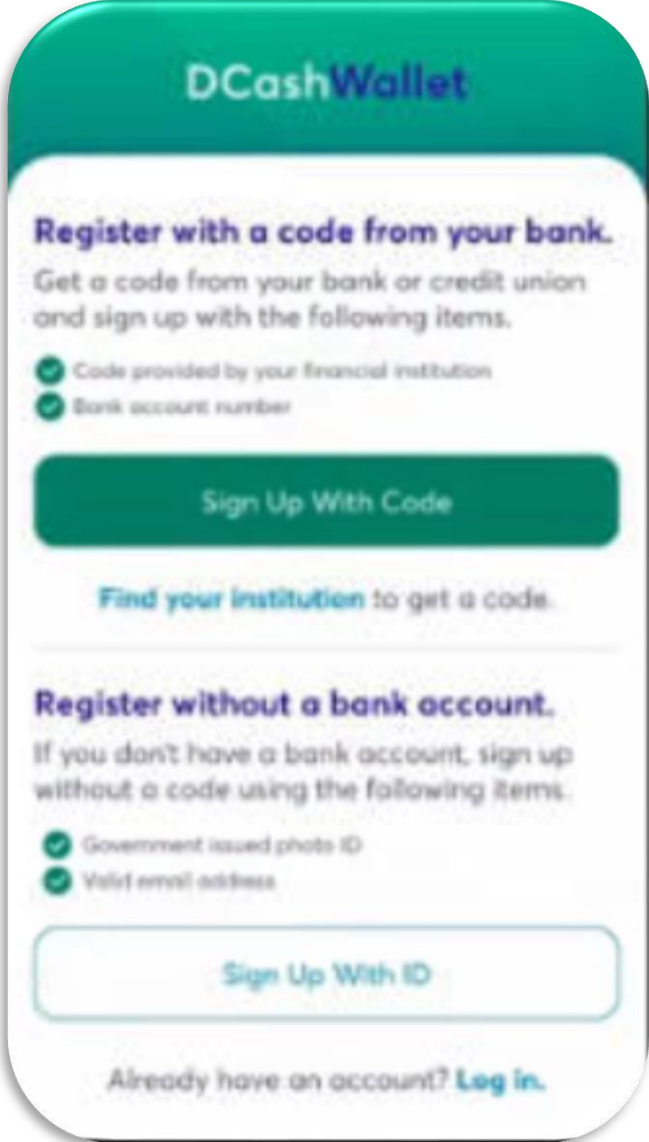


DCash Issuance and Distribution

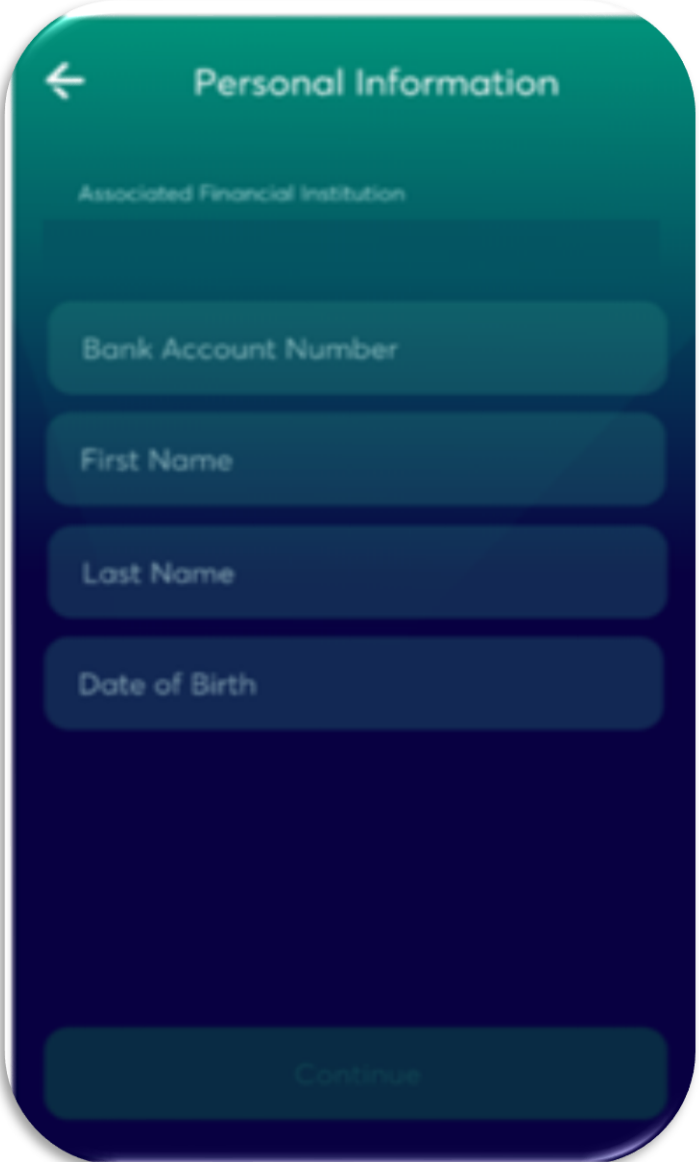


- The method of issuance and redemption of DCash will follow the conventional principle (*creating ECCB money by way of credit balances or issuance of cash*) and a related accounting/recording procedure where the DCash represents an ECCB liability.
- Financial institutions would purchase DCash from the ECCB, similar to how EC banknotes and coins are purchased, and would in turn make the DCash available to their members/customers.
- Members/Customers, via their financial institution, will convert bank account balances or physical cash for DCash (and vice versa)

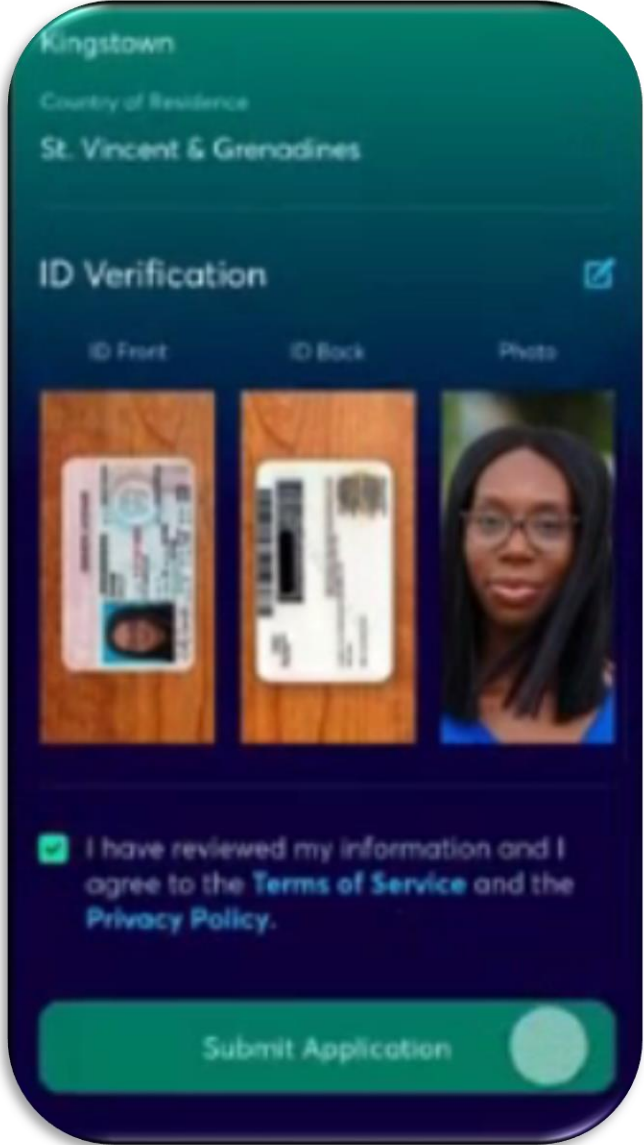
Sign up

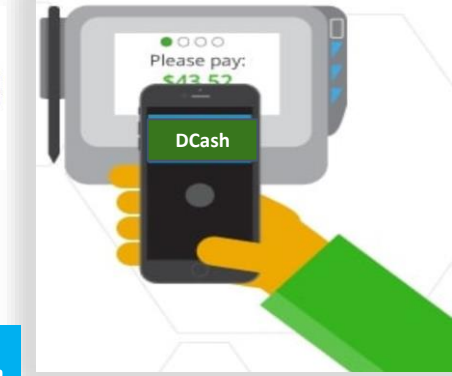


with Code



with ID





A Safer, Cheaper, Faster way to make EC Payments and Transfers

3 SIMPLE STEPS IN MAKING A DCash PAYMENT



Access DCash (aka DXCD)

- Using your smart device, download the DCash digital wallet from the Google Play and Apple App stores. Select a participating commercial bank/credit union or DCash agency.
- Use physical cash or make a request to your financial service provider for funds from your deposit account held with your financial institution to be debited load your DCash digital wallet.



Make a Payment

- Using your smart device, scan, pay and confirm payment for goods and services.



Real time Payment Settlement

- The payment is deducted from your wallet balance and credited to the merchant's wallet balance.
- Within seconds, you and the merchant receive automated visual and email notifications of a successful payment. Your DCash balance and that of the merchant are updated in real time.

- Send money to family, friends and merchants within the ECCU at no cost
- Maintain direct access to personal digital financial records via your phone
- New opportunities to create and maximise wealth



ECCB DCASH MONETARY AND FINANCIAL STABILITY POLICY DESIGN FRAMEWORK

Core design principles facilitate the substitution of one form of EC into another without adverse impact on a) monetary and financial stability; b) bank funding; c) credit and liquidity provision to the private sector.

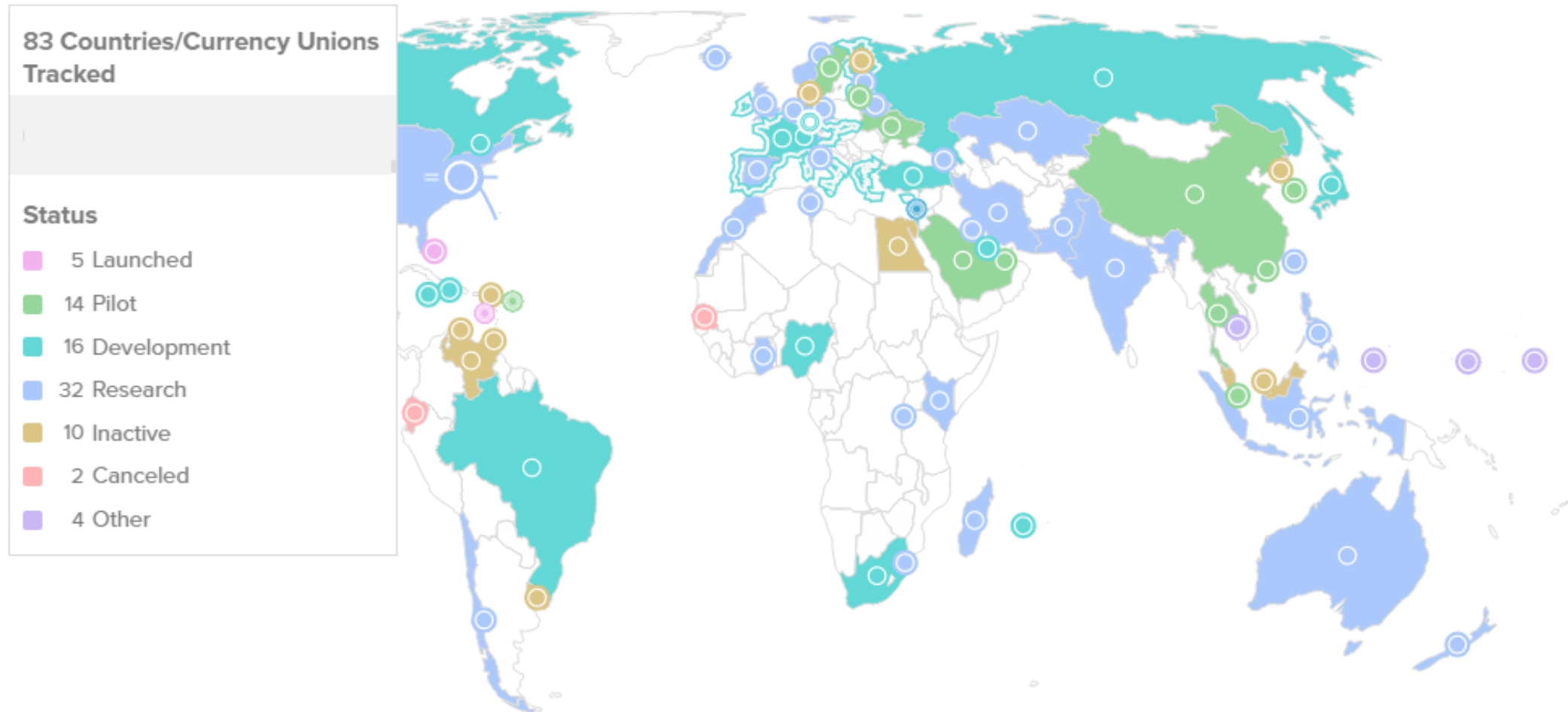
1. Non-interest bearing
2. 1:1 parity between EC digital and EC physical cash
3. Near real time settlement
4. DCash wallet limits and ceilings
5. Central bank global issuance limit
6. Multi-layered security and privacy architecture; governance
7. Ongoing work on future regulatory adjustments in response to the expected future changes in the financial ecosystem structure





DEVELOPMENTS IN CBDC ACTIVITY GLOBALLY

<https://www.atlanticcouncil.org/cbdctracker/>



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