



BANK OF THAILAND



BOT Press Release

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**Results of the Central Bank Digital Currency (CBDC) for Business
Prototype Development Project**

Ms. Vachira Arromdee, Assistant Governor of the Financial Markets Operations Group, Bank of Thailand (BOT), has announced the results of the Central Bank Digital Currency (CBDC) for Business Prototype Development Project. This Project is a collaboration between the BOT, SCG and Digital Ventures Company Limited (DV) initiated in June 2020^{1/}, with support from technology provider ConsenSys. The Project aims to explore how CBDC can be used by the business sector to enhance efficiency and flexibility of payments while supporting financial innovation. The CBDC system prototype utilizes Distributed Ledger Technology (DLT) in integrating with the procurement management, billing, and payments systems between SCG and its business partners (suppliers).

Our test results demonstrate that DLT can increase payment efficiency for businesses by allowing users to set various conditions on the CBDC (programmable money) to enhance flexibility in handling business activities. Our experiments include setting conditions for payments to be made as specified in invoices in supply chain financing and setting conditions to enhance efficiency in cash management. However, it is worth noting that the usage of DLT in our prototype has some limitations, particularly in supporting large transaction volumes and preserving transaction privacy. Resolving these issues through technology development or system design will need to be explored further. (Details of the test results of the Project can be [downloaded here](#))

The Project marks the first time the BOT expands the scope of CBDC development to business users. It highlights an important step in staying apace with the advancement of digital currencies both domestically and abroad, which could play a significant role in future economic and financial activities. During 2021-2022, the BOT will focus on the research and development of a publicly-accessible CBDC (Retail CBDC). The design of CBDC for widespread usage will need to take into consideration safety and efficiency as well as implications on monetary policy, financial system stability, and the roles of financial institutions and the central bank. It is also important to involve the general public in our CBDC development process, to ensure that CBDC is conducive to financial innovation in this era of digital transformation. The BOT will publish a study on Retail CBDC issuance in the next stage.

Bank of Thailand
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1/ Reference: <https://www.bot.or.th/English/PressandSpeeches/Press/2020/Pages/n3063.aspx>