



BANK OF THAILAND

BOT Press Release

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Findings from the Multiple Central Bank Digital Currency Bridge (mBridge)
Pilot and Next Steps

Mr. Mathee Supapongse, Deputy Governor of the Bank of Thailand (BOT), announced that the BOT together with the Hong Kong Monetary Authority (HKMA), the Central Bank of the United Arab Emirates (CBUAE), the Digital Currency Institute of the People's Bank of China (PBCDCI), and the BIS Innovation Hub Hong Kong Center (BISIH) has successfully completed the first pilot using wholesale central bank digital currencies (Wholesale CBDC) for real-value cross-border payment transactions as part of the Multiple Central Bank Digital Currency Bridge (mBridge) Project, which is the subsequent phase following Project Inthanon-LionRock Phase 2 conducted in 2021.

The mBridge pilot was conducted from 15 August to 23 September 2022 covering three transaction types: (1) Issuance and redemption of CBDC between commercial banks and central banks, (2) Cross-border payment in local CBDC between commercial banks, and (3) Cross-border exchange of local CBDC against foreign currency CBDC between commercial banks. The pilot involved 20 participating commercial banks across four jurisdictions, including five banks from Thailand¹, which collectively executed exchange transactions and cross-border fund transfers in four different currencies on the mBridge platform on behalf of their corporate clients to support international trade. The aggregated cross-border transactions conducted during the pilot amounted to 164 transactions, worth over US\$22 million (equivalent to THB 827 million) in total value². Further details are disclosed in the project report titled "[Project mBridge: Connecting economies through CBDC](#)".

¹ Bangkok Bank Public Company Limited, Bank of Ayudhya Public Company Limited, Kasikombank Public Company Limited, Siam Commercial Bank Public Company Limited, and The Hongkong and Shanghai Banking Corporation Limited (Bangkok Branch)

² Not including issuance and redemption transactions between commercial banks and central banks

The mBridge platform demonstrated the enhanced efficiency of cross-border transactions using multi-currency CBDC compared to the current system by eliminating the correspondent banking network, resulting in (1) a substantial decrease in cross-border transfer times from 3-5 days to several seconds, (2) enabling direct peer-to-peer linkages between participating banks which can potentially lower the cost of cross-border transactions. Furthermore, the platform can also (3) reduce settlement risk and (4) support the use of local currencies in international payments.

Going forward, the mBridge project will continue building and testing the technology to improve existing functionalities and add enhanced features to the platform, all the while taking into consideration policy, regulatory and legal implications. Following this, the BOT will consider pursuing experiments in more real-world settings further.

Bank of Thailand
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Report: Project mBridge: Connecting economies through CBDC

Download report:

https://www.bot.or.th/Thai/DigitalCurrency/Documents/ProjectmBridge_October2022.pdf



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