

Thailand: Motivation in exploring CBDC

Motivation



Technology can address long-standing pain points in the financial system, by improving efficiency, access, and inclusion

Hands-on experimentation



CBDC research and development in collaboration with the private sector, to better understand technology

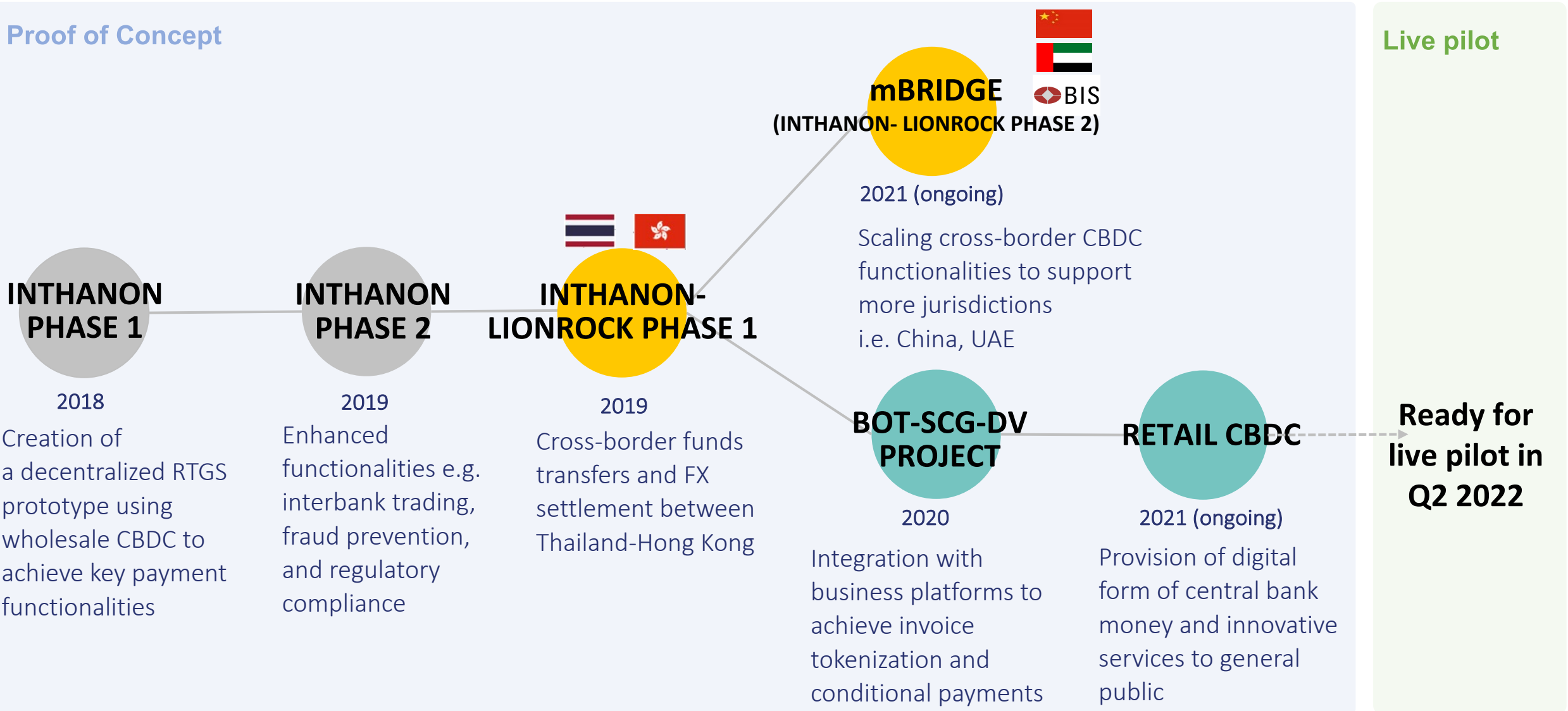
Vision going forward



CBDC can become an accessible digital form of central bank money and the infrastructure for future innovative financial services

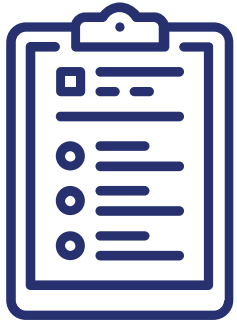
Bank of Thailand's CBDC Journey

Proof of Concept



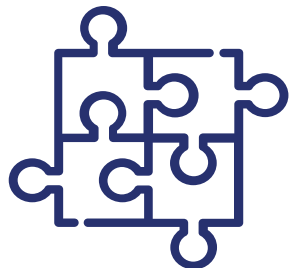
Findings & Challenges going forward

FINDINGS



- A **24/7 corridor network affects existing operations**, since legacy systems do not run 24/7 and CBDC must be reserved for off-hour transactions
- Elimination of correspondent banks in cross-border transactions causes **shortage of FX liquidity**. Liquidity provider or liquidity saving mechanisms needed
- Atomic nature of corridor network makes **compliance with jurisdiction-specific FX regulations difficult**
- DLT has **scalability and performance limitations**

CHALLENGES



- Onboarding new jurisdictions/participants must take into account **country-specific regulations and formats** e.g. FX regulations, data privacy policies payment messaging standards
- Multiple currencies may complicate **privacy and liquidity provision**
- Establishment of a robust **governance structure, participant criteria and incentive / fee model**