

Wholesale central bank digital currency - the safe way to debt capital market efficiency



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Abstract:

In this paper we analyse the usefulness of digital currencies for wholesale financial transactions in Europe. Currently, several risks impede any broad adoption of

distributed ledger technology, but this sovereign debt issuance case study demonstrates the potential widespread efficiency gains from smart contracts run on distributed ledger technology. A wholesale central bank digital currency on a private permissioned blockchain could overcome existing risks and impediments and lead to significant efficiency gains in the financial system across debt capital markets.

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