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JOINT MEDIA RELEASE

BIS Innovation Hub and central banks of Australia, Malaysia, Singapore and South Africa will test CBDCs for international settlements

- Project Dunbar will develop prototypes for shared platforms that will enable international settlements with digital currencies issued by multiple central banks.
- System aims to allow direct transactions between institutions, reducing costs and increasing speed.
- Results will inform development of global and regional platforms and support G20 roadmap for improving cross-border payments.

The Bank for International Settlements Innovation Hub, the Reserve Bank of Australia, Bank Negara Malaysia, Monetary Authority of Singapore, and South African Reserve Bank will join forces to test the use of central bank digital currencies (CBDCs) for international settlements.

Led by the Innovation Hub's Singapore Centre, Project Dunbar aims to develop prototype shared platforms for cross-border transactions using multiple CBDCs. These multi-CBDC platforms will allow financial institutions to transact directly with each other in the digital currencies issued by participating central banks, eliminating the need for intermediaries and cutting the time and cost of transactions.

The project will work with multiple partners to develop technical prototypes on different distributed ledger technology platforms. It will also explore different governance and operating designs that would enable central banks to share CBDC infrastructures, benefitting from the collaboration between public and private sector experts in different jurisdictions and areas of operation.

Project Dunbar's work will explore the international dimension of CBDC design and support the efforts of the G20 roadmap for enhancing cross-border payments. Its results, expected to be published in early 2022, will inform the development of future platforms for global and regional settlements. Technical prototypes of the shared platforms, developed in collaboration with different technology partners, will be demonstrated at the Singapore FinTech Festival in November 2021.

"Project Dunbar brings together central banks with years of experience and unique perspectives in CBDC projects and ecosystem partners at advanced stages of technical development on digital currencies. With this group of capable and passionate partners, we are confident that our work on multi-CBDCs for international settlements will break new ground in this next stage of CBDC experimentation and lay the foundation for global

payments connectivity," said Andrew McCormack, Centre Head of the BIS Innovation Hub Singapore Centre.

"After years of mostly domestic research and exploration, we are very pleased to see that these common insights about the need to explore cross-border CBDC payments and interoperability are coming together internationally. We are particularly excited to be part of Project Dunbar given the SARB's role in operating the regional wholesale settlement system in the Southern African Development Community," said Deputy Governor Rashad Cassim, South African Reserve Bank.

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