

# Viewpoint on wholesale Central Bank Digital Currency

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## Why a wholesale CBDC?

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- **Next level automation** through programmability, reducing costs and fragmentation.
- **More efficient** securities settlement and post-trade processing, **reducing settlement fails**.
- **Increase attractiveness** of capital markets and **facilitate funding** for real economy.
- **Future proof** and **maintain control of currency** in light of the proliferation of 'stablecoins'.

## What are the key challenges?

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- Deployment without **causing market disruption** and **impacting financial stability**.
- Implications for **monetary policy, bank funding, privacy** and **data protection**, and **CO2 footprint**.
- **Interoperability** between wholesale CBDC, retail CBDC and existing market infrastructure.
- **Cross-border inconsistencies** and **diverging definitions** of CBDC.

## What does ICMA recommend?

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- **Industry collaboration:** Collaboration with the industry is critical to develop a roadmap and operating model.
- **Resource allocation:** Central banks and market stakeholders need to allocate resources in the short term.
- **Communication:** Clear communication and transparency on next steps are required for long-term success.