

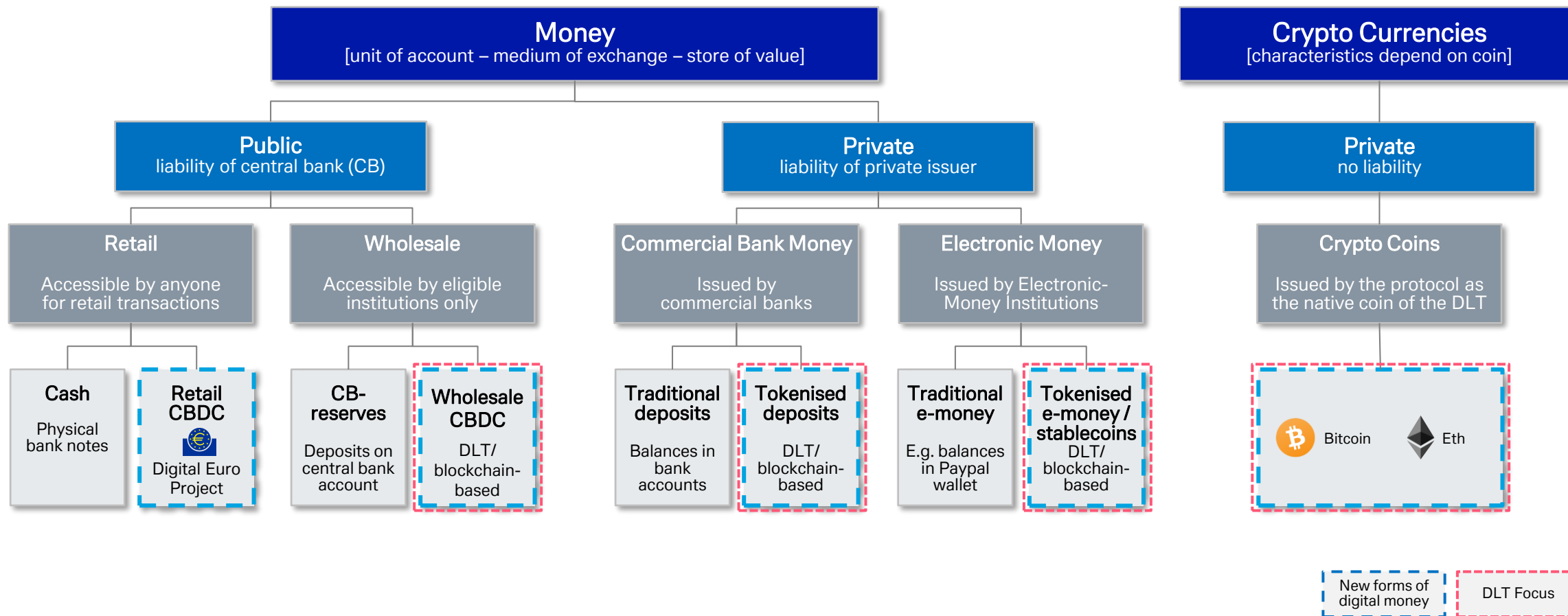


Private forms of digital money: Tokenized deposits vs. Stablecoins

Berlin, January 23, 2024

New forms of digital money

Central banks and private sector both expand portfolio of digital money in the monetary system



Individual Bank Coins create interoperability issues

Interoperability, but also fungibility between different bank- and stablecoins coins is not given



Transfers of DLT-deposits settle in central bank money

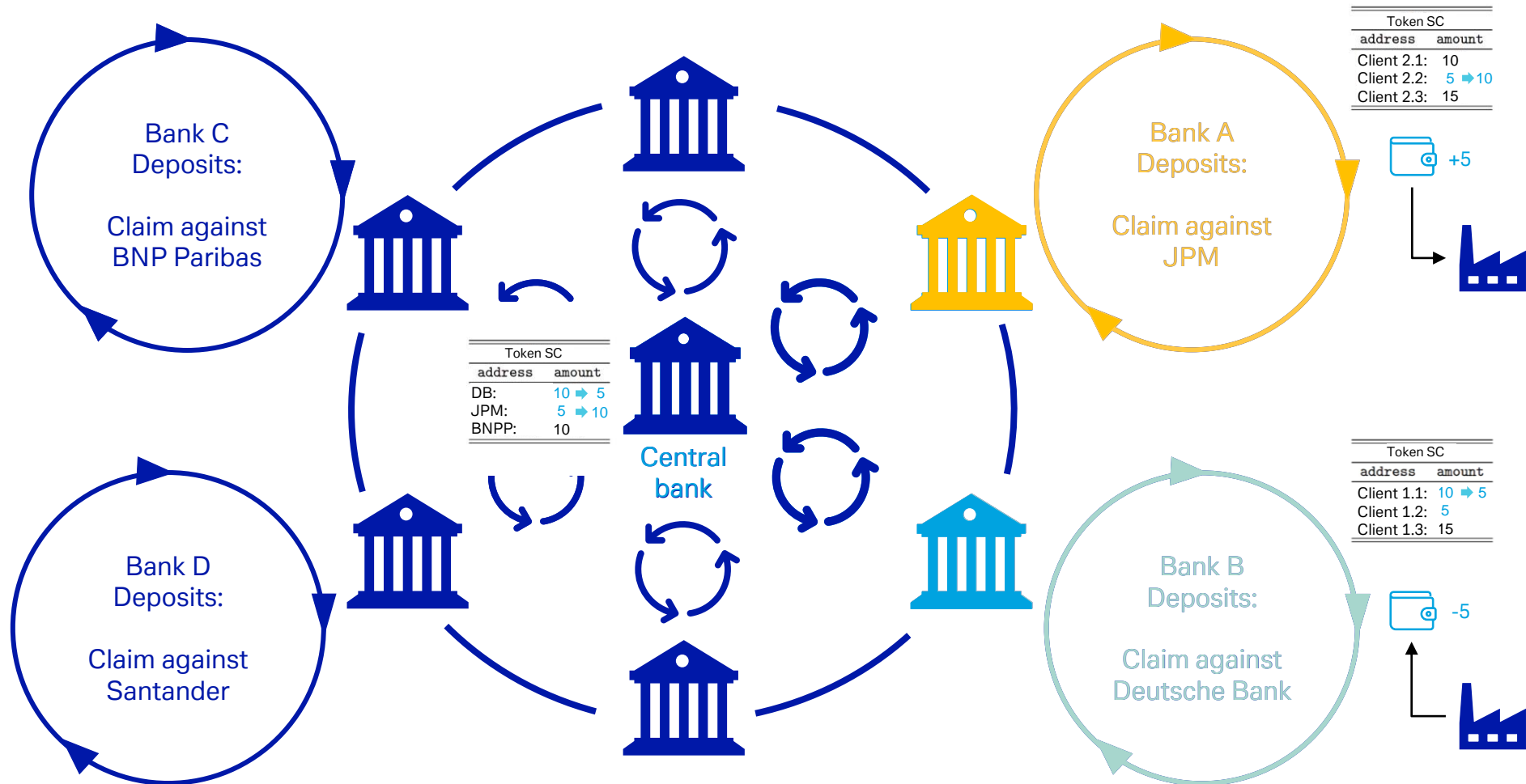
Since deposits must not be bearer instruments, settlement in CB money (e.g. wCBDC) is needed



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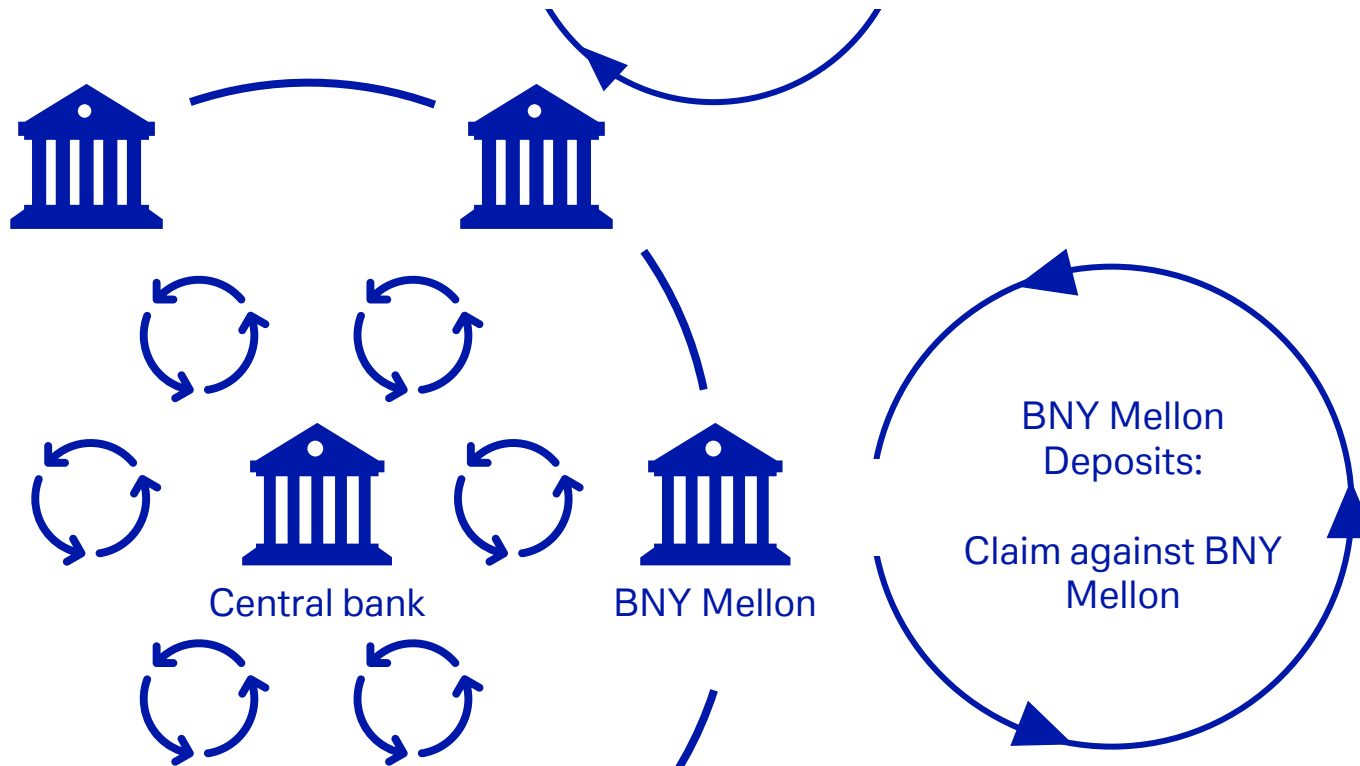


THE REGULATED
LIABILITY NETWORK



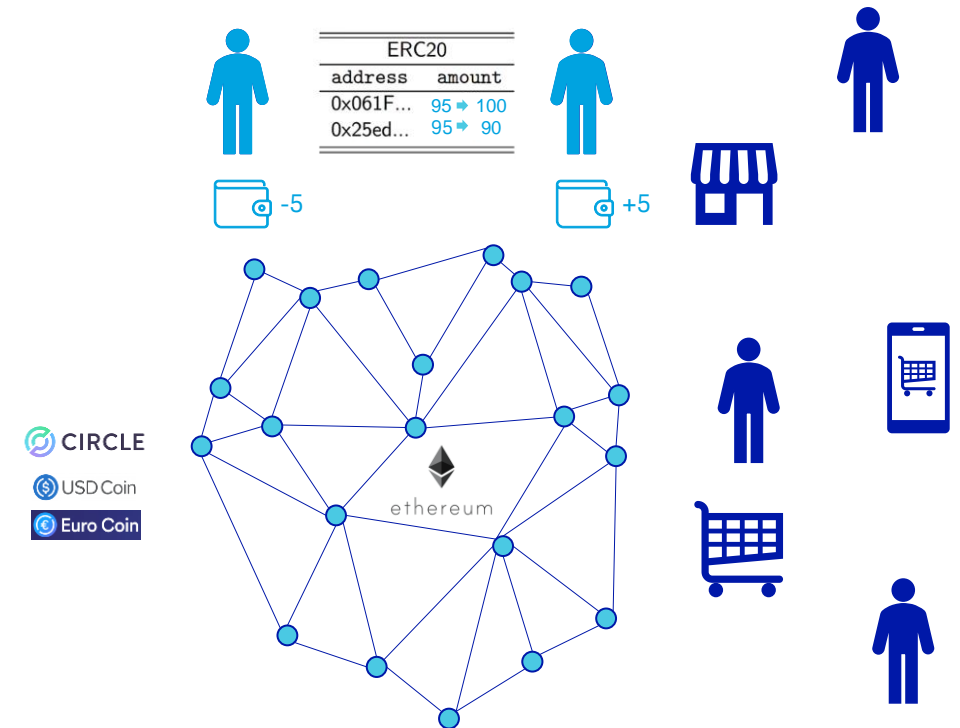
Stablecoin transfers don't settle in central bank money

Transfers of E-money tokens settle in the liability of the issuer as a digital bearer instrument



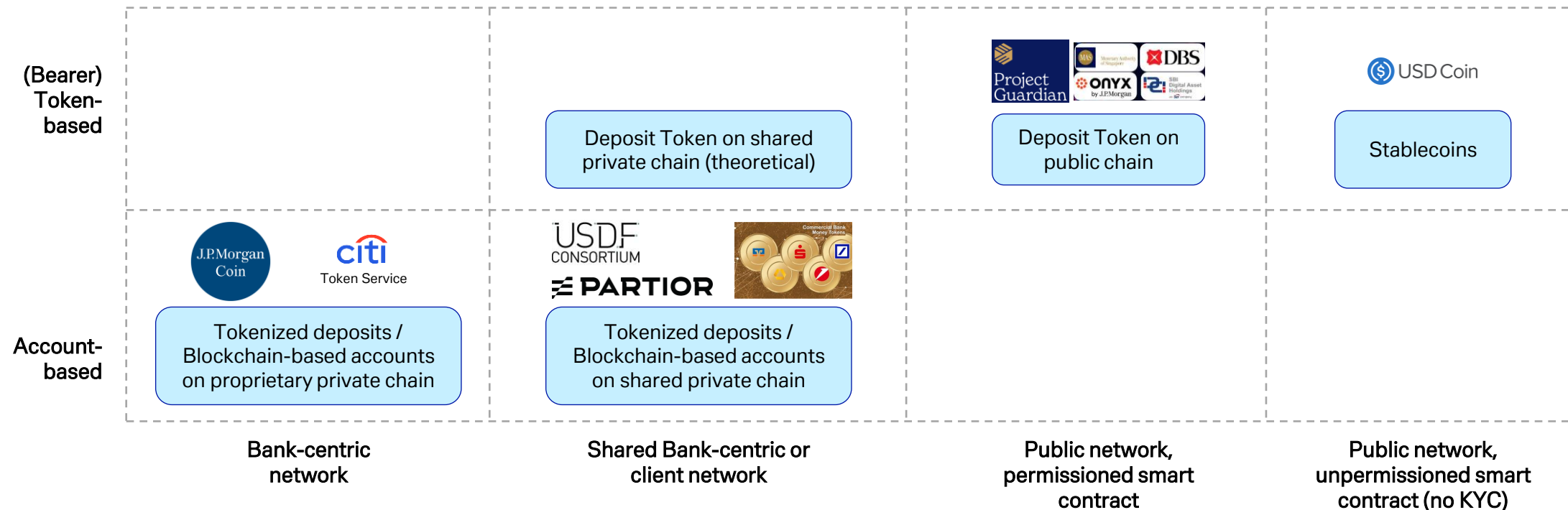
Bank A			
Assets		Liabilities	
Central bank money	16	200 Deposits	
Loan receivables	800	750 Other liabilities	
Other assets	184	50 Equity	
	1.000		1.000

Circle			
Assets		Liabilities	
Deposits	50	100 Outstanding USDC	
HQLAs	150	10 Equity	
	200		200



Tokenized Deposits vs deposit token and Stablecoins

Issued on private vs. public ledgers and account-based vs. token-based



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