

China's Central Bank Has Begun Cautiously Testing a Digital Currency

Recently MIT Technology Review published an article entitled "China's Central Bank Has Begun Cautiously Testing a Digital Currency". This is a clear indication that Central Banks are moving from studying digital currency to actually testing an implementation of Digital Fiat Currency with commercial financial institutions. In the article, Mr. Yao Qian, the director of the Digital Currency Research Institute recently established by People's Bank of China, writes, "... digital currency could be integrated into the existing banking system, with commercial banks operating digital wallets for the central bank's currency". This is very similar to eCurrency's approach and architecture for leveraging the mobile wallet in distribution of Central Bank issued currency. The difference is that in China, a large percent of the population are banked therefore bank accounts could be used for distribution of Digital Fiat Currency. [Read Article](#)

Incidentally, Mr. Yao Qian was an early supporter of the creation of ITU Focus Group on Digital Currency including Digital Fiat Currency (ITU FG-DFC), and will speak as the keynote speaker at the first ITU FG-DFC workshop to be held in Beijing, October 12-13 2017. In his keynote, Mr. Yao's will talk about how the Central Bank should regulate what he calls "Pseudo Digital Currency", and key components of Digital Fiat Currency, no doubt based on their "cautious testing" described in this article. Stay tuned for full program and details to be made available in the next few weeks.

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