

Potential Benefits of Modernizing the Money and Payment System

Potential Benefits	Fast payment system – <i>Benefits</i>	Tokenization – <i>Marginal benefits</i>
<u>Payments</u>		
Efficiency	✓ Faster value transfer between banks	✓ Single-step value transfer on a shared ledger
Operational resilience	✓ Might provide a back-up for retail payments if other systems are disrupted	✓ Different technological architecture, supports wholesale <i>and</i> retail use cases
<u>Economic gains</u>		
Opportunities for new business models	✓ Allows “hidden” transactions, those worthwhile but too expensive given current costs, to occur	✓ Supports smart contracts and further payment innovations
Financial equity	✓ Reduces customer liquidity costs and fees and could expand access	✓ Might further reduce costs and extend access to payments
Global role of the dollar	✓ Bilateral and multilateral interlinkages to improve cross-border payments with the U.S.	✓ Cross-border payments with tokenized money on a programmable platform with the U.S.