

Reply to FSB consultative paper “Targets for Addressing the Four Challenges of Cross-Border Payments”

The FSB is inviting comments on this consultation document and the questions set out below. Responses should be sent to fsb@fsb.org by Friday 16 July 2021. Responses will be published on the FSB’s website unless respondents expressly request otherwise.

1. What are your comments on the key design features applied in designing the targets (section 1)? Are there any design features that you consider are missing?

We consider that there will be many different digital currencies in many different currency areas: zones, projects, territories, industries, businesses, communities of interest, countries, unions of countries and the whole planet Earth. (The current cross-border payments is a rather simple case in this complexity.)

The primary issue in any payment is that **value** must flow within and between different currency areas in the following way:

- privately, inclusively, clearly,
- effortlessly, freely, instantaneously,
- legally, securely, equitably,
- face-to-face and remotely,
- with and without access to the Internet.

Section 1 doesn’t mention value and flow of value at all.

2. Do you agree with the market segments as described? Are they sufficiently clear? Do they reflect the diversity of cross-border payments markets, while providing a high-level common vision for addressing the four roadmap challenges?

The market segments are described well. However, if digital currencies are implemented properly then implementation differences between market segments may disappear. The same solution will work well for all the described market segments. For example, RTGS may become obsolete.

3. Do you have any comments on the target metrics proposed?

Our commercial off-the-shelf solution for digital currency demonstrates the following targets:

- Cost – 0
- Speed – 380 ms for the most complex transaction and scalable
- Access – no limits as off-line payments are feasible as a well
- Transparency – thanks to triple accounting some information about all transactions is publicly available but anonymous while actual transactions are private; participants can be disclosed under a court decision.

4. Do you agree with the proposal in the definition of the market segments to separate remittance payments from other types of cross-border person-to-person (P2P) payments because of the greater challenges that remittances in some country corridors face? If so, can you suggest data sources that can distinguish between the two types?

Yes, zero remittance cost can be the first use case to be implemented with our commercial off-the-shelf solution for digital currencies. We can share our ideas about this use case.

5. Are the proposed numerical targets suitable? Are they objective and measurable, so that accountability can be ensured by monitoring progress against them over time?

We will be happy to demonstrate our commercial off-the-shelf solution for digital currencies and its performance characteristics.

6. What are your views on the cost target for the retail market segment? Does it reflect an appropriate level of ambition to improve on current costs while taking into consideration the variety of payment types within the segment? Should reference transaction amounts be set for the target (in the same way as \$200 has been set for the current UN Sustainable Development Group targets for remittances) and, if so, what amount would you suggest?

The cost target must be 0.

7. What are your views on the speed targets across the three market segments? Are the proposed targets striking the right balance between the ambition of having a large majority of users seeing significant improvements, the recognition that different types of user will have different speed requirements, and the extent of improvements that can be envisaged from the actions planned under the roadmap?

The speed target must be less than 0,5 second (if not limited by bandwidth)

8. Are the dates proposed for achieving the targets (i.e. end-2027 for most targets) appropriately ambitious yet achievable given the overall time horizon for the Actions planned under the Roadmap? Would an alternative and more ambitious target date of end-2026 be feasible?

Our commercial off-the-shelf solution for digital currencies is already available for Proof-of-Concept (PoC) testing.

9. What data sources exist (or would need to be developed) to monitor the progress against the targets over time and to develop and set key performance indicators? Do you have relevant data that you would be willing to share for this purpose either now or during the future monitoring?

We believe that our commercial off-the-shelf solution for digital currencies is an example (or reference architecture and reference implementation) for an ultimate solution.

10. Do you have further suggestions or questions about the detailed definition and measurement of the targets and their implementation? Which types of averages can be constructed to help to measure progress?

No comment.

11. Do you have any suggestions for more qualitative targets that could express ambitions for the benefits to be achieved by innovation that would be in addition to the proposed quantitative targets for the payments market as a whole?

No comment.

Thank you,

Dr Alexander SAMARIN

<https://www.linkedin.com/in/alexandersamarin/>

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<https://www.linkedin.com/in/alexandersamarin/detail/recent-activity/posts/>

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https://www.dropbox.com/sh/mare3uupngvo9ar/AADHxO6XIt_8OgCOql8YF9UIa?dl=0

<https://docs.google.com/document/d/1KBsELJAe8bbxopsPwmBfz6JA9bfXQNWbM0LRCSgcex0/edit>

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