



DIGITAL CURRENCIES AND REAL-TIME PAYMENTS – THE ROAD AHEAD

DEPUTY GOVERNOR IDA WOLDEN BACHE

Fornebu, 4 November 2021



NORGES BANK

The payments landscape is evolving



Technological advances



Mergers and globalisation

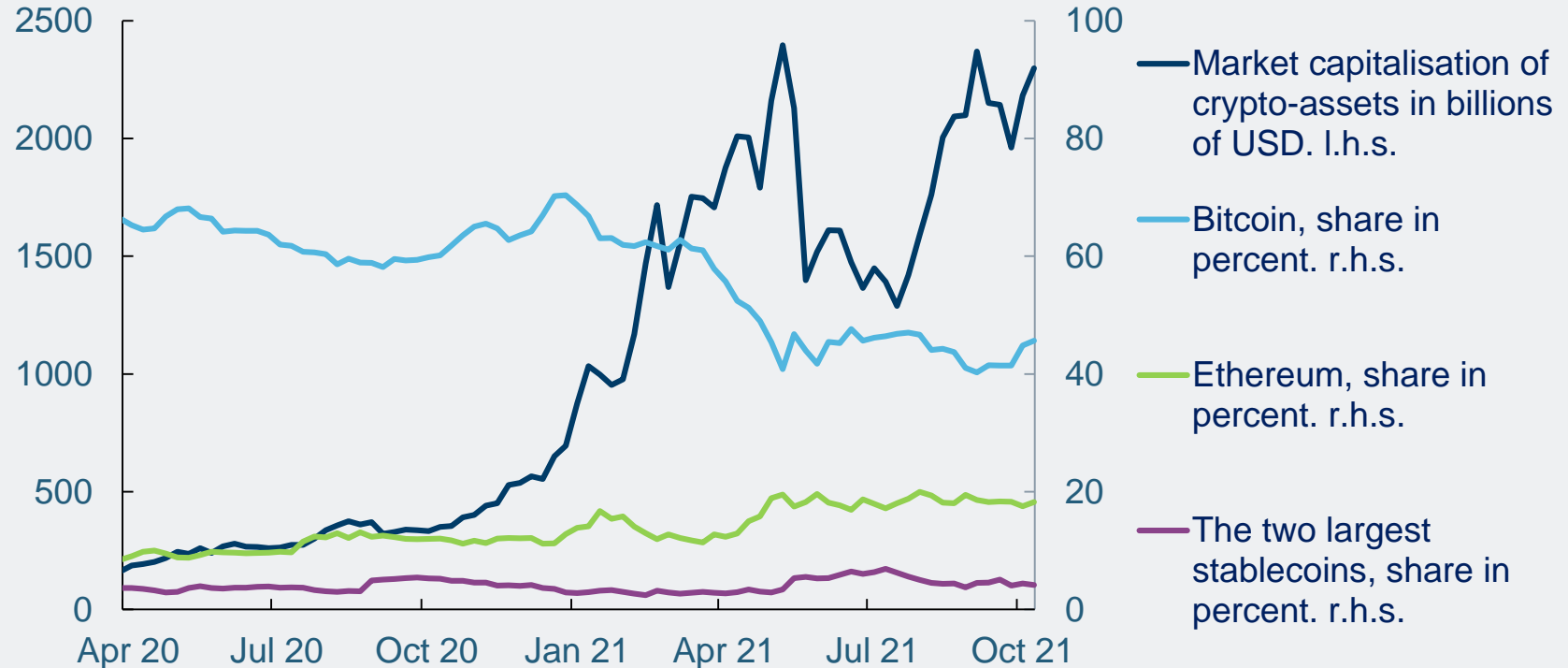


New regulations foster greater competition



The value of crypto-assets

Total market capitalisation of crypto-assets in billions of USD and percent



Crypto-assets

- possible sources of systemic risk



Exposure of banks and systemically important institutions



Loss of confidence in stablecoins



Crypto-assets given a more important role as a means of payment

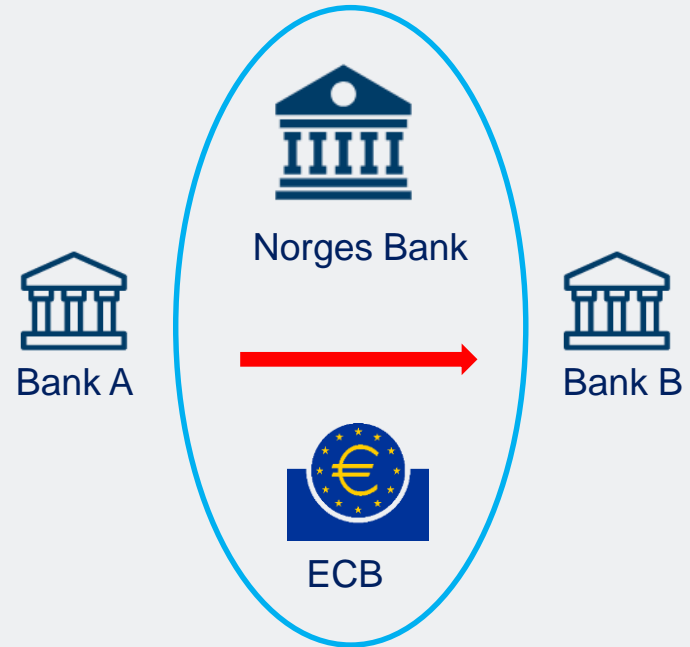


Currency substitution

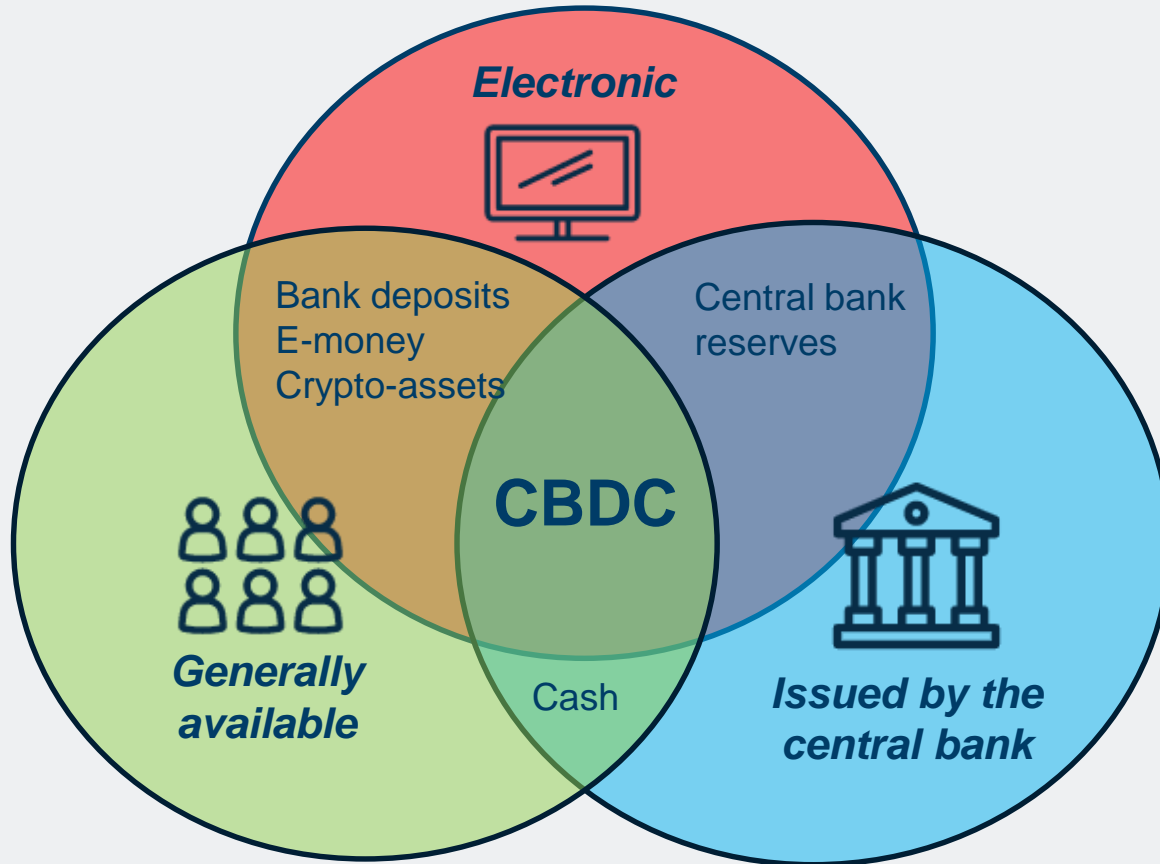


Real-time payment settlement

- Norges Bank is considering increasing its operational responsibility
- One alternative is to join the Eurosystem's TIPS solution
- Payments would then be settled in TIPS in NOK on behalf of Norges Bank
- Norges Bank will start negotiations with the ECB



Central Bank Digital Currency (CBDC)



Status CBDC in Norway

- Experimental testing
- Further analysis of purposes and consequences
- International cooperation





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