

WEF announces the launch of Global Consortium for Digital Currency Governance

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The World Economic Forum on Friday announced the first global consortium focused on designing a framework for the governance of digital currencies, including stablecoins. The Global Consortium for Digital Currency Governance will aim to increase access to the financial system through innovative policy solutions that are inclusive and interoperable.

The opportunities for financial inclusion will only be unlocked if the space is regulated properly and includes public-private cooperation across developed and high growth markets, the WEF said while announcing the new initiative on the last day of its 50th annual meeting after extensive consultation with the global community. Digital currencies are often cited as a tool for financial inclusion, but this opportunity can only be realized when paired with good governance.

This is the first initiative to bring together leading companies, financial institutions, government representatives, technical experts, academics, international organizations, NGOs and members of the Forum's communities on a global level, it said. To tackle the challenge ahead, an international, multi-stakeholder approach with the public and private sectors working alongside civil society is needed. This consortium will focus on solutions for a fragmented regulatory system. Efficiency, speed, interoperability, inclusivity and transparency will be at the heart of this

initiative.

It will call for innovative regulatory approaches to achieve these goals and build trust. A set of guiding principles will be co-designed to support public and private actors exploring the opportunities that digital currencies present.

Governance is the core pillar of any form of digital currency, said Mark Carney, Governor of the Bank of England. "It is critical that any framework on digital currencies ensures security, efficiency and legitimacy of payments while ensuring fair and open competition."

This initiative builds on work done by the Forum over the past year, convening a global community of central banks to co-design a policy framework for the adoption of digital currencies.

SOURCE: *Business Standard*