



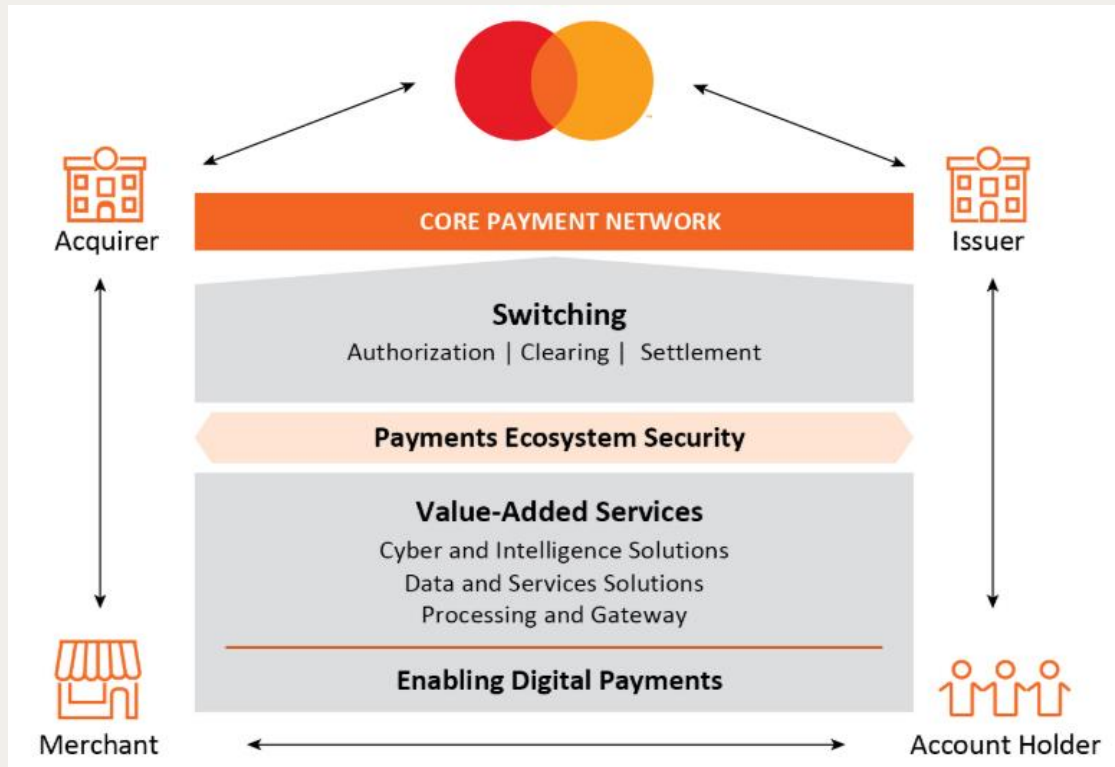
Securing Trust in Central Bank Digital Currencies

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Mastercard operates as a multi-rail payments technology company

We connect consumers, financial institutions, merchants, governments, digital partners, businesses and other organizations worldwide



Our strategy



Grow our core

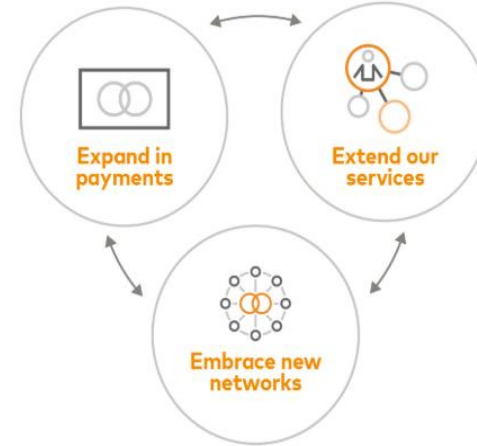


Diversify into new customers and geographies



Build new areas for the future

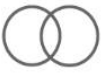
Our key priorities



Powering our success



People



Brand



Data



Technology



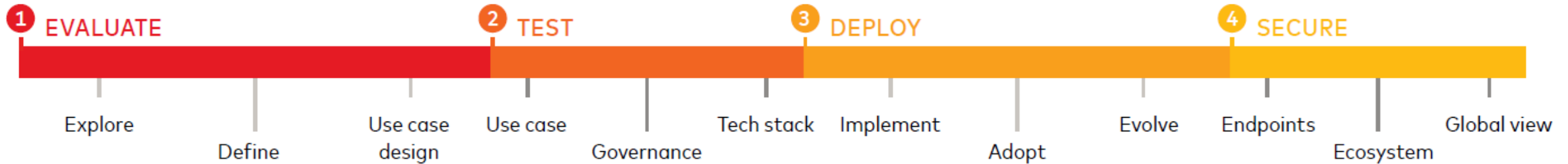
Franchise



Doing well by doing good

Our expertise, capabilities, and solutions for CBDCs

We help central banks to evaluate, test, deploy and secure retail CBDCs in both live pilots as well as exploratory use cases.



Evaluate

Mastercard Advisors help guide, frame, and inform CBDC initiatives based on stakeholder feedback, global benchmarks, and its global payment ecosystem expertise

Test

Our teams have been working to design value added solutions for CBDCs that improve user experience, strengthen network trust, privacy, and resilience.

Deploy

In addition to supporting the exploration of use cases for CBDC, Mastercard has also been a chosen partner in deploying live CBDCs in retail markets. E.g. Digital Tenge

Secure

We also have extensive capabilities when it comes to hardening and securing mission-critical retail payments networks, as well as making them resilient to error and fraud.

Evaluating the best path forward

CBDC design and issuance are not decisions to be taken lightly - our experience has provided unique insights into whether retail CBDCs are a solution to forging new paths towards digital innovation.

Key questions to consider



1 Are CBDCs the right tool for the job?

CBDCs are an exciting new tool in the Central Bank's toolbox, but that does not mean they are the right tool to fix every problem, nor that every country needs a CBDC.



2 What innovation does CBDC offer over existing solutions?

CBDCs will only meet their broader policy and systemic objectives if users believe that their value improves on and is superior to existing market solutions and there is widespread adoption



3 Are there other ways central banks can promote innovation?

While a CBDC could play a role in payments innovation, real-time payments and "tokenized deposit" capabilities by commercial banks have great potential to lower costs and improve the speed and efficiency of payment flows.

Securing trust in central bank digital currencies

While the motivations driving central banks to explore CBDCs differ, there remains a common set of principles we believe all CBDC initiatives should support.

These core principles are:



A two-tier CBDC architecture

We believe the two-tier CBDC architecture under consideration by many central banks offers the best opportunity for CBDCs to be more competitive, innovative, resilient



Interoperability and open infrastructure

CBDCs will be most impactful where they interoperate seamlessly across payment types and take advantage of the capacity for existing networks to facilitate broad and frictionless merchant acceptance.



Consumer protection and security

Users must know that the system will be accessible and operational where and when it is needed; that their funds, accounts, identity, data, and privacy are secure; and that they will be protected in the event of fraud.