

Project Acacia Industry Advisory Group (IAG) Meeting

March 2025



Agenda

1. Welcome
2. Role of IAG
3. IAG Terms of Reference
4. Project Acacia update
5. Considerations in relation to issuance of a CBDC onto an external platform
6. Next steps for the IAG

Competition law guidance

- This Industry Advisory Group meeting will be conducted in accordance with RBA Competition Law Guidance for RBA convened meetings.
- You should have received the Guidance via email and a hard copy is available upon request. You must ensure you are familiar with the Guidance.
- The RBA and DFCRC are committed to ensuring that all meetings are conducted in compliance with all applicable competition laws.
- If you have a concern about today's discussion from a competition law perspective, you should make your concerns known to the Chair of this meeting and the discussion giving rise to such concerns should cease.

Terms of Reference

For discussion and approval

- The purpose of the Group
- Attendance by the Australian Treasury, APRA and ASIC
- ToR text regarding conflicts and competition
- High priority on attendance and discouraging alternates
- Chatham House rule regarding discussions
- DFCRC and RBA releasing materials prepared for the meeting and a summary of discussions

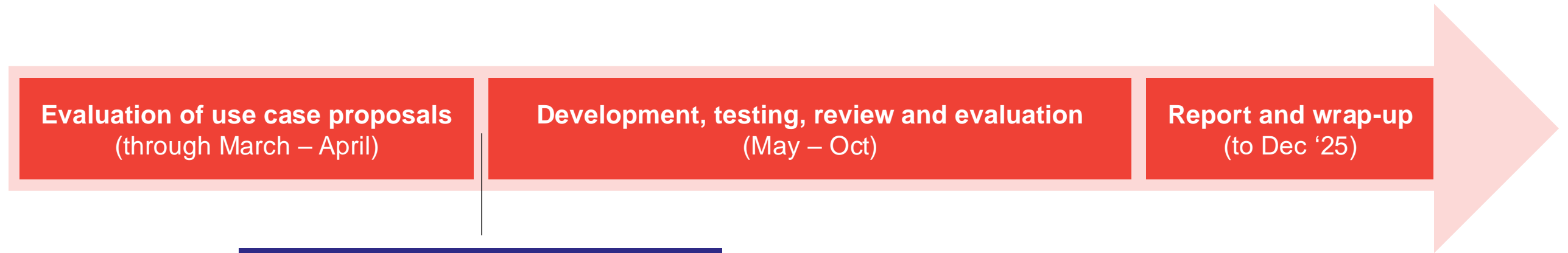
Project update: progress to date

- Around 50 use case proposals received in the Expression of Interest stage (Dec '24)
- Around 40 proposals (from ~20 proponents) selected for elaboration through RFI process (Feb '25)
- Around 30 proposals (from ~16 proponents) elaborated in RFI submissions – now under review
 - **Proponents:** a diverse range of entities, from local fintechs to global institutions
 - **Asset classes:** fixed income, private markets (e.g. equity, funds), receivables (e.g. invoices), carbon credits
 - **Settlement models:** strong interest in models with tokenised money and assets on the same platform
 - **Settlement assets:** interest across stablecoins, deposit tokens, wCBDC, ESA funds
 - **Modality:** general preference for pilots ('real money' tests), with some proof-of-concept proposals

Frequently asked question in use case submissions:

Can pilot wCBDC be issued directly onto external platforms to expand the possible universe of use cases, building on the approach used in the first CBDC pilot program?

Project Update: looking ahead



Project SteerCo to make final selection of use case proposals (from April)

Use case selection considerations
Ranking of proposals guided by considerations such as: alignment with project research objectives, potential economic impact, and proponent's capacity to execute their proposal
Capacity of RBA/DFCRC to support proposals individually and in aggregate
Achieving as far as possible a balanced representation of settlement models and asset classes

Use of CBDC on different platforms

Context from the 2023 RBA/DFCRC CBDC Pilot Project

Consistent with BIS research, the 2023 CBDC pilot project revealed an industry preference to further explore how having tokenised money and assets existing on the same programmable platform could potentially reduce costs and risks in traditional trading, clearing, settlement, and asset servicing models. This could enable benefits including:

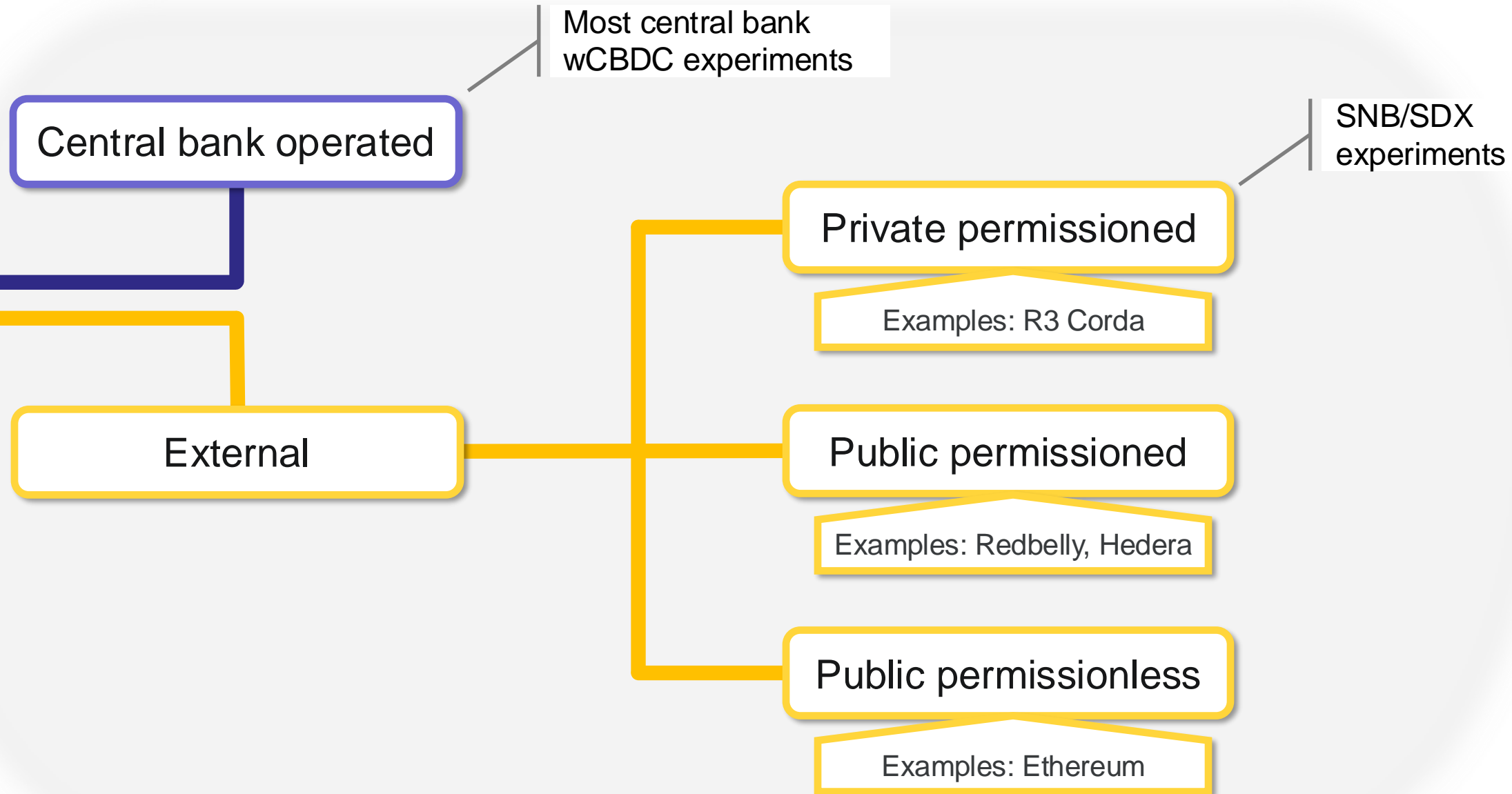
1. closer integration of trading and settlement; and
2. programmable payments.

Project Acacia: exploring risks, challenges and opportunities of different ledgers

Eol's have suggested interest from industry in wCBDC serving as the settlement asset on their preferred platform to support their use case.

- While the RBA and DFCRC are open to considering issues (benefits, risks and other implications) associated with issuing wCBDC on different platform arrangements (as per the consultation paper) ...
- ... central banks have a broader range of public policy objectives to consider – paramount among them are ensuring monetary and financial stability

How different platforms compare



Use of CBDC on different platforms

Questions for discussion:

- In the context of asset tokenisation in wholesale markets, what are the main business benefits of having a wCBDC issued onto one or more external DLT platforms?
- How, if at all, would these benefits differ if the wCBDC was issued onto a private/permissioned, public/permissioned or public/permissionless network?
- What alternative forms of tokenised money might deliver similar outcomes if wCBDC was not issued on the same platform as tokenised assets?
- What are the risks and challenges associated with issuing a wCBDC to these different types of networks? How might these risks be mitigated?
- How might transaction privacy considerations be addressed with different networks?
- How could issues around governance and control be addressed with different network types?
- How would issuing wCBDC on an external ledger be in the public interest?

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