



Joint CBUAE report shows digital currency bridges can speed up international trade payments

Abu Dhabi (29 September 2021): The Central Bank of the UAE (CBUAE) together with the Bank for International Settlements (BIS) Innovation Hub Centre in Honk Kong, the Hong Kong Monetary Authority, the Bank of Thailand, and the Digital Currency Institute of the People's Bank of China have issued the first Multiple CBDC Bridge (mBridge) Project report - a major milestone of international trade payment project, and a step closer to making cross-border trade payments easier, safer and in real-time,

mBridge uses central bank digital currencies (CBDC) for international fund transfers between participating banks, based on distributed ledger technology (DLT – also known as “blockchain”). Since February 2021, CBUAE has worked with its global central banking partners to deliver this proof-of-concept, creating more efficient and innovative CBDC infrastructure to reduce obstacles to cross-border payments, including high costs, lack of transparency, low efficiency and other operational complexities.

The Report's early results demonstrate a substantial improvement in cross-border fund transfer speeds - from multiple days to seconds, around the clock - and the potential to reduce correspondent banking costs significantly for the users, whilst improving bank inter-operability and ensuring regulatory compliance.

CBUAE's journey to improve international payment channels began in 2019 when it completed *Project Aber* successfully, another CBDC proof-of-concept in partnership with the Saudi Central Bank. The Emirati dirham and Saudi riyal pegs to the US dollar enabled the joint digital currency in the *Project Aber* not to be subject to foreign exchange variations, making it swift and efficient to complete cross-border payment transactions.

H.E. Khaled Mohamed Balama, Governor of the CBUAE commented: “CBUAE is playing a leading and pro-active role in facilitating smoother regional and international fund transfers through the development of more effective, efficient and resilient cross-border payment infrastructures with our partners to enhance global economic development.



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

His Excellency added, “CBUAE looks forward to leveraging the experience gained with Asian central bank partners in CBDC, to facilitate increased international trade and quicker payments.”

To view the BIS announcement and first mBridge report, please click [here](#).

-Ends-