

March 26, 2021
Bank of Japan

Establishment of "Liaison and Coordination Committee
on Central Bank Digital Currency"

Since the release of "The Bank of Japan's Approach to Central Bank Digital Currency" in October 2020, the Bank of Japan has been undertaking considerations to conduct experiments in accordance with this approach. As the initial experiment, Proof of Concept (PoC) Phase 1 is scheduled to begin in spring 2021.

While the Bank currently has no plan to issue central bank digital currency (CBDC), from the viewpoint of ensuring the stability and efficiency of the overall payment and settlement systems, the Bank will prepare thoroughly, including implementing experiments, to respond to changes in circumstances in an appropriate manner. In the course of CBDC exploration, the Bank considers it important to apply the knowledge of various stakeholders such as the private sector, experts, and relevant public authorities.

With this in mind, the Bank of Japan has established "Liaison and Coordination Committee on Central Bank Digital Currency" as set forth in the attachment and will host its first meeting today. The Bank, through this committee, will share details of and provide updates on the PoC with the private sector and the government and will seek consultation on future steps to facilitate smooth implementation of the PoC.

Terms of Reference for the
"Liaison and Coordination Committee on Central Bank Digital Currency"

1. Purpose

- The Bank of Japan will engage in experiments on general purpose central bank digital currency (CBDC) from fiscal year 2021. The Bank will first test the technical feasibility of the core functions and features required for CBDC through Proof of Concepts (PoC).

The Bank, through this committee, will share details of and provide updates on the PoC with the private sector and the government and will seek consultation on future steps to facilitate smooth implementation of the PoC.

2. Members

- Private Sector (membership for the time being is as follows)

Japanese Bankers Association

Regional Banks Association of Japan

The Second Association of Regional Banks

International Bankers Association of Japan

The National Association of Shinkin Banks

Shinkumi Banks Association of Japan

National Association of Labour Banks

Japan Securities Dealers Association

Japan Payment Service Association

Japan Association for Financial APIs

Fintech Association of Japan

The Center for Financial Industry Information Systems

- Vice Commissioner for Evidence-based Policymaking, Financial Services Agency
- Deputy Director-General of the Financial Bureau, Ministry of Finance
- Director-General of the Payment and Settlement Systems Department, Bank of Japan

3. Frequency of Meetings

- Meetings will be held as necessary depending on the progress of the PoC (after examining the core features of CBDC in Phase 1, the Bank plans to proceed to Phase 2, where additional functions will be tested).

4. Meeting Method

- Meetings will be online for the time being.

5. Releases

- Information regarding the meetings will be released without delay.
- Summaries of meetings will be prepared by the Secretariat and released after confirmation from members

6. Secretariat

- The Secretariat for the committee has been established in the Payments and Settlement Systems Department of the Bank of Japan.

7. Other matters

- The meeting schedule as well as any other matters concerning the committee will be considered by the Secretariat and decided through consultation among members.