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Bank of Japan

## Commencement of Central Bank Digital Currency Experiments

The Bank of Japan has been undertaking preparations to begin experiments on Central Bank Digital Currency (CBDC) in early fiscal year 2021, to test the technical feasibility of the core functions and features required for CBDC. As necessary preparations are now complete, Proof of Concept (PoC) Phase 1 begins today.

In PoC Phase 1, the Bank plans to develop a test environment for the CBDC system and conduct experiments on the basic functions that are core to CBDC as a payment instrument such as issuance, distribution, and redemption. This phase will be carried out through March 2022, for a duration of one year.