



connecting the future

Specification: Project Digital Currencies

Project Roles

- Project Mentor: Jason Butcher, CEO, Parallel Payments
- Deputy Project Mentor: Manish Garg, Founder and CEO, Banksly
- Project Lead: TBC
- Benefactor: paywith.glass
- The Payments Association Head of Projects: Tom Brewin

Project Purpose

Project Digital Currencies will seek to educate all stakeholders on the history, journey and future potential of digital currencies; specifically how the technology works as well as its opportunities and risks. This includes providing market insight to The Payments Association members, regulators and the wider industry.

The project will achieve this by developing thought-leadership content (such as whitepapers, webinars and podcasts) and events (such as 'open mics' and workshops). The content will be topical and in response to key industry issues. Crucially, it will highlight industry use-cases and the benefits that digital currencies can offer for consumers and businesses across the world.

Project Objectives and Activities

Project Digital Currencies will define and maintain a list of prioritised initiatives that are designed to achieve the project's purpose and objectives. The project team will then deliver against these activities and monitor the impact.

The activities will be aligned with the following principles:

1. They will be robust and value-adding
2. They will not interfere with or replicate industry initiatives already in place
3. They will develop and create new areas of focus that will increase awareness and new business opportunities, especially regarding CBDCs and stablecoins

Community Objectives

1. **Educate The Payments Association members** on the different types of digital currencies, from stablecoins to CBDCs to decentralised cryptocurrencies
2. **Educate The Payments Association members** on the associated risks, barriers to adoption and opportunities of digital currencies for all stakeholders in the payments industry
3. **Highlight how digital currencies** can provide benefits to businesses and marginalised communities (specifically in regards to access and financial inclusion)
4. **Highlight the benefits of partnering** with firms who provide financial services by utilizing digital assets
5. **Raise awareness** of Project New Era's 'Digital FMI' programme

Community Activities

1. **Produce thought-leadership content** for The Payments Association members on key industry topics which increase the awareness of industry trends/challenges/new technologies, such as exploring:
 - i. *The role of CBDCs/stablecoins*
 - ii. *How digital currencies differ from each other - electronic money vs stablecoin vs crypto (a taxonomy)*
 - iii. *How can digital assets improve the traditional financial system through real-time settlement (cash, liquidity, remittances)*
 - iv. How bitcoin/volatile assets differs to XRP/stablecoins (e.g. the difference between consumer-facing applications and treasury management)
 - v. How digital currencies can be used for cross-border payments and other use cases
 - vi. How digital currencies can support financial inclusion, underserved communities
 - vii. The fincrime risks crypto presents (e.g.money laundering) vs programmable money
 - viii. How the potential issues and risks of digital currencies can be mitigated
2. **Publish news and updates** from the 'Digital FMI project', and other digital currencies-related materials, to The Payments Association members

Content delivery schedule 2022*

- August **Podcast/workshop**
- September **Whitepaper/**
- October **Webinar**

***The project team will consider upcoming industry conferences and legislation (e.g. financial services and markets bill which will deal with stablecoin regulation)**

Policy Objectives

1. **Identify key agencies** influencing the global development of digital currencies such as central banks, regulators and business trade associations
2. **Identify the strategic objectives and industry milestones** of these international bodies
3. **Seek to influence these agencies** through a project engagement strategy
4. **Collaborate with other project working groups of The Payments Association** to deliver policy statements that are key to the membership (such as the role of digital currencies supporting financial inclusion and technologies combatting financial crime within the digital currency space). Other relevant The Payments Association project groups include:
 - a. Project Cross Border
 - b. Project Regulator

Policy activities

1. **Develop a stakeholder map** that identifies key stakeholders in the U.K. and globally (FCA, HMT, Central Banks, European Commission)
2. **Create an engagement strategy** so the project can influence and encourage these stakeholders to further the development of digital currencies ecosystem
3. **Provide market insight to the FCA** on the barriers to adopting digital currencies and market-driven solutions

Project Budget

Funding for Project Digital Currencies is provided by its benefactor **Paywith.glass**. Sign-off for any project expenditure will be approved by the Project Mentor, in conjunction with the Project Lead and Head of Projects.

Note on Project Activities

The exact deliverables and timescales will be subject to approval and sign-off from the project mentor and will be confirmed in the next version of the project specification. It is likely that the scope will change and a small number of high impact activities that are identified will either be at minimal or no cost will be selected, depending on identifying a Benefactor to support the project.

The project will also note the ongoing activities of the EPA Asia/IIF consultative forum on global payments and support them where capacity and resource is available.

Review & Reporting

Main achievements and overall project activity will be highlighted at The Payments Association's Advisory Board meetings. If project outputs require escalation or may be perceived as being contentious in nature, these will be raised to The Payments Association's Advisory Board for review and guidance.

The success of the project will be reviewed on an annual basis by The Payments Association's Advisory Board, who will choose whether to continue the project or close the project.

Risks and Uncertainties

These are the risks that may arise from events that would jeopardise the project achieving its objectives. Risks may impact on time, cost, or quality of outcome. It is also important to plan what mitigating actions can be taken to lessen the risk.

Risk & Description	Likelihood (1-5) ¹	Impact (1-5) ²	Initial Mitigating Actions
Failure to meaningfully engage with stakeholders	2	4	Map project team's individual and collective network of relevant stakeholders, and utilise multiple parties to engage with stakeholders Upon initial engagement, encourage said stakeholders to review project outputs of interest and call for regular engagement meetings (whether quarterly or bi-annually)
Failure to secure funding for outputs with associated costs	5	5	Reduce areas of cost where possible. From a content perspective, the project will utilise project team expertise and insight as a primary source of content for potential outputs (i.e open letters, blog content).
			Cost-associated outputs will not be commissioned unless a minimum viable threshold for revenue has been achieved. Sponsorship revenue will be driven from the TPA sales team and, if necessary, relevant Ambassadors (paid on a commission-only basis).

Reputational damage incurred by contentious or heavily political content	3	3	<p>Content of a potentially sensitive or contentious nature will be escalated to the Advisory Board for review. If said content will cause significant reputational damage, it will not be publicised.</p> <p>Content that is of a potentially sensitive or contentious will not be attributed to specific The Payments Association members to avoid any risk-by-association for The Payments Association members.</p> <p>The Payments Association will work with external PR agency, SkyParlour, to curate a position or statement that can be used as a reactive piece.</p>
Scope creep	5	2	<p>Review present specification prior to first launch meeting to ensure that specification is achievable</p> <p>Avoid broad themes/initiatives Identify high-impact and achievable outputs for the project</p>

Key:

- Likelihood ¹: Score 1 = Rare and 5 = Almost Certain
- Impact on time ²: Cost and quality of project deliverables: 1 = Insignificant and 5 = Catastrophic