

Technical Whitepaper on retail central bank digital currency

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) today (October 4) released a technical whitepaper on retail central bank digital currency (CBDC), titled "e-HKD: A technical perspective" (the Whitepaper).

The HKMA announced the "Fintech 2025" strategy in June, one strategic direction under which is to strengthen research work on CBDC with a view to future-proofing Hong Kong in terms of CBDC readiness. Apart from the continued and expanded collaborative effort with peer central banks on cross-border application of wholesale CBDC, the HKMA has started a study on the prospect of issuing retail CBDC in Hong Kong, i.e. e-HKD, covering both technical and policy considerations, and aims to come up with an initial view by the middle of next year. The publication of the Whitepaper constitutes part of the HKMA's research effort on the technical front.

Building on the model for retail CBDC that the HKMA is jointly investigating with the Hong Kong Centre of the Bank for International Settlements (BIS) Innovation Hub, the Whitepaper explores potential technical design options for issuing and distributing retail CBDCs. This Whitepaper is the first among similar papers published by central banks to unveil a technical architecture that includes a ground breaking privacy preservation arrangement that allows transaction traceability in a privacy-amicable manner. In the course of this research, the HKMA has also identified a number of issues for further exploration as summarised under the problem statements in the Whitepaper, on which the HKMA would reach out to the academia and industry for further views and comments.

The Chief Executive of the HKMA, Mr Eddie Yue, said, "The Whitepaper marks the first step of our technical exploration for the e-HKD. The knowledge gained from this research, together with the experience we acquired from other CBDC projects, would help inform further consideration and deliberation on the technical design of the e-HKD. We also look forward to receiving feedback and suggestions from the academia and industry to enrich our perspectives."

The report is available on the [HKMA website](#).