

National Study on Central Bank Digital Currency and Stablecoin in The Maldives

Post Workshop Final Report

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Glossary of Terms

| Term | Definition |
|---------------------|--|
| ACH | Automated Clearing House for cheques |
| AML/CFT or AMLT | Measures for Anti Money Laundering and Countering the Financing of Terrorism |
| ATM | Automated Teller Machine – a device for automated cash dispensing and other banking transaction |
| B2B | Business to business |
| B2P | Business to person |
| BIS | Bank for International Settlements, located in Basel, Switzerland is the forum used by Central Banks for agreeing standards. The payment standards body in BIS is known as CPMI – Committee on Payments and Market Infrastructures |
| Blockchain | Term used to describe Distributed Ledger Technology (DLT), in which the transaction ledger for a system is created step by step as a series of “blocks” by a cryptographic process, so that the ledger is shared and validated by participants rather than one central authority |
| BML | Bank of the Maldives – the largest commercial bank in the Maldives |
| CAGR | Cumulative Annual Growth Rate |
| CBDC | Central Bank Digital Currency |
| CMDA | Capital Markets Development Authority, which is the capital markets industry regulator in the Maldives |
| CSD | Central Securities Depository, a system to register the holdings of government securities and to settle transfers |
| cUSD | USD denominated Stablecoin minted by CELO |
| DeFi | Decentralized Finance – FinTech mechanisms to enable non-bank third parties to safely deliver financial services and products |
| DLT | Distributed Ledger Technology – see Blockchain |
| Dollarization | The extent of use of the USD for domestic transactions and savings |
| ECCB | Eastern Caribbean Central Bank |
| eCNY | The “Digital Yuan” - the CBDC issued by the People’s Bank of China and in Pilot use in a number of large Chinese cities |
| EftPos / EFTPOS | Electronic Funds Transfer at Point of Sale - the technology behind secure card payment at Point of Sale via a card reading terminal |
| FinTech | Financial Technology company providing on-line products that compete with the traditional banking sector |
| Financial Inclusion | The proportion of the population holding accounts with banks and other licensed financial institutions |
| FMI | Financial Market Infrastructure |
| GDP | Gross Domestic Product – a measure of the output of the economy |
| Grey Economy | Economic activity not recorded by the authorities because it is conducted in cash |
| IFC | International Finance Corporation, a member institution of the World Bank Group |
| IPS | A payment system that enables inter-bank payments to be made in real- |

| | |
|------------------------|---|
| Instant Payment System | time via mobile handsets or internet banking, regardless of which mobile network is used |
| Interoperability | The ability for any mobile payment system user to transact with any other user regardless of bank, Payment Service Provider or mobile network used |
| KYC | Know Your Customer – measures to check the identity of a customer applying for banking or payment services |
| MENA | Middle East North Africa region |
| MMA | Maldives Monetary Authority |
| MNO | Mobile Network Operator |
| Mobile money | Payment systems based on mobile network operator platforms |
| MPSD Project | Maldives Payment System Development project |
| National Roll-out | A stage after a Pilot CBDC Project, and subject to its success, in which the Digital Currency would be rolled out across the country step by step |
| NFC | Near Field Connectivity - a method for mediated contactless transactions |
| NPCI | National Payments Corporation of India |
| P2B | Person to business |
| P2G | Person to government |
| P2P | Person to person |
| Pilot Project | An initial private launch of the CBDC to test assumptions, systems, acceptance and impact |
| PoC | Proof of Concept |
| PoS | Point of Sale |
| PRC | People's Republic of China |
| PSP | Payment Service Provider – an organization that provides payment services to end-customers, which may be a bank or a non-bank such as a mobile network operator or FinTech |
| QR code | Quick Response code that allows information about a merchant (and transaction price in some cases) to be read by a payment App on a mobile handset in order to set up a payment |
| Remittances | Incoming fund transfers sent to recipients in The Maldives or vice versa |
| SAARC | South Asian Association for Regional Cooperation |
| UAE | United Arab Emirates |

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