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**ROYAL MONETARY AUTHORITY OF BHUTAN**

**PRESS RELEASE**

**PILOT PROJECT ON CENTRAL BANK DIGITAL CURRENCY**

**23<sup>rd</sup> September 2021**

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The Royal Monetary Authority of Bhutan (RMA) in collaboration with Ripple Labs, Inc. (Ripple) of USA, the leading provider of enterprise blockchain and crypto solutions for cross-border payments is piloting a project on central bank digital currency (CBDC) in Bhutan.

CBDC is a digital form of the fiat currency issued by a central bank. While central banks have different reasons for exploring CBDCs, a common driving force, that is also relevant for Bhutan, is the need to adapt to the overall digital transformation in the way we live, interact and transact with each other. Since cash is the only form of central bank money available to the general public, retail CBDCs provide a digital alternative to the public in the face of declining usage and acceptance of cash.

It is timely that the RMA explore a digital alternative to its money, a Digital Ngultrum, that promotes efficiency and innovation within the overall context of the country's drive to harness technology for a 21st century Bhutan.

Building atop its current payments infrastructure, the RMA will pilot retail, cross-border and wholesale payment use cases for a digital Ngultrum using Ripple's sustainable blockchain technology, which will be tested in trial phase with the banks, payment service providers and other relevant stakeholders.

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