* Bahamas: implemented its own CBDC in October 2020
* China: completed two pilot tests
* Uruguay: completed a pilot test
* CBDC Infrastructure:
  + Database in which CBDC is registered
  + Application through which payments with CBDC are executed
* CBDC Characteristics:
  + Issuer: Central Bank
  + Accessibility: Universal or restricted
  + Type of technology: account-based or token-based

1. **BAHAMAS CBDC:**

* Digital B$ and also called sand dollar
* Support a payment system using a liability of The Central Bank of Bahamas
* Aims to:
  + Improve financial inclusion
  + Reduce service delivery costs
  + Increase transactional efficiency
* Each Sand Dollar is pegged to the Bahamian dollar, which is, in turn, pegged to the U.S. dollar.
* B$ is pegged to the USD. So in effect, this can be seen as a pilot release of a digital USD by proxy
* Digital currency ecosystem to support digital payments
  + Authorized Financial Institutions (AFI) ecosystem that provide services to the retail customers in the form of: KYC/AML checks, wallet services, and custodial services for the sand dollar
  + AFI includes money transmitter businesses, payment service providers, and commercial banks
* Digital wallets are segregated into three tiers similar to Chinese approach:
  + Lowest tier: does not require strict KYC/AML requirements and limits the amount of sand dollars held
  + The other two tiers have a risk based approach to KYC, for retail customers this increases the limits; however higher amounts are taken into custody of the appropriate AFI
  + Wallets are secured with multi-factor authentication coupled with a common password and a one-time password.
  + Protections against sim-swapping are not known
  + A digital identity solution for the Bahamas is created in parallel with the sand dollar
* Sand dollar will not pay interest and cannot be held non-domestically. However, it can be used for all wholesale and retail transactions domestically
* Technical Overview:
  + Solution provider: NZIA which has a novel architectural solution consisting of NZIA Cortex DLT (a blockchain platform) at its foundation, hardware nodes running the platform, with a hybrid wireless network at the top to connect the mobile devices
  + Loss of power is a very crucial feature. Synchronization of wallet happen eventually when connections pick up again

1. China

* China’s Digital Yuan is probably the most advanced several CBDC initiatives. It is designed to replace cash in circulation not money deposited long-term in bank accounts
* The PBOC is aiming to become the first major central bank to issue a CBDC, part of its push to internationalize the yuan and reduce dependence on the dollar-dominated global banking system.
* Estimated launch timeline remain undisclosed
* Test on paying for goods, food delivery
* Users expect to download digital wallets in which they can store their funds, and which generate a QR code that can be scanned by payment terminals in shops
* Commercial banks have the role of distributing the digital currency to the users. Each bank should deposit the same amount of their reserves with the PBOC as the digital yuan they distribute.
* Both the central bank and commercial bank distributors will keep databases tracking the flows of digital yuan from user to user, something they cannot do as effectively with coins or banknotes.
* Digital yuan will not use blockchain. It will use DLT which allows transactions to be validated without the need for banks