

# Taguette highlights: punt to public policy

The appropriate degree of privacy, as also judged by society, is a challenge in a digital environment. For CBDC, 15 Existing laws are typically written broadly for direct physical transfer or for a central entity (“banks”) to accept instructions and modify a ledger. In a CBDC based on DLT, multiple entities could modify a set of distributed ledgers. Other legal issues, such as the timing of the discharge of obligations and liability for errors and unauthorised payments, may also be relevant.

Central bank digital currencies

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**the appropriate degree of privacy** of the currency would need to be considered carefully, which could entail difficult public policy design choices for a central bank.

**Document:** Cœuré and Loh - Central bank digital currencies.p **Tags:** punt to public policy

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**Privacy.** Canadians are concerned about maintaining an appropriate degree of privacy both in relation to private businesses, such as merchants and payment providers, and in relation to the government. Results from our initial focus group work has emphasized the importance of privacy for users of payment systems. How much privacy should be available, and from whom, is an important public policy issue. A range of policies are already

in place to try to ensure that payment instruments of all kinds are not used for illegal purposes and that personal data are protected.

**Document:** Contingency Planning for a Central Bank Digital Currency **Tags:** relevant to public policy

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It has been discussed whether anonymity and privacy should be part of public policy considerations. There is a natural and lawful demand for anonymity and to some analysts, this is one key attraction of private digital currencies. This comes, of course, with drawbacks because anonymity might facilitate nefarious activities. It is important to notice that the anonymity that cash provides is incidental to its form and not a feature that was factored in as its design evolved over the years. Still, a central bank e-money system could be designed to balance the legal demand for anonymity and privacy with its risks, possibly offering more or less anonymity than cash (Kahn

2017 and Kahn et al. 2005).

**Document:** Kahn - Should the Central Bank Issue E-money.pdf **Tags:** relevant to public policy

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Any design needs to be determined by policy choices about the attributes of the CBDC (e.g., privacy, resilience); the business model (considering, e.g., partners, end-user channels and the cost model); and the qualities the system supports (e.g., user experience, security).

**Document:** Shah et al. - Technology Approach for a CBDC.pdf **Tags:** relevant to public policy