

Mr Ali will discuss the economics of existing digital currencies schemes as currently designed, noting that, both in terms of individuals' incentives and at a macroeconomic level, they pose significant challenges to their widespread adoption. Although the monetary aspects of digital currencies have attracted considerable attention, the distributed ledger underlying their payment systems is a significant innovation. As with money held as bank deposits, most financial assets today exist as purely digital records. This opens up the possibility for distributed ledgers to transform the financial system more generally. While existing private digital currencies have economic flaws that make them volatile, the distributed ledger technology which their payment systems rely on may have considerable promise. This raises the question of whether central banks should themselves make use of such technology to issue digital currencies.

Attendance at the meeting will be limited to members of Manchester Statistical Society and their guests.

The Society regrets that unaccompanied visitors cannot be admitted to this meeting.

Robleh Ali is manager of the Digital Currencies work at the Bank of England. The Bank is currently undertaking research into central bank issued digital currencies, including the economic, technological and regulatory implications of doing so. He is also a co-author of the Bank's Quarterly Bulletin articles on digital currencies. He has a longstanding interest in how technology intersects with finance; in his previous role at the Bank he worked on data standards for financial markets and co-authored a paper on the subject.