General Guidelines for Entities Responding to the Letter of Invitation to the Pilot for Central Bank Digital Currency

This document provides general guidelines to entities, seeking to respond to Bank of Jamaica’s (the Bank) letter of invitation for the pilot of Central Bank Digital Currency (CBDC) through the Bank’s Fintech Regulatory Sandbox.

The Guidelines are:

1. Design requirements for the technical solution for CBDC:
   i. CBDC will be issued as digital fiat currency and will be non-interest bearing.
   ii. The proposal for the technical solution for CBDC must be tailored to the country specific factors, and consider critical elements such as the existing payments infrastructure, telecommunications infrastructure, degree of mobile penetration and internet penetration. The identification of the technical solution will require the entity to conduct a feasibility assessment as one of the deliverables. Stakeholder engagement and sensitization will be a critical aspect of the work of the provider.
   iii. User-centric design which allows for easy access and use by the financially excluded.
   iv. Ability to distribute value to the intended beneficiaries, accept and remit payments/transfers in CBDC, with the ability to instantly transact and settle with finality.
   v. Mechanisms to securely store and provide regulated custody of CBDC to include, digital signature, data encryption and confidentiality of information and data privacy.
   vi. Mechanisms to improve the efficiency of currency issuance and redemption processes.
   vii. Minimum operational requirements for 24/7/365 usage, with the option to operate offline.
   viii. Ability to satisfy anti-money laundering/counter-financing of terrorism (AML/CFT) standards and facilitate identity authentication and verification (eKYC).
   ix. Interoperability.

2. Testing and Implementation Framework:
   i. Provision of project scope and implementation plan and cost.
   ii. Detailed System Design and Functional Specifications of the proposed solution, including and not limited to:
      a. Architectural design specific to different levels of security; and
      b. Distribution of CBDC to include transactional flows.
   iii. Conducting technological feasibility of the solution.
   iv. Conducting workshops/seminars to inform stakeholders about CBDC.
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3. Instructions for submission

A. Proposals must be organised in the following format:

i. Cover letter.
ii. Table of Contents.
iii. Executive Summary (concise overview of system proposed).
iv. Introduction, Company Background and Experience in deploying similar solutions.
v. Detailed System Design and Functional Specifications and how it would meet the Bank’s objectives.
vi. Implementation Approach, including testing and acceptance processes, feasibility assessment, stakeholder engagement and sensitization, project management, change management, risk management, training and implementation plans.
vii. Copy of current Business Licenses.

B. Detailed requirements of the entity’s background and if applicable, any experience with deploying similar solutions must include:

i. Entity’s profile to include board of directors, senior management and significant shareholders (holding shares of 10% or more). If the significant shareholder is a company, then significant shareholdings are required.
ii. Project Team composition and the individual task assignments.
iii. Qualifications of key staff who will be involved in delivering the services.

4. Demo

If required entities must be able to present solution by demo to walk through functionalities.