



The following provides a collection of relevant publications regarding digitalization and financial innovation at both the global and jurisdictional level. To view previous versions since June 2022, please see the [newsletter's page](#) on the GFMA website.

August 2023

GFMA, AFME, ASIFMA, and SIFMA

[AFME Submits Response to HMT's Consult on the DSS \(August 22, 2023\)](#)

AFME submitted a response to HM Treasury's (HMT) Consultation on the Digital Securities Sandbox (DSS). The responses notes that ultimately, AFME considers "the DSS as an important component of the broader development of DLT-based capital markets, and encourage authorities to consider how the DSS interacts with other initiatives both in the UK and abroad, including the development of legal and prudential treatments of crypto-assets."

GLOBAL

[BIS FSI Publishes Executive Summary on CBDCs \(August 31, 2023\)](#)

As part of the FSI Executive Summary Series, the Bank for International Settlement's (BIS) Financial Stability Institute (FSI) published a paper on "Central bank digital currencies" (CBDCs). The paper highlights benefits and challenges, as well as provides details on architecture and aspects for cross-border transactions.

[BIS FSI Publishes Executive Summary on the Financial Stability Risks of DeFi \(August 31, 2023\)](#)

As part of the FSI Executive Summary Series, the Bank for International Settlement's (BIS) Financial Stability Institute (FSI) published a paper on "The financial stability risks of decentralised finance." The paper provides background on DeFi, as well as highlights DeFi vulnerabilities, interlinkages, and transmission channels.

[BIS Publishes Paper on Financial Stability Risks from Crypto in Emerging Markets \(August 22, 2023\)](#)

As part of the BIS Papers series, the Bank for International Settlements (BIS) published a paper on "Financial stability risks from cryptoassets in emerging market economies."

[BIS Publishes Working Paper on Fully Decentralised Systems \(August 11, 2023\)](#)

As part of its BIS Working Papers series, the Bank for International Settlements (BIS) published a paper on "An impossibility theorem on truth-telling in fully decentralised systems." The paper finds that "in the absence of some additional motivation (eg an inherent preference toward truth-

telling) which links individual payoffs to the truth, there is no way to implement contracts that pay out based on an observed state without a trusted source.”

[BIS Publishes Paper on Absolute Blockchain Strength \(August 9, 2023\)](#)

As part of its BIS Working Papers series, the Bank for International Settlements (BIS) published a paper on “Absolute blockchain strength? Evidence from the ABS market in China.” The report finds “that adopting blockchain has improved the efficiency and transparency of ABS trading in China” and that “the cost of ABS issuance has fallen by around 25 basis points.”

NORTH AMERICA

United States

FRB Issues Two Supervision and Regulation Letters Governing Firms’ Use of Crypto-assets and DLT (August 8, 2023)

The Federal Reserve Board (FRB) issued two supervision and regulation letters governing firms’ use of crypto-assets and distributed ledger technology more broadly. The first (SR 23-7) focuses on the “[Creation of Novel Activities Supervision Program](#)” and the second (SR 23-8 / CA 23-5) focuses on “[Supervisory Nonobjection Process for State Member Banks Seeking to Engage in Certain Activities Involving Dollar Tokens](#).”

APAC

India

[RBI Governor Highlights Benefits of Digital Public Infrastructure \(August 11, 2023\)](#)

Shaktikanta Das, Governor of the Reserve Bank of India (RBI) delivered a speech on the “Global economy - challenges, opportunities and way forward.” The speech noted that “India's experience has shown how Digital Public Infrastructure (DPI) can be utilised for advancing financial inclusion and productivity gains through cost reductions.”

*All information collected and provided for this report is publicly available.