
Toronto Centre Panel Examines COVID-19: Supervising the New Normal Using Stablecoins to Facilitate Financial Stability and Inclusion in Unprecedented Times

Toronto Centre held a virtual Executive Panel during the Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group, based in Washington, D.C.

April 17, 2020, 10:15 A.M. (EST)

VIRTUAL – On Friday, April 17th, Toronto Centre held an Executive Panel during the virtual Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group. The panel, titled “COVID-19: Supervising the New Normal—using stablecoins to facilitate financial stability and inclusion in unprecedented times,” included senior experts from various international organizations.

In his introductory remarks, Babak Abbaszadeh, CEO, Toronto Centre, noted that “recent stablecoins initiatives have highlighted the shortcomings in cross-border payments, and the importance of improving access to financial services especially for the 1.7 billion people globally who are unbanked.”

Aditya Narain, Deputy Director MCM of the IMF and Board Member at Toronto Centre, moderated the panel discussion, which featured commentary on the potential impacts of digital payments and innovation on financial inclusion and stability.

Tobias Adrian, Financial Counsellor and Director of the Monetary and Capital Markets Department of the International Monetary Fund (IMF), stated that “the world of fiat money is in flux, and innovation will transform the landscape of banking and money. The adoption of new, digital payment methods could bring significant benefits: improved efficiency, greater competition, broader financial inclusion, and more innovation. But it could invite risks to financial stability and integrity, monetary policy effectiveness, and competition standards. So, policymakers must innovate and collaborate, aiming to create an environment that maximizes benefits and minimizes risks.”

“In this time of social distancing, digital payments enable economic activity to continue and rapid government assistance to reach people and firms,” said Ceyla Pazarbasioglu, World Bank Vice President, Equitable Finance, Growth and Institutions. “This crisis has highlighted the critical importance of universal access to digital payments and of business continuity plans for payment systems and services.”

The panelists reflected on the opportunities and risks that stablecoins present in the wake of COVID-19 and considered what the added value is of leveraging stablecoins for financial inclusion and stability. “The COVID-19 pandemic constitutes an unprecedented global macro-economic shock. In the face of this challenge, the FSB and its member jurisdictions have taken swift, coordinated and decisive actions to maintain global financial stability, keep markets open and functioning, and preserve the financial system’s capacity to finance growth,” said Dietrich Domanski, Secretary General of the Financial Stability Board (FSB).

Ross Leckow, Senior Adviser Fintech - Strategy and Legal, the BIS Innovation Hub, added that “digital currencies will form an important part of the global payments system of the future and central banks will need to ensure that they evolve in a manner that serves the public interest. The growing role of digital currencies will need to be supported by a legal framework that promotes financial stability, financial integrity and legal certainty for market participants.”

Panelists included:

- Ceyla Pazarbasioglu - Vice President for Equitable Growth, Finance and Institutions, the World Bank Group.
- Tobias Adrian - Financial Counsellor and Director of the Monetary and Capital Markets Department, International Monetary Fund.
- Dietrich Domanski - Secretary General, Financial Stability Board.
- Ross Leckow - Senior Adviser Fintech - Strategy and Legal, the BIS Innovation Hub.

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