



# BRICS digital currency: problems and challenges

Dr., Prof. Irina Z. Yarygina

Head of the Chair, MGIMO (U) Ministry for Foreign Affairs of the  
Russian Federation

NCI BRICS, Research Director

Professor, Head of Programs, Financial University under the  
Government of the Russian Federation,



National Committee  
on BRICS Research,  
Russia

## **Partner – countries' aims**

**Sustainable economic growth & successful reproduction**

**Safe finance & effective risk management**

**Support of economic entities for better living**

# Strategic partnership

**Easier penetration to foreign financial systems and markets**

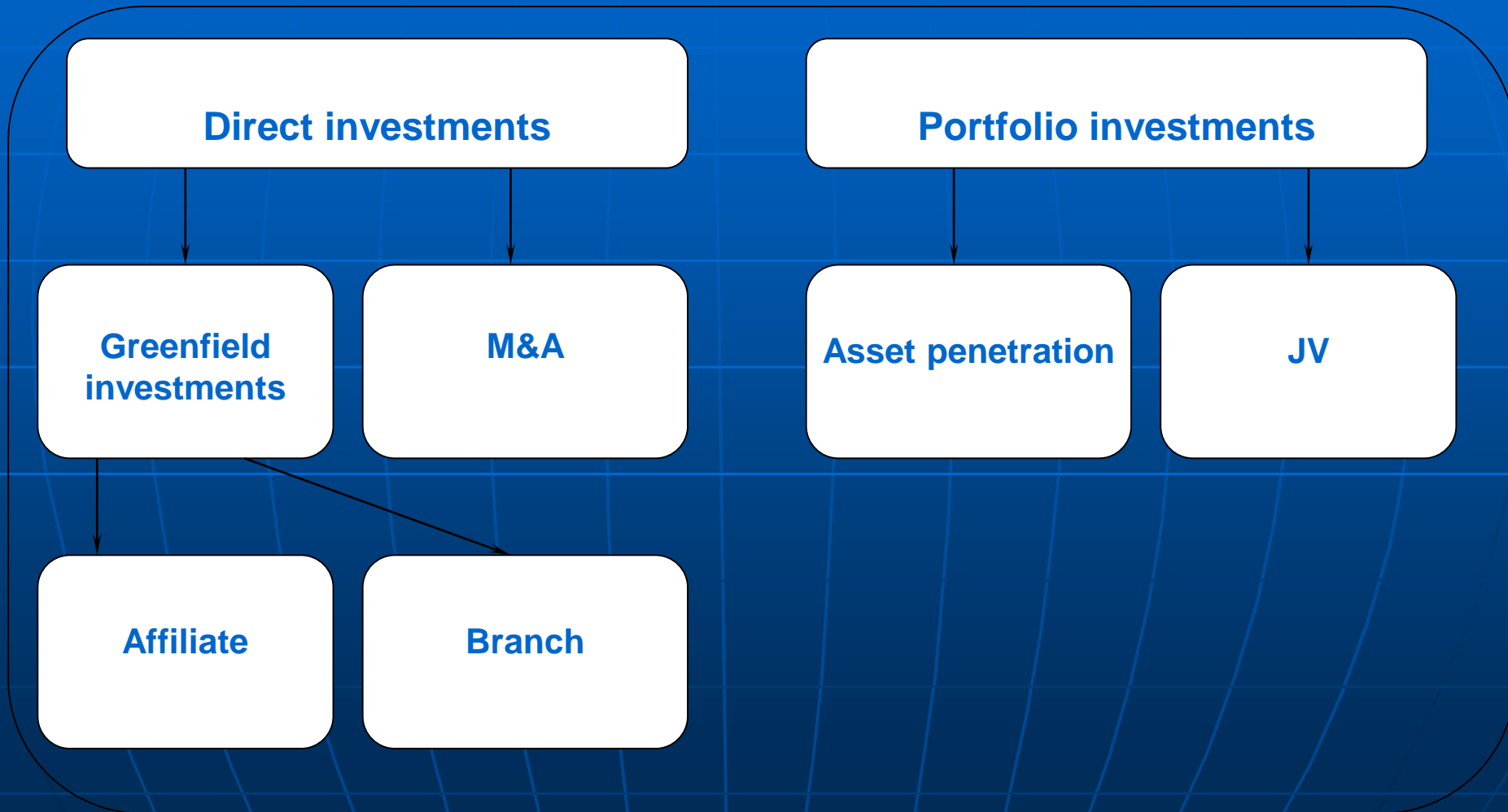
**Shorter periods for strategic developments**

**Technological and administration reserves**

**Professional challenges**



# Currencies circulation through ways of economic and financial cooperation



# Customs Union – Mutual Market – Economic Union – **Currencies Union** – Free economic cooperation



Eurasian Economic Union (EAEU) nations



# Participants of the BRICS Currency Alliance

- New Development Bank
- International bank for economic cooperation
- International Investment bank
- Intergovernmental bank
- Eurasian Development bank
- Black Sea Trade and Development bank
- Inter-American Development
- Asian Development bank
- African Development bank
- other public and private banks, funds, institutions



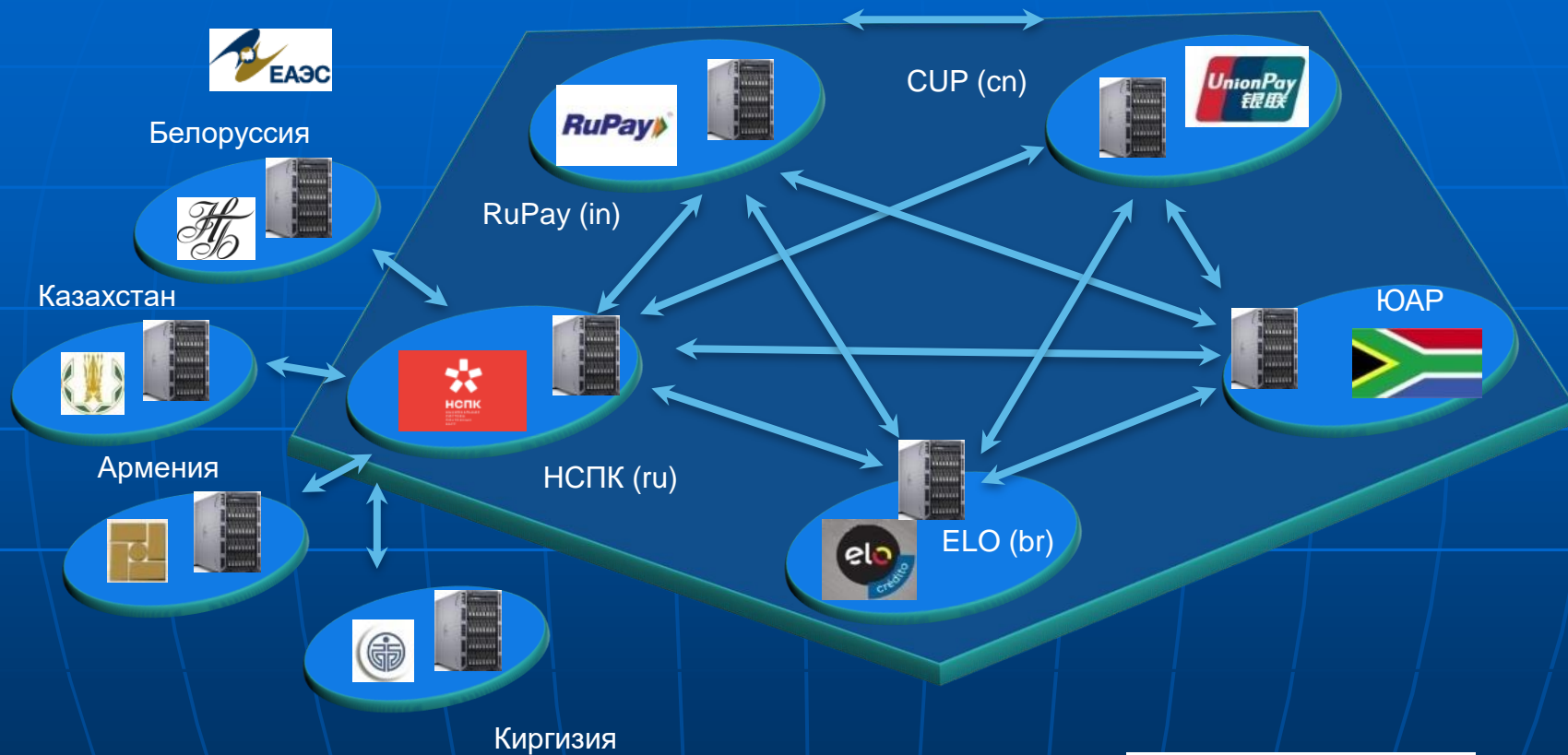
# BRICS banks' currency support

- **Export – finance**
- **Loans**
- **Guaranties**
- **Multiple project - finance**
- **Syndicated loans**
- **Factoring**
- **Leasing**
- **Other types of financing**





# BRICS - Eurasian digital currency payment system





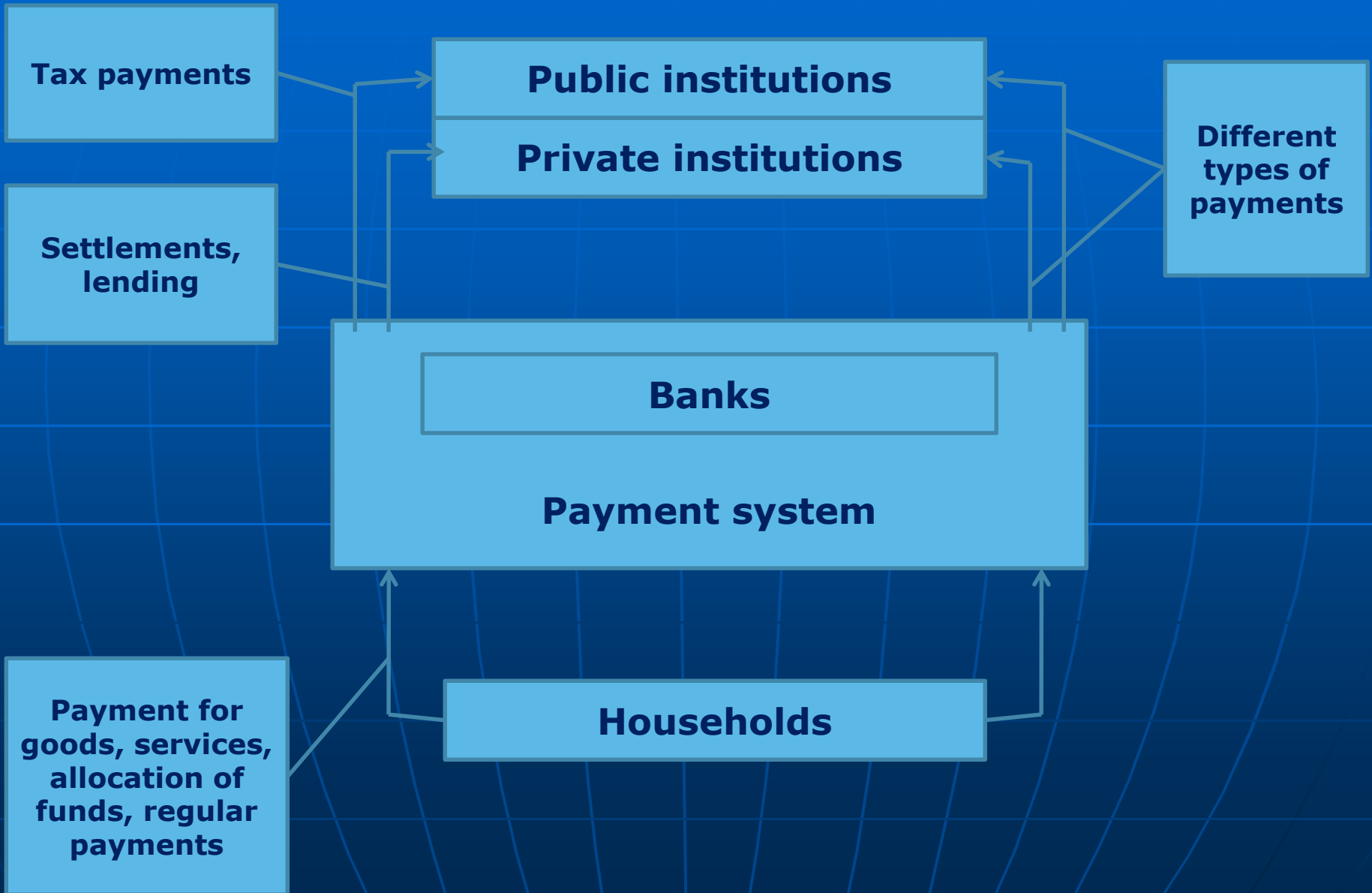
# *Strategy for BRICS digital currency payment system (DCPS) arrangement*

## Key aspects:

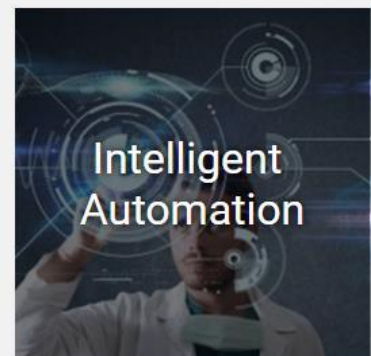
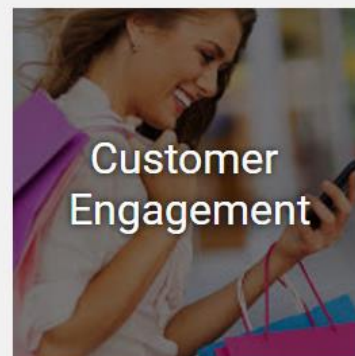
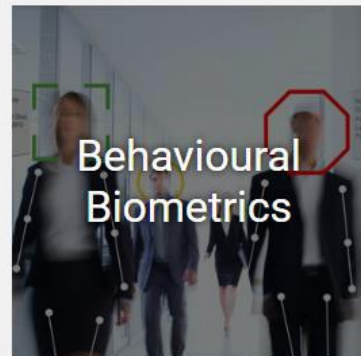
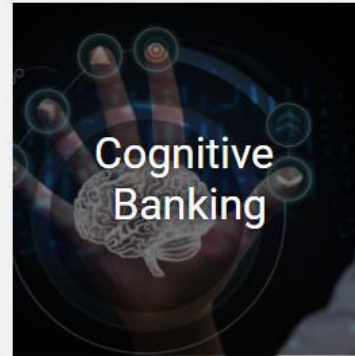
- Functioning rules
- Operators of payment systems
- Requirements for consumers
- Principles of supervision



# Relations of economic entities in national currencies



# BRICS cyber banking trends

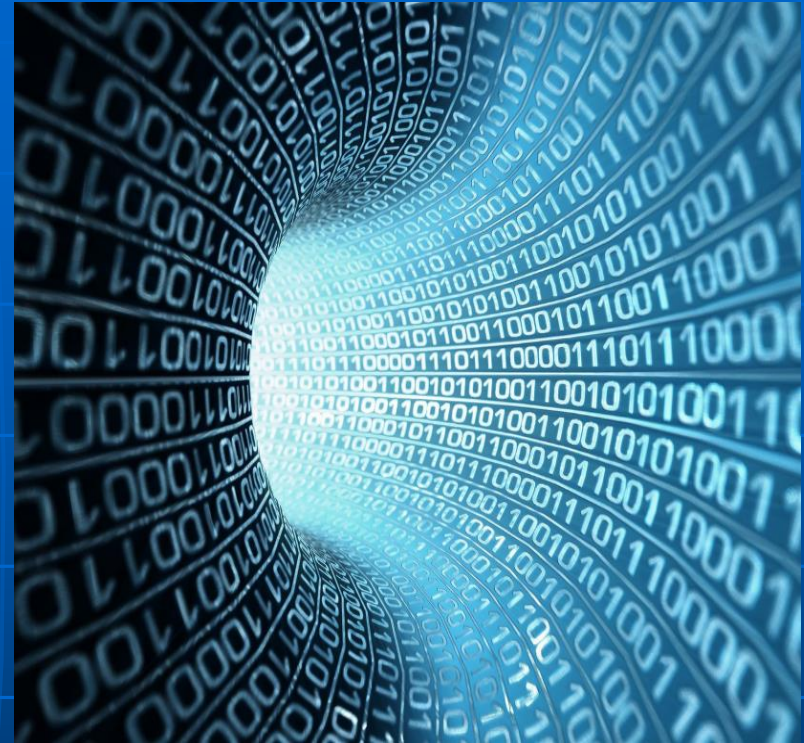






# DCPS services

- **E-commerce**  
(enterprises, households, individuals, governments, public & private institutions)
- **Finance and banking**
- **Trade promotion**
- **Safe and transparent Data exchange**
- **Financial and functional risk management**



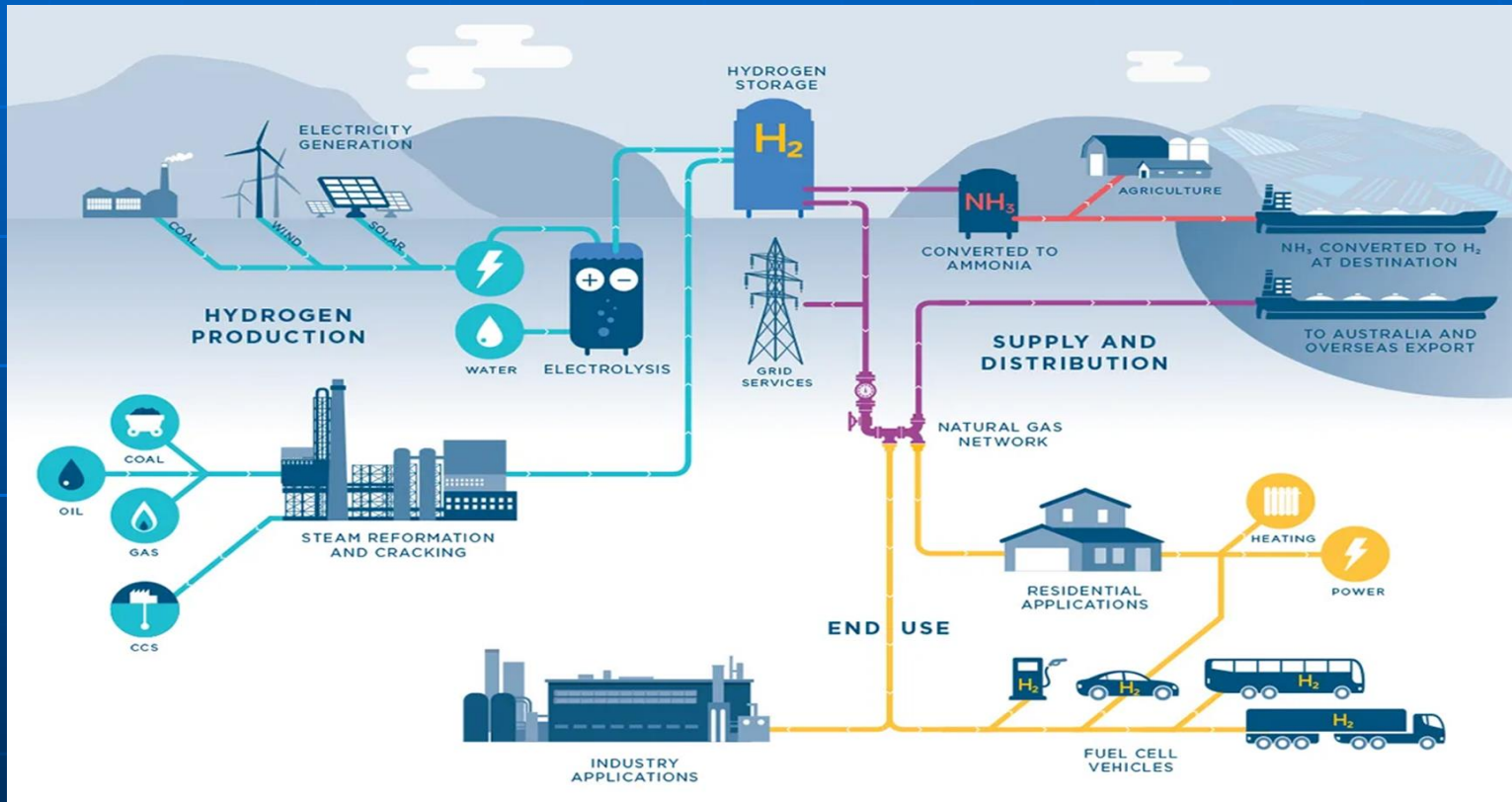


# Harmonization of relations is of a need

- Market structure & environment
  - Operation procedures
  - Financial reporting
  - Financial supervision



# Partnership on new industrial revolution (H<sub>2</sub> production)





# BRICS CHALLENGES for DCPS Partnership



## *INTERGOVERNMENTAL CONSORTIUM*

Establishment of  
DCPS Consortium  
for BRICS pilot  
payment projects

## SAFE FUNCTIONING

Transition to DCPS  
transactions in a  
single convertible  
BRICS currency

# BRICS+ Public Private Partnership projects can be a platform for DCPS introduction



AS A FORM OF CORELATION BETWEEN A STATE AND  
PRIVATE INVESTORS ON PRINCIPLES OF MUTUAL  
INTERESTS

# Prerequisites for national currencies circulation

- **Reliable economic and financial developments**
- **Economic demand**
- **Ability of the national currency to perform as the money abroad (payments, savings, exchange base, etc.)**
- **Low level of transaction costs**
- **Legislation**

# Stock Exchanges Alliance (cross-listing of financial instruments in national currencies , February, 2017)

- BM&FBOVES PA (Brazil)
- Moscow Stock - Exchange
- BSE Ltd (India)
- JSE Ltd(South Africa)
- HK Exchange (China)
- Basis of BRICS International Financial Center
- International Association of CIS



**Background for BRICS global  
Financial Center as a new cyber  
platform for direct financing**

# Sustainable DCPS development agenda

- Concept of long & short term **cross-border secure DCPS interaction**
- **International software Roster**
- **Concept of a Secure Single Cyber Platform**
- Energy, transport, trade **ecosystems as a basis for DCPS multilateral community**





***Thank You for the kind attention***

**[jiz4@yandex.ru](mailto:jiz4@yandex.ru)**