Overview

Persistent economic inequalities within and across nations raise key issues about financial inclusion that demand scholarship and innovative policies to aid in their solution. In response to some of these issues, many Central Banks have expanded their purview beyond their traditional functions of monetary policy, financial institution supervision and payments to also cover financial inclusion. Recognizing this, the Bill & Melinda Gates Foundation partnered with the University of Michigan’s Ford School of Public Policy and the Center on Finance, Law, and Policy to establish the Central Bank of the Future (“CBOTF”) project in January 2019.

The goal of CBOTF is to assess the current role of Central Banks worldwide and determine what Central Banks’ future role(s) could be in promoting a more inclusive financial system and economy in the context of a digital world, with a particular focus on emerging markets. The project will identify opportunities that Central Banks are uniquely positioned to leverage, including through the adoption of new technology, to foster financial inclusion. More specifically, the project plans to examine traditional Central Bank functions, as well as potential new functions, to identify technologies, processes, and policies Central Bank could use to create a more inclusive economy. In addition, the project seeks to explore the possibility of involving the private and philanthropic sectors in support of these objectives.

Over the life of this project, CBOTF will convene experts for roundtable discussions, organize conferences with international representation, solicit input and scholarship from stakeholders and experts, and publish a series of working papers. The final paper will synthesize the project’s two years of findings, making recommendations for how Central Banks, policy-makers, financial market participants and philanthropists can foster financial inclusion in a digital world and create a more inclusive economy.

As part of our work to solicit input from relevant stakeholders, the Center on Finance, Law & Policy is issuing this Call for Papers & Proposals. Input should be provided in the forms outlined below and should seek to present new ideas with We invite participants to submit:

- academic papers – scholarly works of new research pertaining to the topics listed below (or topics closely related to those listed below);
- **policy proposals** – including, but not limited to, draft or model legislation or regulation, proposals for new programs and/or proposed regulatory or supervisory process changes that financial policymakers or regulators could implement, along the lines of the topics listed below, to improve financial inclusion; and/or

- **pitches for technology products or services** – start-up style pitches explaining a new technology, product or service that could be adopted by Central Banks and/or their regulated entities to help the ecosystem foster financial inclusion.

**Topics**

The submissions should seek to further current research, policy or technology addressing the following topics and questions, including but not limited to:

1. **Central Banks as Utilities**
   - Should Central Banks provide identity verification to private financial services providers?
   - Should Central Banks provide accounts directly to consumers?
   - Should Central Banks be the lone provider of payments rails?

2. **Changing the Traditional Remit of Central Banks**
   - What is the Central Banks’ role in regulating non-bank providers of financial services (e.g., big tech, telco)?
   - Should Central Banks have tailored regulatory standards based on transaction volume (or other criteria)?

3. **Digital Currency and Distributed Ledger Technology**
   - Should Central Banks issue digital fiat currency?
   - How might such issuances impact financial inclusion?
   - How could DLTs be used effectively by Central Banks – e.g., for AML/ID, regtech or suptech?

4. **AML/KYC**
   - How can current AML/KYC regimes be improved or changed to foster financial inclusion?
   - Should AML/KYC standards be tailored not just based on risk or transaction size, but also based on activity or some other metric?
   - What approaches, if any, beyond risk-based tailoring should Central Banks employ? Could, for example, modern transaction monitoring and pattern recognition be built using next-generation data sharing standards, architectures and technologies?
CALL FOR PAPERS – CENTRAL BANK OF THE FUTURE

• Could Central Banks become the arbiter of identity such that the burden for AML/KYC is lessened for private actors, freeing them up to provide services to a broader customer set? In other words, could AML/KYC compliance be offered as a service/utility to the market? How might this work in practice?

5. Cybersecurity

• Jurisdictions most in need of cybersecurity enhancements to comply with global standards are often the very jurisdictions that most lack capacity. What are these gaps and what is the role of various sectors – public, private, philanthropic – in building the necessary capacity?

• Should cybersecurity frameworks and solutions be developed differently in emerging markets than those in developed economies? Why or why not? And if so, how?

Call for Papers, Deadline & Procedure

Authors can submit papers, policy proposals, and/or technology proposals to Adrienne Harris at centralbankpapers@umich.edu The deadline for submission is Friday, February 28, 2020.

The organizers will communicate decisions on acceptance by Friday, April 17, 2020, along with any comments the organizers would like to see reflected in final proposals. Revised final papers and proposals are due on Friday, May 15, 2020.

Authors of these final papers and proposals will be invited to attend a roundtable event (location TBD) in mid-June to present to an esteemed panel of experts, including academics, policymakers, and funders, and will have their work published as part of the Central Bank of the Future Working Paper Series and on SSRN.