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# New York Fed and Monetary Authority of Singapore Collaborate to Explore Potential Enhancements to Cross-Border Payments Using Wholesale CBDCs

4–5 minutes

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NEW YORK, SINGAPORE—The Federal Reserve Bank of New York’s [New York Innovation Center](#) (NYIC) and the Monetary Authority of Singapore (MAS) today announced *Project Cedar Phase II x Ubin+*, a joint experiment to investigate how wholesale central bank digital currencies (wCBDCs) could improve the efficiency of cross-border wholesale payments involving multiple currencies.

Project Cedar Phase II x Ubin+ will enhance designs for atomic settlement of cross-border cross-currency transactions, leveraging wCBDCs as a settlement asset. The effort, which entails establishing connectivity across multiple heterogeneous simulated currency ledgers, aims to significantly reduce settlement risk, a key pain point in cross-border cross-currency transactions.

“Experimentation across the central banking community is vital to leverage the full potential of digital assets and CBDCs in particular” said Michelle Neal, Head of the Markets Group at the New York

Fed. “Building off Phase I, the Project Cedar Phase II x Ubin+ collaboration will provide further visibility into the functionality and interoperability of multi-currency ledger networks utilizing their own unique designs.”

Leong Sing Chiong, Deputy Managing Director (Markets & Development), MAS, said “Project Cedar Phase II x Ubin+ advances global efforts to evaluate the benefits of wholesale CBDCs and help build capabilities for a future financial infrastructure that is open and interoperable. The project takes a practical approach and designs for any future wholesale CBDC to be interoperable across networks, while maintaining each network’s autonomy.”

The Project Cedar Phase II x Ubin+ experiment is not intended to advance any specific policy outcome, nor is it intended to signal that the Federal Reserve will make any imminent decisions about the appropriateness of issuing a retail or wholesale CBDC, nor how one would necessarily be designed. A report detailing the experiment and findings of Project Cedar Phase II x Ubin+ will be released in 2023.

Project Cedar is a multi-phase research effort to develop a technical framework for a theoretical wCBDC in the Federal Reserve context and aims to contribute to a broad and transparent public dialogue about CBDC from a technical perspective. Phase I of Project Cedar [found](#) that using a wCBDC prototype to facilitate transactions supported by blockchain technology could improve the speed and safety of cross-border wholesale payments.

[Ubin+](#) is MAS’ collaborative initiative with international partners to improve the efficiency and reduce the risks of cross-border foreign

exchange settlement, by advancing cross-border connectivity and interoperability of wholesale digital currencies.

### **About the New York Innovation Center**

As part of the Federal Reserve Bank of New York, the [New York Innovation Center \(NYIC\)](#), bridges the worlds of finance, technology, and innovation. Launched in 2021 and established in partnership with the Bank for International Settlements Innovation Hub, the NYIC generates insights into high-value central bank-related opportunities through technical research, experimentation, and prototyping, to drive advancements in central banking and enhance the functioning of the global financial system.

### **About MAS, Monetary Authority of Singapore**

The Monetary Authority of Singapore (MAS) is Singapore's central bank and integrated financial regulator. As a central bank, MAS promotes sustained, non-inflationary economic growth through the conduct of monetary policy and close macroeconomic surveillance and analysis. It manages Singapore's exchange rate, official foreign reserves, and liquidity in the banking sector. As an integrated financial supervisor, MAS fosters a sound financial services sector through its prudential oversight of all financial institutions in Singapore – banks, insurers, capital market intermediaries, financial advisors and financial market infrastructures. It is also responsible for well-functioning financial markets, sound conduct, and investor education. MAS also works with the financial industry to promote Singapore as a dynamic international financial centre. It facilitates the development of infrastructure, adoption of technology, and upgrading of skills in the financial industry.

