

Commission: Economy

Session: Zonal MUN 2024

Sponsors: Australia, Brazil, Germany, Indonesia, Iraq, Malta, Republic of Korea(South), Russian Federation, Saudi Arabia, Ukraine.

QUESTION OF: ADDRESSING THE DIGITALISATION OF CURRENCY AND ITS POTENTIAL CONSEQUENCES

The General Assembly,

Acknowledging the rapid advancement and adoption of digital currencies globally,

Expressing deep concern about the potential risks associated with digital currency including Cybersecurity threats, financial instability and potential incremented illegal activities,

Fully aware that a significant portion of the global population including the impoverished ones lacks the digital literacy required leading to potential exclusion and financial vulnerabilities,

Deeply concerned by the fact that regulators may face difficulties in ensuring compliance with existing financial laws and regulations, and adapting to new forms of digital financial transactions,

Considering the skepticism of companies to adopt the use of digital currencies,

1. Recommends the creation of regulatory frameworks aiming at addressing and prosecuting violations of laws pertaining to digital currencies in compliance with Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF) and Know Your Customer (KYC);
2. Encourages implementation of educational programs to raise awareness among citizens on how to use digital currencies safely and effectively;
3. Supports initiatives to bridge the digital division and promote inclusion for underserved and remote populations regarding digital currency;
4. Suggests developing insurance schemes or guarantee funds to protect consumers against losses or technical failures;
5. Urges the launch of pilot programs to experiment on possible forms and designs of Central Bank Digital Currency (CBDC) to conduct technical trials, user experience and economic impact;

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6. Demands subsidies for research and development in digital currency technologies;
7. Welcomes cryptography techniques to protect digital currency transactions and storage through encryption technology;
8. Suggests to partner with educational entities and media outlets to conduct public awareness campaigns about the risk and benefits of digital currencies;
9. Endorses participation in global initiatives to share international cooperation and address cross-border digital currency challenges, reducing regulatory arbitrage;
10. Requests providing career transition support, implementing reskilling programs for employees in traditional banking sector.