

CBDC Pilot Tracker 2026

DAI Research Report

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Executive Summary

Central bank digital currencies (CBDCs) have moved decisively from theoretical research to live pilots and production deployments across emerging and advanced economies. As of mid-2026, over 30 jurisdictions operate pilot or retail CBDC systems, with wholesale cross-border platforms gaining traction through multilateral initiatives like Project mBridge. Nigeria's eNaira remains the largest retail deployment by population reach, though adoption has plateaued. The Bahamas Sand Dollar and Jamaica's JAM-DEX offer critical operational lessons on interoperability and offline resilience. South Africa's digital rand pilot entered multi-bank testing in Q1 2026, while the European Central Bank's digital euro preparatory phase continues to de-risk technical and policy choices ahead of a 2028 decision gate. In the United States, FedNow's real-time payment success has dampened political urgency for a retail digital dollar, with Federal Reserve officials emphasizing that fast payments and CBDCs serve distinct policy goals. Compliance officers must monitor design choices around programmability, data privacy, intermediation models, and cross-border interoperability, as these will shape AML/CFT obligations and reporting architectures.

Background

CBDCs are digital forms of sovereign currency issued and backed by a central bank, distinct from commercial bank deposits or privately issued stablecoins. They exist on a spectrum:

- **Retail CBDCs** enable direct or intermediated public access for payments and store-of-value use cases.
- **Wholesale CBDCs** settle interbank obligations and support securities settlement, often using distributed ledger technology (DLT).
- **Cross-border CBDC platforms** link multiple central banks to facilitate FX settlement, trade finance, and remittances with reduced correspondent banking friction.

The Bank for International Settlements (BIS) Innovation Hub has catalyzed much of the wholesale experimentation, while retail deployments concentrate in the Caribbean, West Africa, and Asia-Pacific. Privacy, financial inclusion, disintermediation risk to commercial banks, and geopolitical competition (particularly vis-à-vis China's e-CNY) drive design debates.

Current Landscape (2026)

Retail CBDC Deployments

Nigeria – eNaira (Central Bank of Nigeria)

Launched October 2021; as of Q2 2026, the eNaira wallet ecosystem reports ~13 million registered users but active monthly transaction volumes remain under 2% of population economic activity. The CBN has issued multiple circulars mandating eNaira acceptance by government agencies and incentivizing merchant adoption through fee waivers. Technical infrastructure is provided by Bitt Inc. (Barbados). Persistent challenges include smartphone penetration in rural areas, parallel cash economy dominance, and user confusion with commercial mobile money platforms (particularly those operated by telecom providers). The CBN's 2026 Financial System Strategy reaffirms eNaira as a pillar for financial inclusion but acknowledges adoption headwinds.

Bahamas – Sand Dollar (Central Bank of The Bahamas)

Operational since October 2020 across all Bahamian islands. Sand Dollar remains the longest-running retail CBDC globally. Key lessons: (1) offline capability (NFC card-based transactions) is critical for hurricane-prone regions; (2) strict KYC tiering limits adoption—most users remain in lower-tier wallets (BSD 500 monthly limits); (3) interoperability between authorized financial institutions (AFIs) remains imperfect, with some merchants preferring single-provider ecosystems. The Central Bank introduced a revised Sand Dollar Act in 2025 addressing data retention, cross-border restrictions, and consumer liability in fraud cases.

Jamaica – JAM-DEX (Bank of Jamaica)

Launched for public use in Q3 2024. By mid-2026, eight licensed wallet providers participate, with adoption concentrated in Kingston and Montego Bay. BoJ reports ~400,000 active wallets (approximately 15% of population). JAM-DEX uses a two-tiered architecture: the central bank operates the core ledger; licensed financial institutions and fintechs distribute wallets and provide customer onboarding. AML controls are embedded at wallet provider level, with transaction monitoring routed through the Financial Investigations Division (FID). Jamaica's model is being studied by several CARICOM member states as a regional template.

Wholesale and Cross-Border Platforms

Project mBridge (BIS Innovation Hub, HKMA, Bank of Thailand, PBoC Digital Currency Institute, Central Bank of UAE)

Entered minimum viable product (MVP) phase in Q4 2023; progressed to limited production testing in Q1 2026 with participation by 26 commercial banks across four jurisdictions. mBridge employs a permissioned DLT platform (modified Ethereum-based consensus) enabling real-time, cross-border settlements in multiple CBDCs (e-HKD, wholesale CBDC baht, e-CNY, and a tokenized dirham representation). Use cases tested: trade finance documentary credit settlement, treasury liquidity management, and FX spot against PVP (payment-versus-payment). Finality achieves sub-3-second settlement with significantly reduced nostro funding requirements. Governance remains sovereign: each central bank retains veto over transactions involving its currency. The BIS Innovation Hub's Hong Kong Centre coordinates technical operations. UNVERIFIED: reports suggest Saudi Arabia and South Korea are evaluating observer status.

Digital Euro Preparatory Phase (European Central Bank)

The ECB Governing Council approved entry into a two-year preparatory phase in November 2023. As of mid-2026, the ECB has issued three rulebook draft consultations addressing: (1) intermediary supervision and liability allocation; (2) privacy-preserving architectures (zero-knowledge proofs vs. pseudonymization); (3) offline payment limits and hardware wallet specifications. Five market pilot streams are active, led by consortia including EPI (European Payments Initiative), BBVA, Deutsche Bank, and others, testing

person-to-person transfers, e-commerce checkouts, and government disbursement use cases. The ECB has committed to a decision gate in Q4 2025 on full issuance (NOTE: this timeline has been extended to Q4 2026 in recent communications). Politically sensitive issues—particularly holding limits (proposed range: €3,000–€10,000 per individual) and parallel coexistence with commercial bank deposits—remain under negotiation with European Parliament and national treasuries. The Digital Euro Act legislative proposal was introduced by the European Commission in June 2023, with trilogue negotiations ongoing.

South Africa – Digital Rand Pilot (South African Reserve Bank)

The SARB initiated Project Khokha 2 (wholesale CBDC proof-of-concept) in 2021; results published in 2022 demonstrated DLT feasibility for interbank settlement. Building on this, the SARB launched a retail digital rand pilot in March 2026 involving four commercial banks (Standard Bank, FirstRand, Absa, Nedbank) and two fintech wallet providers. The 18-month pilot focuses on: (1) remittance corridors within SADC (Southern African Development Community); (2) merchant acceptance in townships with limited banking infrastructure; (3) integration with South Africa's national identity system (Home Affairs). Privacy architecture employs a hybrid model—transactions below ZAR 1,000 are pseudonymous; higher-value transfers require full KYC linkage. AML/CFT compliance leverages the existing Financial Intelligence Centre Act (FICA) framework, with wallet providers acting as accountable institutions. The SARB has emphasized that any production digital rand would coexist with cash and commercial bank deposits, with no forced conversion.

Jurisdiction Snapshots

- **United States:** No retail CBDC pilot; Federal Reserve published *CBDC Discussion Paper* (January 2022) emphasizing need for Congressional authorization. FedNow Service (launched July 2023) provides instant payment infrastructure; political opposition to CBDC remains bipartisan in Congress due to privacy concerns and perceived federal overreach. Treasury and Fed prioritize USD stablecoin regulation over CBDC issuance.
- **China (e-CNY / Digital Yuan):** Pilot ongoing since 2020 across 26 cities including Beijing, Shanghai, Shenzhen. PBoC reports cumulative transaction volume exceeding CNY 7 trillion by end-2025. e-CNY wallets integrated into Alipay and WeChat Pay; use cases include retail payments, government salary disbursements, and Winter Olympics (2022). Cross-border testing active via mBridge and bilateral CBDC bridges with Hong Kong and Thailand. Programmability features enable conditional payments (e.g., stimulus coupons with expiry and merchant restrictions).
- **European Union:** Digital euro preparatory phase as described above. ECB coordinates; national central banks conduct domestic market engagement. Political divergence exists between member states on privacy models and holding limits.
- **United Kingdom:** Bank of England and HM Treasury conducted joint consultation (2023); outcomes favored further design exploration but no commitment to issuance. Technology Working Groups active testing API standards for private sector integration. Brexit-era political sensitivity around "digital ID by stealth" constrains public engagement.
- **Singapore:** Monetary Authority of Singapore (MAS) leads Project Orchid (retail CBDC research) and participates in multiple wholesale experiments. MAS published *Purpose-Bound Money* white paper (June 2023) exploring programmable digital currency with embedded transfer conditions, positioned as

applicable to both CBDCs and tokenized deposits. No decision on retail issuance; wholesale experiments prioritized.

- **India:** Reserve Bank of India launched wholesale CBDC pilot (e₹-W) in November 2022 for interbank settlements; retail pilot (e₹-R) began December 2022 across nine banks. As of mid-2026, pilot remains geographically limited (select cities) with phased merchant expansion. RBI emphasizes offline capability and feature phone compatibility for inclusion goals.

- **Australia:** Reserve Bank of Australia concluded Project Atom (wholesale CBDC) feasibility study in 2021; eAUD pilot for wholesale markets conducted 2022–2023 in partnership with Digital Finance Cooperative Research Centre. No retail CBDC plans announced; RBI prioritizes New Payments Platform (NPP) enhancements.

- **UAE:** Central Bank of the UAE participates in mBridge and has tested bilateral CBDC bridge with Saudi Arabia (Project Aber, concluded 2020). Domestic retail CBDC exploration ongoing but not publicly piloted as of mid-2026.

- **Brazil:** Central Bank of Brazil (Banco Central do Brasil) launched Digital Real (Drex) pilot in May 2024 focusing on programmable wholesale settlement and tokenized securities integration. Retail use cases secondary; financial institutions test smart-contract-based lending and trade finance.

Key Risks & Enforcement Signals

Disintermediation and Bank Run Risk

Retail CBDCs introduce direct central bank liability accessible to the public, raising concerns about rapid deposit flight during financial stress. Most designs incorporate **holding limits** (e.g., digital euro's proposed €3,000–€10,000 cap) and **tiered remuneration** (zero or negative interest above thresholds) to discourage large-scale holdings. The International Monetary Fund (IMF) has published multiple working papers modeling disintermediation risk, emphasizing the need for circuit-breakers during crises.

AML/CFT and Privacy Trade-offs

FATF standards apply to CBDC ecosystems. Design tension exists between:

- **Transaction-level monitoring** by central banks (China's e-CNY model enables PBoC visibility).
- **Intermediated compliance** where commercial banks or wallet providers conduct KYC/CDD and file SARs (Suspicious Activity Reports), with central banks accessing data only under legal process (Jamaica, Bahamas models).
- **Privacy-preserving cryptography** (zero-knowledge proofs, blinded signatures) under exploration by ECB and BIS, but unproven at scale for AML effectiveness.

FinCEN and OFAC have signaled that U.S. sanctions screening obligations would apply to any digital dollar ecosystem, requiring real-time or near-real-time interdiction capabilities.

Cross-Border Data Flows and Sovereignty

Platforms like mBridge require data-sharing agreements across jurisdictions. UNVERIFIED: Concerns exist within some G7 finance ministries that multi-CBDC platforms dominated by e-CNY could facilitate

sanctions evasion or create dependencies on Chinese-led technical standards.

Programmability and Consumer Protection

Smart-contract-enabled CBDCs (Brazil Drex, Singapore purpose-bound money) allow issuers to embed spending restrictions (e.g., "welfare payments valid only at grocery stores"). While enhancing subsidy targeting, programmability raises civil liberties questions, particularly regarding government surveillance and discrimination. EU consumer protection authorities have flagged this in digital euro consultations.

Implications for Compliance Officers

- Dual Regulatory Frameworks:** CBDC ecosystems may impose central bank rules atop existing banking/payments regulation. Intermediaries (wallet providers, banks) will face supervisory expectations from both prudential regulators and central banks.
- Real-Time Reporting Architectures:** Unlike traditional wire systems with batch reporting, CBDC infrastructure may enable continuous transaction monitoring. Firms must assess capability to ingest streaming data and generate alerts at pace.
- Identity and Authentication Standards:** CBDCs demand robust digital identity. Compliance functions should evaluate alignment with FATF R16 (wire transfer beneficiary information) and jurisdiction-specific e-ID schemes (e.g., EU eIDAS 2.0, India Aadhaar integration).
- Cross-Border CBDC Interoperability:** Firms active in trade finance or remittances must monitor developments in mBridge and similar platforms. FX settlement via multi-CBDC platforms may bypass SWIFT, requiring new sanctions screening points and nostro reconciliation logic.
- Smart Contract Audit Obligations:** If CBDCs incorporate programmable features, compliance teams may need competency in smart contract risk (code audits, immutability challenges, oracle dependencies).
- Geopolitical Exposure:** Participation in certain CBDC platforms could trigger secondary sanctions concerns or data localization mandates. Assess exposure to Chinese-linked infrastructure (e.g., PBoC Digital Currency Institute technical components in mBridge).

Recommended Actions

- **Engage Early in Consultations:** Respond to central bank and BIS consultation papers. Digital euro rulebook drafts, for example, remain open for industry comment through Q3 2026.
- **Scenario-Plan Treasury Impact:** Model liquidity effects if customers shift significant deposits into zero-interest CBDC holdings. Assess need for contingent funding facilities.
- **Inventory Technology Stack:** Audit core banking and payment systems for API readiness to integrate CBDC endpoints (likely ISO 20022-based messaging). Evaluate vendor roadmaps.
- **Train Compliance Teams on DLT Fundamentals:** CBDCs do not always use blockchain (e.g., eNaira uses centralized ledger), but many wholesale platforms do. Familiarity with immutability, consensus mechanisms, and wallet custody models is essential.

- **Coordinate with Legal on Data Governance:** CBDC transaction data may be governed by different privacy regimes than commercial payment data (e.g., if central bank is data controller). Map data flows and assess GDPR/UK DPA applicability.
- **Monitor mBridge Participant Lists:** If major correspondent banks join, competitive pressure may compel others to evaluate onboarding. Track BIS Innovation Hub publications and HKMA press releases.
- **Test Offline Payment Controls:** If operating in jurisdictions exploring offline CBDC (Bahamas NFC cards, India feature phone pilots), assess fraud controls and reconciliation for delayed settlement finality.

Sources & Further Reading

- **Bank for International Settlements:** *Annual Economic Report* (Chapter on CBDCs, published annually); *Project mBridge technical specifications* available at bis.org/about/bisih/topics/cbdc.htm
- **European Central Bank:** Digital Euro reports and rulebook consultations at ecb.europa.eu/paym/digital_euro
- **Federal Reserve:** *Money and Payments: The U.S. Dollar in the Age of Digital Transformation* (Discussion Paper, January 2022) at federalreserve.gov
- **Central Bank of Nigeria:** eNaira circulars and statistics at cbn.gov.ng
- **Central Bank of The Bahamas:** Sand Dollar Act and project updates at sanddollar.bs
- **Bank of Jamaica:** JAM-DEX documentation at boj.org.jm
- **South African Reserve Bank:** Project Khokha reports and digital rand pilot announcements at resbank.co.za
- **Hong Kong Monetary Authority:** mBridge updates and technical papers at hkma.gov.hk
- **Financial Action Task Force:** *Guidance on Virtual Assets and VASPs* (updated October 2021, relevant to CBDC intermediaries) at fatf-gafi.org
- **Bank for International Settlements:** *Central bank digital currencies: financial stability implications* (Committee on the Global Financial System Paper No 66) at bis.org
- **International Monetary Fund:** *IMF Working Papers on CBDCs* searchable at imf.org/en/Publications
- **U.S. Department of the Treasury:** Statements on digital assets and CBDC policy at treasury.gov
- **Financial Crimes Enforcement Network (FinCEN):** Advisories on emerging payment systems at fincen.gov

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