



A Complementary Currency for the Caribbean: Carib\$

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A Financially Disconnected Caribbean

Free movement of capital is a key element underpinning the CARICOM Single Market and Economy's (CSME) full functionality. However, this has not occurred given the maintenance of exchange controls, excessive exchange rate volatility and thin liquidity of national currencies. To date, the Caribbean has no intra-regional settlement system and movement of capital relies heavily on foreign correspondent banks, making cross-border transfers expensive, slow, and susceptible to the ongoing de-risking phenomenon.

The lack of financial connectivity represents a significant barrier for intra-regional trade which only accounts for around 10% of CARICOM's total trade, compared to the European Union where intra-regional trade accounts for as much as 68%. At the micro-level, the region's financial disconnection has the potential to drive financial exclusion by limiting the participation of actors like MSMEs and entrepreneurs in the regional economy.

Revolutionising Trade & Cross-Border Payments in the Caribbean

Carib\$ is the new high-speed, low cost cross-border transfer medium which financially connects the CSME. Carib\$ is an asset-backed Complementary Currency, which maintains a stable value and is always convertible to the national currencies of served member states. Carib\$ is governed by a network of public and private-sector stakeholders, who are committed to the Caribbean's sustainable development. Carib\$ aims to create liquidity in the Caribbean and to facilitate cross-border trade, fostering initiatives like 25 by 2025. As a complementary currency it exists alongside the fiat currencies in the region.

Carib\$ Vision

Create a fast-track towards the CSME by enabling seamless digital cross-border transfers throughout the region.

Carib\$ Mission

Introduce a Complementary Currency spanning the fifteen CARICOM Member States, embed it into a Caribbean business network, and empower its multi-stakeholder governance, leveraging the capabilities of distributed ledger technology.

A Complementary Currency Solution for the Caribbean

Complementary Currencies (CCs) are not a novel concept; since the 1980s, they have been used for various purposes, with over 5,000 currently in use worldwide. As a CC, Carib\$ has the potential to address several critical issues in the Caribbean:

Enhance Financial Connectivity and Reduce Transfer Costs:

One of the major challenges in the Caribbean is the high cost and inefficiency of cross-border transactions. Carib\$ addresses this by providing a seamless and low-cost medium for cross-border transfers, bypassing the need for foreign correspondent banks. This approach significantly reduces incurred fees and processing times, fostering an environment where trade can flourish without traditional financial barriers.

Prevent Economic Leakage:

CCs encourage wealth circulation within a local or regional economy as their use is confined to a particular region, business network, or sector. This can stimulate increased local economic activity, employment, and living standards. This is particularly useful for the Caribbean, where economic leakage occurs due to foreign businesses supplying goods and services that could have been regionally sourced and currency outflows to foreign-owned correspondent banks.

Provide Economic Stability and Buffer Against Volatility:

The Caribbean frequently faces economic shocks from global financial crises, natural disasters, and other external factors. Carib\$ acts as a buffer for economies by maintaining liquidity and providing a stable medium of exchange. Its asset-backed nature ensures stability, and as a complementary currency, it can boost economic activity during financial instability, helping Caribbean economies better withstand and recover from economic shocks.

Promote Financial Inclusion:

Carib\$ offers a stable, asset-backed currency that is fully convertible to national currencies, particularly benefiting MSMEs and entrepreneurs. These smaller players often face prohibitive costs and documentation requirements when engaging in regional trade. By lowering these barriers, Carib\$ promotes greater financial inclusion, allowing more businesses to participate in the regional economy.

Carib\$: A Complementary Currency Solution for the Caribbean contd.

Enhance Technical Resilience through Distributed Ledger Technology:

Carib\$ leverages Distributed Ledger Technology (DLT) to provide a high level of security, transparency, and reliability. DLT ensures that all transactions are recorded securely and immutably, reducing the risk of fraud and errors. Its decentralised nature means there is no single point of failure, enhancing the technical resilience of financial systems and making them more robust against cyber threats and operational disruptions.

Encourage Regional Trade and Investment:

Carib\$ facilitates easier and more efficient trade across Caribbean borders, contributing to the vision of the CARICOM Single Market and Economy (CSME). This encourages regional integration and investment, leading to increased intra-regional trade and creating a vibrant market that benefits all member states.

So what exactly is a CC?

A CC is an alternative medium of exchange alongside legal tender that can facilitate transfers of value. Like legal tender, CCs can be exchanged, act as a unit of account, be a store of value, and have their own pricing mechanism. CCs may be backed by different forms of reserves, may be convertible to national currencies, can take cash, digital or hybrid mediums, and may be used to facilitate transfers between all stakeholders in an economy. It is important to understand that CCs do not replace a country's domestic currency but rather work alongside it to achieve a particular goal, which can range from regulating the economy in times of economic shock, to boosting local and regional development, to promoting new economic and monetary governance, among other objectives.

Case Study

The Swiss WIR (Wirtschaftsring): One of the Oldest Surviving & Most Successful CCs

The WIR was created in Switzerland in the 1930s due to currency shortages and global financial instability. Today, the WIR is among the longest operating and most successful CCs. With more than 50,000 members, the WIR is used by 20% (around 62,000) of Switzerland's SMEs, has an equivalent annual turnover of 1.2 billion Swiss Francs (around USD 1.31 billion), and facilitates exchanges that represent between 1-2% of the Swiss GDP. WIR provides a settlement mechanism allowing companies to buy from each other without using Swiss Francs.

Features of the Swiss WIR:

- Circulated and backed by the WIR Bank
- Electronic currency with no physical representation (i.e. no banknotes/coins)
- Unit of account is the Swiss Franc with a one-to-one parity (1 WIR Franc = 1 Swiss Franc)
- Business Network which facilitates networking opportunities among membership

How the Swiss WIR works:

WIR is circulated and backed by the WIR Bank, units of WIR enter into circulation by the delivery of credit to one of the members, and is removed from circulation on payment of the credit. Participants can sell goods and services to another member of the WIR network and receive WIR in return. A key feature of the WIR network is the business network/marketplace. WIR bank has a business marketplace website and organises regular regional trade fairs that allow businesses to network. Such network infrastructure is a critical success factor for the CCs circulation, given the role of business networking in creating an ecosystem of users.

How the Swiss WIR is financed:

Costs are covered using different mechanisms







- Transaction fees paid in WIR
- Service charge on mortgages for the organisation's expenses
- Interest paid on loans by companies participating in WIR

Benefits of the Swiss WIR:

Research credits the WIR's creation of purchasing power for SMEs as the key driver of counter-cyclical stabilisation of the Swiss economy for the past 80 years, whereby WIR are created in down cycles and redeemed (discreated) in strong business cycles. This countercyclical nature has given unusual stability in the Swiss economy.

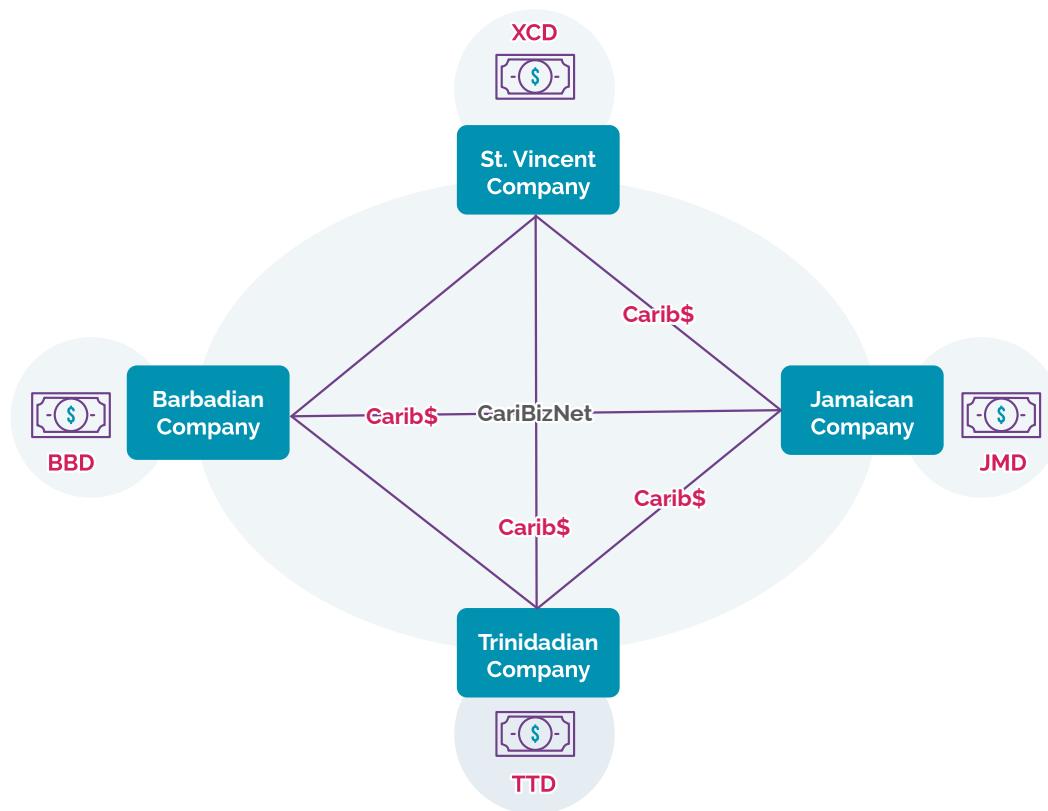
How Carib\$ works

Carib\$ CC Profile

Feature	Description
 Convertible to national currencies	Yes - Carib\$ can be converted to the national currencies of Member States at all times.
 Reserve-backed	Yes - Carib\$ is fully-backed by Caribbean assets including national currencies, commodities and other assets
 Transaction Medium	Digital (through a web and mobile application)
 Geographical Reach	CARICOM
 Relations	B2B - Accelerated using CariBizNet
 Decision-Making	Multi-stakeholder governance board

Carib\$ is designed to bridge disconnected markets taking into consideration the region's unique economic situation and financial stability concerns. Consequently, Carib\$ is fully asset-backed which allows it to maintain a stable value and to be fully convertible to the national currencies of member states at all times. Carib\$ presently facilitates B2B transfers, where businesses holding Carib\$ can transfer value to other Carib\$ wallet-holders across the region through the Carib\$ web application. These businesses can choose to keep Carib\$ in their wallets for future transfers or redeem Carib\$ for their national currency.

Carib\$ wallet-holders are also automatically integrated into CariBizNet, a dynamic marketplace providing opportunities for business networking. CariBizNet fast tracks regional integration by bringing the region's businesses into a single virtual space where they can facilitate regional business relationships and pursue joint innovation and development opportunities to offer globally competitive products. CariBizNet is similar to the WIR's business marketplace, and is integral for building an ecosystem of Carib\$ users. The figure below provides an illustration of this ecosystem.



Carib\$ wallet-holders will benefit from low fees, quick transfer times, protection against excessive exchange rate volatility, transparent tracking and monitoring of transfers, and automatic integration into a regional business network (CaribBizNet). At the macro level, these benefits translate to increased intra-regional trade with potential for sustained economic development.

How Carib\$ is Governed

Carib\$ is governed by its Governance Authority, comprised of a group of trusted public and private sector stakeholders, with a common supranational mission to foster sustainable Caribbean development. This multi-stakeholder network governs all aspects of the currency system, notably the core parameters of the currency such as the exchange rate, inflation, collateralization ratio and collateral basket composition. Furthermore they act as the Advisory Board for CaribCoin Inc., on how to best introduce Carib\$ throughout the Caribbean.

The Caribbean's implementation of the CSME has been stalled by relying on the principle of unanimity. Governance of Carib\$, by contrast, follows the principle of consent. Proposals of any stakeholder which align with the vision and mission will be executed unless there are substantial grounds to oppose it. Additionally, proven methods for dispute resolution derived from Holacracy and similar governance systems will be applied.

CaribCoin Inc. will legally act as token-issuer and, as such, provide the necessary technology and governance services to the Governance Authority. An application for a Virtual Asset Service Provider licence in the Cayman Islands is being submitted.

The technical expertise and visionary leadership of Carib\$ is driven by a dynamic group of visionaries, technology drivers, governance experts, and finance professionals, who are committed to redefining Caribbean transfers. The technical expertise and visionary leadership behind Carib\$ stems from:

¹ Stakeholders may include: Caribbean Community (CARICOM), CARICOM Private Sector Organisation (CPSO), Network of Chambers of Commerce (CARICHAM), Caribbean Conference of Churches (CCC), Caribbean Development Bank (CDB), Caribbean Policy Development Centre (CPDC), Caribbean Telecommunications Union (CTU), Eastern Caribbean Central Bank (ECCB), Caribbean Policy Research Institute (CAPRI) University of the West Indies (UWI), among others.



Gabriel Abed

Visionary combining deep knowledge in Distributed Ledger Technology with long term engagement for the sustainable development of the Caribbean.



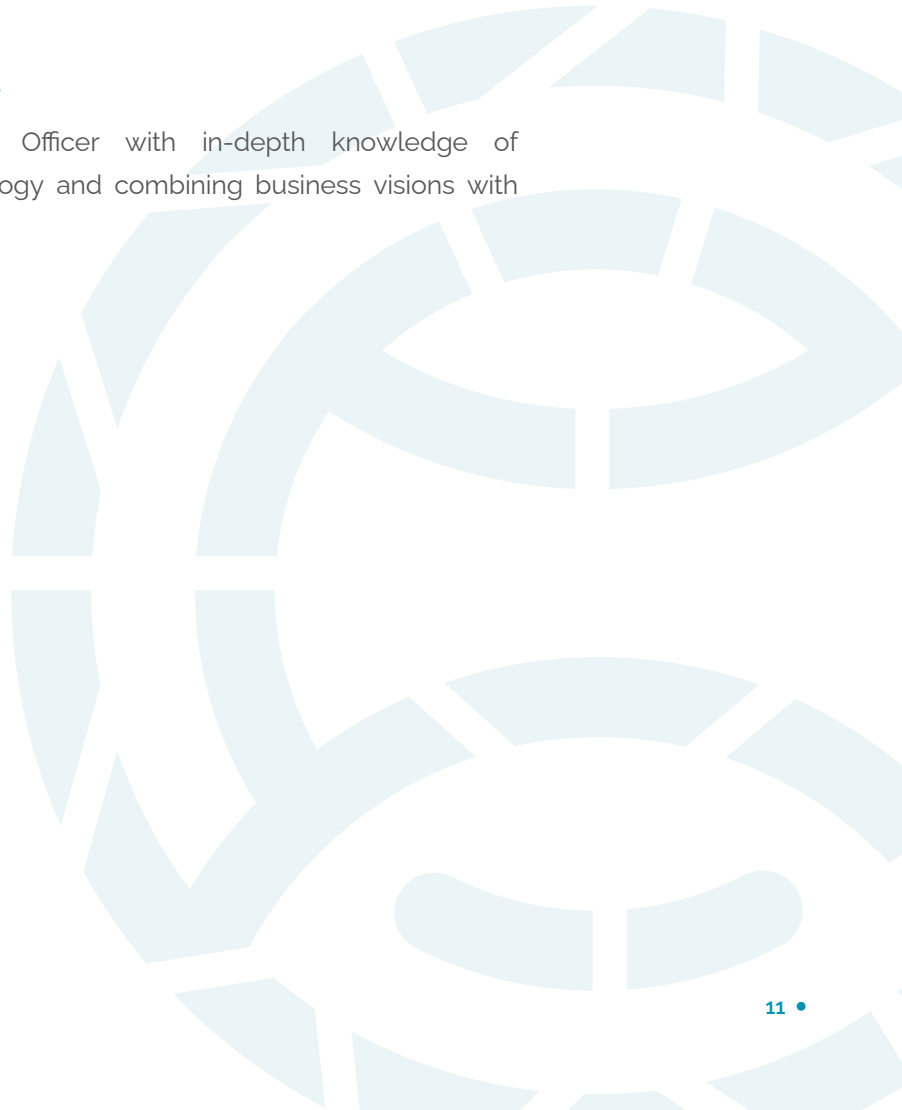
Dr. Jan Schröder

Founder and Chief System Architect with extensive experience in multi-stakeholder governance and management of large scale societal change programs.



John Macdougall

Chief Technology Officer with in-depth knowledge of blockchain technology and combining business visions with technical solutions





Thomas Van der Meulen

Product Manager with significant product management experience helping early stage ventures to validate their biggest assumptions and build on strong foundations.



Joshua Batson

Venture Strategist with a strong interdisciplinary background, significant experience in project implementation and multi-stakeholder engagement, and a proven track record in achieving and maintaining project buy-in.



Ayo Murray

Legal Advisor with over a decade of expertise in corporate and commercial law and a passion for exploring the intersections of law and emerging technologies.



Building Trust Through a Phased Approach of Introducing Carib\$

Carib\$ will be rolled-out in phases, starting with a pilot between Barbados, Trinidad and Tobago, and St. Vincent and the Grenadines. These three countries were chosen based on their common regional integration goals, size of trade flows, and differences in their foreign exchange regimes, among other factors. The proof of concept (POC) will be limited to 6 participating businesses in each jurisdiction and aims to facilitate transfers totaling up to \$10,000 USD in value all within a six weeks period. A phased approach will test the business sector's appetite for Carib\$ and provide valuable feedback.

The high-level strategic requirements for Carib\$ include:

Collateralisation	<p>POC: Full fiat collateralisation.</p> <p>Long-Term: Basket of actively-managed Caribbean assets.</p>
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Collateral custody	<p>POC: Self-custody</p>
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Peg	<p>POC: 1 Carib\$:1 USD for simplicity - most trade denominated in USD, fiat currencies pegged/dirty float against USD.</p> <p>Long-Term: Configurable peg determined by the Governance Authority. Maximise utility for users and regional trade development (i.e. total Carib\$ issued, velocity of Carib\$).</p>
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Governance	<p>POC: Initial small Advisory Group (CPSO, CTU, EconUCC) will advise on parameters.</p> <p>Long-Term: Public-private multi-stakeholder governance.</p>
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Technology	<p>POC: Carib\$ minted on the blockchain, issued to digital asset wallets accessible through the Carib\$ application. Wallet-holders can transact Carib\$ on the blockchain and/or redeem Carib\$ for fiat using the platform.</p> <p>Long-Term: Same as above, with additional smart contract capabilities and features.</p>

Participating Jurisdictions POC: Barbados, Trinidad and Tobago, and St. Vincent and the Grenadines.
Long-Term: All CARICOM. Possible extrapolation to other emerging market regions.

Target users POC: Businesses seeking to benefit from fast, low cost, and easy transfers across borders, within the Caribbean. We contemplate a small group of enthusiastic stakeholders.
Long-Term: Same as POC. Possible extension to individuals and other organisations.

KYC/AML Provide transfer infrastructure that is compliant with local and international regulations

Safety of the system Provide a secure, reliable and future-oriented transfer platform to support evolving business and client needs for regional cross-border transfers. Strict policies on cyber security.

Privacy Provide privacy of transfers between participating parties with suitable controls to allow PSPs and regulators to investigate suspicious transaction activity and capital flows.

Conclusion: Connecting the Caribbean with Carib\$

Carib\$ is connecting the Caribbean one transfer at a time. Beyond the benefits of low transfer fees, quick transfer times, protection against excessive exchange rate volatility, and transparent transfer tracking, Carib\$ also offers businesses automatic integration into CariBizNet, a regional business network poised to fast track intra-regional trade under the CSME.

Explore <https://caribcoin.com/carib-dollar-access/> to sign up for Carib\$ today.



Acknowledgements

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