Panel: The future of payments and the impacts on liquidity management

Morten L. Bech

The future of market liquidity and functioning workshop, New York, 9 July 2026

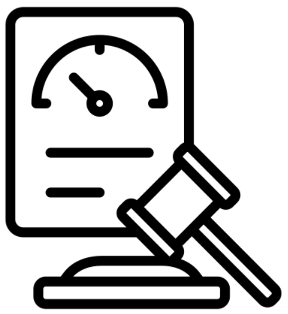
Standard disclaimer applies

Unrestricted

Three types of liquidity

- **Market liquidity**: The ease with which market participants can transact and the ability of markets to absorb large trades.

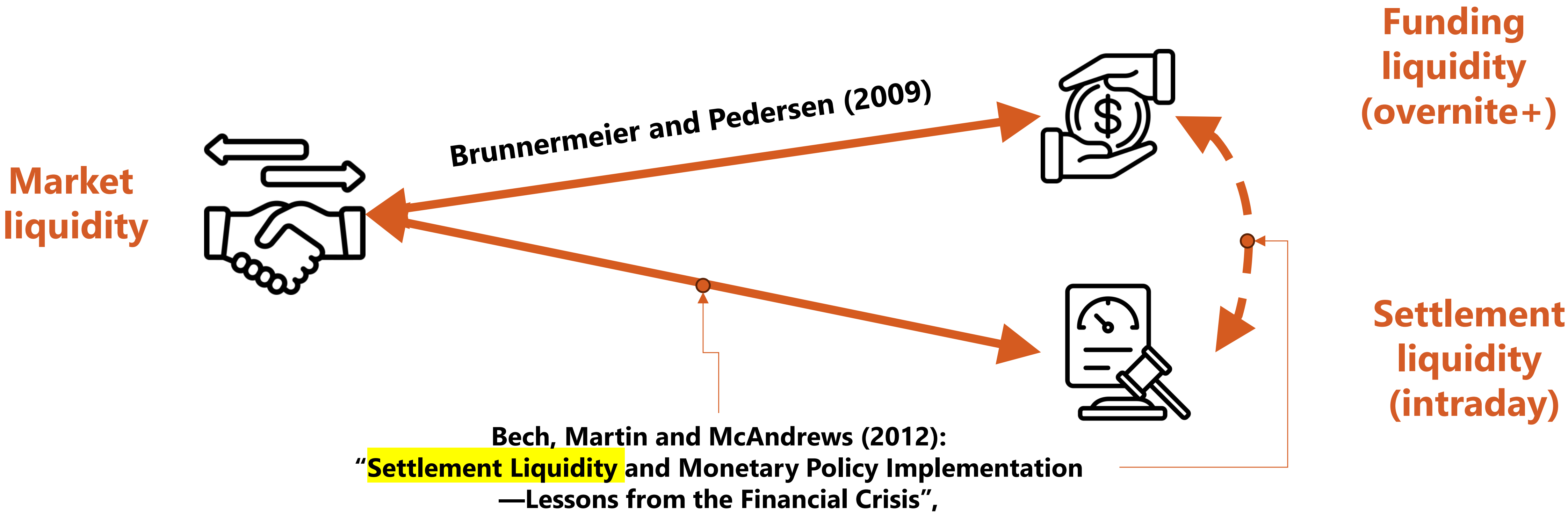
- **Funding liquidity**: The availability of credit or ease with which financial institutions can take on leverage



- **Settlement liquidity**: The ease with which market participants can discharge (with finality) their obligations at a time either agreed upon by the parties to the transaction or determined by market conventions.

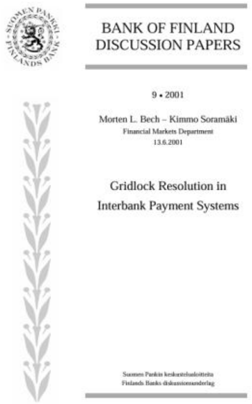
Liquidity is interdependent and interlinked

- Regardless of its definition, liquidity depends both **on the actions taken by the agents** in the economy and on **factors outside their control**.
- The different **types of liquidity are interlinked**.



How to improve settlement liquidity?

- **Liquidity savings mechanisms (LSM)**
  - Mechanism design paper
  - Incentives to provide liquidity


BANK OF FINLAND
DISCUSSION PAPERS

9 • 2001

Morten L. Bech – Kimmo Soramäki
Financial Markets Department
13.6.2001

Gridlock Resolution in
Interbank Payment Systems

Suomen Pankin keskustelualoitteita
Finlands Banks diskussionsunderlag

- **New settlement assets**
  - Global stablecoins

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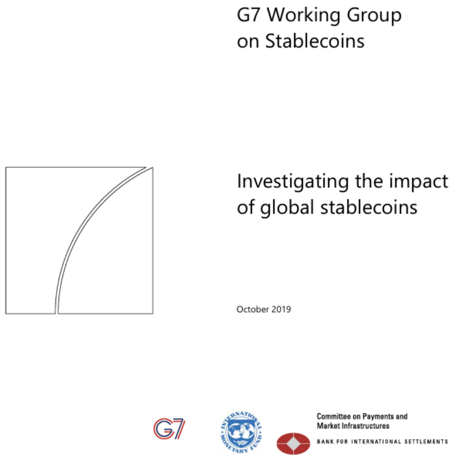

G7 Working Group
on Stablecoins

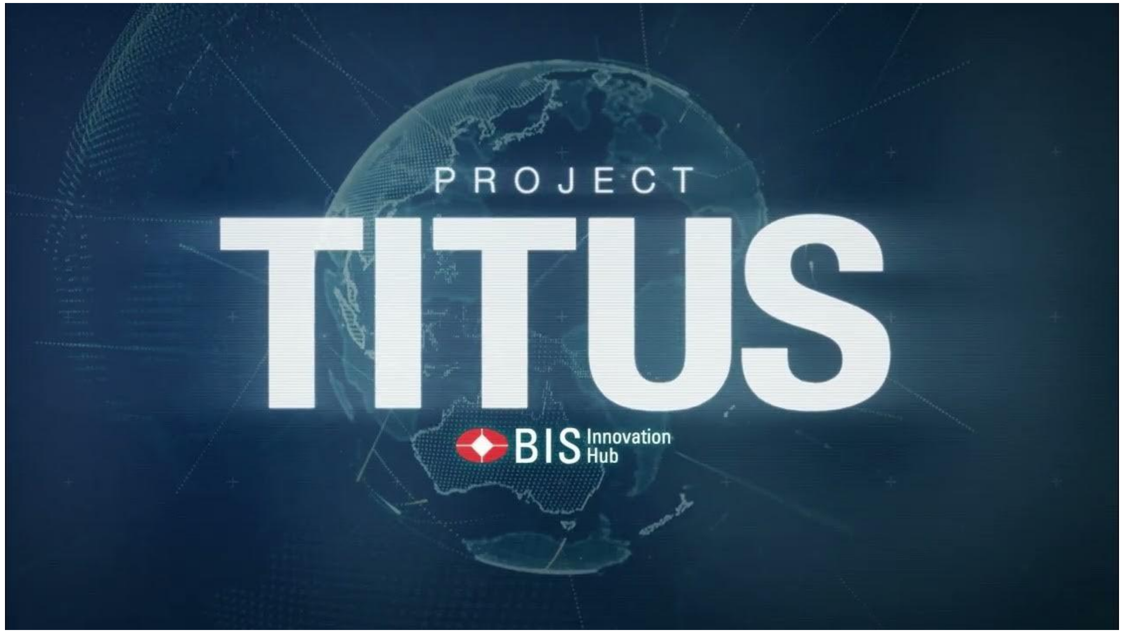
Investigating the impact
of global stablecoins

October 2019

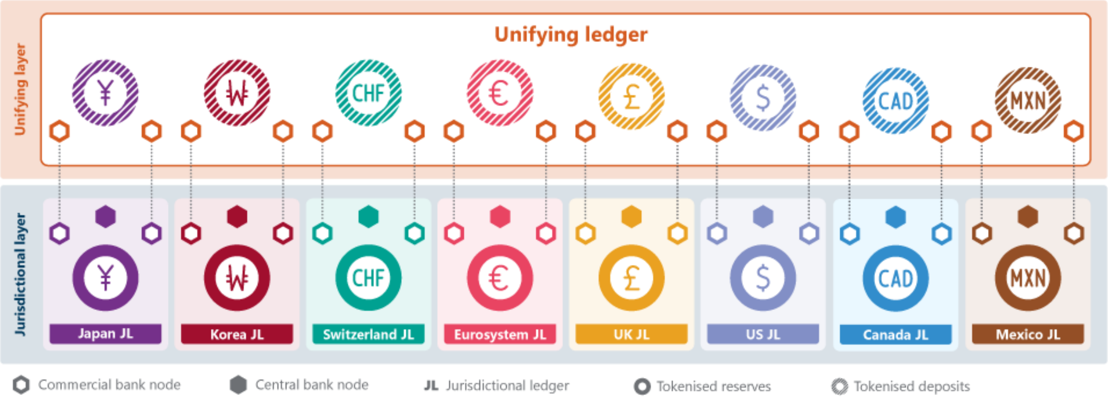
G7
Committee on Payments and
Market Infrastructures
BANK FOR INTERNATIONAL SETTLEMENTS

A word from the BIS Innovation Hub

Project Titus: market-based liquidity efficiency in RTGS systems



Project Agorá: exploring tokenisation of wholesale cross-border payments



- Tokenised commercial banks deposits
- Tokenised central bank reserves

The all-star panel

- **Eric Budish** is the Paul G. McDermott Professor of Economics and Entrepreneurship at Chicago Booth - a leading expert in market design.

- **Darrell Duffie** is The Adams Distinguished Professor of Management and Professor of Finance at Stanford Graduate School of Business. His recent work focuses on the future of financial markets, money and payments.

- **Sam Schulhofer-Wohl** is SVP at FRB Dallas and Senior Advisor to the President. His research focuses on macroeconomics, financial markets and labour markets.

- **Ulrich Bindseil** is a former Director General of Market Infrastructure and Payments and previously Director General of Market Operations at the ECB.