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Transformations in the international financial order driven by CBDCs: rule challenges under financial sanctions and China's response

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Abstract. Against the backdrop of the United States' extreme financial sanctions on Russia, this paper conducts an in-depth analysis of the role Central Bank Digital Currencies (CBDCs) can play as a new type of financial infrastructure in responding to financial sanctions and reshaping the international monetary order under the dollar hegemony system. The study systematically examines the legal logic of financial sanctions under U.S. dollar dominance and the associated risks of "weaponization," revealing the structural shortcomings and vulnerabilities of traditional cross-border payment systems such as SWIFT. It further elucidates the technical advantages and institutional potential of CBDCs in improving payment efficiency and reducing dependence on U.S. dollar channels. Building on this foundation, the paper focuses on the legal nature and technical characteristics of the digital renminbi (e-CNY), as well as the challenges it poses to the current monetary legal framework. Through an analysis of its applications in cross-border payments, settlement, and clearing scenarios, the study demonstrates how e-CNY can, in coordination with infrastructures such as CIPS and mBridge, form a composite system to advance renminbi internationalization. Finally, the paper systematically reviews the challenges faced by e-CNY in terms of cross-border interoperability, legal and regulatory coordination, geopolitical trust, and technological security. It proposes a series of legal and policy responses, including enhancing domestic legislation, actively participating in international rule-making, and strengthening technological security and system resilience. These recommendations aim to provide theoretical guidance and strategic options for China to safeguard financial sovereignty and establish a self-controlled international monetary circulation system amid an increasingly complex global financial environment.

Keywords: digital renminbi, financial sanctions, cross-border payments

1. Introduction

1.1. Transformation of the monetary system in the digital economy era

The digital economy has catalyzed profound transformations in the monetary system. With the deepening development of the digital economy, Central Bank Digital Currencies (CBDCs), as a core component of financial infrastructure, are emerging as a key force in reshaping the global monetary system. According to a 2023 report by the Bank for International Settlements (BIS) [1], 87 countries worldwide are at the pilot or research stage of CBDC development. CBDCs not only enhance payment efficiency and reduce transaction costs but also provide innovative solutions for cross-border payments, potentially addressing the inefficiencies and high costs inherent in traditional correspondent banking models.

China, in particular, is at the forefront of CBDC development and pilot programs, with the digital renminbi (e-CNY) expanding its application from domestic retail payments to corporate domains such as cross-border trade settlement and supply chain finance. For example, the steady progress of cross-border payment pilot projects between Shenzhen and Hong Kong, as well as Shanghai and Singapore, signals the digital renminbi's transition from domestic deployment to the international stage [2]. These pilot programs have not only validated the technical feasibility and policy adaptability of e-CNY in cross-border payments but also significantly improved transaction efficiency, lowered cross-border transaction costs, and enhanced the security of payment systems.

1.2. Dollar hegemony and the expansion of financial sanction mechanisms

Dollar hegemony faces structural challenges. Traditional monetary hegemony has been built on a few dominant global reserve currencies, particularly the U.S. dollar [3]. However, the rapid development of CBDCs and their associated institutional frameworks is posing systemic challenges to the existing monetary order. According to a 2022 report by the U.S. Congressional Research Service (CRS), shifts in global economic power and geopolitical conflicts may drive the international monetary system from a U.S.-centric unipolar structure toward multipolarity [4]. The dollar's status as the world's primary reserve currency declined sharply in 2022, falling from roughly two-thirds of global foreign exchange reserves in 2003 to 55% in 2021 and further to 47% in 2022. In addition, U.S. and allied sanctions on Russia have reduced other countries' willingness to hold dollars, further weakening the dollar's reserve currency status. Within this context, China's economic rise, the frequent use of U.S. financial sanctions, and the emergence of digital currencies are three particularly noteworthy factors [5].

Financial sanctions highlight systemic vulnerabilities. The United States increasingly leverages the dollar and its financial system as tools of foreign policy, exerting pressure by restricting other countries' access to dollar-denominated assets. The number of entities listed on the sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) surged by 933% over the past two decades [6], a trend reflected in the sharp increase in sanctioned entities in 2022 and the substantial intensification of enforcement in 2023. Following the outbreak of the Ukraine crisis in 2022, the U.S. and its allies imposed unprecedented extreme financial sanctions on Russia, including freezing roughly half of its foreign exchange reserves and excluding major banks from the SWIFT system [6]. This exposed the "weaponization" risk faced by countries deeply embedded in the dollar system [7] and became a key impetus for the international community, especially emerging economies, to actively seek alternative payment and reserve arrangements.

1.3. The significance of studying the digital renminbi under financial sanctions

Renminbi internationalization is a core strategy of China's financial openness and security, yet it has long faced structural challenges, including the dollar-dominated international pricing and settlement system and excessive reliance on SWIFT and CHIPS for cross-border payments. As global exploration of CBDCs increases, multiple countries, including China, are researching or piloting CBDCs to leverage their programmability, real-time settlement, peer-to-peer transaction capability, and potential cross-border interoperability, aiming to reshape the cross-border use of national currencies from the perspective of financial infrastructure. There is a broad consensus that CBDCs have the potential to fundamentally transform the financial landscape [8]. From the perspective of financial infrastructure, this paper examines the potential value of the digital renminbi in improving cross-border payment efficiency, reducing dependence on traditional U.S. dollar channels, and enhancing national currency sovereignty, providing theoretical guidance and strategic options for China to effectively respond to increasingly complex financial sanctions and build a self-controlled international monetary circulation system.

2. The legal logic of financial sanctions under the dollar hegemony system

2.1. Historical formation and institutional basis of the dollar system

The U.S. dollar's dominant position rests on multiple foundations. Since World War II, the dollar established its status as the global anchor currency through the Bretton Woods system. Even after the system's collapse in the 1970s, the dollar maintained its international primacy, supported by the depth, breadth, and liquidity of U.S. capital markets, as well as the protection afforded by domestic legal and judicial systems for foreign central bank assets [9]. Academic research further indicates that geopolitical alliances and military cooperation are significant non-economic factors reinforcing the dollar's international status. Statistics show that 50% to 60% of U.S. safe assets are held by countries with close geopolitical ties to the United States, while an additional 15% to 20% are held by countries receiving some form of U.S. military support [10].

Due to the dollar's dominant role in international trade, financial pricing, and settlement, as well as its position as the primary global reserve currency, it occupies an absolute share in the global economy. This network effect not only consolidates the dollar's international status but also provides a robust systemic foundation for the United States to implement financial sanctions worldwide. The centrality of the dollar in the international financial system enables the U.S. to influence the political and economic governance of other countries through sanctions [11, 12].

2.2. The "trinity" legal framework of U.S. financial sanctions on Russia

U.S. financial sanctions are not ad hoc diplomatic instruments; they constitute a sophisticated legal and enforcement system rooted in domestic law and leveraging the systemic power of the dollar for extraterritorial effect [13]. This legal framework exhibits a "trinity" structure, with layered and mutually reinforcing authorities.

2.2.1. Congressional legislative authorization

Congress establishes the overarching framework and policy direction for sanctions through legislation. The Countering America's Adversaries Through Sanctions Act (CAATSA), enacted in 2017, is a landmark statute codifying U.S. sanctions policies against Russia, Iran, and North Korea. CAATSA contains mandatory sanction provisions that significantly limit presidential discretion in foreign affairs, reflecting the U.S. intention to use sanctions as a long-term strategic tool. Under Section 231 of CAATSA, the U.S. president must impose sanctions on non-U.S. persons engaging in significant transactions with individuals or entities linked to Russian defense and intelligence sectors. The Department of State and the Treasury implement these requirements through mechanisms such as the Section 231(d) List, amended directives, FAQs, and guidance. Subsequent legislation, such as the Act to Prohibit Russian Oil Imports, demonstrates the trend of sanctions expanding from the financial sector into trade and other areas.

2.2.2. Presidential executive orders and treasury regulations

Under broad authorizations such as the International Emergency Economic Powers Act (IEEPA), the president can declare a "national emergency" and issue executive orders to impose sanctions on specific countries, entities, or individuals. This enables the executive branch to respond swiftly and flexibly to international events, bypassing lengthy legislative procedures. Given that judicial review generally defers to executive branch determinations, presidential executive orders serve as the primary engine for sanction escalation.

2.2.3. OFAC and the global extension of "long-arm" jurisdiction

The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) is the key agency responsible for sanction implementation, including the issuance of detailed regulations, management of the Specially Designated Nationals (SDN) list, and the Sectoral Sanctions Identifications (SSI) list. OFAC has recently updated the SDN list to include individuals and entities from Chinese cities such as Dandong, Beijing, and Shenyang due to various sanction risks and transaction restrictions. Any global financial institution engaging in U.S. dollar transactions, using U.S. clearing systems, or maintaining a "connection point" with the United States is compelled to comply with OFAC regulations, assuming responsibilities for identifying, freezing, and reporting sanction-related transactions. Through the principle of "long-arm jurisdiction," the U.S. extends the reach of its domestic law worldwide, while judicial authorities, such as the U.S. Attorney's Office for the Southern District of New York, enforce criminal prosecutions against violators, thereby completing the sanction deterrence loop.

2.3. Spillover effects of financial sanctions and global financial stability risks

The frequent and unilateral use of financial sanctions by the United States has posed significant threats to the stability and fairness of the global financial system. Following the 2022 Ukraine crisis, the U.S. and its allies imposed more than 16,500 sanctions on Russia, including the freezing of approximately USD 350 billion in foreign exchange reserves and the exclusion of several key banks from the SWIFT system. These measures severely hindered the ability of entities operating in Russia to conduct cross-border transactions [6].

This not only disrupted the Russian economy but also served as a warning to all countries regarding the risks of overreliance on a single currency and payment system. Such "weaponization" of the financial system has prompted many countries, including some traditional U.S. allies, to accelerate the process of "de-dollarization" and actively pursue the establishment of alternative payment networks and reserve asset arrangements. According to the U.S. Treasury's 2021 Sanctions Effectiveness Assessment Report, the emergence of digital currencies and alternative payment systems could undermine the effectiveness of U.S. sanctions and challenge the dollar's global dominance [14]. This indicates that U.S. sanction practices are, in effect, objectively fostering the systemic changes they aim to constrain.

3. Paradigm innovation in the cross-border payment system driven by CBDCs

3.1. Structural weaknesses of SWIFT and correspondent banking

The traditional payment system has inherent deficiencies. The current global cross-border payment infrastructure primarily relies on the SWIFT messaging system and a multi-tiered correspondent banking model [15]. A report by the BIS Innovation Hub highlights that the extensive duplication of compliance checks, reconciliation, and clearing processes within the correspondent banking chain results in persistent issues of "high costs, slow speed, limited access, and low transparency" in cross-border payments [16].

According to the 2023 Overview of Payment System Operations published by the People's Bank of China, the RMB Cross-Border Interbank Payment System (CIPS) processed transactions totaling CNY 123.06 trillion that year. Compared with the cumulative RMB cross-border transaction volume of CNY 175 trillion by 2024, this demonstrates steady growth in CIPS usage. It is estimated that for nearly USD 23.5 billion in cross-border transactions, current payment models generate approximately USD 1.2 billion in associated fees [17]. According to the 2025 Global Cross-Border Payments Market Insights Report, the total global cross-border payment volume reached USD 194.6 trillion in 2024 and is projected to reach USD 320 trillion by 2032, indicating rapid market growth accompanied by increasing transaction costs.

Furthermore, under the correspondent banking model, U.S. financial institutions incur cross-border costs of USD 25–35 per transaction—over ten times the average domestic payment cost. Of this, 34% derives from lost liquidity gains on correspondent bank accounts, 27% from treasury operations, 15% from foreign exchange operations, and 13% from compliance costs [18]. Structural deficiencies in the correspondent banking model—overlapping compliance requirements, compounded operational risks, and delayed final settlement—undermine the interests of financial intermediaries and end users while rendering the global payment network particularly vulnerable to geopolitical shocks.

3.2. Technical logic and institutional advantages of CBDCs

CBDCs enable real-time settlement and cost reduction. By facilitating peer-to-peer value transfer, central bank digital currencies can reduce cross-border payment times from the traditional 3–5 business days to minutes while significantly cutting costs associated with intermediaries [19]. BIS pilot projects allow direct atomic foreign exchange swaps during payments, reducing foreign exchange costs. They also encourage the use of local currencies in trade—for example, exporters pay using their own CBDC, while importers pay using theirs, so each party only handles their domestic currency [20]. As CBDCs are direct liabilities of the central bank, their settlement is final, effectively mitigating settlement and counterparty risks arising from time-zone differences and procedural delays.

CBDCs also promote financial inclusion and disintermediation. Built on Distributed Ledger Technology (DLT) or other fintech frameworks, CBDCs have the potential to revolutionize the cross-border payment paradigm. Multilateral CBDC networks allow banks in smaller economies to connect directly to international payment systems, reducing dependence on a few large international correspondent banks. This "disintermediation" enhances the inclusivity and resilience of the global financial network, particularly benefiting financial institutions in developing countries that have been marginalized by "de-risking" policies.

3.3. Potential system fragmentation and legal coordination challenges posed by CBDCs

Cross-border interoperability remains a challenge. Technical interoperability is only the foundation. In today's tense geopolitical environment, a more likely scenario is that "national CBDC clusters" will only interconnect among geopolitically aligned countries. Think tanks such as the Atlantic Council warn that this could result in multiple parallel networks with limited connectivity—one centered on China and another on the U.S. and EU—creating a "digital Berlin Wall" [21]. Multinational corporations may be forced to adopt "dual-persona" strategies to cope with fragmented technical standards and divided commercial ecosystems.

Geopolitical trust and institutional recognition also face obstacles. Tensions in international political relations may lead the U.S. and EU to adopt cautious or even exclusionary stances toward China-led CBDC networks, and vice versa. For instance, U.S. financial sanctions on Russia led to the disconnection of Russian banks from the international financial system, highlighting the impact of political relations on cross-border payment systems. A lack of basic political trust can impede consensus on key governance issues, including data sharing, regulatory coordination, and recognition of judicial decisions. The World Bank reports that differences in CBDC development and the absence of clear international agreements could lead to jurisdictional conflicts and legal uncertainties [22].

4. Positioning and internationalization path of the digital Renminbi

The digital renminbi has the potential to restructure the international financial landscape by reducing China's reliance on the U.S. dollar, influencing bilateral and multilateral frameworks through China's technological standards in fintech and CBDC, and generating other systemic impacts on the international monetary order [23].

4.1. Legal characterization of the digital Renminbi

The legal status of e-CNY clearly establishes it as a lawfully tendered currency. The digital renminbi is legally defined as the digital form of M0 (currency in circulation) and possesses unlimited legal tender status. Legal tender status reflects the state's monetary issuance authority to "regulate currency value," ensuring the smooth circulation of legally backed money [24]. This differentiates it fundamentally from privately issued cryptocurrencies and global stablecoins, which are private debts or assets without state credit endorsement or statutory settlement status. According to the White Paper on the Development Progress of China's Digital Renminbi, e-CNY is "a digital form of fiat currency issued by China's central bank and operated by designated institutions authorized by the central bank for currency transactions and exchange services" [25].

4.2. Institutional potential of the digital Renminbi in sanctions-response scenarios

The technical attributes of the digital renminbi provide it with potential sanctions-response capabilities. In specific financial sanctions scenarios, e-CNY demonstrates unique strategic value through technological autonomy and institutional design. CBDCs can achieve independent technology and settlement. The digital renminbi system is designed and controlled domestically, allowing its cross-border network to operate independently of the SWIFT messaging system and the U.S.-dominated CHIPS clearing network. This provides participating countries with a compliant channel to utilize digital currency to circumvent U.S. financial surveillance and sanctions, ensuring critical cross-border payment channels remain operational in extreme situations.

The currency substitution effect and cross-border payment advantages are also evident. The digital nature of CBDCs removes the "spatial boundaries" of physical cash, enabling foreign residents to hold and use e-CNY relatively easily. For example, Saudi Arabia joined the mBridge project, led by the Digital Currency Research Institute of the People's Bank of China and supported by the BIS Hong Kong Innovation Hub, exploring the use of e-CNY for settlement in oil trade. This demonstrates the gradual emergence of the digital renminbi as a potential substitute currency in certain commodities and regional trade, although its scale remains limited.

4.3. Infrastructure coordination: a composite system of mBridge and CIPS

Infrastructure coordination builds a composite system. Given the substantial operational, geopolitical, and regulatory challenges, CBDCs are more likely to coexist with and gradually integrate into traditional infrastructure in the foreseeable future [26]. The internationalization of the digital renminbi is not intended to replace existing systems but to work in coordination with platforms such as the Cross-Border Interbank Payment System (CIPS), forming a "digital currency + traditional payment infrastructure" composite framework.

The current CBDC financial governance system is multilayered: the G20 serves as the highest platform for global financial governance, responsible for decision-making and policy coordination; the FSB forms the core international financial regulatory rules and coordination mechanisms; and the IMF establishes an international monetary rule system [27]. The legal foundation of the mBridge project lies in memoranda of understanding and a series of technical agreements signed among central banks. It employs a consensus-based decision-making mechanism, with the BIS acting as a neutral technical coordinator and trusted third party. This governance model respects the monetary sovereignty of each participant and represents an innovation in international cooperation.

Regarding technical interface and operational integration, it is necessary to legally define the finality of e-CNY settlement within the CIPS system, ensuring that settlements executed via e-CNY are irrevocable and unconditional. Standardized communication protocols must be established between the two infrastructures to ensure seamless alignment of payment instructions and fund settlement. In terms of legal standardization, CIPS operational rules should be revised to formally recognize e-CNY as a valid settlement instrument and define the legal effectiveness of smart contracts in cross-border payment processes, ensuring consistency in legal standards across the two infrastructures.

In terms of data governance and compliance coordination, the "controllable anonymity" design of the digital renminbi (small-value anonymity, large-value traceability) may conflict in principle and detail with Western data protection regulations such as the EU General Data Protection Regulation (GDPR). In multilateral projects like mBridge, participants must reach highly complex agreements on core data governance issues, including which transaction data are visible to whom, for what purposes, and where data are stored. This constitutes a substantial regulatory barrier to system interconnection. Finally, China should prepare contingency plans to address the potential risk of sanctions targeting the CIPS system under extreme conditions [28].

4.4. Challenges of rule reconstruction: legal coordination and system stability

The global promotion of the digital renminbi essentially attempts to extend a sovereign nation's digital currency infrastructure into a widely accepted international public good. The core tension in this process lies in the fact that while its technical architecture is designed for borderless, real-time payments, existing international financial governance and market rules are built on state-sovereignty-based legal oversight and a U.S. dollar–dominated ecosystem. This tension generates multiple challenges in terms of system interoperability, mutual recognition of rules, and market stability.

System interoperability requires rule recognition. The prerequisite for infrastructure interconnection is mutual recognition of the legal validity of the digital renminbi as a qualified settlement instrument and the finality of its settlement. While Chinese domestic law clearly establishes e-CNY's legal tender status, its status abroad remains ambiguous. For instance, a trade payment settled in digital renminbi via the mBridge network may not automatically be recognized as final by an EU court, directly undermining the legal credibility of the infrastructure.

Financial stability faces new risks. The rise of a digital renminbi network could lead to a bifurcated global financial system, creating "digital dual blocs." This fragmentation may compel firms to operate across two incompatible infrastructures, increasing complexity and costs in global trade while reducing the overall efficiency and resilience of the global financial network. Importantly, one of the infrastructure's main attractions is that it provides an alternative channel for sanctioned countries, making it a focal point of geopolitical competition. The United States may impose "secondary sanctions" on financial institutions participating in the network, transmitting geopolitical risk directly to infrastructure participants.

Technical architecture contains inherent tensions. While e-CNY can technically achieve seamless cross-border flows, China's current capital account controls require approval and management of fund movements. In cross-border pilots, this manifests as numerous restrictions on foreign users' ability to hold and use e-CNY. These limitations constrain the openness of the infrastructure and the expansion of network effects, preventing it from evolving from a "regulated settlement channel" into a truly "globally liquid asset" [29].

At the same time, the digital renminbi faces intense market competition from stablecoins and cryptocurrencies. These private digital currencies, driven by rapid innovation and strong network effects, may develop faster than the more cautious and controlled rollout of e-CNY, particularly in international or tech-savvy markets [30]. Stablecoins, valued for their price stability, serve as effective alternatives for daily transactions and cross-border payments. If regulatory frameworks fail to adequately address these substitutes, users may prefer them due to perceived efficiency and lower political constraints [31]. With the rapid growth of the stablecoin market—particularly U.S. dollar–backed stablecoins such as USDT and USDC—stablecoins may increase demand for the dollar, challenging the renminbi and e-CNY and potentially affecting China's monetary sovereignty [32].

5. China's response strategies: legal improvement and system construction

5.1. Improvement of domestic legislation and regulatory framework

There is an urgent need to enhance the domestic legal framework. Without broader institutional and political reforms, the transformative potential of the digital renminbi may remain limited [33]. China should accelerate the enactment of dedicated laws or administrative regulations for e-CNY, moving beyond reliance on departmental rules and white papers. Legislation should unequivocally confirm the legal tender status of the digital renminbi, providing the highest-level legal protection for its use in contracts, taxation, and judicial enforcement. At the same time, the law should provide clarity regarding the legal effectiveness of smart contracts in automatically executing payment clauses or conditional payments. A regulatory framework compatible with the "controllable anonymity" and programmable features of e-CNY should be established, embedding supervision directly within the infrastructure. Such a system would effectively mitigate risks including money laundering, terrorist financing, and the potential for "digital bank runs" amplified by technological convenience.

5.2. International rule-making and multilateral participation

China should take a more proactive role in leading and participating in the rule-making of multilateral CBDC networks. On key international platforms such as the BIS, the International Organization for Standardization (ISO), and the Financial Stability Board (FSB), China should actively contribute its proposals and practical experience regarding technical architecture, data protocols, cybersecurity, and privacy standards. The geographic coverage of the digital renminbi can be expanded along the Belt and Road Initiative, establishing it as an alternative to the U.S. dollar [34]. China should also promote international dialogue and negotiation mechanisms on cross-border CBDC flows, data sovereignty, privacy protection standards, and crisis-response responsibilities. Efforts should be made to embed principles such as "interconnectivity, win-win cooperation, and inclusiveness" into the emerging global digital financial governance system, thereby enhancing China's voice in shaping the rules.

5.3. Technical security and system resilience

Strengthening technical security is essential. A "security-first" strategy must be implemented. At the Lujiazui Forum, Pan Gongsheng, Governor of the People's Bank of China, emphasized the establishment of an international operations center for e-CNY in Shanghai, reflecting China's commitment to expanding the global influence of its digital currency. A 2025 Reuters report highlighted that the promotion of e-CNY represents not only technological innovation and monetary system reform but also a strategic layout in the evolving global currency landscape [35].

However, the underlying distributed ledger technology faces the well-known "blockchain trilemma," which challenges the balance among decentralization, security, and scalability [36]. It is recommended to establish a national CBDC cybersecurity lab and an around-the-clock emergency response mechanism, continuously conducting penetration tests and vulnerability assessments. Legal requirements should ensure that the underlying architecture can handle high-concurrency cross-border transactions, and periodic stress tests and redundant backups should safeguard system stability under extreme conditions. In choosing technical solutions, regulatory review should carefully assess configurations of distributed ledger technology within the trilemma, and normative documents should clarify the prioritization of security and efficiency in cross-border payment scenarios.

5.4. Long-term vision: from "sanctions-response tool" to "global public infrastructure"

The ultimate strategic goal of the digital renminbi should not be confined to serving as a defensive tool against financial sanctions. In the long term, it should aim to become a "global public infrastructure" widely accepted and trusted by international markets [29]. Achieving this requires China to continue technological innovation while engaging with international high standards in areas such as capital account liberalization, data flow rules, and market access, thereby resolving the inherent tension between "technological openness and institutional control." Only when e-CNY can provide global users with more efficient, fair, and stable financial services—transcending political blocs—can it establish an irreplaceable institutional position in an increasingly multipolar global currency system.

6. Conclusion

The core value of the digital renminbi lies in rule competition and the safeguarding of financial sovereignty. Against the backdrop of U.S. dollar hegemony and the normalization of financial sanctions, the significance of e-CNY extends far beyond enhancing payment efficiency. Its deeper value is that, as a new type of financial infrastructure, it provides China with an unprecedented strategic tool to participate in and lead the future evolution of international monetary rules, thereby protecting national financial sovereignty. This represents an institutional competition over the rules of the future financial order. The internationalization of the digital renminbi requires systematic reconstruction at the level of legal infrastructure. This necessitates coordinated efforts across three dimensions: the improvement of domestic legislation, active engagement in international rule-making, and the establishment of robust technological security systems. Together, these form a solid institutional foundation to support the global operation of e-CNY. By shaping the digital renminbi and its associated networks into an open, inclusive, and compliant international public platform, China can gradually transform the renminbi from a traditional trade settlement currency into an institutional currency with rule-making authority. Ultimately, this enables China to secure a level of discourse commensurate with its economic status in the reshaping global monetary system.

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