

# Digital Currencies and their Future Role in Cross-Border Trade

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**Abstract:** *The international trade landscape is undergoing a fundamental shift as digital currencies—comprising Central Bank Digital Currencies (CBDCs), stablecoins, and decentralized cryptocurrencies—emerge as viable alternatives to the traditional "correspondent banking model." This paper examines how these digital assets address existing inefficiencies in cross-border payments, such as high costs, slow transaction speeds, and a lack of transparency (Sigurðsson et al., 2023). Through an analysis of current trends in 2024–2026, including the rise of multi-CBDC (mCBDC) arrangements and tokenized assets, this research highlights the potential for digital currencies to reshape global monetary systems while addressing significant regulatory, security, and privacy hurdles.*

**Keywords:** *Central Bank Digital Currencies.*

