

UK Claims China Is About to Use Its Digital Yuan for Surveillance

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Across the world, the rise of digital currencies continues at full steam – and it is no different in China. Chinese Central Bank has already run several tests with its Digital Yuan project, which is expected to become soon the main method of transactions for the Chinese state and companies. Unable to surpass the speed of the growth of financial digitalization in China, the West tries to obstruct the development of the Asian country with unsubstantiated accusations, spreading fake news and conspiracy theories about Beijing.

In a recent statement, **Sir Jeremy Fleming**, head of the British digital spy agency Government Communications Headquarters (GCHQ), stated that China may be using its Digital Yuan technology in order to operate surveillance and espionage methods against its users. Fleming also said Beijing can use such technology to gain global control over financial transactions with digital currencies, considering the Yuan’s potential to become the leading payment method globally.

These were some of his words: “If wrongly implemented, it gives a hostile state the ability to surveil transactions. It gives them the ability [...] to be able to exercise control over what is conducted on those digital currencies”. Going even further in his conspiracy predictions about the Digital Yuan, Fleming linked the Beijing Olympic Winter Games with a possible Chinese plan to definitively implement the digital currency’s use as an official payment method and warned of a possible “danger” that international visitors would be suffering by making their personal data available for a state that he claims to be “hostile”. He adds: “In the context of the forthcoming Olympic Games [...] China is taking every opportunity to project their digital currency, and their hope is that foreign visitors will use it in the same way as domestic visitors”.

The focal point of Fleming’s “concerns” is precisely the issue of the Chinese state’s control of Digital Yuan users’ data. According to him, Beijing’s state agencies act in a profoundly

intrusive way when collecting information about users and this can have catastrophic effects on the sovereignty of the countries of origin of foreign users of the currency - which will become even more evident on the occasion of the Olympics.

According to Fleming, China is currently London's "biggest strategic issue". He claims that there has been an exponential growth in Chinese espionage operations in recent months and that, in the same vein, there is an interest from Beijing in gaining control over the entire global digital infrastructure - which currently also corresponds to the financial infrastructure, considering the digitization of transactions. In this case, the expansion of Digital Yuan would fulfill all of these Beijing's goals. The GCHQ head concluded his statement by saying that his country will have to deal with the Chinese issue by developing a plan to respond to Beijing's current ambitions and aspirations. Fleming asserts that, while both states need to maintain open economic and climate cooperation, responses must be produced at the political level, which is the point at which the two powers' interests collide.

In fact, the British spy's words seem to have been carefully manipulated to foster a scenario of distrust, uncertainty, fear, and paranoia in relation to the Chinese digital currency. A part of the information given by Fleming is correct, however his words are articulated in a way that creates a scenario of tensions about something that is really simple to be understood. Unlike private cryptocurrencies, the Digital Yuan does not promise anonymity to its users. There is nothing shocking or scandalous about this type of measure, considering that it is a state-controlled system and that it cannot be vulnerable to the same threats as cryptocurrencies.

The anonymity system obstructs control over the transaction system, preventing accurate information about investments and the destination of digital amounts. China simply wants to create a digital and efficient currency that meets the needs of a fully digitized financial environment, without threats to its security, and for that it obtains a portion of the users' personal data. It is the same method used by any financial institution or even social media networks - which, curiously, does not receive any specific criticism from Western intelligence agencies.

In the end, the concerns expressed by Fleming serve two interests of the British government: justifying an extension of the boycott of the Beijing Games and promoting a plan to expand intelligence measures against China. Until now, the English-speaking world has boycotted the Beijing Games only at the diplomatic level, but it is very likely that the measures will expand, with a strong state disincentive for tourists to travel to the Asian country, due to the "control" on the part of the Chinese state to which they will be vulnerable if they use Digital Yuan during the event. Likewise, as Fleming has suggested, a plan of "response" measures to China will certainly be created at the intelligence level, which is really worrying considering that Beijing is constantly denouncing the presence of spies from the Five Eyes network (US, UK, Canada, Australia, and New Zealand) in its territory - and that this tends to increase.

Once again, the West spreads fake news, conspiracy theories and disinformation to foment tensions against its enemies. London is doing to Digital Yuan what Washington is doing to Chinese 5G. The result is always the same: an unnecessary increase in tensions and distrust between the states, with a reduction in the possibilities of international cooperation.

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