

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA UNSTARRED QUESTION NO.487
TO BE ANSWERED ON 06.02.2023

Trial of Digital Currency

487. SHRI SHA. BRA. DR. JAI SIDDESHWAR SHIVACHARYA MAHASWAMIJI:
SHRI L.S. TEJASVI SURYA:
DR. T. SUMATHY (a) THAMIZHACHI THANGAPANDIAN:
SHRI ANURAG SHARMA:
DR. UMESH G. JADHAV:
SHRI SANGANNA AMARAPPA:
SHRI PRATHAP SIMHA:

Will the Minister of FINANCE

be pleased to state:

- (a) whether the RBI has started trials of the retail Central Bank Digital Currency (CBDC)/Digital Currency in four big Indian cities and if so, the details and the salient features thereof;
- (b) whether the RBI has selected any bank for the operationalisation of the said trials and if so, the details thereof;
- (c) whether those selected banks have chosen any individuals/account holders for the trials and if so, the details thereof;
- (d) whether it is required for the customer to create a separate e-wallet for the usage of the CBDC and if so, the details thereof and the reasons therefor in view of already existing UPI-based wallet; and
- (e) whether the Government has any plans to make digital currencies merge and interchangeable and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): RBI has launched the first pilot of Digital Rupee- Retail segment (₹-R) on December 01, 2022. The pilot is covering select locations in closed user group (CUG) comprising participating customers and merchants. The ₹-R pilot currently covers the five cities of Mumbai, New Delhi, Bengaluru, Bhubaneswar and Chandigarh. The ₹-R is in the form of a digital token that represents legal tender. It is being issued in the same denominations that paper currency and coins are currently issued. It is being distributed through financial intermediaries,

i.e., banks. The e₹-R offers features of physical cash like trust, safety and settlement finality. As in the case of cash, it will not earn any interest and can be converted to other forms of money, like deposits with banks.

(b) & (c): RBI has identified eight banks for phase-wise participation in the retail pilot project. These include the State Bank of India, the ICICI Bank, the Yes Bank and the IDFC First Bank, the Bank of Baroda, the Union Bank of India, the HDFC Bank and the Kotak Mahindra Bank. The participating banks have selected individuals/account holders for the trials.

(d): A separate e₹ wallet has been conceived in the pilot considering that e₹ forms part of the currency system while other digital wallets form part of the payments system. Users will be able to transact with e₹-R through a digital wallet offered by the participating banks and stored on mobile phones / devices.

(e): The Reserve Bank of India issues only one digital currency on behalf of Government of India,-Central Bank Digital currency (CBDC), which is a liability of the Central Bank,.
