

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA UNSTARRED QUESTION NO.741  
TO BE ANSWERED ON 12.12.2022

**Central Bank Digital Currency**

741. SHRI RAJA AMARESHWARA NAIK:  
SHRI VINOD KUMAR SONKAR:  
SHRI BHOLA SINGH:  
SHRI RAJVEER SINGH (RAJU BHAIYA):  
DR. SUKANTA MAJUMDAR:  
SHRIMATI SANGEETA KUMARI SINGH DEO:  
DR. JAYANTA KUMAR ROY:

Will the Minister of FINANCE

be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has issued any concept note on Central Bank Digital Currency (CBDC) and if so, the details thereof;
- (b) whether the Government has launched its own CBDCs based on the blockchain technology in the Country and if so, the details thereof;
- (c) whether the RBI is working on two fronts to test the CBDC: one for the wholesale market, and the other for the retail market (CBDC-R) and if so, the details thereof;
- (d) whether RBI has roped in 5 Banks to work on the retail pilot project of CBDCs and if so, the details thereof;
- (e) whether the RBI is rolling out soon the retail version of the CBDC in the country and if so, the details thereof;
- (f) whether the RBI has launched a Pilot project on Digital rupee for wholesale segment and if so, the details thereof; and
- (g) the other steps being taken by the Government for full operationalisation of CBDC?

ANSWER

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

- (a): The Reserve Bank of India (RBI) has issued a concept note on Central Bank Digital Currency (CBDC) on October 7, 2022. The Note is accessible at RBI's website (<https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=1218>).
- (b): The CBDC pilot launched by the RBI in retail segment has components based on blockchain technology.
- (c): RBI has launched pilots of CBDC in both Wholesale and Retail segments. The pilot in wholesale segment, known as the Digital Rupee -Wholesale (₹-W), was launched on

November 1, 2022, with use case being limited to the settlement of secondary market transactions in government securities. Use of (₹-W), is expected to make the inter-bank market more efficient. Settlement in central bank money would reduce transaction costs by pre-empting the need for settlement guarantee infrastructure or for collateral to mitigate settlement risk. The pilot in retail segment, known as digital Rupee-Retail (₹-R), was launched on December 01, 2022, within a closed user group (CUG) comprising participating customers and merchants.

(d): RBI has identified eight banks for phase-wise participation in the retail pilot project. The first phase includes four banks, namely the State Bank of India, the ICICI Bank, the Yes Bank and the IDFC First Bank. Subsequently, another four banks, viz., the Bank of Baroda, the Union Bank of India, the HDFC Bank and the Kotak Mahindra Bank will participate in the retail pilot.

(e): RBI has already rolled out a pilot in the retail version of the CBDC (₹-R), on December 01, 2022. The ₹-R is in the form of a digital token that represents legal tender. It is being issued in the same denominations as the paper currency and coins. It is being distributed through financial intermediaries, i.e., the banks. Users will be able to transact with ₹- R through a digital wallet offered by the participating banks. Transactions can be both Person to Person (P2P) and Person to Merchant (P2M). The ₹-R offers features of physical cash like trust, safety and settlement finality. Like cash, the CBDC will not earn any interest and can be converted to other forms of money, like deposits with banks.

(f): RBI has launched a pilot project of CBDC in Wholesale segment as detailed at (c) above.

(g): Other steps being taken by RBI for full operationalisation of CBDC include expanding the scope of the pilots gradually to include more banks, users and locations based on feedback received during the pilots.

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