

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA UNSTARRED QUESTION NO.1148
TO BE ANSWERED ON 02.12.2024

Promotion of Central Bank Digital Currency (CBDC)

†1148. Shri Sanjay Haribhau Jadhav:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is promoting use of Central Bank Digital Currencies (CBDC) in banking sector;
- (b) if so, the details thereof;
- (c) the details of reactions received from banking sector in this regard;
- (d) whether it is a fact that the transactions under CBDC is anonymous;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the steps taken by the Government to ensure the privacy and confidentiality of customers using CBDC facility?

ANSWER

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

(a) to (c): Neither CBDC-retail nor CBDC-wholesale have been finally rolled out. The Reserve Bank of India (RBI) introduced pilots for the Digital Rupee in the Wholesale segment (e₹-W) on November 1, 2022, and in the Retail segment (e₹-R) on December 1, 2022. The banks have shown interest in becoming part of the CBDC pilot. The pilot started with four banks, and currently, 16 banks are participating in it.

(d) to (f): From a policy perspective, CBDC-Retail, being a digital replica of cash, should have the same features as cash, including its characteristic of anonymity within permissible limits. However, as it is currently in the pilot stage, CBDC-Retail is testing multiple design choices in technology architecture, including anonymity and privacy considerations. Furthermore, all pilot banks are taking the necessary steps to ensure the privacy and confidentiality of customers using the CBDC facility.
