Digital Rupee

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About Digital Rupee:

- Eight banks have been identified for phase-wise participation in this pilot.
- The first phase will begin with four banks including **State Bank of India, ICICI Bank, Yes Bank and IDFC First Bank in four cities across the country.**
- Four more banks, including **Bank of Baroda, Union Bank of India, HDFC Bank and Kotak Mahindra Bank** will join this pilot subsequently.
- The pilot would initially cover four cities, including **Mumbai, New Delhi, Bengaluru and Bhubaneswar and later extend to Ahmedabad, Gangtok, Guwahati, Hyderabad, Indore, Kochi, Lucknow, Patna and Shimla.**
- The scope of the pilot may be expanded gradually to include more banks, users and locations as needed.
- The pilot would cover select locations in a closed user group – CUG comprising participating customers and merchants.
- The digital Rupee would be in the form of a digital token that represents legal tender.

- Users will be able to transact with digital Rupee through a digital wallet offered by the participating banks and stored on mobile phones.

Transactions:

- Transactions can be **both Person to Person and Person Merchant.**
- Payments to merchants can be made **using QR codes** displayed at merchant locations.
- The digital Rupee would offer 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.
- The pilot will test the robustness of the entire process of digital rupee creation, distribution and retail usage in real time.
- Different features and applications of the digital Rupee token and architecture will be tested in future pilots, based on the learnings from this pilot.

Source : All India Radio