Digital Rupee (e₹) – FAQs

(Usage of e₹ is currently being pilot tested in the form of some studies in the country. The pilot is being tried in the Retail (public) and Wholesale (bank and other institutions) segments.

A. Retail CBDC

1. What is Digital Rupee?

Digital Rupee or e₹, is India's Central Bank Digital Currency (CBDC). It is the digital form of India's physical currency, the Rupee (₹). e₹ is issued by the Reserve Bank of India (RBI) in digital form and offers features similar to physical cash like convenience of use, guarantee of RBI, finality of settlement, etc. e₹ is stored in the user's digital wallet and can be used to receive / send money, and / or make payment for transactions, just like any physical ₹ note.

The logo and tagline for India's CBDC is as under:

Cash, but Digital !

2. How can e₹ be held and used?

e₹ can be held and transacted through e₹ wallets offered by banks and non-banks for person-to-person payments or person-to-merchant transactions. One can start using the e₹ wallet by downloading the e₹ app from the Play Store or the App Store

and by following the App instructions. Detailed instructions on using the e₹ wallet can be checked with the banks and non-banks providing the wallet. Payments to merchants can be made by scanning either the CBDC QR code or the UPI QR code available at the respective merchant location.

3. **What is an e₹ Wallet?**

   e₹ wallet is a digital wallet that can be opened on one's mobile phone/device. e₹ wallet stores the Digital Rupee, similar to the physical wallet/purse that stores the physical currency. e₹ wallets are being currently provided by banks and non-banks, which are part of the retail CBDC pilot.

4. **Are e₹ wallets safe?**

   e₹ wallets are safe and secure. There is a robust cyber-security framework to ensure that e₹ is kept secure in the user's wallet. The e₹ stored in the e₹ wallet is safe even if the mobile device on which the e₹ wallet is installed is lost. The e₹ wallet can be recovered using the same phone number / SIM on a new mobile device.

5. **Which mobile operating system platform does e₹ wallet currently support?**

   e₹ wallet is available and supported both on Android and iOS mobile devices.

6. **How is Digital Rupee created and issued?**

   Creation and issuance of retail e₹ is identical to the arrangement for issuance of paper currency i.e., RBI creates e₹ and issues them to banks and non-banks electronically. Banks and non-banks, thereafter, are responsible for facilitating onboarding and opening e₹ wallets for their customers on their mobile phones. The e₹ issuance, distribution, and usage within the retail segment (for members of the public) is live in pilot mode with effect from December 1, 2022. The users and merchants of identified pilot banks and non-banks across the country can use e₹.

7. **What do the e₹ pilots aim to achieve?**

   The e₹ pilots are a limited scale, controlled roll-out, to test the technology, architecture, scalability, application, features, use-cases and acceptance of e₹. The pilots aim to test the robustness of the entire process of e₹ creation, distribution, usage, etc.

8. **Who can use e₹?**

   Currently, users and merchants of identified pilot banks and non-banks across the country can use e₹. These customers can download the e₹ app of the bank or non-bank, register themselves, and start using the e₹ wallet to participate in the pilot.

9. **Can Digital Rupee be transacted from one's bank account outside banking hours?**

   Yes. e₹ can be loaded/redeemed/transferred from/to one's bank account to/from the e₹ wallet 24 hours x 7 days a week.

10. **Is there any minimum balance required to open/maintain an e₹ wallet?**

    No. There is no minimum balance required to open/maintain an e₹ wallet.

11. **Is savings account mandatory for retail customers to use e₹?**

    Currently, opening of e₹ wallets is linked to user's saving accounts. This linkage facilitates frictionless user onboarding and obviates the need for separate KYC requirement. Based on the feedback and emerging use cases, new models of user on-boarding are also being explored.

12. **Why do I see e₹ with different denominations in the wallet?**

    For ease of use, e₹ is available in the same denominations as physical currency. This provides the users with the same familiarity and convenience as with usage of physical currency notes.

13. **How can one transact without having the required denomination or change?**

    The feature of providing the requisite change is available in all the e₹ wallets. For example, if one desires to purchase a ₹15 item from a merchant but has only ₹20 denomination available in the e₹ wallet, she/he can enter ₹15 in the amount field while sending the money; ₹15 will automatically be credited to the merchant while the balance ₹5 will be returned to the e₹ wallet.

14. **Are there any charges/fees for using e₹?**

    There are no charges or fees associated with using e₹ or e₹ wallets.

15. **Whom can one reach out to for support/disputes related to e₹?**

    Users can raise disputes via their e₹ wallet app or reach out to their customer care centre.

16. Will interest be paid on the ₹ balances in the e₹ wallet?

Given the cash-like features of e₹, there is no interest payable on the wallet balances.

17. Whether e₹ is legal tender?

In terms of Section 26 of the Reserve Bank of India (RBI) Act, 1934, every ₹ bank note shall be legal tender at any place in India in payment or on account for the amount expressed therein and is guaranteed by the Central Government. e₹, being a digital form of the ₹ bank note, is legal tender and is the liability of Reserve Bank of India.

18. Is there any difference between e₹ and UPI?

e₹ is a digital form of ₹ whereas UPI is a means of payment. In addition to being used for payments, e₹ also serves as a 'store of value', i.e., e₹ can be withdrawn from one's bank account and kept separately in the e₹ wallet.

In the case of P2P and P2M payments made at any CBDC QR, the transactions happen between two e₹ wallets, and are settled instantaneously without passing through user's bank accounts.

For P2P and P2M payments, the functionality of scanning a UPI QR from an e₹ app has also been enabled. In such cases, the settlement will be based on the UPI settlement timelines.

19. What is offline feature of e₹?

The offline feature of e₹ enables the user to transact in locations with limited or no internet connectivity. It is expected to mirror the advantages of physical cash, making it a reliable solution for usage in remote areas. Currently, different solutions are being explored. One solution facilitates transactions without internet but still requires telecom connectivity, while another solution is testing transactions leveraging NFC communication,

20. What is programmability feature of e₹?

The programmability feature allows the sponsor entity (government / corporate) or user to ensure that the funds in the CBDC wallets are used for a specific, designated purpose. It can be programmed on different parameters like expiry date, geo-location, merchant category codes, merchant VPA, etc. Currently, the programmability use cases are being explored across Direct Benefits Transfer

(DBT) schemes, interest subvention scheme, lending, employee allowances for defined purposes, etc.

21. **Which are the pilot banks currently offering CBDC wallets to users?**

Currently, 15 banks are offering CBDC wallets. The name and the link for downloading the apps is mentioned below.

Pilot Banks	Name of the App	Android	iOS
SBI	eRupee by SBI	Android	iOS
ICICI Bank	Digital Rupee by ICICI Bank	Android	iOS
IDFC First Bank	IDFC First Bank Digital Rupee	Android	iOS
YES BANK	Yes Bank Digital Rupee	Android	iOS
HDFC Bank	HDFC Bank Digital Rupee	Android	iOS
Union Bank of India	Digital Rupee by UBI	Android	iOS
Bank of Baroda	Bank of Baroda Digital Rupee	Android	iOS
Kotak Mahindra Bank	Digital Rupee by Kotak Bank	Android	iOS
Canara Bank	Canara Digital Rupee	Android	iOS
Axis Bank	Axis Mobile Digital Rupee	Android	iOS
IndusInd Bank	Digital Rupee by IndusInd Bank	Android	iOS
PNB	PNB Digital Rupee	Android	iOS
Federal Bank	Federal Bank Digital Rupee	Android	iOS
Karnataka Bank	Karnataka Bank Digital Rupee	Android	iOS
Indian Bank	Indian Bank Digital Rupee	Android	iOS

B. **Wholesale CBDC**

22. **What is a Wholesale CBDC and how does it differ from retail CBDC?**

Wholesale Central Bank Digital Currency (e₹-W) is designed for use by financial institutions and intermediaries, primarily to streamline interbank settlements and large-value transactions. It operates within a restricted ecosystem and enhances the efficiency, speed, and security of wholesale payment systems by using the functionalities of programming and smart contracts. Wholesale CBDC focuses on improving the financial system's infrastructure and reducing settlement risks, retail CBDC aims to enhance accessibility, financial inclusion, and convenience for individuals / businesses. Retail CBDC is intended for the general public and is used for everyday transactions, much like physical cash but in digital form.

23. **What are the potential benefits of e₹-W?**

e₹-W has the potential to transform the settlement systems for financial transactions and make them more efficient and secure. It leverages on the programmability and smart contract features of the platform and reduces settlement risk.

24. **Which are the participants in wholesale CBDC pilot?**

Currently, there are 14 participants in the wholesale CBDC pilot, which includes banks and non-banks.

25. **What are the current use cases in** e₹-W **and what are the benefits?**

There are two ongoing use cases of e₹-W, (i) funds settlement of secondary market transactions in Government Securities, and (ii) settlement of inter-bank lending and borrowing in call money market. Settlement in central bank money is expected to reduce transaction costs by pre-empting the need for settlement guarantee infrastructure or for collateral to mitigate settlement risk and benefitting from the programmability and smart contracts functionalities of e₹-W.

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