



# Digital Rupee

**DIGITAL RUPEE**

- A digital version of Indian rupee
- Also known as e-rupee, Central Bank Digital Currency (CBDC)
- A centrally owned digital currency, **unlike privately owned cryptos**
- **Offline functionality proposed** - one can transact without the internet

**Advantages**

- **No or Minimal Disruption** to the financial system
- **Free of Risk:** Offers people the experience of dealing in currency in digital form, minus the risks seen with cryptos
- **Reasonable Anonymity:** Offers reasonable anonymity for small value transactions akin to physical cash

**Issues**

- Cyber security
- Privacy and issue of Data use
- Digital Divide
- Uncompetitive step vis-a-vis other market players like Visa, Mastercard, etc.

**Roll Out Plan**

- **Wholesale:** For restricted access to select financial bodies, also called **CBDC-W**.
  - Targets to make settlement systems more efficient and secure
  - It could be account-based
- **Retail:** It would be potentially available for use by all also called **CBDC-R**.
  - It could offer safer means of digital payment for citizens
  - This could likely be token-based, akin to cash

• **Ten countries have launched CBDC** (July 2022)  
First was Bahamian Sand Dollar in 2020 and the latest was Jamaica's JAM-DEX

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