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# Permanent deletion of transactions can help make e-rupee anonymous: Shaktikanta Das

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By: **PTI**

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RBI Governor Shaktikanta Das. (File Photo)

Governor Shaktikanta Das on Monday said that permanent deletion of transactions can make the e-rupee or central bank digital currency (CBDC) become anonymous and make it at par with paper currency.

Speaking at the BIS Innovation Summit, Das said India is also working on making the CBDC transferable in the offline mode along with introducing the programmability feature to help its financial inclusion goals.

It can be noted that since the introduction of the CBDC in late 2022, there have been concerns about the privacy aspect, with some saying that the electronic nature will leave a trail of where all the currency has been used, unlike cash which offers anonymity.

“Anonymity can be addressed through legislation and/or through technology. For example, through permanent deletion of transactions,” Das said.

“The basic principle is that CBDC can have the same degree of anonymity as cash, no more and no less,” he added.

In the past, the RBI brass, including Das and his Deputy T Rabi Sankar have said that technology offers the solutions to such concerns on privacy.

In the run-up to the launch of the pilot, former RBI Governor D Subbarao had in 2021 had flagged the issue of data privacy saying the CBDC will allow the government or the RBI access to all the data on how each unit of the currency has been used and also asked for a strong data protection law to tackle with it.

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Meanwhile, Das reiterated that India is working on making the CBDC transferable in the offline mode also, pointing out that one of the key features of cash is that it does not require network connectivity to work.

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In February this year, Das announced the offline and programmability features of the CBDC.

“Programmability will facilitate transactions for specific/targeted purposes, while offline functionality will enable these transactions in areas with poor or limited internet connectivity,” Das had said then.

Speaking on Monday, Das said that despite the efforts which are being undertaken by the Reserve Bank, the RBI still sees preference for UPI (unified payment interface) among retail users.

“We of course, hope that this will change going forward,” he said, specifying that the RBI has also enabled interoperability of CBDC with UPI.

India has made CBDC non-remunerative, by making it non-interest bearing to mitigate any potential risks of bank disintermediation, Das said, adding that central bank creates the CBDC and the banks distribute it.

To widen the reach of the e-rupee, the RBI recently announced the participation of non-banks in the pilot with the expectation that their reach can be leveraged for distribution of CBDCs and for providing value-added services, he added.

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