

India's central bank targets 1 million CBDC users before the end of June

Barely seven months after the launch of India's central bank digital currency (CBDC) pilot, the nation's banking regulator is keen on onboarding one million users by the end of June.

The Reserve Bank of India (RBI) [stated](#) via a press release that preliminary studies have yielded positive results, laying the foundation for larger experiments. The expansion, according to the RBI, is designed to mirror the real-world application of the proposed digital rupee and will target more cities.

RBI deputy governor T. Rabi Sankar disclosed that in addition to onboarding more users, the central bank will explore the integration of the united payments interface (UPI) with the [CBDC](#) via QR codes. Sankar remarks that the interoperability between both systems could present the benefits of increased CBDC adoption upon its launch.

However, the RBI is silent on a potential digital rupee launch date, opting for a "calibrated approach" to avoid upsetting the balance of the country's financial system.

"We want to assess the impact and learn as we go," said Sankar. "By the end of June, we are targeting 1 million CBDC users. We are also planning to make UPI QR code interoperable with CBDC."

The RBI's measured approach to CBDCs may come as a surprise to the public given the impressive successes recorded by the pilot. Within 60 days of the digital rupee pilot, the RBI announced that it had [onboarded](#) 50,000 users and 5,000 merchants with nearly 800,000 transactions.

The central bank is currently juggling both wholesale and retail CBDCs, enlisting leading commercial banks and technical partners for assistance. Despite the slow-and-steady approach, India remains keen on replacing virtual currencies with a digital rupee with RBI president Shaktikanta Das pushing for an outright ban.

Das argues that the RBI would have a hard time managing the financial system given the proliferation of virtual currencies in India. He likened the asset class to gambling with the potential of causing losses for unsuspecting investors.

“Crypto should be banned, given it has no underlying value in the market,” said Das.

Global approach for both CBDCs and virtual currencies

As central banks confirm their interests in launching CBDCs, international organizations are stepping into the fray to ensure a uniform development. The International Monetary Fund, after proffering technical assistance to a handful of central banks, launched a CBDC handbook to serve as a guide for interested countries.

In May, G7 nations [reiterated](#) their intention to create a global framework for the development of CBDCs for developing nations. On the other side of the divide, G20 nations are hurtling toward a framework for digital currencies led by India with assistance from the IMF and the Financial Stability Board.