CENTRAL RESERVE BANK OF PERU

CBDC QUESTIONNAIRE

With respect to the document "CBDC: Promoting digital payments in Peru", please complete the following questions, explaining your point of view, and send your answers to cbdc@bcrp.gob.pe by April 30, 2023.

I. CHALLENGES AND ISSUES FACING PAYMENTS IN PERU

1. **What are the additional challenges for the development of digital payments from the perspective of:**

   a. Consumers
   b. Merchants
   c. Banks and other payment services providers

2. **Do you concur that the main issues in the Peruvian payments market are:**

   a. low levels of financial inclusion
   b. lack of interoperability in the retail payment services
   c. other impediments

3. **Which are the solutions that you propose to foster access to digital payments? Please specify:**

   a. Addressing regulatory issues
   b. Modernization of payments infrastructure, including introducing new functionalities
   c. Strengthening coordination among the agents in the market
   d. Other

4. **Despite the private sector efforts to expand access of the unbanked people to digital payments, are there limitations or challenges to further pursue this objective, for example outside the main cities?**

5. **What role can the public sector play in enhancing access to digital payments to unbanked people?**

II. CBDC – POSSIBLE CONSIDERATIONS

6. **To what degree could the introduction of a CBDC in Peru contribute to the achievement of the following:**

   Please rank each statement from 1 (Definitely Not), 2 (Maybe), 3 (Probably), 4 (Very Probably), 5 (Definitely)

   ( ) increasing use of digital payments among the unbanked population and/or population with little or no Internet access
   ( ) bring efficiency gains in the payment market lowering costs of payment services
   ( ) increasing trustworthiness in the payment system since BCRP is widely trusted
   ( ) promoting interoperability between existing retail payment options
   ( ) increasing competition and/or promoting financial innovation
   ( ) increasing resilience of the digital retail payment system

7. **Referring to CBDC, what additional potential advantages have not been considered in the document?**

8. **Could CBDC advance digital payments in Peru and help to foster financial inclusion? Please specify.**

9. **Could some of the potential advantages of a CBDC be better achieved by different policy tools? Please specify.**

III.   USE CASES, CHARACTERISTICS, AND FEATURES

10. **What are the most relevant use cases to consider for a CBDC according to the Peruvian context?**

    Please rank each option from 1 (Not relevant at all), 2 (Less Relevant), 3 (Relevant), 4 (Very Relevant), 5 (Extremely Relevant)

    ( ) Person-to-person (P2P) transfers
    ( ) Person-to-business (P2B)
    ( ) E-commerce
    ( ) Paying public transport
    ( ) Government-to-person (G2P) payments
    ( ) Disbursement of wages
    ( ) Person-to-government (P2G)
    ( ) Sending and receiving money (interoperate) from/to bank accounts, e-money accounts, and other payment options

11. **With respect to the target population and prioritized use cases presented in the document, is there any other cases or circumstances that can be added to this view?**

12. **Please, explain in detail if you see any barriers that limit the use of a CBDC in the cases mentioned in the document.**

13. **Please classify how relevant you consider the following CBDC characteristics for the Peruvian context.**

    Please rank each option from 1 (Not relevant at all), 2 (Less Relevant), 3 (Relevant), 4 (Very Relevant), 5 (Extremely Relevant)

    ( ) Intermediated CBDC model where BCRP maintains a central ledger of all transactions and have control of the payment system
    ( ) Based on digital tokens
    ( ) Digital wallet (mobile based) developed by the BCRP without necessarily having a bank account
    ( ) CBDC payments would be free of charge
    ( ) Focused on small-ticket transactions
    ( ) Due diligence (KYC) at Financial Institutions (IFs) or CBDC agents for user registration. If the user is banked, the existing registration with the financial institution must be taken
    ( ) Authentication should be tiered based on the type and amount of the transaction
    ( ) All economic agents will have to accept CBDC tokens and establish the connections required for this

14. **Please classify how relevant you consider the following features for the Peruvian context.**

    Please rank each option from 1 (Not relevant at all), 2 (Less Relevant), 3 (Relevant), 4 (Very Relevant), 5 (Extremely Relevant)

    ( ) Facilitates requesting payments and keeping track of who is paying
    ( ) Allows scheduling recurring payments
    ( ) Cash-in mechanisms include transfers from banks or electronic money accounts, payments from other users, and cash deposits at FIs and authorized agents.
    ( ) Allows to opt for total anonymity for low amounts
    ( ) Connected with existing payment solutions including both public (like Pagalo.pe) and private sector solutions
    ( ) Include an offline CBDC system
    ( ) Feature that allows the control of funds and their management at large

15. **Could the conceptual view and choice of features for a CBDC to foster access to digital payments be improved or modified to promote its adoption? Please explain.**

16. **Do you think that off-line features should be implemented from the beginning or later in the process of introducing a CBDC to the population?**

17. **How could a CBDC be designed to achieve interoperability across multiple payment platforms? Furthermore, do you see the development of a single platform for all digital payments in Peru the optimal choice? Please explain.**

18. **Privacy and anonymity and account based versus token based are features often discussed for CBDC, what is your position on these topics?**

IV.   POTENTIAL RISKS AND CHALLENGES

19. **Are the presented characteristics of a CBDC adequate to mitigate potential risks to financial stability?**

20. **How relevant do you consider the following risk and challenges for Peru for a successful implementation of a CBDC?**

    Please rank each option from 1 (Not relevant at all), 2 (Less Relevant), 3 (Relevant), 4 (Very Relevant), 5 (Extremely Relevant)

    ( ) Financial disintermediation and digital bank runs
    ( ) Reliance on bank infrastructures which implies risks to cash-in and cash-out in cities far away from the capital
    ( ) Technology vendor lock-in and lack of interoperability due to the absence of standards between existing payment systems
    ( ) Technology risk, including the risk of obsolescence
    ( ) Cyber threats to end-user funds or data
    ( ) Reputational risk to the central bank
    ( ) Lack of user adoption
    ( ) Lack of a viable business model

CENTRAL RESERVE BANK OF PERU

21. **Referring to CBDC, what additional risks and challenges have not been considered in this document?**

V.   OPERATING MODEL CONSIDERATIONS

22. **What types of firms would you consider as potential intermediaries for CBDC?**

    a.   Only financial companies
    b.   Only financial companies and payment services providers
    c.   Only financial companies, payments services providers and cell phone operators.

23. **Do you consider any other type of institution should be considered for the potential role of *intermediaries* and under what conditions?**

24. **Under a potential intermediated CBDC model that delegates functions to private sector companies, which of the following could represent a challenge for your institution (please select all that applies and explain why):**

    (   ) Financial Education of final user
    (   ) KYC
    (   ) Authentication of transactions
    (   ) Governance model of the solution
    (   ) Other

VI.   ENGAGEMENT PREFERENCES

25. **Please select the top 3 options you suggest may be useful for the BCRP to consider as part of an engagement strategy.**

    (   ) Conducting sessions and or webinars to disseminate knowledge and create market awareness
    (   ) Conducting sessions with speakers of countries that have implemented similar CBDC models
    (   ) Developing workshops and interactive sessions to allow debate and discussions
    (   ) Developing innovation challenges that allow the BCRP and the private sector to co-design solutions
    (   ) Developing small pilots with certain stakeholders and disseminating results
    (   ) Conducting individual interviews with relevant stakeholders to gather more detailed impressions and concerns