

Taguette highlights: impacts of privacy

The demand by consumers for e-money will depend on how the schemes compare with other payment methods in terms of the fees (if any) charged by issuers,⁴ the perceived security and privacy of e-money, the ease with which the e-money devices can be used, and the willingness of merchants to accept e-money.

Document: Bank für Internationalen Zahlungsausgleich - 1996 **Tags:** impacts of privacy

Higher levels of privacy and restrictions beyond those required by the jurisdiction's data regulation may negatively impact intermediaries' revenue streams and their ability to add new innovative products, potentially reducing the diversity of participants in the system.

Document: CBDC - System design and interoperability .pdf **Tags:** impacts of privacy

For example, demand would likely depend on the importance to individual users of the following factors relative to available alternatives at the time such as cash, bank deposits, e-money and other tokens:³

-

Perceived safety versus insured or uninsured alternatives;

-

Ease of access/financial inclusion;

-

Interoperability with and speed of alternative means of payment;

-

Technological innovation, eg programmability;

-

Remuneration;

-

Cost of use;

-

Privacy and anonymity; and

-

Ease of switching between CBDC and alternatives.

Document: cbdc- user needs and adoption.pdf **Tags:** impacts of privacy

Allowing for anonymous electronic transactions with a CBDC would alleviate frictions related to people's concerns about the safety of Internet transactions by making it similar to cash. This would decrease the number of foregone electronic transactions (e.g., online) and thus improve the system's efficiency and increase adoption. Similarly, it would facilitate additional transactions at POS and P2P, even when the other party is not trusted (as discussed in Section 4). At the same time, such anonymity would make it easier to avoid AML

regulations, especially as a large amount of CBDC can be sent across geographical locations over a short period of time between private parties. If this led to an increase in illegal transactions or tax evasion, it could also

bring additional social costs. Such an association may also discourage some people from using a CBDC, as in the case of Bitcoin.

Document: Fung and Halaburda - 2016 - Central Bank Digital C **Tags:** impacts of privacy

A CBDC could have a potential niche as an electronic means of payment with enhanced privacy features.

Document: Jiang - CBDC adoption and usage some insights from **Tags:** impacts of privacy

A CBDC with a high level of privacy could be useful for electronic transactions where privacy is a critical concern.

Document: Jiang - CBDC adoption and usage some insights from **Tags:** impacts of privacy

record-keeping and privacy and would require the central bank to deal with individuals frequently.

Document: Kahn - Should the Central Bank Issue E-money.pdf **Tags:** impacts of privacy