



Co-funded by  
the European Union



# Implementation of Digital Money in Europe and Uzbekistan

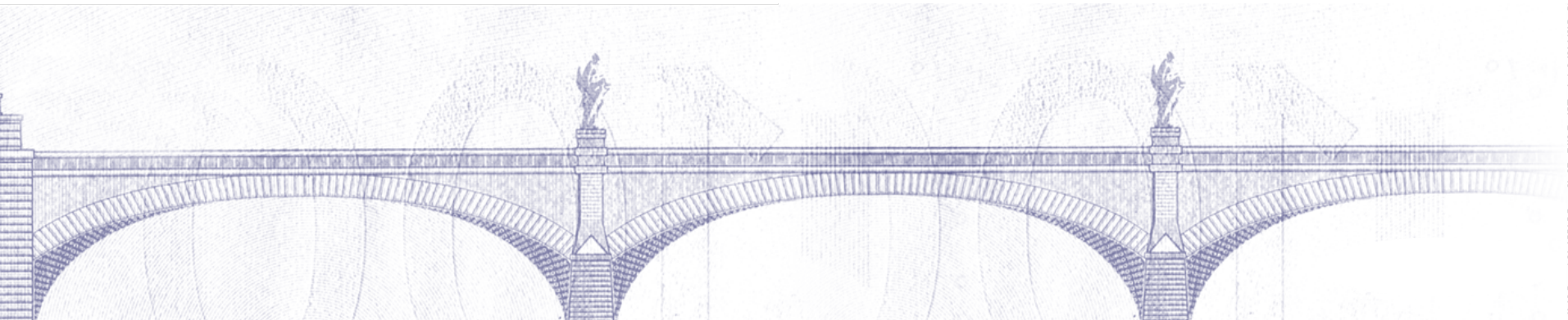
Students: Sayfullaev Olloberdi  
Rustamov Firuz

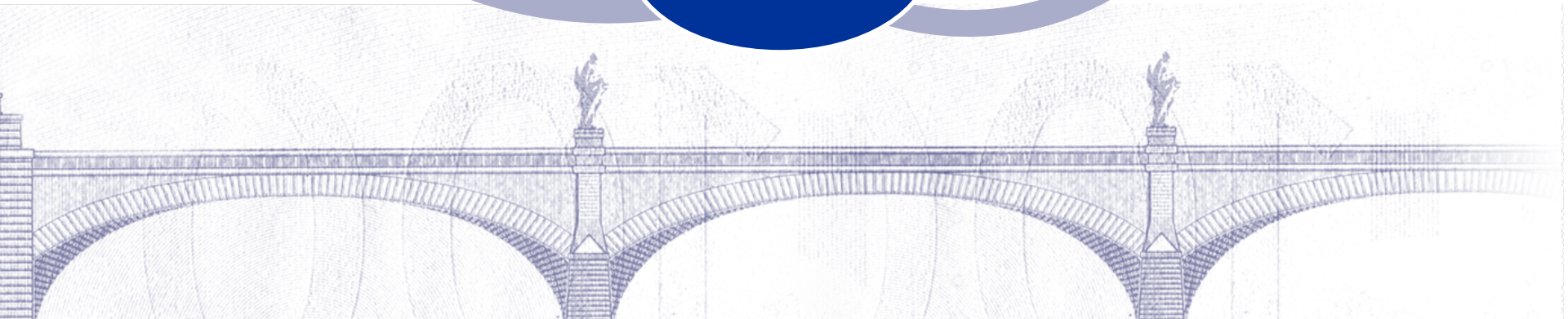
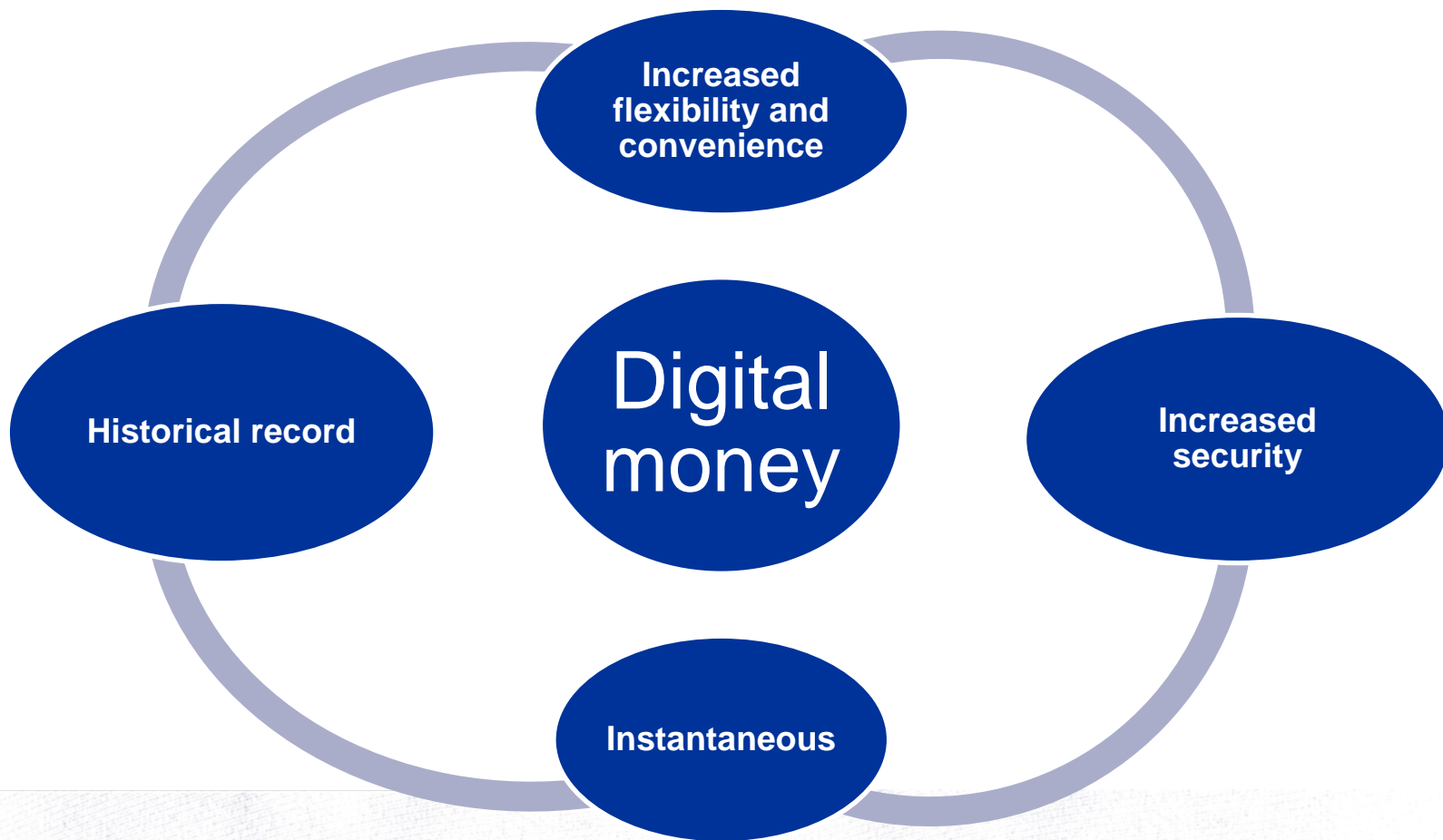
Group: BDA-88

Supervisor: Ludmila Muradova

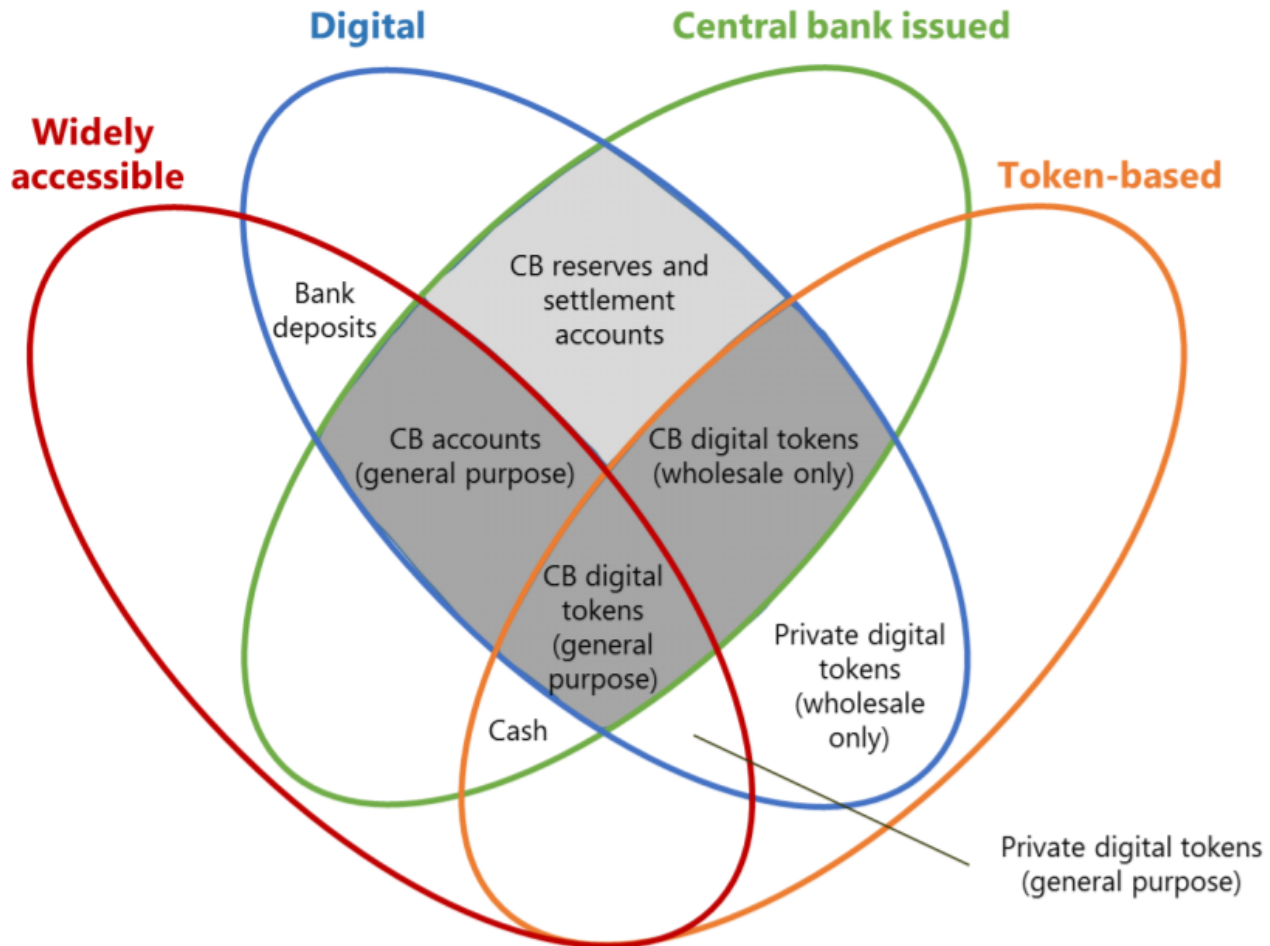
# Plan of the presentation

- **Understanding Digital Money**
- **Digital money in Europe**
- **Digital Money in Uzbekistan**
- **What can be adopted from EU e-monetary systems**





# Types of Digital Money



# Digital Money in EU

- The European Payments Initiative: In July 2020, a collection of 16 European institutions revealed that they were working together on a brand-new payment system. (EPI). With the help of the EPI, customers and companies in Europe will be able to swiftly and easily make cross-border transfers.
- The European Payments Initiative: In July 2020, a collection of 16 European institutions revealed that they were working together on a brand-new payment system. (EPI). With the help of the EPI, customers and companies in Europe will be able to swiftly and easily make cross-border transfers.

# Digital Euro



The digital euro as **monetary anchor** would preserve public access to central bank money being **widely accessible to prospective users in all euro area countries.**



A digital euro would strengthen the **strategic autonomy** of the euro area by increasing the independence from non-European payment solutions and would increase **economic efficiency** as the (latent) competition from central bank money to private money providers can curb market-abusive behaviour.

## About Digital Euro

- 2022 survey : 53% of merchants and roughly 50% of consumers prefer the acceptance of digital means of payment
- Central Bank money
- Will not replace cash as long as other people prefer cash
- Commercial banks and other payment institutions will act as intermediaries between ECB and clients
- Digital Euro will be only for day-t-day payments
- Now we are in design phase
- While debit cards you cannot use outside country , DE could be used in all Eurozone

# Focus on privacy



Privacy is a **fundamental right**



Digital euro **public consultation** highlighted **privacy as a key concern of future users**



**Focus group research** on new digital payment methods & digital euro showed more nuanced views around privacy in payments

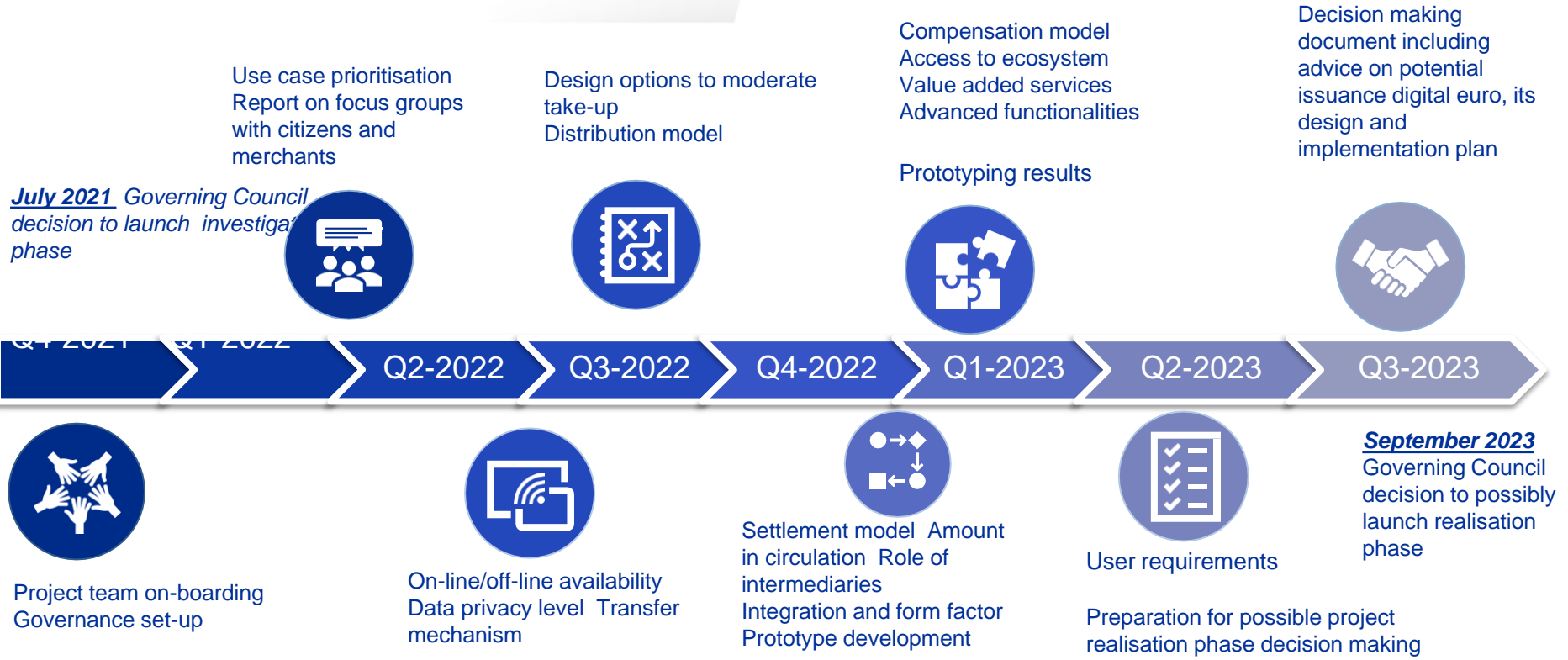


Full anonymity and full transparency to central bank are not to be pursued → **baseline scenario** is that limited data is **transparent to the intermediaries** for customer onboarding and AML/CFT purposes, as is the case for electronic payments today



# Where do we stand?

Tentative - timing subject to change



## Digital Money in Uzbekistan

- According to Mamarizo Nurmuratov, work has begun on the introduction of SupTech technology. It will be built on the basis of the banking data warehouse at the Main Informatization Center of the Central Bank. Payment organizations and operators will also be connected here
- CB Chairman announces development of Uzbekistan's digital currency
- There are 3 digital banks and 34 non-bank payment organizations in the country, 10 of which are included in the register of e-money system operators

- In 2021, 53% of deposits, 40% of microloans, 48% of utility and other payments and 15% of currency conversion transactions were made remotely
- The introduction in 2020 of an instant payment system – online money transfers between legal entities and individual entrepreneurs – led to a sharp increase in the share of cashless payments in the economy. In the 3rd quarter of 2021, the number of transactions in the system reached 3.3 million for a total of 86.1 trillion soums

## Ways Uzbekistan can change digital methods of payment from EU

- **Best practices and expertise**

The European digital currency system has evolved over the years, accumulating a wealth of expertise and best practices. Uzbekistan could benefit from this experience by learning from the European system and incorporating some of its best practices into its own digital money system

- **Improved interoperability**

- The European digital currency system was designed with interoperability in mind. This means that different payment systems can communicate seamlessly with each other. By adopting some of the standards and protocols used in European systems, Uzbekistan can improve the interoperability of its own digital money system and facilitate communication between different payment systems

- **Enhanced security**

European digital money systems are designed with security in mind, with a strong focus on preventing fraud and protecting user data. By adopting some of the security measures used in European systems, Uzbekistan could improve the security of its own digital money system, reduce the risk of fraud and increase user confidence

**Thank you**