

# Attributes needed for Japan's central bank digital currency

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# Paper Overview

*Research Question:* What types of attributes should a CBDC have to be widely accepted in Japan?

*Methodology:* Uses rank-order logit model to estimate which attributes are correlated with the payment methods that consumers frequently use and conducts counterfactual simulations

*Findings:* Hypothetical mobile versions of noncash payment methods that require a short transaction time are highly ranked, though not with all demographics

# Questions and Comments

- Would smartphone access be a barrier to universal access in Japan?
  - You allude to the trade-off between a widely adopted CBDC and a CBDC for those most likely to use cash (elderly with small asset holding): how does this trade-off relate to universal access?
- How much does the assumption that cash is the slowest transaction (by far) affect your results?
  - Previous literature suggests that cash transaction duration should be shorter. Would the hypotheticals still be predicted to be top-ranked more often than cash?
  - If consumers value faster payments, and cash takes that long (if we believe the survey results), then why is cash still the most frequently used payment method?
- Settlement time is not synonymous with the amount of time a consumer spends making a payment at the POS. “Transaction time” or “payment time” may be less confusing.