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CCAMTAC – Outreach Session

“The Digital Tenge Project - From the Launch Towards Implementation”

January 25, 2024

Introduction and moderation:

Mr. Norbert Funke, Director, CCAMTAC

Presenter:

Mr. Binur Zhalenov, Chief Executive Officer, Member of the Board, National Payments Corporation of Kazakhstan

The outreach session on the Digital Tenge project was aimed at sharing the experience of the National Bank of Kazakhstan on the phases of central bank digital currency (CBDC) development and the current stage of implementation. The Chief Executive Officer of the National Payments Corporation under the National Bank of Kazakhstan, Mr. Binur Zhalenov, presented the milestones of the Digital Tenge project and future steps in launching CBDC in Kazakhstan.

The first phase of studying CBDC was concluded by the decision of the National Bank of Kazakhstan to launch the digital tenge in 2025. In the second phase, they tested the digital tenge in production mode in cooperation with the second-tier banks by issuing CBDC cards similar to bank cards and integrating them with global payment networks. As a result, end users were able to use a CBDC bank card – the digital tenge. The digital tenge was also successfully tested as a digital voucher at schools for allocating social aid to children. During the presentation, Mr. Zhalenov highlighted the important role of the dialog between the state, banks, and the private sector in designing the digital tenge in Kazakhstan as all parties would be affected by the financial innovation and digitalization. He also mentioned that the digital tenge will be considered as a third means of payment in addition to cash and bank payments. It will offer new opportunities such as programmability and smart contracts, easy recovery in case of loss, and complete anonymity.

In the third phase, the National Bank of Kazakhstan is planning to test programmability and the use of the digital tenge in cross-border payments and pilot a project on offline payments. The National Bank also experimented with two scenarios of issuing a stablecoin backed by the digital tenge in cooperation with Binance and the Kazakhstan Stock Exchange (KASE).

The event gathered a large audience with 25 people attending in person and more than 150 participants connecting virtually. The audience raised a number of relevant issues pertinent



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to the digital tenge such as protection from theft, guaranteeing anonymity, legal aspects, competition with banks, the underlying blockchain technology, and its effect on the monetary policy of the central bank.