



## Banco do Brasil partners with Giesecke+Devrient to test offline payments with DREX

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Giesecke+Devrient

Banco do Brasil reinforces its pioneering commitment to financial inclusion technologies and takes an important step towards making offline payment with digital money a reality in Brazil.

Banco do Brasil (BB) will partner with international SecurityTech company Giesecke+Devrient (G+D) to test an offline payment solution within the pilot of the Brazilian Digital Real Electronic ([DREX](#)). This will allow the exploration of payment use cases using the Brazilian digital currency in situations where there is no internet connection or electricity grid. One of the main goals of this project is to extend access to financial services to Brazilians with limited or no access to the Internet, by providing a complement payment solution to cash.

Cash payment is the second most used payment method in the country, behind the immediate payment method PIX by Banco Central do Brasil,<sup>1</sup> while in socioeconomic classes D and E, cash is the most used payment method. In times of progressive digitalization, a solution that allows payments to be made without the need for an internet connection has a great chance of boosting financial inclusion in Brazil.<sup>2</sup> The Central Bank of Brazil plans to launch the CBDC DREX by the end of 2024. This would give the population a complement to cash, allowing them to pay digitally and securely without having a bank account.

With this step, Banco do Brasil with the support of G+D intends to further explore the potential of the DREX platform provided by the Central Bank during the Brazilian CBDC pilot. In previous pilot projects, like the offline CBDC trial phase of Hong Kong's e-HKD, G+D has already tested important factors such as 'offline capability' and 'interoperability', which are crucial for the success of a digital currency. This includes ensuring smooth and secure transactions under all circumstances, while allowing consumers to use their preferred network and digital wallet for transactions. With these key findings, BB and G+D will now test an additional digital offline payment solution within the DREX pilot that will also benefit people in remote areas such as forest, riverine and rural regions. It will also enable payments to be made in crisis situations, such as power or internet outages, where cash was previously the only option.

Although it is not the focus of this first moment of Bacen's study<sup>3</sup>, which initially aims to transact operations involving the issuance, transfer and redemption of Digital Real, Tokenized Real and Federal Public Securities, the offline payment solution, tested on the platform, will allow the exploration of payment use cases using the Brazilian digital currency in situations where there is no connection to the Internet or electricity grid.

Marisa Reghini, vice-president of digital business and technology at BB, says that the bank is committed to bringing financial services closer to the entire Brazilian population. "With offline payment, we can bring ease and technology to people who have difficulty accessing the technological infrastructure," she explains. "Brazilians can benefit from the solution in their daily lives, carrying out secure transactions in local shops, for example, without the need for a bank account or the Internet," she concludes.

The initial aim of the partnership is to test the viability of the technology and its adherence to the future DREX platform. "Validating an offline payment solution in parallel with the development of DREX will allow BB to explore new business models using Brazilian CBDC, especially in places with precarious infrastructure," says Rodrigo Mulinari, BB's technology director.

Raoul Herborg, Managing Director CBDC, Giesecke+Devrient says, "A CBDC must work for everyone, anywhere, at any time. Only in this way can it be a truly inclusive public digital currency. We are honoured and looking forward to working with Banco do Brasil on offline payments and creating financial inclusion in Brazil by extending access to services around a potential Digital Real for everyone."

The investment in the studies of the offline payment solution is another initiative by BB that demonstrates its leading role in the financial market and the bank's commitment to the democratization of banking services. In G+D, BB has found an experienced partner for this test phase. The SecurityTech company has already successfully demonstrated its expertise in offline payments in African countries such as Ghana.

<sup>1</sup> [Financial Inclusion in Brazil 2022](#) ↗, Plano CDE

<sup>2</sup> [Socioeconomic classes in Brazil](#) ↗

<sup>3</sup> [Pilot DREX](#) ↗

## About Giesecke+Devrient

Giesecke+Devrient (G+D) is a global SecurityTech company headquartered in Munich, Germany. G+D makes the lives of billions of people more secure. The company shapes trust in the digital age, with built-in security technology in three segments: Digital Security, Financial Platforms and Currency Technology.

G+D was founded in 1852 and today has a workforce of more than 14,000 employees. In the fiscal year 2022, the company generated a turnover of 2.53 billion euros. G+D is represented by 123 subsidiaries and joint ventures in 40 countries.

Further information: [www.gi-de.com](http://www.gi-de.com).