



## Press Release

### Public Update on The Bahamas Digital Currency—SandDollar

#### Overview

The Central Bank of The Bahamas is inaugurating a monthly update to keep the public more informed of initiatives to promote digital currency adoption. This marks the start of accelerated and more entrenched outreach. Over the coming months, releases will provide more details on the adoption roadmap, including near-term upgrades to the technology platform, expanded engagement with banks and credit unions, Family Island outreach, and focus on strategic marketing efforts. These updates will also disclose quantitative metrics on the digital currency use.

A highlight of the Central Bank's incentivisation efforts will be the targeted giveaway of \$1 million in SandDollars to early adopters during 2023 and 2024. At present, just over 100,000 mobile phone-based wallets accounts exist in The Bahamas, and collectively over 1,500 businesses have access to merchant services through Central Bank licensed payment services providers. Along with further initialised presence in the Family Islands, this is the ecosystem in which outreach, specific to SandDollar, is intensifying over the remainder of 2023. Within this ecosystem, spending, in both SandDollars and other tokens, remains low when compared to the overall size of the domestic payments system.

#### Ongoing Technical Upgrades

Factors critical to a more accelerated adoption include the SandDollar integration with the commercial banks' automated clearing House (ACH). The core integration to the ACH was concluded in 2022. In particular, all commercial banks completed upgrades of their online banking platforms to enable top-up transfers from deposit accounts to native SandDollar wallets. The Central Bank has been working with SandDollar authorised financial institutions (AFIs) to extend the ACH features to all proprietary platforms since the beginning of the first quarter of 2023. This effort is expected to conclude in the second quarter, allowing all SandDollar-enabled wallet users to receive direct transfers from bank accounts through unique account numbers. Individuals and businesses with existing banking relations will be able to expand their cashless experience and initiate digital currency transfers to their mobile wallets regardless of the platforms through which they are provided services. These users will also have direct access to deposit any desired holdings of SandDollars into their bank accounts.

Several other critical technical upgrades that commenced in 2022 are expected to roll out throughout 2023. Key, among these, is further hardening of the SandDollar security infrastructure and operational resiliency, work on offline payments functions, activation of the electronic know-your-customer (eKYC) system, and support features for merchant fees and e-Commerce. Upgrades to the native public-facing SandDollar wallet, as well as the back-end infrastructure available to participating AFIs, will be released as Wallet 2.0 during the second quarter of 2023. Wallet 2.0 will offer critical feature upgrades ahead of broadened financial institutions' participation and more targeted growth in merchant accounts. The Wallet 2.0 will be a white labelled app through which all financial institutions can provide anticipated point-of-sales services for medium- and large-sized businesses that might require multiple payment terminals. It will also allow all digital payment providers to offer fee-based merchant services from within



the core SandDollar platform. Financial institutions will be able to customise the appearance of the app to display their individual brand identities, including logos and branding colour preferences.

### **Strategic Focus with Merchants and Users**

During the second quarter of 2023, the Central Bank's promotional efforts and outreach will focus on increasing SandDollar usage within the existing merchant ecosystem. The particular emphasis will be on merchant training and awareness, for more efficient processing of payments from all branded wallets in use within The Bahamas. The Central Bank is working with AFIs to improve the point of sales signage at merchants, which broadcast the acceptance of SandDollars, and to ensure more seamless use of QR Code displays to process payments. In the meantime, promotional giveaways of SandDollars will target increased spending, particularly at merchants that are considered systemically important to early-stage adoption efforts.

As to the existing merchant ecosystem, as at January 2023, the Central Bank estimates that at least 80 percent of all domestic mobile payments transactions were denominated in SandDollars. This was due to increasing merchant and mobile wallet activations, as marketing efforts increased among the licensed payment services providers. In this regard, January's volume of peer-to-peer or person-to-person (P2P) transactions was more than doubled compared to January 2022. The volume of person-to-business (P2B) transactions was more than threefold higher than in the same period in 2022. In this regard, the average amount spent in P2B transactions was \$68. Over 1,500 merchant relationships have been established by AFIs. The Central Bank has verified that more than 450 of these businesses are proficiently processing payments from all branded wallets.

Outside of enriching the existing merchant payments experience, SandDollar efforts will promote an increase-payments experience at civic and cultural events, particularly events organised by non-profit organisations.

The Central Bank has committed to a giveaway of \$1 million in SandDollars to early adopters through 2024. These SandDollar wallet-seeding events and similar efforts began at the 78<sup>th</sup> Annual Rolleville Homecoming and Regatta in Exuma, held 28<sup>th</sup> July to 1<sup>st</sup> August, 2022. The efforts continued at cultural events in New Providence during autumn. Through these and initial charitable donations, the Central Bank has distributed slightly over \$61,000 in SandDollar transfers to date.

### **SandDollar Outreach Activities**

In March 2023, the Central Bank began to recruit persons of all ages to serve as SandDollar Ambassadors within New Providence, Grand Bahama, and the Family Islands. These individuals will support more sustained adoption outreach targeting their communities during 2023 and 2024. They will be trained to provide first-line support to wallet users and merchants around all of the SandDollar-enabled mobile payments applications in use within The Bahamas. They will be present at all public promotional events. Outside of these events, they will offer on-demand assistance on the use of SandDollar through the various platforms. The recruitment of the first set of Ambassadors will be concluded in April.

The Central Bank has prepared an outreach calendar to engage directly with individuals, businesses, and local government representatives throughout The Bahamas during 2023. This will include technical and educational presentations on the SandDollar, and strategic partnerships with the mobile payment providers to garner merchant enrolments.



In March 2023, the Central Bank focused its Family Island outreach on Central and Southern Eleuthera. Events included virtual meetings with the Eleuthera Chamber of Commerce, local merchants, and other stakeholders. The engagement culminated with an on-island visit from 21<sup>st</sup> to 24<sup>th</sup> March, 2023. Digital wallet providers OMNI, which has a presence on the island, SunCash, and Kanoo, accompanied the Central Bank. The exercise resulted in the onboarding of six new SandDollar merchants. The Central Bank plans to visit Northern Eleuthera and surrounding cays during its next scheduled engagement.

On New Providence, varied outreach will be conducted in April. These include a prominent feature of SandDollar at the Annual Financial Literacy Fair, which will be held at Fusion SuperPlex on Friday, 28<sup>th</sup>, and Saturday, 29<sup>th</sup> April, 2023. The two-day event, which is free to the public, will feature a Digital Payments Pavilion: a space for banks and other payments system providers to display electronic and digital payment solutions. The expo will offer persons and businesses hands-on demonstrations on SandDollar and other digital payments platforms. Attendees will be encouraged to download and set up their SandDollar-enabled wallets before arriving at the event.

In April, public outreach is also planned for Bimini and Grand Bahama. Likewise the Central Bank has developed a calendar for interactions with communities throughout The Bahamas during the rest of 2023.

SandDollar will coexist alongside other cash and noncash payments options, enabling individuals and businesses in The Bahamas to be fully included in the range of noncash payments. The experienced-focused cultural and charitable events in which the SandDollar brand is promoted will, therefore, remain conscious of this event. Consequently, the Central Bank will only officially partner with event organisers that provide patrons with multiple payment options.



<b>Table 1. General SandDollar Statistics March 2023</b>	
<b>Description</b>	<b>Current</b>
SandDollars in circulation	\$1,024,816
Number of approved digital wallet providers	9
Active digital wallet providers	7
Number of consumer wallets	101,636
Number of merchant wallets	1,512
Number of active SandDollar merchants	455

<b>Table 2. Promotional SandDollar Distribution Tracker</b>		
<b>Event</b>	<b>Date</b>	<b>Amount (\$)</b>
Rolleville Exuma Homecoming and Regatta	August 2022	10,910.00
International Culture Wine and Food Festival	October 2022	17,135.24
Bahamas National Trust Wine and Art Festival	October 2022	1,460.00
Bahamas National Trust Jollification	November 2022	19,155.00
Salvation Army’s Red Kettle Campaign	December 2022	2,500.00
Bahamas Red Cross Ball	January 2023	10,000.00

<b>Table 3. April 2023 Calendar of SandDollar Engagements</b>		
<b>Date</b>	<b>Event</b>	<b>Details</b>
1 – 30 April M – F   10 – 11 am	On the Clock with Erin Greene Sponsorship	Guardian Radio 96.9 FM. \$200 weekly SandDollar giveaways. SandDollar education.
1 – 30 April M – F   11 am – 12 pm	Darold Miller Live Sponsorship	ZNS 104.5 FM   1540 AM   Facebook. SandDollar giveaways. SandDollar education.
11 April 10 – 11 am	On the Clock with Erin Greene in-studio appearance	Guardian Radio 96.9 FM. SandDollar education. Questions and answers.
18 April 11 am – 12 pm	Darold Miller Live in-studio appearance	ZNS 104.5 FM   1540 AM   Facebook. SandDollar education. Questions and answers.
20 April 6 – 8 pm	CIBC FirstCaribbean International Bank: Business Banking Symposium	Topic: “SandDollar as an Alternative to Cash” Grand Hyatt Convention Centre Nassau, New Providence.
26 April 12:30 pm	Grand Bahama Chamber of Commerce’s Business Lunch	Topic: “Access, Cost and Efficiency in Domestic Payments.” Delphine Room, Pelican Bay Hotel Freeport, Grand Bahama.



	Guest Speaker: John Rolle, Central Bank Governor	
28 & 29 April 9 am – 4 pm	Annual Financial Literacy Fair’s Digital Payments Pavilion	Fusion Superplex, Gladstone Road SandDollar giveaways. SandDollar education, awareness and hands-on interaction.
29 & 30 April	Annual Red Cross Fair	Arawak Cay Heritage Site. Hands-on SandDollar interaction.

<b>Table 4: Selected SandDollars Merchants</b>	
1. Bamboo Shack, Nassau	6. Impressive Cuts, Shirley St., Nassau
2. Biggity Candle Company, Nassau	7. George’s Takeaway, Carmichael Rd., Nassau
3. BTC (online)	8. Sammy’s Place, Rock Sound, Eleuthera
4. CBS Bahamas, Carmichael Rd., Nassau	9. Solomons Fresh Market, Nassau
5. Downtown Dogs, Charlotte St., Nassau	10. Super Value, Nassau
<p>Note: A complete list of merchants accepting the Bahamian digital currency is posted on the SandDollar website (<a href="https://www.sanddollar.bs/merchantlist">https://www.sanddollar.bs/merchantlist</a>). The businesses listed here ranked highest in facilitating SandDollar transactions during mystery shopper exercises.</p>	

3 April, 2023 ■