

## Central Bank Digital Currency: Factors Affecting Intention to Use and Mediating Role of Trust

Ajitha Angusamy<sup>1,\*</sup>, Tai Chu Yi<sup>1</sup>, Uma Murthy<sup>2</sup>

<sup>1</sup> Faculty of Business, Multimedia University, Melaka, Malaysia

<sup>2</sup> Faculty of Business and Law, Taylor's University, Malaysia  
*ajitha.angusamy@mmu.edu.my (Corresponding author)*

**Abstract.** A digital version of central bank currency is called Central Bank Digital Currency (CBDC).. In this digital era, CBDC has acquired more interest among many developing countries. Bank Negara Malaysia (BNM) is discovering the implementation of CBDC. In Malaysia participant awareness of digital currencies is still in its immaturity. This study contributes by identifying the primary customer-related drivers of CBDC adoption and how they interact to affect users' attitudes towards this currency. The main objective of this study is to identify the significant factors influencing the intention to use Central Bank Digital Currency (CBDC) in Malaysia and investigate the mediating role of Trust in the adoption of CBDC. The conceptual model of the study is developed based on TAM model. The study uses quantitative approach, non-random sampling technique, convenient sampling method is used to collect data. A sample of 370 responses were obtained from Malaysian adults and analysed using Structural equation modelling. The findings reveal that awareness and perceived value significantly influences intention to use CBDC while financial knowledge does not have a significant effect. However, trust mediates the relationship between awareness, financial knowledge, perceived value and intention to use CBDC. The study demonstrates the policymakers' knowledge of the key variables they should pay attention to when creating and implementing CBDCs and give them useful advice to act on these customer-specific variables.

**Keywords:** Digital currency, Awareness, Trust, Financial knowledge, Perceived value, Intention to use.

## 1. Introduction

In 21st century, technologies have been playing an imperative role in our day to day life and it is also undeniable that technologies are influencing how we conduct financial transactions (Ashworth and Goodhart, 2020). Due to the complexity digital currency is not widely used in underdeveloped nations, and the majority of citizens have yet to acquire financial literacy and awareness with this trend (Shahzad et al., 2018). Bank Negara Malaysia (BNM) is perceiving the implementation of CBDC. BNM is Malaysia's central bank, serving as its banker and adviser as well as regulating its financial institutions, credit system, and monetary policies. Malaysian CBDC implementation is also under the jurisdiction of BNM. It may only be produced and backed by the central bank of a nation. Central banks and governmental authorities throughout the world are investigating the concept of creating digital currencies denominated in their own currency after introduction of cryptocurrencies (Tan and Low, 2017; Bindseil, 2019; Lee et al., 2021). The resources of BNM and associated payment services, such as Malaysia's "Real-time Electronic Transfer of Funds" and "Securities System," are now only accessible to financial institutions member (RENTAS). The ability for non-banks (people and businesses) to conduct business directly with each other or have direct accounts with central banks is hence the main novelty of the CBDC. This is made possible by the distributed ledger technology (DLT) that is employed in private digital currencies. According to reports, the director of BNM stated that the company would commence testing CBDCs by focusing on wholesale CBDCs in June 2021 (Kaur, D., 2021). It is considered that Malaysia has not attempted to enter the retail sector, despite the Bakong Project partnership between Maybank and National Bank of Cambodia (NBC). The NBC and Maybank tested the theory that expatriates from Cambodia can convert money to Cambodian Riel with lower transaction cost when using mobile wallets for cross-border payments (Adam-Kalfon, P. et al, 2021). In spite of widespread mobile phone use, many individuals lack financial knowledge and do not have bank accounts, and the Bakong project seeks to enhance economic enclosure. Moreover, it enables real-time electronic, interbank transactions and encourages use of Cambodian riels instead of the US dollar, which is the currency used for most transactions currently (Adam-Kalfon, P. et al, 2021). Malaysia is now participating in Project Dunbar, a joint effort between the central bank of the following countries Australia, Malaysia, Singapore, and South African to explore the usage of CBDC for international settlements (Hub, B. I., 2022).

The utilization of CBDC has several benefits, for example, the adoption of digital currency can fully eliminate paper transactions which minimalize environmental pollution (Wadsworth, 2018). Additionally, the adoption of digital currency can improve transaction efficiency (Lee et al., 2021). DC transactions may be carried out at any time, which will speed up the processing time as well as improve the security (Smith and Weismann, 2014). Most nations are projected to switch to using digital money as their primary method of payment. It will be a superior replacement for the current financial system because to its security and ease (Yao, 2018). BNM wants to provide CBDCs with a proactive and collaborative approach that will ensure that the financial industry and the central bank can successfully exploit the advantages and reduce the related risks in view of the pace and complexity of the growth of the digital currency area. Malaysia also continues to foster public-private partnerships and larger worldwide collaborative initiatives to advance the concepts of responsible innovation in the field of digital currencies in light of the interconnections and potential spillover effects.

Central banks have increased efforts to investigate the benefits and viability of issuing central bank digital currencies in light of the rapid technology advancement and developments in the larger payment arena (CBDCs) (Malaysia, B. N., 2022). Central banks worldwide are actively investigating the possibility of CBDC, experimenting with the technology, and 14% are even piloting it (Fong, 2021). However, the problems that influence the intention to use CBDC among Malaysians are due to lack of awareness and financial knowledge on CBDC. The implementation of CBDC was noted in Bank Negara Malaysia annual report 2020 and only small amount of news reported by media mass in Malaysia. Although the technology is advanced but some of the Malaysians especially the youth, are not aware of

the CBDC because they do not have sufficient exposure on the banking and financial industry. According to Kathirgugan (2022), the news reported that the Malaysians might thought CBDC will only bring advantages to them because they blindly followed the crowd without doing research by themselves. However, in fact, CBDC can still affect the country and the nations in a negative way. Thus, lacking of knowledge can influence the intention to use the CBDC.

According to Zuhuda & Sayuti (2017), gradually, awareness of blockchain technology and digital currencies has grown exponentially, however in various directions depending on the individuals' viewpoints. On the other hand, mainly in developing countries, user or participant awareness of digital currencies is still in its immaturity. The adoption of digital currencies has been hampered by a number of concerns, including security, inadequate knowledge of finance, and government regulation.

PDRM's commercial crimes investigation department has received 71,833 scam reports as of 2020, according to The Edge Markets. More than 40,000 of online scams were brought up to the court. E-commerce scams were reported in 5,851 cases in 2020 and 9,569 cases in 2019. 3,833 cases were reported in the first five months of 2022. There have been 350 cases of job scams, and there have been 11,875 cases of loan and investment frauds. According to KPDNHEP Secretary-General Datuk Azman Mohd Yusof, 4,114 of the 12,348 fraud reports the ministry received in June 2022 were about online scams. During the pandemic, there were also 24,018 reports of online fraud and electronic media frauds, resulting in losses of RM21.7 million. Moreover, owing to insecurity on the online payment system, the Malaysians are reluctant to use the digital token to make payment. Leakage of personal data from companies has led to unwillingness of Malaysians to use online payment system. Hence it is vital to build the trust among Malaysians in order to adopt the digital currencies. The respondents' understanding of fintech is still on the intermediate level. The same degree of knowledge also applies to digital currencies and blockchain technologies. Results for knowledge level show a normal distribution curve, with roughly 68% of respondents falling into the basic to mastery range. (Kumhamud et al., 2019).

The entire financial system is being reinvented with CBDCs, but there are still many unanswered concerns. Numerous non-technical issues need to be resolved. By identifying the most important customer-related factors influencing CBDC adoption and how they interact to affect user behavior with relation to this currency, this study adds to the body of current work. It also emphasises how crucial currency system trust is in this particular adoption scenario and shows how our two theoretical pillars work in tandem to fully comprehend the driving forces behind the adoption phenomenon. From a practical perspective, the study enlightens the policymakers on the key elements to consider when developing and implementing CBDCs and gives them a direction on how to put these customer-specific elements into practice.

Main objective of this study is to determine whether the trust, awareness, financial knowledge and perceived value influence the intention of Malaysian to adopt central bank digital currencies and investigate the mediating role of Trust in the adoption of CBDC.

## **2. Literature Review**

Theory of Acceptance Model (TAM) is adopted in this study to explain the intention to use central bank digital currencies in Malaysia.

Intention to use (IU) measures how likely people are to adopt a particular behavior (Davis et al., 1989). As defined by Raza, et al., (2017), the term intention refers to the user's perceived likelihood of engaging in a particular behavior, such as using the latest technology. As well as that, "intention" means the ability of a user to perform certain actions on a system, as well as the reason for that action. The idea of intention is a strong purpose or goal paired with a commitment to achieving the desired result. The intention has been identified as the key component in predicting the acceptance of new technology by Raza, et al., (2017). Researchers have stressed the importance of using TAM models to analyze user

behavior when accepting innovative technologies. In the view of Mohammadi (2015), TAM models can be used to predict customers' behavior toward new technologies. As Nadeem et al. (2021) argue, the TAM model is capable of explaining the adoption of innovative technologies and the behavior of users in some fields, such as education and information systems. The TAM model plays a significant role in understanding customer behavior in light of customers' emphasized acceptance of cryptocurrency transactions (Mohammadi, 2015). It is possible to determine the impact of attitude and behavior toward IT usage using the TAM model. Owing to the lack of trustworthiness in using electronic devices, customers are reluctant to make online payments. As a precursor of Perceived Usefulness (PU), Perceived Ease of Use (PEOU), or intention, perceived value dominated TAM studies. It is a misconception that perceived value (PV) and PU are related when in fact, they are independent. As a result, Ahmad M. Mutahar et al. (2018) expected PV to modify the effects of PU, PEOU, and perceived risk on intention. The TAM model was used by (Hajiha, Shahriari & Vakilian, 2014) to examine the role perceived value and trust play in online shopping acceptance.

Awareness is not a direct influence on citizens' intentions, but rather a necessary condition for citizens to perceive ease of use and usefulness (Almuraqab, 2017; Jasimuddine et al., 2017). However, a citizen's decision to accept a technology will be made easier if they are well informed about it (Shareef, Kumar, Kumar & Dwivedi, 2011). Therefore, before using a digital token, users should be mindful of its potential benefits. Shahzad et al. (2018) did note a direct relationship between awareness and usage intention. Past research (Alaeddin & Altounjy, 2018) accentuated that the customers' behavioral intention can be influenced by the awareness. In a recent study done by Dinev & Hu (2015), when a person is aware of an invention and forms a general opinion about it, they are said to be in a state of awareness. As such, awareness is a factor that influences the stages of attitude formation and the intentions of behavior.

Based on TPB proposed by Ajzen (1991), financial knowledge can predict behavioral intentions towards new technology about perceived behavioral control. It has been demonstrated by Polonsky et al. (2013) that incorporating the knowledge variable can improve the predictive power of the TPB. Zhang et al. (2015) and Parash et al., (2020) have documented the important relationship between knowledge, beliefs, and perceived behavioural control. According to consumer research (Hölscher & Strube, 2000; Karimi et al., 2015), knowledge of products influences online shopping behavior significantly. There is also evidence that financial knowledge positively affects. Kumar and Karlina (2020) discovered that financial knowledge positively influenced college students' intention to use bank products.

Xie et al. (2021) found that perceived value and behavioral intention to use financial technology products and services like internet wealth management platforms are significantly related. In an empirical study, Hasan et al., (2022) also concluded that perceived value was an important aspect in university students' intentions to adopt cryptocurrency. It has been discovered that perceptions of trust are a major indicator of behaviour toward the use of digital currency (Rahmiati et al., 2019; Maqableh et al., 2015; Tobbin & Kuwornu, 2011). The relationship between their confidence in digital currencies and the intention to utilise them is significant (Kabak & Çelik, 2020; Rahmiati et al., 2019). Shahzad et al. (2018) commented on the importance of trust in digital currencies acceptance in China, in which it has been proved that lowering trust will have a negative impact on acceptability and contentment; in other words, it will lower citizens' willingness to utilise a technology or system. Additionally, trust is associated with reducing transaction risks, time, and effort, thereby enhancing satisfaction and perceived value (Kim et al., 2012; Saleem et al., 2017).

According to the finding conducted by Dabbous et al. (2020), the relationship between brand awareness and consumers' intent to purchase using social commerce is fully mediated by trust. According to Sharma & Klein (2020), the researchers found that consumer perceived value and trust are closely associated, and this connection is directly tied to consumers' intent to engage in online

buying. In addition, Zeqiri et al. (2023) observed that the perceived value can be fully mediated by trust on intention to repurchase in online shopping.

The research framework for the study based on the related studies is depicted in Figure 1.

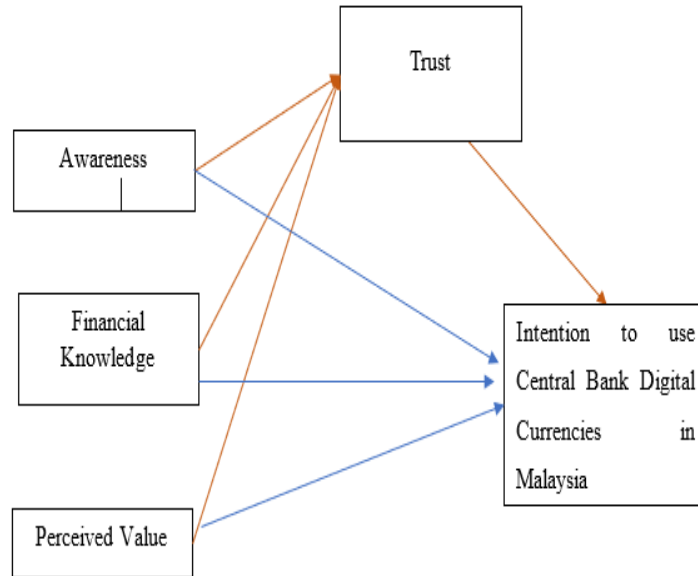


Fig.1: Research Framework

Review of the past studies lead to the following hypotheses:

H<sub>1a</sub>: Awareness positively influences intention to use central bank digital currencies.

H<sub>1b</sub>: Awareness positively influences trust in using central bank digital currencies.

H<sub>2a</sub>: Financial knowledge positively influences intention to use central bank digital currencies.

H<sub>2b</sub>: Financial knowledge positively influences trust in using central bank digital currencies.

H<sub>3a</sub>: Perceived value positively influences intention to use central bank digital currencies.

H<sub>3b</sub>: Perceived value positively influences trust in using central bank digital currencies.

H<sub>4</sub>: Trust positively influences intention to use central bank digital currencies.

H<sub>5</sub>: Trust mediates the relationship between awareness and intention to use central bank digital currencies.

H<sub>6</sub>: Trust mediates the relationship between financial knowledge and intention to use central bank digital currencies.

H<sub>7</sub>: Trust mediates the relationship between perceived value and intention to use central bank digital currencies.

### 3. Methodology

The study employs positivism paradigm of research that relies on deductive method. The current study population comprises a group of Malaysian adults with some basic knowledge on online transactions. The non-probability sampling technique, convenient sampling method was used for data collection. A sample of 370 responses were obtained using questionnaire. The questionnaire developed consists of two major parts: the demographic information of the respondents is comprised in part one, while the second part consist of constructs for the factors namely awareness, perceived value, financial knowledge, trust and intention to use central bank digital currencies. All constructs were measured

using multiple items and each item is employed a 5-point Likert scale. The items were developed based on the past studies by Bélanger & Carter, (2008); Devanur & Fortnow, (2009); Shareef et al., (2011); Carter, Weerakkody, Phillips, & Dwivedi, (2016); Krishnan, Teo & Lymm (2017); Shahzad et al., (2018); Wu G, Yang J & Hu Q, (2022).

The data collected is analysed using the statistical packages SPSS and Smart PLS. Demographic variables are analysed using descriptive statistics with SPSS. Partial Least Squares structural equation modelling is used to assess the convergent validity, discriminant validity and hypotheses testing.

## 4. Findings

### 4.1. Demographic Profile

Findings of the demographic analysis are illustrated in Table 1. A total of 370 respondents participated in the study. 46.5% of the respondents are male and 53.5% of them are female respondents. Of the total respondents 60% belong to Chinese ethnic group, 29.7% of them are Malays, Indians and other ethnic groups are 7.3% and 3% respectively. Highest number of the respondents belongs to the age group of 21 to 30 66.2% (245 respondents), followed by 31-40 years old with 21.4%, and 7.3% of the respondents are in the age group of 41 – 50 years old, 3.8% of the participants are in the category of 51-60 years old, while 1.4% of the respondents are 61 years and above. Level of education of the respondents is also observed. Majority of the respondents have tertiary level of education with 89%, followed by 8.4% of the respondents with secondary level, 1.4% of the respondents have primary level of education and 0.8 % of falls in the other category.

Table 1: Demographic profile

Category	Frequency	Percent
<b>Gender</b>		
Female	241	58.4
Male	159	38.5
<b>Race</b>		
Chinese	110	29.7
Indian	27	7.3
Malay	222	60.0
Others	11	3.0
<b>Age</b>		
21 - 30 years old	245	66.2
31 - 40 years old	79	21.4
41 - 50 years old	27	7.3
51 - 60 years old	14	3.8
61 years old and above	5	1.4
<b>Education Level</b>		
Primary Education	5	1.4
Secondary Education (SPM/STPM)	31	8.4
Tertiary Education	331	89.5
Other	3	.8

## 4.2. Structural Equation Modelling

The hypotheses developed were tested using PLS Structural Equation Modelling. Data analysis started with the assessment of the measurement model for convergent validity and discriminant validity. The structured model was assessed to determine the model’s significant predictors, followed by the mediation analysis using the indirect effects.

### 4.2.1. Measurement Model

Convergent validity of the measurement model is tested using Factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE). Table 2 summarises the findings. The factor loading of all the items is greater than 0.7 which satisfies the minimum requirements. Items FK3, IU2, T3, T4 are dropped subsequently due to low factor loadings. The AVE obtained is in the range of 0.582 to 0.716, which is greater 0.5, and the CR values are within the range of 0.77 to 0.872, meeting the minimum requirement of more than 0.7. As a result, the convergent validity is satisfactory (Hair et al., 2017).

Table 2: Measurement Model

Factors	Items	Loadings	CR	AVE
Awareness	AW1	0.815	0.768	0.583
	AW2	0.788		
	AW3	0.704		
	AW4	0.74		
Financial Knowledge	FK1	0.856	0.871	0.716
	FK2	0.856		
	.	0.865		
	FK4	0.808		
	FK5			
Intention to use CBDC	IU1	0.838	0.881	0.737
	IU3	0.812		
	IU4	0.875		
	IU5	0.841		
Perceived Value	PV1	0.844	0.805	0.619
	PV2	0.81		
	PV3	0.74		
	PV4	0.749		
Trust	T1	0.811	0.774	0.665
	T2	0.797		
	T5	0.837		

Discriminant validity is evaluated using Fornell-Larcker’s (1981) criterion and Heterotrait-monotrait (HTMT) (Henseler et al., 2015). The results (Table 3) show that all the variances extracted by the diagonal values are more than the correlation coefficients between the off-diagonal values, indicating adequate discriminant validity. The results shown in Table 4 are less than 0.9 which fulfils the criterion of HTMT<sub>0.9</sub> (Gold et al., 2001). Furthermore the HTMT<sub>inference</sub> does not include 1 in the confidence interval which confirms the factors are distinct.

Table 3: Discriminant Validity Using Fornell Lacker Criterion

	Awareness	Financial Knowledge	Intention to use CBDC	Perceived Value	Trust
Awareness	<b>0.764</b>				
Financial Knowledge	0.486	<b>0.846</b>			
Intention to use CBDC	0.529	0.396	<b>0.859</b>		

Perceived Value	0.512	0.389	0.645	<b>0.787</b>	
Trust	0.434	0.379	0.543	0.466	<b>0.815</b>

Table 4: Discriminant Validity Using HTMT Criterion

	Awareness	Financial Knowledge	Intention to use CBDC	Perceived Value
Awareness				
Financial Knowledge	0.598 (0.477,0.707)			
Intention to use CBDC	0.633 (0.526,0.728)	0.45 (0.325,0.564)		
Perceived Value	0.648 (0.538,0.749)	0.463 (0.345,0.574)	0.769 (0.663,0.856)	
Trust	0.547 (0.421,0.670)	0.452 (0.312,0.589)	0.641 (0.531,0.744)	0.565 (0.42,0.703)

### 4.2.2 Structural Model

The structural model was developed using the Smart PLS as shown in Figure 2. Bootstrapping procedure with a resample of 5000 as suggested by Hair et al., (2017) was used to test the hypotheses.

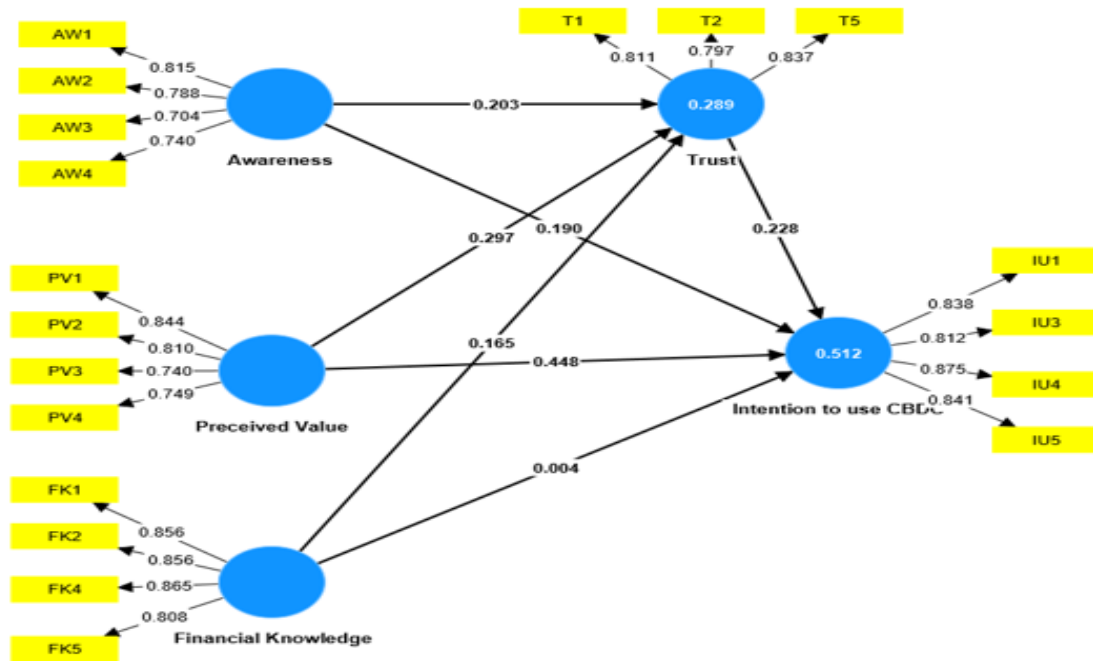


Fig.2: Structural Model



Table 5: Hypothesis Testing-Direct effect

Relationship	Beta	t-value	P value	Decision	R <sup>2</sup>	Q <sup>2</sup>	f <sup>2</sup>	VIF
Awareness -> Intention to use CBDC	0.19	3.975	0	Supported	0.512	0.458	0.046	1.617
Financial Knowledge -> Intention to use CBDC	0.004	1.04	0.298	NOT Supported			0	1.393
Perceived Value -> Intention to use CBDC	0.448	7.243	0	Supported			0.269	1.528
Trust -> Intention to use CBDC	0.228	5.221	0	Supported			0.076	1.406
Awareness -> Trust	0.203	3.557	0	Supported	0.289	0.27	0.037	1.559
Financial Knowledge -> Trust	0.165	2.942	0.003	Supported			0.028	1.355
Perceived Value -> Trust	0.297	4.696	0	Supported			0.089	1.403

The direct effects results in Table 5 indicate that Awareness, Perceived Value, Trust have significant relationship with the Intention to use CBDC since the p-values are less than 0.001 and the effect sizes are more than 0.02. Hence hypotheses H<sub>1a</sub>, H<sub>3a</sub>, H<sub>4</sub> are supported. The findings are consistent with the studies by Shanzad, (2018); Alaeddin & Altounjy, (2018); Xie et al., (2022); Rahmiati et al., (2019); Lin et al., (2020). The finding of the studies revealed that Awareness and perceived value positively influences the behavioral intention. The studies also highlighted that trust is the prominent factor and perceived value and behavioral intention are significantly related. People with more awareness, perceived value and trust will increase the willingness to use the CBDC.

However, results also reveal that Financial Knowledge is not significantly related to Intention to use CBDC with p-value more than 0.05 and f<sup>2</sup> less than 0.02. Thus H<sub>2a</sub> is not supported. Furthermore, it can also be seen that Awareness, Financial Knowledge and Perceived Value are significantly related to Trust as their p-values less than 0.01 and f<sup>2</sup> more than 0.02. H<sub>1b</sub>, H<sub>2b</sub> and H<sub>3b</sub> are supported. The results indicate that customers with greater awareness, more financial knowledge and perceived value will tend to build more faith or trust towards the usage of CBDC.

The R-square value of 0.512 shows that 51.2% of the variations in the Intention to use CBDC can be explained by the variations in Awareness, Financial Knowledge, Perceived Value and Trust. Also the results show that 28.9% of the variation in the trust can be explained by the variations in the Awareness, Financial Knowledge and Perceived value.

The cross-validated redundancy Q<sup>2</sup> is used to test the predictive relevance of the structural model. The blindfolding procedure resulted in a Q<sup>2</sup> value of 0.458 and 0.27, which are more than 0.35 and 0.15, ensuring the respective model's large and medium predictive relevance (Hair et al., 2017). The values of VIF are in the range of 1.393 to 1.617, which are less than 2, indicating no problem of multicollinearity (Hair et al., 2017).

Table 6: Hypothesis Testing-Indirect effect

Relationship	Beta	t-value	P values	Decision
Financial Knowledge -> Trust -> Intention to use CBDC	0.038	2.295	0.022	Supported
Awareness -> Trust -> Intention to use CBDC	0.046	2.488	0.013	Supported
Perceived Value -> Trust -> Intention to use CBDC	0.068	3.332	0.001	Supported

The results of the Indirect effects are presented in Table 6. The results reveal that the indirect effect of Financial Knowledge, Awareness and Perceived value are significant. It can be concluded that Trust

mediates the relationship between awareness, financial knowledge, perceived value and Intention to use CBDC. Hence hypotheses H<sub>5</sub>, H<sub>6</sub> and H<sub>7</sub> are supported. Furthermore, the direct effect of financial knowledge on intention to use CBDC is insignificant and the indirect effect is significant, it can be concluded that Trust completely mediates the relationship between the financial knowledge and Intention to use CBDC.

## 5. Discussion

The current research aims to determine the significant factors influencing intention to use central bank digital currencies in Malaysia, the study also investigates the mediating effect of trust on the relationship between the factors and intention to use central bank digital currencies.

Findings reveal that awareness has a positive relationship with the intention to use central bank digital currencies. The results are consistent with the studies by Alaeddin & Altounjy (2018), Shahzad et al. (2018) which concluded that direct correlation between awareness and usage intention. This indicates that financial technology awareness will facilitate users' decision on its adoption. Users also believe that high awareness on the use and benefits of CBDC's are one of the main drivers to influence their intention to adopt it as alternative payment method.

Results show that awareness positively influences trust in using CBDCs. The finding of this study is consistent to the research carried out by Bucko et al. (2015) and Ye et al. (2019). It can be due to the fact that exposing more information regarding the central bank's digital currencies can build a strong trust.

Financial knowledge does not influence the intention to use central bank digital currencies in Malaysia. The findings are contrary to the findings by Parash et al., (2020); Kumar & Karlina (2020), in which financial knowledge is found to have a positive influence on the customers behavioral intention. Findings of this study does not substantiate the significance of financial knowledge in the context of intention to use CBDC. It is because the knowledge level of users does not have much effect on users' intention to use digital currencies.

Financial knowledge positively influences trust in using central bank digital currencies. According to Doney & Cannon (1997) and Zhou (2012), the researchers found same findings as the current study in which the level of the financial knowledge is likely to affect users' intention to use finance related tools especially on the digital financial services.

Results indicate that perceived value positively influences intention to use central bank digital currencies. The results are consistent with the studies by Hasan et al., (2022), Xie et al. (2021), and Lin et al. (2020) in which the overall satisfaction of the central bank digital currencies can affect the intention to use of users. This is because users will establish an attachment to a service when the service delivers value that meets their needs. Furthermore findings reveal that perceived value positively influences trust in using central digital currencies which is consistent with the research by Harris and Goode (2004). This indicates that users' trust towards Fintech depends on the value provided by the service provider. Having trust in the service provider will undoubtedly increase if their engagement with the services meets their expectations.

Trust positively influences intention to use central bank digital currencies. In particular, trust has been studied by a wide range of researchers with mixed results regarding its impact on intentions. It was generally found that trust had a positive impact on intention, but some studies did not find such an impact (Alalwan et al., 2017; Kabra et al., 2017; Khalilzadeh et al., 2017). However, Shahzad et al. (2018) and Luarn & Lin (2005) supported that the relationship between trust and intention to use central bank digital currencies is significant. Thus, the finding of this study is consistent with the studies conducted by Shahzad et al. (2018) and contradict the studies by Alalwan et al., (2017), Kabra et al., (2017). This is because the users are concerned about security and privacy issues of a system and believe that such issues can affect trust of the service provider and users on the service.

Results indicate that trust mediates the relationship between awareness and intention to use central bank digital currencies. This study observed same finding as Zuhuda & Sayuti (2017) in which trust mediates the relationship between awareness and intention to use. When potential users have lack of awareness about the functionality and advantages of the digital currencies, the level of trust will more likely to be affected so the level of adoption will decrease.

In addition, there is indirect effect of financial knowledge on intention to use central bank digital currencies through trust. The findings are consistent with the study by Ku-Mahamud et al. (2019). It is implied that an individual with more knowledge of a product or service tends to feel certain or security, so they are more willing to use it.

Trust mediates the relationship between perceived value and intention to use digital currencies. The finding is supported and consistent with the studies by Saleem et al. (2017) and Kim et al. (2012). The users reckon that there is a positive linkage between perceived value and intention to use digital currencies through the trust, as users tend to associate digital currencies with specific benefits, which could enhance their feelings of joy and contentment. It can generate a higher degree of trust in digital currency, thereby leading more people to accept the implementation of central bank digital currency in the future.

## **6. Conclusion**

Digitalization has an impact on many facets of economic life, including money and payment systems. A CBDC must always be recognised as legal tender by all economic players in order to be used for any lawful transactions such as paying taxes and utilities bills. The adoption of digital currencies has been hampered by a number of concerns, including security, inadequate knowledge of finance, and government regulation. It is important to understand the significant factors of Intention to use CBDC. This study attempts to determine the elements that affect and are related to Intention to use CBDC. The findings revealed that Awareness, Perceived Value, Trust positively influences the intention to use CBDC, but financial knowledge does not have a significant influence on the Intention to use CBDC. The study also divulged that trust mediates the relationship between awareness, financial knowledge, perceived value and Intention to use CBDC.

Digital currencies may be initiated as a result of rapid innovation and financial system development that quickly make the current monetary system outdated. This research provides a strong academic foundation for assessing end user acceptance of digital currencies as a medium of exchange in developing nations in general and particularly in Malaysia. This study demonstrates the vital customer-related determinants of CBDC adoption, the role of trust and in their collective impact on how customers use this currency. The model's significant relationships could guide the formulation of regulations and marketing plans that would ultimately encourage more individuals intention to use digital currency. From a practical standpoint, the study fosters policymakers' understanding of the key aspects they should consider when creating and implementing CBDCs and provides them with useful advice to act on these customer-specific factors. to progress towards contributing MySITE 10-10 framework for Digital Economy and Strategic Thrusts of Shared Prosperity Vision 2030.

This study has certain limitations. The sample selected may be too modest to represent the whole of Malaysia. Future studies can emphasize on the role of other variables that is not considered in this study. Future researchers may also consider introducing some moderating variables which may affect the intention to use CBDC.

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