

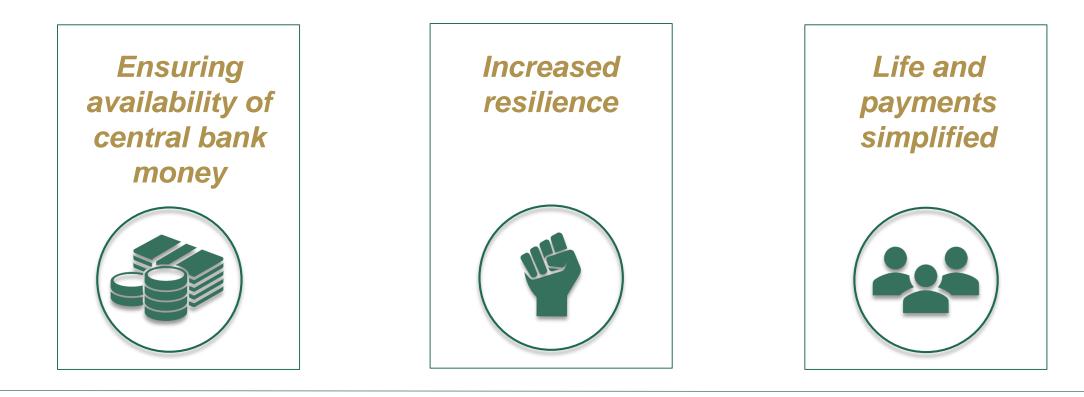
Digital Euro – What do we already know?

Digital Euro – Cash meets technology

Simon Anko Director of Payment and Settlement Systems

Ljubljana 15 December 2023

Why do we need a digital euro?



Monetary anchor



Strategic autonomy



Economic efficiency



How far have we come?

Investigation phase (Oct. 2021 – Oct. 2023)

- Collaboration with different market and institutional stakeholders
- Result
 - High-level design of a digital euro and related user and technical specifications
 - Prototype of a digital euro

Conclusion

"It is possible to develop a digital euro that would serve the needs of end-users and meet the requirements of the Eurosystem."





BS - PUBLIC - 4 -

How far have we come?

Preparation phase - Part 1 (Nov. 2023 – Oct. 2025)

- Laying the foundations for a potential digital euro
- Focus on
 - Finalising the digital euro **scheme rulebook**
 - Selecting providers who could develop the service platform and infrastructure
- Testing and experimentation will also be conducted

A decision to enter the preparation phase does not imply the issuance of a digital euro!



Key features

- Public money "digital cash"
- Central bank money for digital retail payments
- Legal tender status
- One solution for all payments **excellent UX**
 - Person-to-person payments, e-commerce, payments in physical stores and government payments
 - Payment app or a physical card

Resilience

Payments without the need for an internet connection



What would it look like?

Key features

- Privacy by design
 - Fundamental human right
 - Minimal set of personal data collected
 - "Cash-like" levels of privacy for offline payments
- Preserving financial stability
 - Holding limits (means of payments, not an investment tool)
- Free for basic use by consumers
 - As cash is today



Consumers

- A new option to pay, giving more choice
- An instant payment solution for every occasion, anytime
 - Accepted throughout the entire euro area, 24/7, offline
- Preserving cash-like features
 - The digital euro could go where cash does not reach
 - Preserving valued cash-like features
- Leaving no one behind
 - A guarantee that the digital euro would be accessible to everyone



Merchants

- Standardisation of payment acceptance
- Legal tender: Stronger negotiating power and lower costs
- Instant receipt of funds

Intermediaries

- A key role in distribution / keeping end-user relations
- Immediate reach throughout the euro area
- A platform for innovation





The way forward

After two years of the preparation phase (October 2025) the Governing Council will decide whether to move forward with the digital euro project

The decision to issue a digital euro will depend on the result of the legislative process

Regulation on the establishment of a digital euro to give powers to the ECB/Eurosystem to issue a digital euro



Thank you!

