



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Digital euro

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ABI Executive Committee  
Meeting

18 February 2026



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# Where we stand and what lies ahead

## Investigation phase

Oct 2021 – Oct 2023

Concept definition, technical exploration and design proposal

## Previous phase

Nov 2023 – Oct 2025

Preparation through testing and experimentation

## Current phase

Since Nov 2025

Ongoing preparations based on a **flexible** and **modular approach**.

Focused on:

1. **Advancing technical readiness**
2. **Deepening market engagement**
3. **Supporting the legislative process**

A **pilot** exercise and initial transactions could be launched in **mid-2027**.

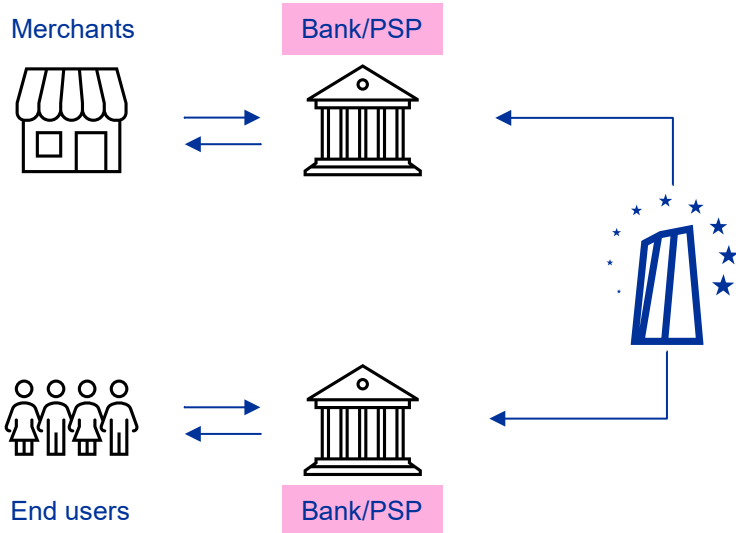
**We aim to be ready for a potential first issuance of the digital euro during 2029. This is based on a working assumption that the EU co-legislators will adopt the Regulation on the establishment of the digital euro in the course of 2026.**

# 2

## **Fit of the digital euro in the payment ecosystem**

Banks and payment service  
providers (PSPs) at the heart of  
digital euro distribution

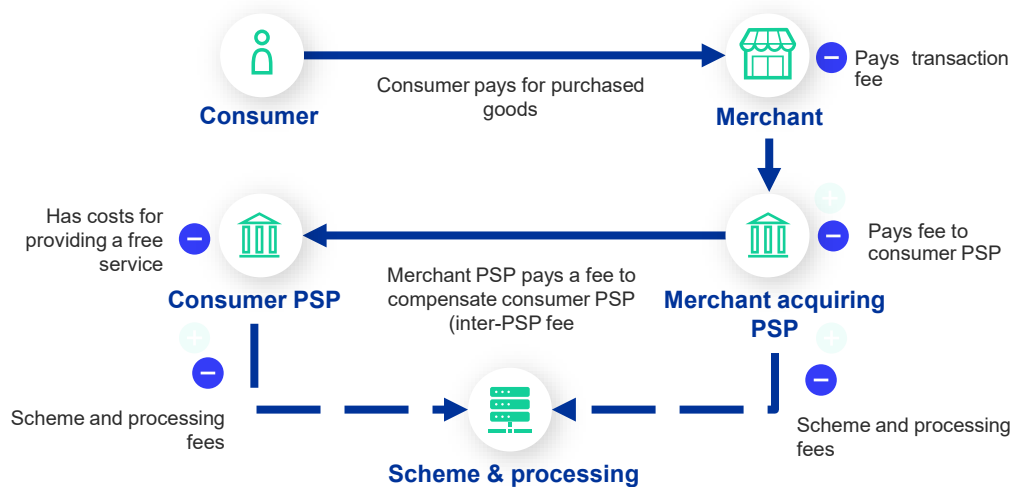
# EU-licensed payment service providers (PSPs) will be at the core of digital euro distribution



- **Critical role for banks:** banks will be ideally placed to distribute digital euro.
- **Preserving customer relationships and preventing disintermediation:** customers will be able to access the digital euro through their trusted banking partners.
- **Robust safeguards:** holding limits, no remuneration, (reverse) waterfall functionality and no holdings for businesses.
- **Fair compensation:** banks will be compensated for their role in distribution, in recognition of their efforts.
- **Synergies:** 1) standardised acceptance network and 2) co-badging.

# Four-party model for card payments

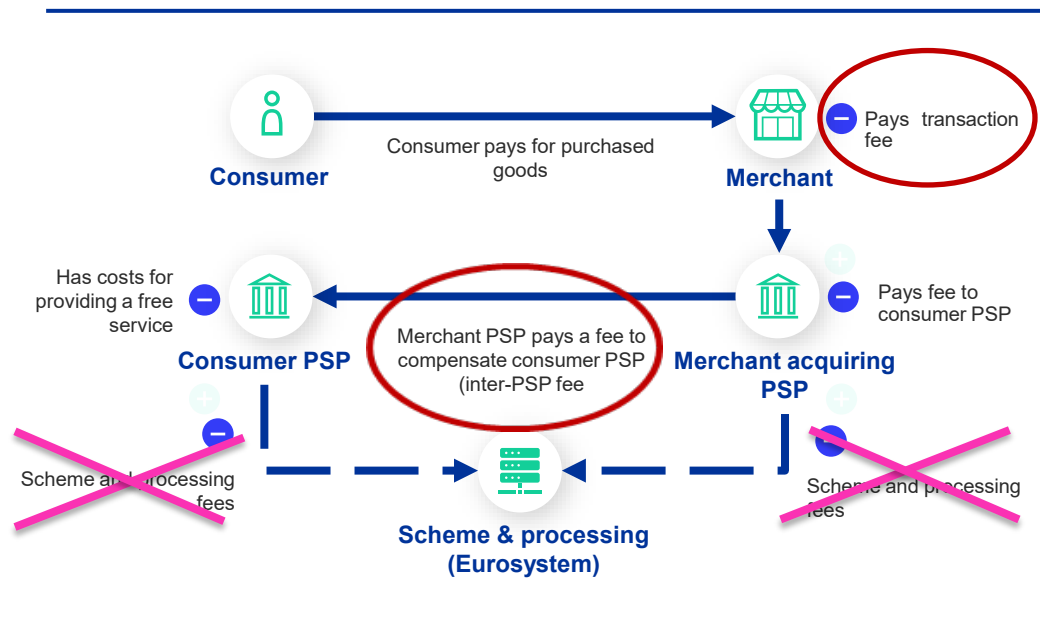
## Compensation model in a four-party scheme



The digital euro compensation model has the potential to generate **cost savings for PSPs, driven by three main factors**

- 1 **International card schemes (ICS)** are increasing their market share and margins to the detriment of domestic schemes, which are present in fewer countries
- 2 **Digital wallets** and **X-Pays** are rapidly gaining market share. Their business models affect PSPs' and merchants' margins
- 3 **Merchant service charges** vary significantly across payment methods and pricing models and by merchant size

# Digital euro compensation model



Three key elements:

- 1 Issuing and acquiring banks do not pay **scheme and processing fees**
- 2 **Merchant service charge** is capped
- 3 **Inter-PSP fee** is capped

# Synergies 1: digital euro to be integrated into existing solutions through co-badging

- The digital euro would coexist with and complement private solutions.
- It will be possible to **integrate the digital euro into existing digital and physical payment solutions**.
  - This will eliminate the need to pay international card scheme fees for euro area cross-border transactions, fostering independence from such schemes.

*Generic example*



## Virtual wallets

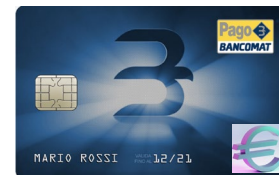
**The digital euro will feature alongside private solutions like Bancomat**, helping consumers make informed choices; it will act as a fallback where private schemes are not (yet) accepted.

- User experience and branding requirements are detailed in the digital euro rulebook.

## Co-badging with physical cards

**Domestic card schemes could benefit from a pan-euro area acceptance network**, while the digital euro would leverage trusted brands.

*Generic example*



## Synergies 2: private solutions can leverage standardised euro area acceptance network to roll out at scale without having to invest heavily in their own network



### Digital euro

Establishes a European acceptance infrastructure with standards open to private solutions



### Domestic solutions

Domestic solutions adopt digital euro standards and achieve pan-European reach without heavy investment



# 3

## **Pilot activities**

Opportunities for constructive,  
hands-on collaboration

# The Eurosystem pilot aims to fine-tune the digital euro's design and ensure its technical readiness

## Digital euro pilot

- A **12-month** pilot, starting in the second half of 2027, conducted in a controlled **Eurosystem environment** involving real-world transactions.
- A **limited number of PSPs**, merchants and Eurosystem staff will participate. **PSP selection** will start in the first quarter of 2026.
- Four **use cases** will be tested.
- The Eurosystem will **gather and apply feedback continuously** throughout the pilot to **further optimise the digital euro**.

## Objectives of the pilot



Test readiness before  
scaling up



Improve digital euro  
value proposition



Improve go-to-market  
strategy



Prepare for subsequent  
market roll-out

# Benefits of the pilot for banks and PSPs



## Early readiness advantage

- Prepare systems, processes and teams before large-scale roll-out
- Gain hands-on experience with onboarding, settlement, liquidity, incidents and refunds

## Clarity on future costs and resources

- Get a realistic view of infrastructure, support and compliance needs
- Improve planning of future investments and staffing

## Dedicated Eurosystem support

- Receive tailored assistance from the ECB and NCBs on use-case validation, technical incidents and integration
- Benefit from personalised communication and expert guidance
- Access early insights into the evolving digital euro ecosystem

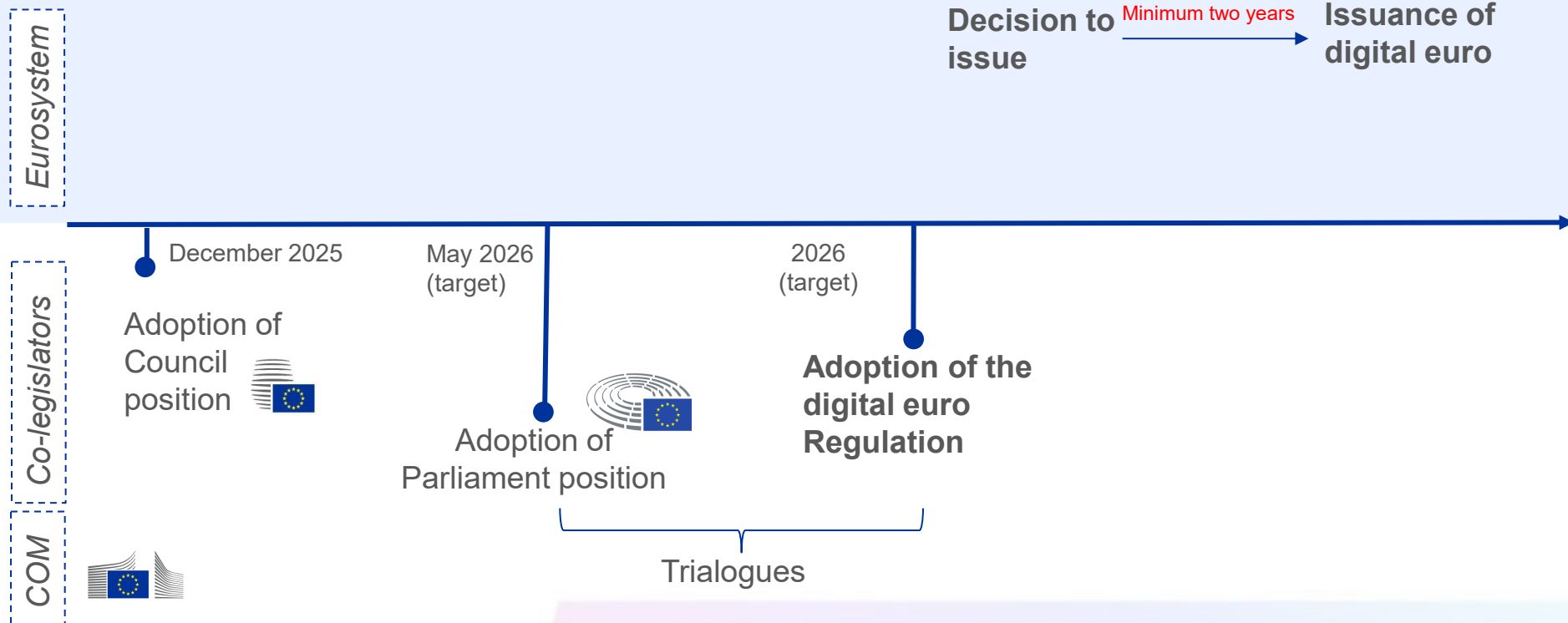
## Influence the future of digital payments

- Provide structured feedback on the digital euro design process
- Help shape open design discussions and potential adjustments to existing decisions based on pilot results

A large, bold, white number '4' is centered on the left side of the image. The background behind the number is a vibrant gradient of colors, transitioning from purple at the top left, through blue and teal, to a bright yellow-green at the bottom right. The number '4' is a simple, sans-serif font.

**Legislation**

# Status of the digital euro legislative process



# EU Council's position on the digital euro Regulation

*The Council of the European Union adopted its position on the digital euro on 19 December 2025. This marked a key milestone in the legislative process and is a strong statement of support from Member States for the main pillars of the digital euro as contained in the European Commission's proposal, i.e. legal tender status, offline and online use, mandatory distribution by banks, weighted average fee caps and free basic services for consumers*

## Key changes by the Council relating to banking sector demands

- **Compensation:** for a transitional period of at least five years, fee caps would be set at a level comparable to the average fees for payments made with debit cards that can be used both at the point of sale and for e-commerce. As PSPs would not pay scheme fees for digital euro, it would generate ample fee revenue.
- **Open funding:** banks would not be obliged to provide funding/defunding services for a digital euro payment account that is not held with them. Availability would depend on bilateral contracts, which could include compensation.
- **Cash services:** cash conversion would only be obligatory to provide for PSPs that provide cash services for comparable means of payment and only need to be provided in the same manner as the PSP provides them for comparable means of payment. This allows for a reasonable fee to be charged for cash conversions and an inter-PSP fee to align with current business models.
- **Multiple accounts and joint accounts:** PSPs would provide this to consumers on a voluntary basis.
- **User interfaces:** increases prominence of banks' interfaces for accessing the digital euro.
- **Access to mobile devices:** introduces more stringent rules for phone manufacturers to give PSPs access to the software and hardware in mobile devices for providing (offline) digital euro.

# Thank you

You can reach us at  
[digitaleuro@ecb.europa.eu](mailto:digitaleuro@ecb.europa.eu)

## **Additional supporting materials:**

- [Progress on the preparation phase of a digital euro – closing report](#)
- Updated digital euro [FAQ](#)
- Webpage: [Digital euro and privacy](#)
- [ECB opinion](#) on the EU Commission's digital euro legislative proposal
- Digital euro [one-pager](#)
- Digital euro [LinkedIn page](#)