



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Digital euro

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European Banking Federation  
Executive Committee Meeting

6 March 2026



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Member of the Executive Board of the ECB

# 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.**

# Use of digital euro holdings for day-to-day payments – even under highly unlikely, very conservative scenario – would not harm financial stability

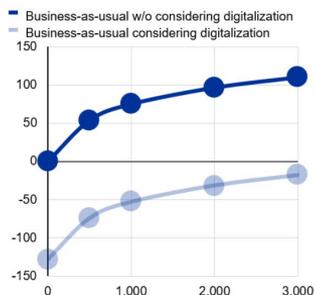
When considering digitalisation, **no aggregate bank deposit outflows** would be recorded at all under holding limits of €3,000 or less

When looking at bank's liquidity, the **Liquidity coverage ratio (LCR)** decreases only slightly from 166% to 163%.

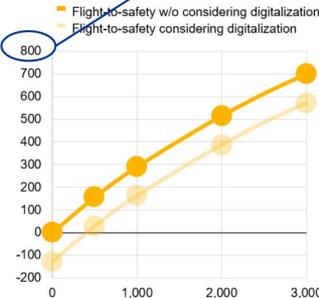
Estimated deposit outflows by holding limit

x-axis: holding limits in EUR;  
y-axis: deposit outflow EUR billions

a) business-as-usual scenario



b) flight-to-safety scenario



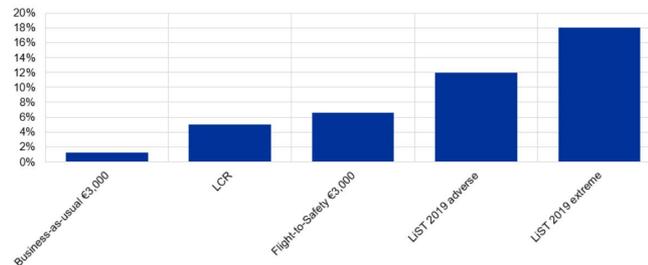
Source: ECB calculations  
Notes: Based on data from Q1 2024 for 2,025 banks. Negative starting amounts result from inflows related to digitalisation considered in scenario.

Outflows smaller than estimates thanks to better data: not everyone consistently maintains €3,000 in their accounts.

**Outflows are milder** than the non-digital euro outflows assumed by ECB banking supervision in its regular assessments of liquidity risks

Stable retail deposits outflow rates under digital euro scenarios vs. LCR and supervisory stress scenarios (LiST)

x-axis: digital euro, LCR, and LiST scenarios;  
y-axis: percentage of total retail sight deposits



Source: ECB calculations, Sensitivity Analysis of Liquidity Risk – Stress Test 2019.

## In stress scenario:

At individual bank-level, with €3,000 holding limit, **only 9 out of 2,025 banks** - representing **0.1% of total banking sector assets** - would be at risk of depleting their liquidity buffers (LCR) below the 100% level



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

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

# Intensive ongoing stakeholder engagement

Digital euro project conducted more than year-long FitE\* market consultation in ERPB\*\*

*Oct 2024 – Dec 2025: Three key themes, eight dedicated technical sessions, two-day in-person workshops, and Publication of Fit in the Ecosystem report (Oct 2025):*

## Competitiveness

How could digital euro improve EU players' strategic relevance vs international card schemes?

## Synergies

Fostering maximum reuse of current systems and integration into existing infrastructures

## Business model

What are the cost mitigation measures and revenue generation opportunities from the digital euro?

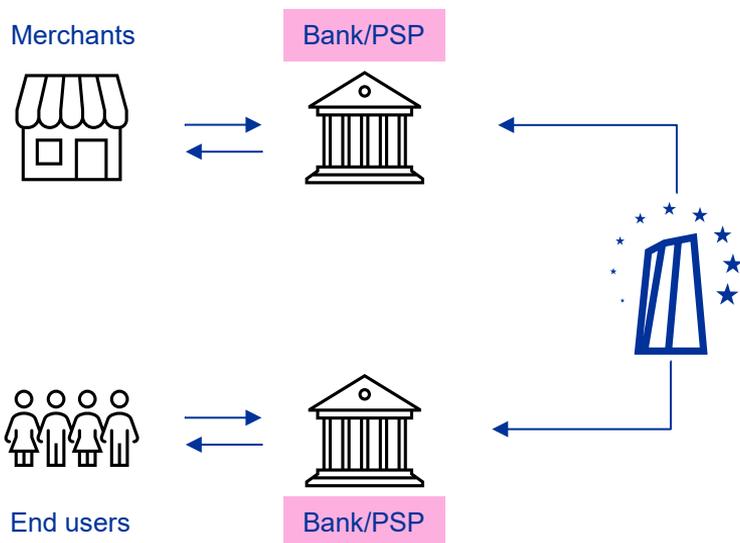


## Follow-up actions in 2026:

**Further extensive work on remaining areas being carried out in workstream:**

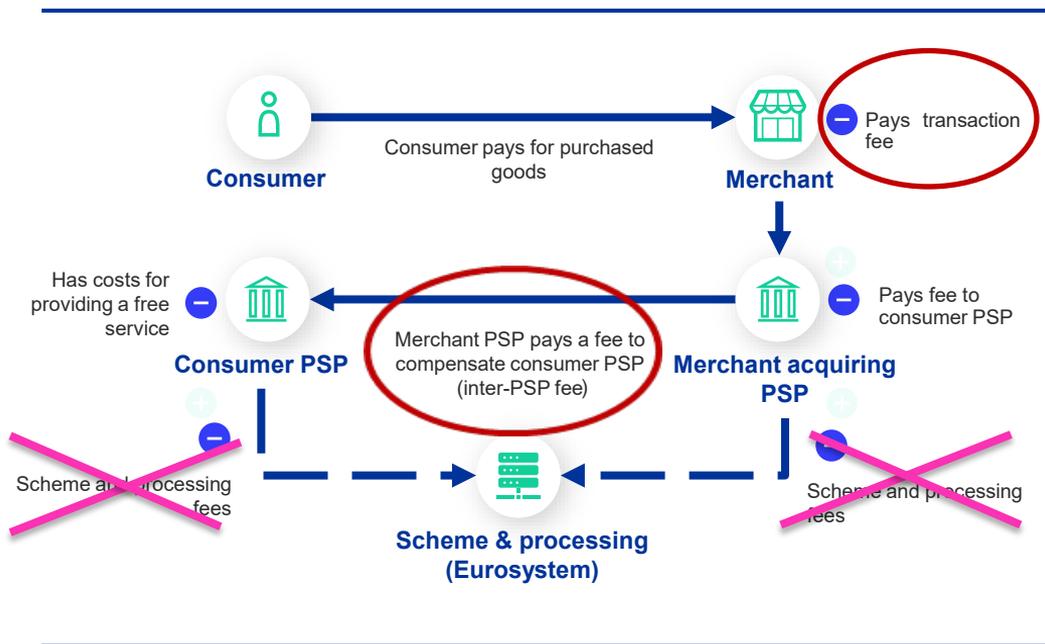
- 1. In-person all-day workshop conducted on 4 March 2026:**  
Simplification, cost minimisation, and co-badging
  - *Foreseen follow-up: technical deep-dives on co-badging and other topics*
2. Analysing fraud risk management
3. Clarifying offline solution

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



- **Critical role for banks:** banks will play a key role in digital euro distribution.
- **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.

# 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**

# 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**, 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.

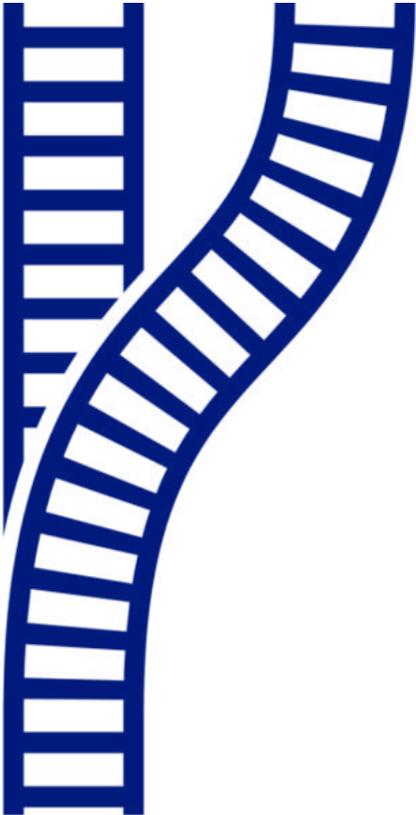
Generic example

## 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.



## 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



# **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



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# 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](#)
- ERPB Fit of the digital euro in the payment ecosystem workstream [Report](#)
- Eurosystem [view](#) on recent assessments of digital euro investment costs for the euro area banking sector
- ECB [Technical Analysis](#) on the financial stability impact of the digital euro
- [Latest update](#) on the work of the digital euro scheme's Rulebook Development Group
- Digital euro innovation platform [Report](#)