



EUROPEAN CENTRAL BANK
EUROSYSTEM

Piero Cipollone
Member of the Executive Board

ECB-UNRESTRICTED

[REDACTED]
National Association of German Cooperative Banks

[REDACTED]
Association of German Banks

[REDACTED]
Association of German Public Banks

[REDACTED]
German Savings Banks Association

[REDACTED]
Association of German Pfandbrief Banks

12 February 2024
L/PC/24/27

RE: Your letter on the digital euro

Dear [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED],

I would like to thank you and the German Banking Industry Committee (GBIC) for your letter and your kind words on my appointment as a member of the ECB's Executive Board.

We share the goal of enhancing the European payments landscape and strengthening the strategic autonomy of the euro area. The digital euro would be instrumental to both.

In your letter, you make some comments and suggestions that we have duly considered since the start of the Eurosystem's work on the digital euro.

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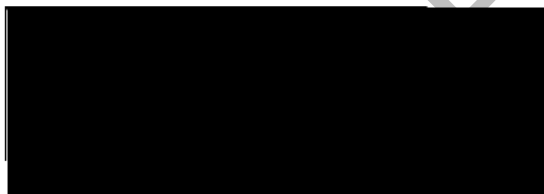
First, when endorsing the results of the digital euro investigation phase, the Governing Council confirmed a digital euro design with individual holding limits, alongside waterfall/reverse waterfall functionality and no remuneration.¹ This design will avoid a structural disintermediation of banks and maintain the healthy equilibrium which has existed for decades between bank deposits and central bank money.

Second, the digital euro would enable private retail payment solutions to leverage open digital euro standards and rails in order to achieve pan-European reach, launch new products and extend their scope beyond existing use cases. To this end, the Rulebook Development Group (RDG) – which banks are key members of – has started exploring how to best make the digital euro scheme compatible with existing functional standards and specifications, as well as with other schemes and payment infrastructures.²

Third, beyond the technical work of the RDG, the digital euro project has consistently sought the involvement and feedback of market stakeholders, and it has been mindful of the key role that payment service providers would play in the distribution of the digital euro. Regular engagement with stakeholders – including market participants – will continue in the preparation phase. The ECB is committed to continuing the cooperative and transparent approach established since the launch of the project.

We welcome constructive discussions on ways to make the digital euro a success for all and, as you know, are engaging with the European banking associations on that basis. I would be happy to also meet members of the GBIC, together with the digital euro programme manager, Evelien Witlox.

Yours sincerely,



cc: Ms Evelien Witlox

¹ See [“A stocktake on the digital euro – Summary report on the investigation phase and outlook on the next phase”](#), ECB, 18 October 2023; see also [“Proposal for a regulation of the European Parliament and of the Council on the establishment of the digital euro”](#), European Commission, 28 June 2023.

² See [“Update on the work of the digital euro scheme’s Rulebook Development Group”](#), ECB, 3 January 2024, and [“Update on the work of the digital euro scheme’s Rulebook Development Group”](#), ECB, 7 June 2023.