MINUTES

3rd MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG)

9 March 2022, 10.00 – 13:00 (CET)

Webex teleconference

Introductory remarks

The Chair welcomed members and participants to the third Digital Euro Market Advisory Group (MAG) meeting. The Agenda was approved.

ECB presentations on key milestones on the digital euro project and feedback on members contributions

The ECB provided insight regarding the overall planning of the investigation phase via a presentation\(^1\). The Digital Euro MAG is key in advising the Eurosystem on the design and distribution of a digital euro and acts as a sounding board for the Eurosystem’s analysis of design options during the investigation phase. Interactions with the MAG complement the Eurosystem’s engagement with market stakeholders via the institutional dialogue in the Euro Retail Payments Board (ERPB).

The ECB provided oral feedback on the contributions received from members on the payment services distribution analysis and thanked members for their valuable comments which will further enrich the ECB’s analysis. In addition, the ECB provided a high-level summary presentation on the collected inputs from members submitted during the second round of work which took place between January and February 2022\(^2\).

Topics for discussion on key areas of work

The ECB asked several members to share their contributions on three different topics in a dedicated presentation during the meeting. Following the presentations, the floor was opened for a fruitful discussion with all members.


\(^2\)https://www.ecb.europa.eu/paym/digital_euro/investigation/governance/shared/files/ecb.degov220309_feedbackpreviouscontributions.en.pdf?0d55673e60238a10f8a8e8722166fe70
The first topic addressed was how to ensure a **harmonised and efficient provision of end-users’ onboarding services** in the euro area. The importance for the digital euro to have an onboarding process that is to the maximum digitalized and standardized was highlighted. This would apply in particular to the domains of data collection and verification (e.g. standards for data collection, clear definition of controls and its minimisation). Some members were of the view that current procedures should be reused and adjusted to the specific needs of the digital euro, including the need for a unique identification. A discussion among members ensued about the advantages and disadvantages of a full harmonisation of the onboarding process. The question arose whether customers wanting to open a digital euro account could be rejected or not by supervised intermediaries.

The second topic focused on **privacy end user perception** and its relationship with the use of technical privacy safeguards. Members explained that trust and privacy control usually have a positive impact on the perception of privacy risks, unlike privacy concerns whose effect tends to have a negative impact. Striking a balance between these opposing forces is key. Members also noted that a trade-off exists between security, privacy and usability. In addition, it was indicated that different privacy needs should cater for different models, depending on the use cases and functionalities.

Finally, the third topic addressed **security considerations** on payment innovations. As explained by members, trust in a CBDC is essential similar to other means of payment. Among the dimensions mentioned were the protection of the value of money, privacy and confidentiality, operational resilience and security related to systems and technology. Regarding the use of new technologies, additional considerations might be needed to ensure security and functionality.

**Input requests for the next round of work**

The Chair announced that members will become increasingly involved in providing feedback to the analysis carried out by the digital euro project team. These interactions, which have already started with the distribution model analysis, are closely linked to the overall planning of the investigation phase presented at the beginning of the meeting. The next input request will be on the use cases prioritization analysis. The ECB will reconsider the organisational procedure of the regular rounds of work organised in between meetings in order to better promote interactions between members. Members will be informed accordingly.

**Closing remarks and way forward**

The Chair closed the meeting and thanked members for their participation and contribution to the discussion items. The next meeting will take place in May.
ANNEX 1. LIST OF ATTENDEES OF THE 3rd MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG) ON 9 MARCH 2022

Chair: Ms. Evelien Witlox

Members

Aleksander Kurtevski
Alessandro De Cristofaro
Antonio Macias Vecino
Axel Schaefer
Cristian Cengher
Cyril Vignet
Diederik Bruggink
Etienne Goosse
Fanny Solano
Fernando Rodríguez Ferrer
Gerard Hartsink
Inga Mullins
Jens Holeczek
Jochen Siegert
Nicolas Kozakiewicz

Nilixa Devlukia
Paul Le Manh
Piet Mallekoote
Régis Folbaum
Roberto Catanzaro
Ruth McCarthy
Silvia Attanasio
Sofia Lindh Possne
Stefano Favale
Teresa Mesquita
Valdis Bergs
Ville Sointu
Yves Blavet

Observers

National Central Banks of the Eurosystem
European Commission

ECB participants

Ignacio Terol
María Teresa Arráez
Daniel McLean
Andrea Pinna
Harald Deinhammer
Giulia Di Rienzo
Panos Papapaschalis
Tobias Tesche
Andrey Bachmann
Eric Faber
Philip Conrad Nadler
Eugenio Schininà
Esther Barruetabez

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