

Digital Euro Market Advisory Group (MAG)

27 July 2022

MINUTES

5th MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG)

6 July 2022, 9:00 – 15:00 (CET)

Introductory remarks

The Chair welcomed members and participants to the fifth Digital Euro Market Advisory Group (MAG) meeting which was held physically at the ECB premises. The Agenda was approved.

The Chair referred to the upcoming publication on the key objectives and design considerations of a digital euro¹. A digital euro would provide a monetary anchor for the payment system in a context of declining use of cash for payment and disruptive digital change, serving as a public good. Moreover, a widespread availability and acceptance of digital euro would protect the strategic autonomy of European payments and monetary sovereignty. In addition, a digital euro could foster innovation, increase the efficiency of payments, and support the overall economic efficiency of the European Union. Among the necessary design considerations that are emerging, value proposition for end-users, privacy protection and financial inclusion are of the utmost importance.

Members were also updated on the publication at the ECB website of a dedicated slide on the digital euro project governance & stakeholder management² and the publication of the list of companies selected for the so-called “pool” for the front-end prototyping³, noting that the process is still ongoing.

Outcome from the written procedure on the analysis on foundational design options

The ECB provided feedback on the contributions received from members on this analysis and thanked members for their active participation⁴. The analysis included a set of questions regarding the first design lot for a potential digital euro (online and offline, transfer mechanisms, type of remuneration, tools to avoid excessive use, level of privacy). MAG members in general supported the analysis done and endorsed the

¹ Accessible via the following links: in [English](#) and [other EA languages](#)

² Accessible via the following [link](#)

³ Accessible via the following [link](#)

⁴ [ECB presentation on feedback from members](#)

orientation taken by the HLTF-CBDC. Immediately after, several members presented their contributions to the questions and an open discussion was held.

Distribution approaches for a digital euro

The ECB shared an overview of its analysis on distribution models for the digital euro⁵ where the scheme approach is initially seen by the Eurosystem as the most appropriate distribution option for the digital euro. Among its advantages, a digital euro scheme would facilitate a consistent end-user experience across the EA and interoperability via standardisation. It is also seen as best positioned to ensure pan euro area reach, helping to achieve digital euro objectives. This approach would respect the role of supervised intermediaries while offering room to them for innovation.

The floor was then opened to members to raise questions and share first reactions. Some comments made individually by members were the security aspects (e.g. wallets) and whether achieving the same end-user experience across the EA was something to aim for. Members asked several questions on the type of intermediaries, their concrete role and the depth of such a potential scheme (e.g. scheme elements), among others. ECB representatives clarified questions when possible, according to the current status of the investigation phase. At the same time, the Chair invited members to include their observations and thoughts on those unanswered questions via the written procedure which was launched after the meeting. This written procedure aims to collect members inputs and views on the analysis presented.

Workshop

Members were split into three teams to discuss how a digital euro could add value to each type of stakeholder: citizens, merchants and intermediaries. Afterwards, the main findings of the discussions were presented.

From the consumer's perspective, some of the most important factors identified by members for a convenient digital euro were seamlessness, value added (by leveraging specific capabilities of CBDCs), data protection and management, financial inclusion and affordability. From the point of view of merchants, members identified several potential drivers, including a standard integration, speed of transaction, security, conversion, flexible functionalities, stability/resiliency, costs and dispute management. The relevance of each of these drivers would depend on the type of use case (POS Vs. e-commerce) and the size of the merchant. Finally, the team taking the role as intermediaries pointed out as potential success elements, including an adequate compensation model, a strong communication campaign and ongoing marketing support. Government payments were considered key to contribute to digital euro acceptance. In addition, a distinctive look and feel across the different solutions was perceived as a key differentiating feature across intermediaries.

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 virtually in September.

⁵ [ECB presentation on distribution approaches](#)

ANNEX 1. LIST OF ATTENDEES OF THE 4th MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG) ON 6 JULY 2022

Chair: Ms. Evelien Witlox

Members

Alessandro De Cristofaro
 Antonio Macías Vecino
 Axel Schaefer
 Cristian Cengher
 Cyril Vignet
 Diederik Bruggink
 Etienne Goosse
 Fanny Solano
 Fernando Rodríguez Ferrer
 Gerard Hartsink
 Inga Mullins
 Jens Holeczek
 Nicolas Kozakiewicz
 Nilixa Devlukia

Nils Beier
 Paul Le Manh
 Piet Mallekoote
 Régis Folbaum
 Roberto Catanzaro
 Ruth McCarthy
 Sean Mullaney
 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
 Jürgen Schaaf
 Daniel McLean
 Andrea Pinna
 Giulia Di Rienzo
 Stephanie Bergbauer
 Philip Nadler
 Eric Faber
 Sebastian Siepen
 Tobias Tesche
 Esther Barruetaña