



EUROPEAN CENTRAL BANK

EUROSYSTEM

The digital euro: a digital form of cash

17 November 2023

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A digital form of cash



The evolution of money

As we move towards a digitalised economy, a **digital euro would be the natural evolution of our currency**

A digital euro would **complement cash**, not replace it

What is a digital euro?

The digital euro is **central bank money for retail payments made by citizens and businesses in the entire euro area**

5 unique characteristics

- + **Free** for citizens and **inclusive** by design
- + Available for any **digital payments throughout the euro area**
- + Covering transactions **online, person-to-person, in shops or with the government**
- + High **privacy standards**
- + **Also available offline**

A digital euro would serve the 347 million people who live in the euro area



Responding to evolving payment trends

Combining people's changing preference for digital payments with the benefits of central bank money (digital form of cash)

Making people's lives easier

Providing a public digital means of payment for everyone to pay anytime and anywhere throughout the euro area

Strengthening Europe's resilience

Preserving Europe's strategic autonomy while supporting innovation and competition

After two years of research, the Eurosystem launched the digital euro preparation phase on 1 November 2023

Investigation phase

Oct 2021 – Oct 2023

Concept definition, technical exploration and design proposal

Preparation phase

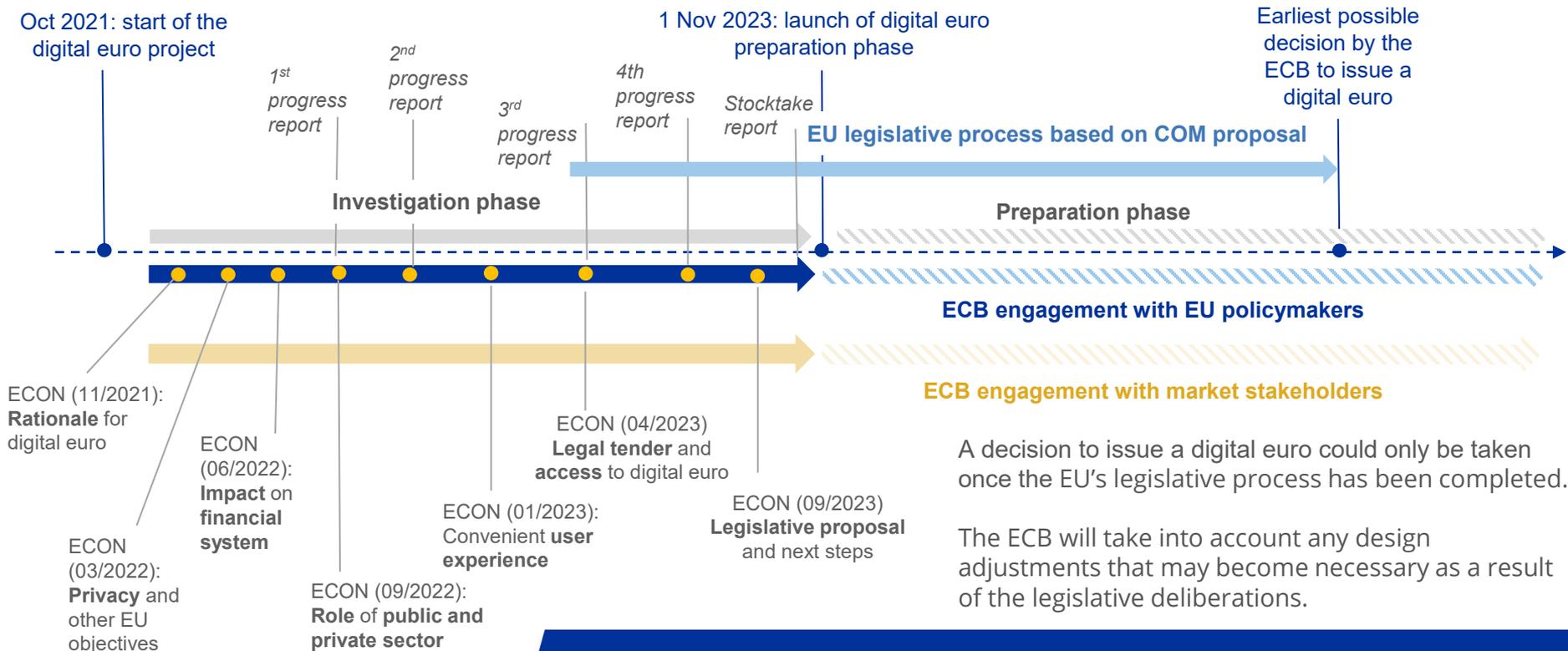
Nov 2023 – Oct 2025

Prepare to develop, finalise the scheme, search for possible providers, learn through experimentation and support legislative process

From Nov 2025
subject to Governing Council's approval

Development and preparation to roll out digital euro use cases

The digital euro project evolves alongside the legislative process



The ECB welcomes the European Commission's legislative proposal on a digital euro (I)



Legally accepted means of payment

People will always be able to pay with the digital euro, in e-commerce and in any shop in the euro area that accepts digital payments

Right to obtain digital euro

People will be able to obtain the digital euro at the banks they already hold accounts with. People without access to a bank account or digital devices would also be able to pay with digital euro, for example by using a card provided by a public body such as a post office.

Digital financial inclusion

People from vulnerable social groups will be able to get support from dedicated authorities to access basic digital payment services

The ECB welcomes the European Commission's legislative proposal on a digital euro (II)



Free for basic use

Consumers will not be charged for basic digital euro payment services.

ECB recommends including also automated funding and defunding and account switching in the list of basic services foreseen in the legislative proposal

Fair economic incentives

Private intermediaries should be compensated fairly for distributing the digital euro in a way that it is accessible for people across the euro area

High privacy standards

Privacy is a key concern for Europeans. The ECB would ensure people in the euro area can pay digitally with the highest possible level of privacy in line with European regulations

Engagement with European stakeholders and the public will remain at the core of the digital euro project



European policymakers

Commission | Eurogroup | Parliament | other EU bodies

Market participants

Consumers | Financial institutions | Infrastructure and technology providers | Merchants

Central banking community

BIS | Central banks working on CBDC

Other stakeholders

Academics | Civil Society Organisations

Increased engagement with the public

Additional supporting materials:

Updated digital euro [FAQ](#)

[Report](#): A stocktake on the digital euro

[ECB opinion](#) on the EU Commission's digital euro legislative proposal

Digital euro [one-pager](#)

Digital euro [booklet](#)

Digital euro [video](#)

Thank you