The digital euro: a digital form of cash

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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

1st progress report
2nd progress report
3rd progress report
4th progress report
Stocktake report

Investigation phase
Preparation phase
ECB engagement with EU policymakers
ECB engagement with market stakeholders

Oct 2021: start of the digital euro project
1 Nov 2023: launch of digital euro

1st progress report
2nd progress report
3rd progress report

EU legislative process based on COM proposal

1st progress report
2nd progress report
3rd progress report
4th progress report
Stocktake report

Investigation phase
Preparation phase
ECB engagement with EU policymakers
ECB engagement with market stakeholders

ECON (11/2021): Rationale for digital euro
ECON (06/2022): Impact on financial system
ECON (03/2022): Privacy and other EU objectives
ECON (01/2023): Convenient user experience
ECON (04/2023): Legal tender and access to digital euro
ECON (09/2023): Legislative proposal and next steps

A decision to issue a digital euro could only be taken once the EU’s legislative process has been completed.

The ECB will take into account any design adjustments that may become necessary as a result of the legislative deliberations.
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 I Eurogroup I Parliament I other EU bodies

Market participants
Consumers I Financial institutions I Infrastructure and technology providers I Merchants

Central banking community
BIS I Central banks working on CBDC

Other stakeholders
Academics I 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