



EUROPEAN CENTRAL BANK

EUROSYSTEM

Christine LAGARDE

President

Mr Luis Garicano  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 11 March 2022

L/CL/22/55

**Re: Your letter (QZ-054)**

Honourable Member of the European Parliament, dear Mr Garicano,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 17 December 2021.

Cash continues to play a crucial role in the euro area and the Eurosystem is committed to ensuring that it remains widely available and accepted as both a means of payment and a store of value well into the future.<sup>1</sup>

In line with this commitment, the Eurosystem took significant steps during the coronavirus (COVID-19) pandemic to address citizens' concerns related to the availability and use of cash. The Eurosystem worked together with the banking sector to ensure a smooth supply as demand for banknotes increased.<sup>2</sup> And in order to address citizens' concerns about the transmission of coronavirus via euro banknotes and coins, the Eurosystem commissioned analyses by leading laboratories to assess the risk of transmission as early as March 2020.<sup>3</sup>

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<sup>1</sup> See Panetta, F. "Cash still king in times of COVID-19", speech at the Deutsche Bundesbank's 5<sup>th</sup> International Cash Conference – "Cash in times of turmoil", 15 June 2021, available at: <https://www.ecb.europa.eu/press/key/date/2021/html/ecb.sp210615~05b32c4e55.en.html>.

<sup>2</sup> For more information, see "Beyond monetary policy – protecting the continuity and safety of payments during the coronavirus crisis", Blog post, ECB, 28 April 2021, available at: <https://www.ecb.europa.eu/press/blog/date/2021/html/ecb.blog210318~3bbc68ffc5.en.html>.

<sup>3</sup> See "Catch me (if you can): assessing the risk of SARS-CoV-2 transmission via euro cash", Occasional Paper Series, No 259, ECB, Frankfurt am Main, July 2021, available at: <https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op259~33b180d450.en.pdf>.

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Moreover, as part of the Eurosystem's Cash 2030 Strategy, adopted in September 2020, the Eurosystem is working to ensure the availability of cash, support access to cash services for everyone, make sure that cash is accepted everywhere, develop innovative and secure euro banknotes, and keep banknotes safe and sustainable.<sup>4</sup> In line with Article 128 of the Treaty on the Functioning of the European Union and Article 16 of the Statute of the ESCB<sup>5</sup>, the ECB and the national central banks of the Eurosystem have a duty to safeguard the integrity of euro banknotes and to preserve public confidence in them by improving their security features and design elements, as necessary.

Rapidly evolving reproduction technologies and the increasing ease with which counterfeiters can access information and materials make it necessary to issue new banknotes on a regular basis. Against this background, we must continuously develop euro banknotes with new and/or updated security features, so that we are able to react in a timely manner to emerging technologies or counterfeit threats that could endanger trust in euro banknotes. The proposed redesign is an integral part of this development process with limited additional costs.

Any redesign of the euro must take into account the fact that euro banknotes are a tangible representation of European integration, underpinning the sense of belonging to a common project. There is a strong link between our single currency and our shared European identity.<sup>6</sup> We therefore want to engage with the public to understand which themes and designs can be most relatable to Europeans of all ages and backgrounds in the future.

As communicated in our press release of 6 December 2021<sup>7</sup>, the redesign process will start with the creation of focus groups tasked with gathering opinions from people across the euro area on possible themes for the future euro banknotes. A theme advisory group with one expert from each euro area country will propose a shortlist of new themes. On the basis of the advisory group's proposals, the ECB will ask the public for input on the shortlisted themes before the ECB's Governing Council decides on the new theme.

A design competition for the new banknotes will follow, after which the ECB will again consult the public. The redesign process will thus be an open one, in which we will engage with the public at large. This will take several years and is expected to lead to a final decision by 2024 on the production and potential issuance of new banknotes. This decision will be taken carefully after a thorough analysis of its possible implications. We will keep the European Parliament informed about the process of redesigning the euro banknote and address possible questions from its members.

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<sup>4</sup> See "The Eurosystem cash strategy", available at: [https://www.ecb.europa.eu/euro/cash\\_strategy/html/index.en.html](https://www.ecb.europa.eu/euro/cash_strategy/html/index.en.html).

<sup>5</sup> Protocol on the Statute of the European System of Central Banks and of the European Central Bank.

<sup>6</sup> 41% of euro area respondents in the latest Standard Eurobarometer survey think of the euro when asked about what the European Union means to them personally. For more information, see "Standard Eurobarometer 95 – Spring 2021", available online at: <https://europa.eu/eurobarometer/surveys/detail/2532>.

<sup>7</sup> See the press release entitled "ECB to redesign euro banknotes by 2024", available on the ECB's website at: <https://www.ecb.europa.eu/press/pr/date/2021/html/ecb.pr211206~a9e0ba2198.en.html>.

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Euro banknotes are one of the most tangible symbols of European integration and most Europeans support the single currency.<sup>8</sup> The ECB and the Eurosystem will continue to provide state-of-the-art banknotes that European citizens can identify with and be proud to use as their money.

Yours sincerely,

[signed]

Christine Lagarde

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<sup>8</sup> According to the latest Eurobarometer survey, 79% of euro area citizens are in favour of the single currency. For more information, see “Standard Eurobarometer 95 – Spring 2021”, available online at: <https://europa.eu/eurobarometer/surveys/detail/2532>.

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