EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

COURTESY TRANSLATION

Christine LAGARDE
President

Mr Gerald Hauser
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 7 August 2026
L/CL/26/192

Re: Your letter (QZ-012)

Honourable Member of the European Parliament, dear Mr Hauser,

Thank you for your letter, which was passed on to me by Ms Aurore Lalucq, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 30 June 2026.

The ECB is committed to a digital euro that will complement cash, not replace it. Cash is an important part of Europeans' freedom to choose how to pay and is essential for both the resilience of our payment system and financial inclusion. In line with the Eurosystem's cash strategy, we are working to ensure that physical cash remains available and accepted across the euro area as both a means of payment and a store of value.[1] We also welcome the progress made by the EU co-legislators on the Legal Tender of Cash Regulation as part of the Single Currency Package. It will ensure the continued availability and acceptance of cash in an increasingly digital economy. As a further testament of our commitment to cash, we are in the process of redesigning euro banknotes to make them more secure, sustainable, accessible, inclusive and relatable for all Europeans. As part of this process, we recently unveiled the design proposals for the next series of euro banknotes and are

[1] For further information, see the Eurosystem cash strategy section of our website.

Address
European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal address
European Central Bank
60640 Frankfurt am Main
Germany

Tel: +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu

currently inviting people across Europe to share their views with us. The public survey, which can be accessed on our website, runs from 23 July until 21 September 2026.[2]

The digital euro will be a digital version of cash. It will give Europeans the option to pay with central bank money in digital form, protecting their freedom to decide how to pay: Europeans will be free to decide whether they want to use cash, the digital euro or any other form of payment. Moreover, the Eurosystem is making sure that the digital euro will offer the highest level of privacy and robust data protection. In fact, ensuring user privacy has been a central focus of the digital euro project and the Commission legislative proposal from the start[3] and the ECB has regularly provided information on its website to explain the privacy features of the digital euro to the general public.[4]

The digital euro has been designed to minimise data processing while ensuring the segregation of information. All processing of personal data will be bound by EU data protection law, including the General Data Protection Regulation,[5] and the Eurosystem would be supervised by independent data protection authorities to ensure that it complies with EU data protection law – the strongest privacy and security rules in the world.

The offline functionality of the digital euro will offer cash-like privacy: personal transaction details from offline digital euro payments would be known only to the payer and the payee. Neither the payment service providers of the payer and the payee, nor the Eurosystem, will be able to see the personal transaction details of offline payments.

For online digital euro payments, as with other digital payment methods, only users' payment service providers will be able to link payments to users' identities. This is for the purpose of compliance with anti-money laundering and terrorism financing regulations. To use personal data for commercial purposes, payment services providers would need the user's explicit consent.

In line with the European Commission's legislative proposal, the Eurosystem will not be able to identify users making or receiving payments, thereby protecting their personal data. The data available to the ECB will be encrypted and pseudonymised using state-of-the-art technology and privacy-enhancing techniques. The Eurosystem will apply strict rules and controls on who can access this encrypted data and will remain open to exploring further privacy-enhancing techniques as technologies evolve. The Eurosystem will also ensure that digital euro service providers safeguard the rights to privacy and data protection of end-users by enforcing the same privacy and data protection rules that apply to the Eurosystem, imposing robust IT and cyber security controls, and including strong contractual safeguards such as audit rights and penalties for breaches of contract.

---

[2] See our press release of 23 July 2026, entitled ECB reveals shortlisted designs for new banknotes and launches public survey.

[3] Proposal for a Regulation of the European Parliament and of the Council on the establishment of the digital euro.

[4] For further information, see the Digital euro and privacy section of our website.

[5] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

Address
European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal Address
European Central Bank
60640 Frankfurt am Main
Germany

Tel. +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu

Ultimately, it is for the EU co-legislators to decide on the appropriate balance between the privacy objective and other policy objectives – such as countering money laundering and other illicit activities – in the digital euro Regulation. To this end, the ECB stands ready to provide technical input to support the work of the EU co-legislators.

Yours sincerely,

[signed]

Christine Lagarde