

Mandate of the digital euro scheme Rulebook Development Group

1. Mission and Objective

The digital euro scheme Rulebook Development Group (“digital euro RDG”) is established by the HLTf-CBDC at its meeting of January 19th, 2023.

The digital euro RDG will operate under this Mandate from its inception. It will hold its mandate until otherwise directed by the HLTf-CBDC.

The main objective for the first phase of the work of the digital euro RDG is to develop a draft digital euro rulebook building on the design decisions taken by the Governing Council of the Eurosystem.

2. Deliverables

The digital euro RDG will develop as main deliverable a draft digital euro rulebook which will consist of a set of rules, practices and “standards” that will allow the distribution of digital euro through intermediaries by the means of

- (a) User management i.e., lifecycle management of digital euro users and their payment instruments.
- (b) Liquidity management i.e., funding and defunding of end users’ holdings from commercial bank sources, or from cash
- (c) Transaction management i.e., initiation, authentication, validation, settlement instructions and post settlement activities incl. reconciliation.

The applicable business conditions are not in scope of the RDG.

One of the first deliverables of the digital euro RDG will be a scheme development plan which takes into account the prioritised use cases as provided by the Governing Council.

A first draft of the first version of the digital euro rulebook will be subject to a public consultation. Subsequently, the final draft of the first version of the digital euro rulebook will be submitted for consideration and subsequent approval by the Governing Council prior to its publication on the ECB website.

All intellectual property rights, copyright and rights of development and disposal related to the deliverables of the digital euro RDG reside exclusively with the ECB.

In addition, the digital euro RDG will reflect on a future governance model for the digital euro scheme once it is in full operational mode.

3. Key guiding working principles

- 1) The digital euro RDG shall develop the digital euro rulebook based on the design decisions taken by the Governing Council or any delegated body.
- 2) Digital euro solutions as enabled by the Eurosystem and potentially being voluntarily complemented by the market shall be attractive to all actors in the European retail payment market, but most importantly to the users of the digital euro.
- 3) The design of the digital euro rulebook shall enable the market to develop further services and digital euro solutions on top of the initial scope foreseen for the digital euro. The digital euro however shall function as a basic means of payment in the euro zone for payment users without any such additional market driven developments.
- 4) The digital euro RDG shall leverage and progress on existing standards and scheme solutions to the degree possible, while not limiting the Eurosystem's freedom of choice in the further development of the digital euro.

4. Group Composition

The digital euro RDG will consist of a maximum of 24 members¹ and will be composed by representative from the public and the private sector follows:

10 Representatives from the public sector:

- Representing the ECB: 5 members.
- Representing the NCBs: 4 members.
- Chair of the digital euro Rulebook Development Group.

14 European representatives from the private sector

- consumer organizations: 2 members.
- corporate treasurers: 1 member.
- small and medium sized business: 1 member.
- retailers with a physical presence: 1 member.
- online retailers: 1 member.
- acquirers: 1 member.

- European Payment Council: 1 member
- credit institutions: 3 members.
- payment institutions: 1 member

¹ The final number of members may slightly deviate depending on the outcome of the calls for interest.

- e-money institutions: 1 member
- Third Party Providers: 1 member

The Eurosystem's digital euro project team may attend the meetings of the digital euro RDG and have access to its documentation. The European Commission may be invited by the ECB.

A call for candidates for the representatives of the private sector had been initiated by the digital euro rulebook secretariat and published on the ECB Website. A call for candidates for the representatives of the Eurosystem had been released to the HLTF-CBDC and the digital euro Program Steering Group.

The composition of the digital euro RDG shall seek to achieve a fair and diverse representation of relevant stakeholders and types of players while considering the mission and objective of the digital euro RDG. The HLTF-CBDC shall decide on the final composition. Experts can be invited by the chair to meetings of the digital euro RDG as need be.

The nominated members of the digital euro RDG are expected to be senior experts in the field of electronic payments with managerial responsibilities in retail payments and qualification required to perform in the role, such as (i) experience in scheme development, (ii) experience in the alignment of the stakeholder association they represent, (iii) commitment to the success of the digital euro in general and the delivery of the rule book development in particular. They should have the ability and mandate to properly represent their nominating stakeholder association, be able to devote the necessary time to the digital euro RDG and be proficient in English as the working language.

The digital euro RDG will be chaired by digital euro scheme rulebook manager (The Chair).

The Chair is responsible for proactively guiding the digital euro RDG in meeting its deliverables and ensuring coherence with its objectives. The Chair reports to the digital euro program manager.

The Secretariat of the digital euro RDG will be provided by the ECB. The Secretariat supports the Chair and is accountable for ensuring compliance with ECB processes.

5. Group Organisation

The digital euro RDG will meet physically or by telephone/video conference, according to the demands of its scope of work. Calls for meetings will be issued by the Chair at least two weeks in advance barring for exceptional cases. In principle, the digital euro RDG will meet monthly. The meeting schedule for the first year shall be agreed in the first meeting. Members of the digital euro RDG are encouraged to participate in all meetings. A participation of at least 75% of the members in meetings for the digital euro RDG is desired.

The Secretariat will share the draft agenda and all supporting material at least 1 week ahead of meetings. Exceptionally, documents shared less than 1 week ahead will be considered as "table documents".

Draft minutes will be made available by the Secretariat to all entitled to attend the digital euro RDG, as soon as possible but within one week after the meeting. Comments by members of the digital euro RDG are to be provided in writing at least three working days ahead of the next meeting, unless advised differently by the Chair.

The Chair can decide to set up workstreams for the elaboration of the agreed deliverables requiring specific skills and knowledge. The digital euro RDG will designate the leads (or co-leads) of such workstreams and outline the deliverables and timeline of these workstreams. The workstreams are expected to work agile and fast-moving. They will report to the digital euro RDG.

The digital euro RDG will strive to develop its recommendations based on broad consensus. Recommendations may be adopted by written procedure, with a minimum notification period of five working days.

In circumstances where such consensus is not achievable, the Chair decides on the recommendation to be submitted to the digital euro program manager. When reporting the outcome of digital euro RDG's deliberations and recording them in minutes, reference will be made to both majority and minority positions in case they exist. To that end, RDG members expressing minority views shall be invited to succinctly explain them.

6. Confidentiality, transparency, and publication of materials

Most material shared will be available for discussion within the constituency, while on an exceptional basis some might only be available to members of RDG. The material shared will be marked accordingly.

An approved draft of the first version of the digital euro scheme rulebook will be subject to a public consultation. The digital euro RDG may decide to give quarterly progress updates to the market. Meeting agendas and final minutes will be published on the ECB web side.

7. Data Protection

Attendees to the digital euro RDG meetings shall refrain from processing any personal data accessed or obtained through their membership of the digital euro RDG, unless and to the extent required to fulfil their digital euro RDG membership duties, as described in the present Mandate.

8. Resources and remuneration

Members in the RDG are expected to contribute human and financial resources as far as reasonable to the RDG. Participation in activities undertaken by the RDG and the work of its working groups is not remunerated by the RDG. Members, active participants, the observer, and ad hoc invitees do not receive any reimbursement of travel and subsistence expenses in connection with their attendance at the RDG meetings.