



EUROPEAN CENTRAL BANK
EUROSYSTEM

Digital euro

ERPБ

26 November 2020



Overview

- 1 What is a digital euro
- 2 A complement to private initiatives
- 3 Way forward
- 4 Questions for discussion

What is a “digital euro”?

*Digital euro would be **central bank money** made available in **digital form** for **retail use in payments** by citizens and firms*



Digital equivalent of legal tender euro banknotes






Complementing, not replacing, cash



Costless access for citizens' basic payment needs to a **simple, risk-free and trusted** digital means of payment

CBDC versus other forms of money and assets

 Liability of central bank	 Liability of a private entity	 Not a liability
<p>i. Cash: physical form, to <i>general public</i></p> <p>ii. Central bank deposits: <i>digital form</i>, limited access</p>	<p>i. Commercial bank money</p> <p>ii. E-money</p> <p>iii. Some 'stablecoins' that entail a claim/liability on an identifiable entity</p>	<p>i. Crypto-assets*</p>
<p>→ CBDC/ Digital euro: complement to cash and deposits</p>		

* This definition corresponds to [Occasional Paper Series No 223](#), ECB, 2019.

Digital euro: a complement to private initiatives



Key arguments to support this view:

- Co-existence of several means of payments is desirable
- Private sector will remain more innovative
- Central banks do not have ambition
 - to take-up the front-end or
 - to take away deposits from banks' balance sheets.
- Digital euro would be offered preferably through supervised service providers

Way forward



Towards mid-2021 the Eurosystem will consider whether to launch a digital euro project

- **Start with an investigation phase**

... to obtain answers to open questions raised in the report

... to develop a minimum viable product that would be able to meet Eurosystem requirements and the needs of prospective users



The objective is to ensure that the Eurosystem will be prepared to issue a digital euro if it decides to do so in the future.

Questions for discussion



- What role can you or your organisation play in facilitating the appropriate design and uptake of a digital euro as an effective means of payment?
- What potential challenges need to be considered in the design of the technology and standards for the digital euro?
- How to ensure wide usability and sufficient consumer demand?

Link to digital euro pages

[Executive summary page](#)



[Full report](#)

