



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Digital euro

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FXCG meeting

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# CBDC versus other forms of money and assets



## Liability of central bank

- i. **Cash:** physical form, to *general public*
- ii. **Central bank deposits:** *digital form* limited access

→ **CBDC/ Digital euro:** complement to cash and deposits



## Liability of a private entity

- i. Commercial bank money
- ii. E-money
- iii. Some 'stablecoins' that entail a claim/liability on an identifiable entity



## Not a liability

- i. Crypto-assets\*

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

# What do we mean by “digital euro” and why consider it?

*Digital euro* would be a **central bank liability** made available in **digital form** for use in **retail payments**



Complementing cash and wholesale central bank deposits



Synergies with industry

**Possible advantages** in a range of scenarios, particularly:



Supporting **digitalisation** in the European economy



**Against** declining use of cash as a means of payment



Tackling **sovereignty** concerns related to foreign CBDCs or private digital means of payment in the euro area

# Eurosystème lance le projet de euro numérique



**Governing Council decision to launch the investigation phase of a digital euro project**

Beginning of the **investigation phase**, which will last 2 years



Scope of project  
investigation phase

- i. **Use cases** a digital euro should serve to achieve its goals
- ii. **Interaction** with the European retail payments market
- iii. **Business model**
- iv. **Features and functionalities**
- v. **Legal** questions
- vi. **What technical solutions** may best handle the above issues



Decisions concerning cross-currency / FX can only be taken at a later stage

# Digital Euro Project - Timeline



Eurosystem's interest is to:

- **be prepared**
- **manage risks on both sides:** issuance and not issuance

# What is your perspective?



- In your view, what could be **distinct value proposition** of a digital euro (in retail payments)?
- What features should the digital euro have to **facilitate cross-currency payments**?
- What would be the **best way to integrate** a digital euro into existing banking and retail payment solutions/products?
- **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?
- Would retail payments in digital euro **impact** your business? And if so, how?



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# Thank you!



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