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**ECB-UNRESTRICTED**

23 February 2023  
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**Re: Position paper “A digital euro – the next step in the evolution of money” from 6 February 2023**

Dear ██████████

Thank you for bringing your recent position paper on a digital euro to my attention. I am very pleased to see that we are striving for the same overarching goal of establishing a European means of payment that is efficient, secure and sovereign in a digital era.

Your paper addresses important design choices that are highly relevant to end users, banks, the Eurosystem and the European legislator. We very much appreciate that your association and your members take an active role in the discussion and we aim to deepen the dialogue we have established with market participants.

Several design decisions have already been endorsed by the Governing Council in September and November last year<sup>1</sup>. As you are aware, we discuss beforehand the design decisions under consideration

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<sup>1</sup> See the first progress report on the investigation phase of a digital euro, available at: [https://www.ecb.europa.eu/paym/digital\\_euro/investigation/governance/shared/files/ecb\\_degov220929.en.pdf?8ee0678b57e98372a7ae6b59047604b](https://www.ecb.europa.eu/paym/digital_euro/investigation/governance/shared/files/ecb_degov220929.en.pdf?8ee0678b57e98372a7ae6b59047604b). See also the second report, available at: [https://www.ecb.europa.eu/paym/digital\\_euro/investigation/governance/shared/files/ecb\\_degov221221\\_Progress.en.pdf?f91e0b8ff8cbd6654d7e6b071a8f7071](https://www.ecb.europa.eu/paym/digital_euro/investigation/governance/shared/files/ecb_degov221221_Progress.en.pdf?f91e0b8ff8cbd6654d7e6b071a8f7071).

with all relevant stakeholders, including European credit sector associations, for example in the context of the European Retail Payment Board.

We share the view that a digital euro would be an evolution of cash with as much privacy as possible and as much anti-money laundering as necessary. A digital euro would complement cash, providing value added for retail customers in the digital era. You also touch upon the compensation model – our internal analysis of this issue is still ongoing, and we will be discussing it with market participants in the coming weeks. In spring this year, we will also present an overall digital euro high-level design to stakeholders that will comprise the final set of all the design choices we are considering for a digital euro.

We look forward to continuing our engagement with your association and member institutions on all these design options throughout the remainder of the investigation phase, and also during a possible subsequent project phase that is contingent on the Governing Council's decision in autumn this year.

Ms Evelien Witlox, the Programme Manager for the digital euro project, also stands ready to deepen the discussion on the issues that you raise in your position paper. Please do not hesitate to contact the secretariat for the digital euro project team (██) to arrange a meeting in the coming weeks.

Yours sincerely,

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