



EUROPEAN CENTRAL BANK

EUROSYSTEM

Digital euro: current state of play

Eurogroup



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Piero Cipollone
Member of the Executive Board of the ECB

Preserving people's freedom to pay with public money



**A digital form
of cash**

**Usable on all
occasions**

**Offering new
functionalities**

A digital form of cash

These payment options will continue to exist:



CASH



CARD



BANK
ACCOUNT



OTHER DIGITAL
PAYMENTS



A digital euro would bring **cash-like features** to the digital world



Pan-European
reach



Free
for basic use



High level of
privacy



Also available
offline



Issued by the
central bank

For everyone, on all occasions

Available for all people and businesses and all retail payment scenarios in the euro area, wherever digital payments are accepted

	Cash		National schemes (card or account based)		International schemes (card or account based)		Digital euro	
	Domestic	Euro area	Domestic	Euro area	Domestic	Euro area	Domestic	Euro area
Person-to-person payments	✓ *	✓ *	Some	✗	✗	✗	✓	✓
Point-of-Sale payments	✓	✓	Some	✗ ***	✓ **	✓ **	✓	✓
E-commerce payments	✗	✗	Some	✗ ***	✓ **	✓ **	✓	✓

* Only proximity transactions, unless mailing cash

** Where accepted

*** Only through co-branding with international schemes

Available online and offline



An **offline functionality** would enable transactions to be made in locations with limited network coverage

	Cash	Cards	E-payment solutions	Digital euro
Online	✗	✓	✓	✓
Offline	✓	✗	✗	✓



A fast, low-cost and pan-European payment method for merchants




Faster settlement times

-  Payments received instantly 24/7, 365 days a year
-  Enhanced working capital efficiency

Lower fees

-  Direct, owing to the cap envisaged in draft Regulation
-  Indirect, owing to higher competition and greater choice

Universal means of payment

-  Legal tender status to protect merchants' investments

Keeping intermediaries at the forefront of client relationships



A digital euro would enable intermediaries to ...



... **reach** users across the entire euro area



... receive adequate **compensation**

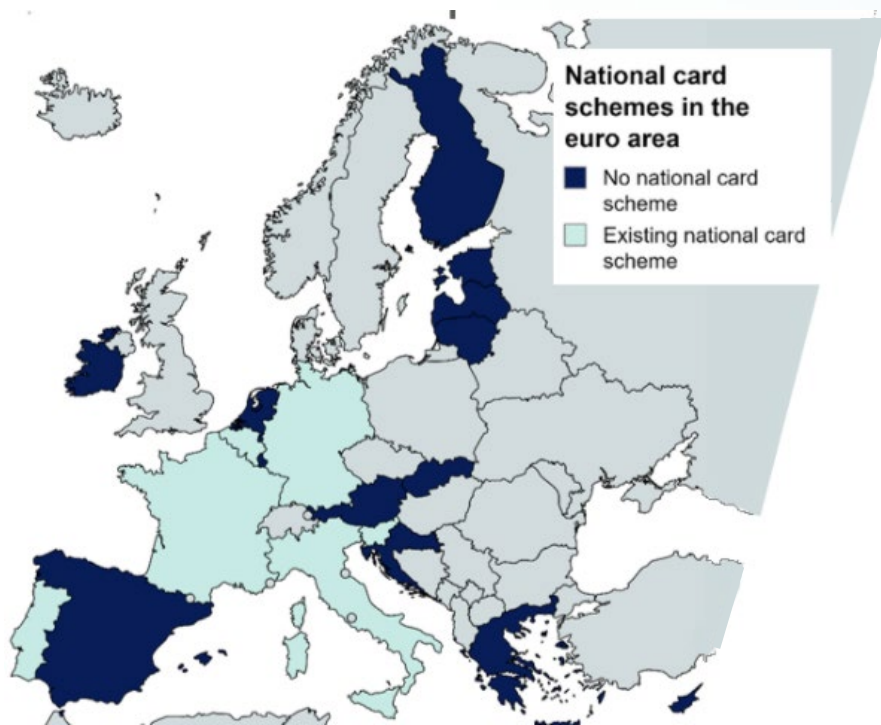


... offer new and **innovative** solutions



... get ready for stronger **competition**

Our money in our hands: strengthening European resilience



Preserve Europe's **strategic autonomy**



Reduce our **dependence on non-European** payment service providers



Foster **innovation** and **competition** in the European payments sector

Ensuring a healthy balance between central bank money and commercial money

Sufficient safeguards in the digital euro's design



Holding limits



(Reverse) waterfall functionality



No remuneration of digital euro holdings

Calibrated holding limits



Balance between

- right to hold and pay with digital euro
- need to limit bank disintermediation

Ongoing in-depth analysis



Examine implications for **different types of banks and liquidity scenarios**, keeping in mind **trends regarding banknotes** in circulation



Engage with a **broad range of stakeholders**, including banks and consumer groups



Share information about the work conducted to ensure **transparency**

Protecting your privacy and data protection in an increasingly digital world

Private money

Non-digital



Cheque



Bank account



Card



Other digital payments

Digital

Public money

Cash: keep investing in innovative and secure banknotes

Digital euro: enhancing privacy in digital payments



Offline

- almost like cash
- personal transaction details only known to the payer and the payee



Online

- state-of-the-art technology
- strong governance
- openness to new privacy-enhancing technologies

Protecting Europe's strategic autonomy through European procurement



Launched selection process for finding possible providers at beginning of 2024



No commitment yet to initiate any development



To strengthen our autonomy, resilience and security, **only EU providers are eligible**

Money is trust



Broad political support is crucial before the Eurosystem can decide whether to issue a digital euro.



ECB stands ready to **support the legislative process** with technical input.



Constant **collaboration with all stakeholders** is at the project's core.

Additional supporting materials:

- Updated digital euro [FAQ](#)
- [Report](#): A stocktake on the digital euro
- [ECB Opinion](#) on the European Commission's legislative proposal on digital euro
- Digital euro [two-pager](#)
- Digital euro [booklet](#)
- Digital euro [LinkedIn page](#)

Thank you