



EUROPEAN CENTRAL BANK

EUROSYSTEM

# DIGITAL EURO

The future of money

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Meeting with the Italian  
Banking Association

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# 1

## **A European digital payment solution for any occasion**

Rationale and key design choices

# Building the future of the euro, our money



## Responding to evolving payment trends

Reflecting people's increasing preference for digital payments while still offering the option to pay with cash



## Making people's lives easier

Providing a public digital means of payment that people could use free of charge for any digital payment in the euro area



## Strengthening Europe's resilience

Preserving Europe's strategic autonomy while reducing our dependence on non-European payment providers

# 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



Respectful of  
privacy



Also available  
offline



Issued by the  
central bank

# Available for all occasions

Available for use by any individual or business in any retail payment scenario 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

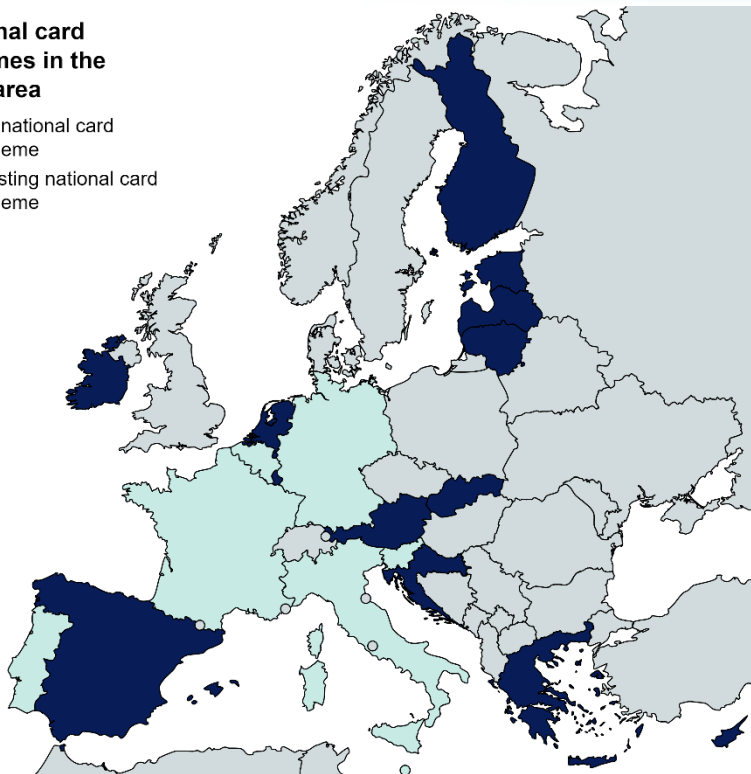
\*\* Where accepted

\*\*\* Only through co-branding with international schemes

# European by design

## National card schemes in the euro area

- No national card scheme
- Existing national card scheme



**Currently, there is no European digital payment option that covers all euro area countries**

13 out of 20 euro area countries rely on international card schemes for card payments; these schemes are used to settle 69% of all digital transactions in the EU



**A digital euro would fill a large gap in Europe's payments ecosystem**

A digital euro would provide a European digital means of payment accessible and accepted in all euro area countries



**True pan-European reach**

A digital euro would provide a pan-European platform that would standardise digital payments across the entire euro area

# 2

## **Payment service providers at the forefront of distribution**

Public-private cooperation

# Intermediaries would play a key role in digital euro distribution



**Digital euro distribution** would be carried out exclusively by payment service providers (PSPs)



PSPs would maintain **customer relations**



PSPs would benefit from **digital euro open standards**



# A healthy balance between central bank money and commercial money

## Sufficient safeguards included in the digital euro's design



**Holding limits**



**(Reverse) waterfall functionality**



**No remuneration** of digital euro holdings

## Holding limits will be calibrated



A balance will be struck between the right to hold and pay with digital euro and the need to limit bank disintermediation

## In-depth analysis is ongoing



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



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



Share information about the work conducted to ensure transparency

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3

## **A catalyst for further innovation**

Potential business opportunities

# A digital euro: pan-European rail tracks for private solutions...



... Offering **a platform for innovation** for private providers to build value-added services, such as conditional payments or the option of splitting a bill



... Helping to **avoid the proliferation of schemes that cover only part of the euro area and duplicate costs**, reducing their ability to compete with international schemes



... Enabling private retail payment solutions to **leverage the digital euro infrastructure** to provide new products in all euro area countries, which could give users access to services that may not yet be available in their domestic market



... Reducing our **dependence on other non-European players**

# A digital euro scheme to ensure usability and acceptance by...



... **Providing standards** for the formats, technologies and messaging for the end-to-end flows of all digital euro use cases, **which could also be used for commercial bank solutions** based on instant payment infrastructure

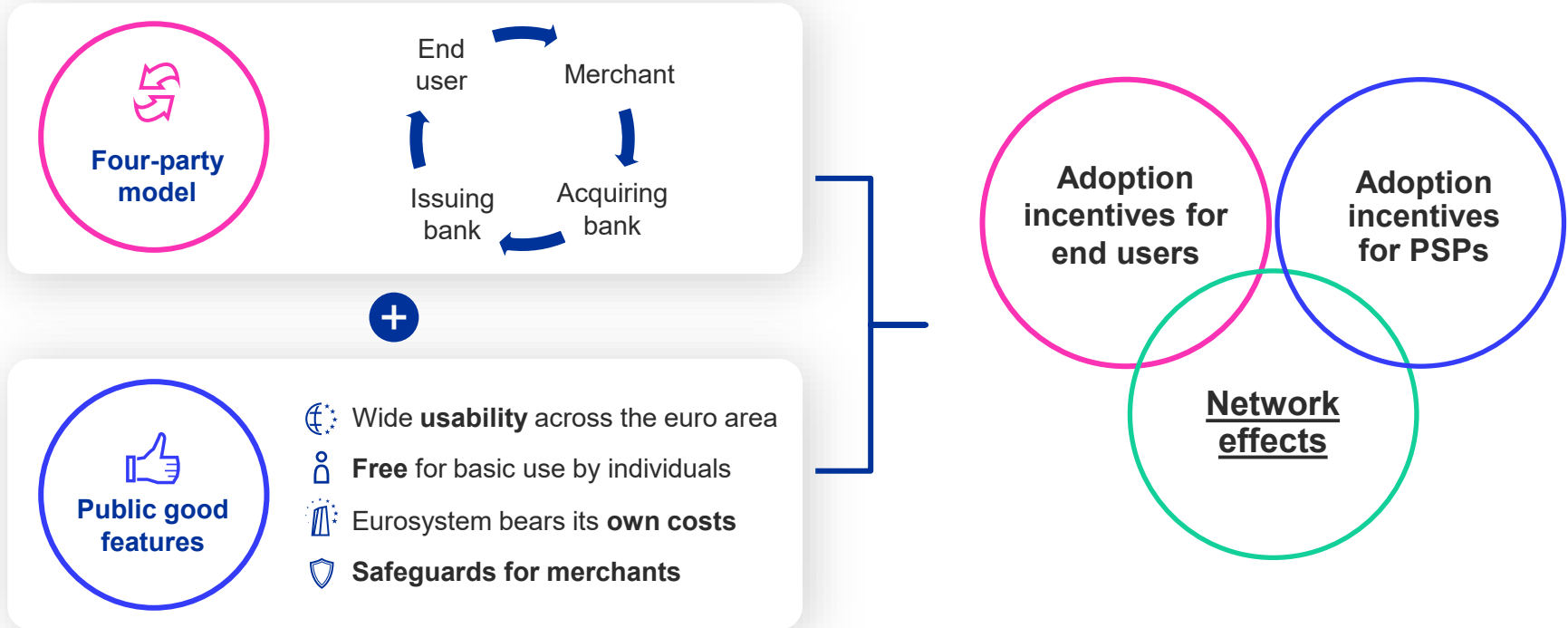


... **Enabling domestic solutions based on instant payments to be rolled out across the euro area** in one go, with merchants technically enabled to accept these payments through the use of digital euro standards



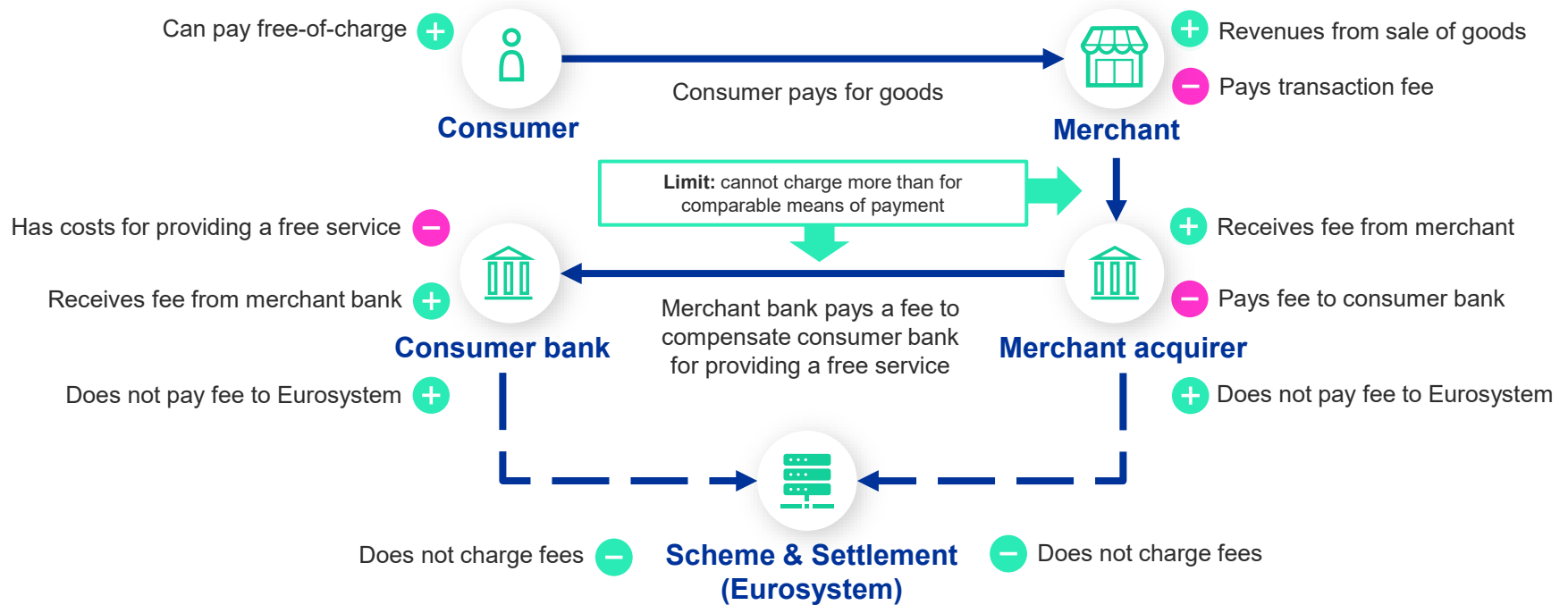
... **Collaborating with all market stakeholders**, including merchants and consumers, who would participate in developing the digital euro rulebook that would be owned by the Eurosystem

# A fair and balanced compensation model\* for digital euro



\* Subject to digital euro legislation.

# Step by step overview of the digital euro compensation model



# 4

## **Project timeline**

The way forward

# Staying ahead of the curve: preparing our currency for the future

## Investigation phase

Oct. 2021 – Oct. 2023

Concept definition,  
technical exploration and  
design proposal

## Preparation phase

Nov. 2023 – Oct. 2025

Main expected next steps:

- **Finalise the scheme rulebook**
- **Select service providers**
- **Learn through experimentation**
- **Deeper dive into technical aspects**,  
including further research into offline  
functions and developing a testing and  
rollout plan for the future

## Next phase

From Nov. 2025

Potential development and  
rollout

A decision to issue a digital euro will only be considered by the ECB once the European Union's legislative process has been completed



## Additional supporting materials:

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

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# Thank you