

DIGITAL EURO

From cash to code

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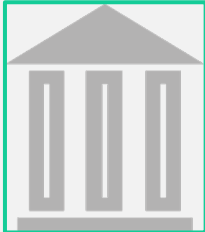
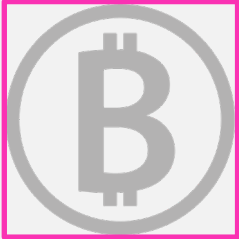
6 December, The Hague



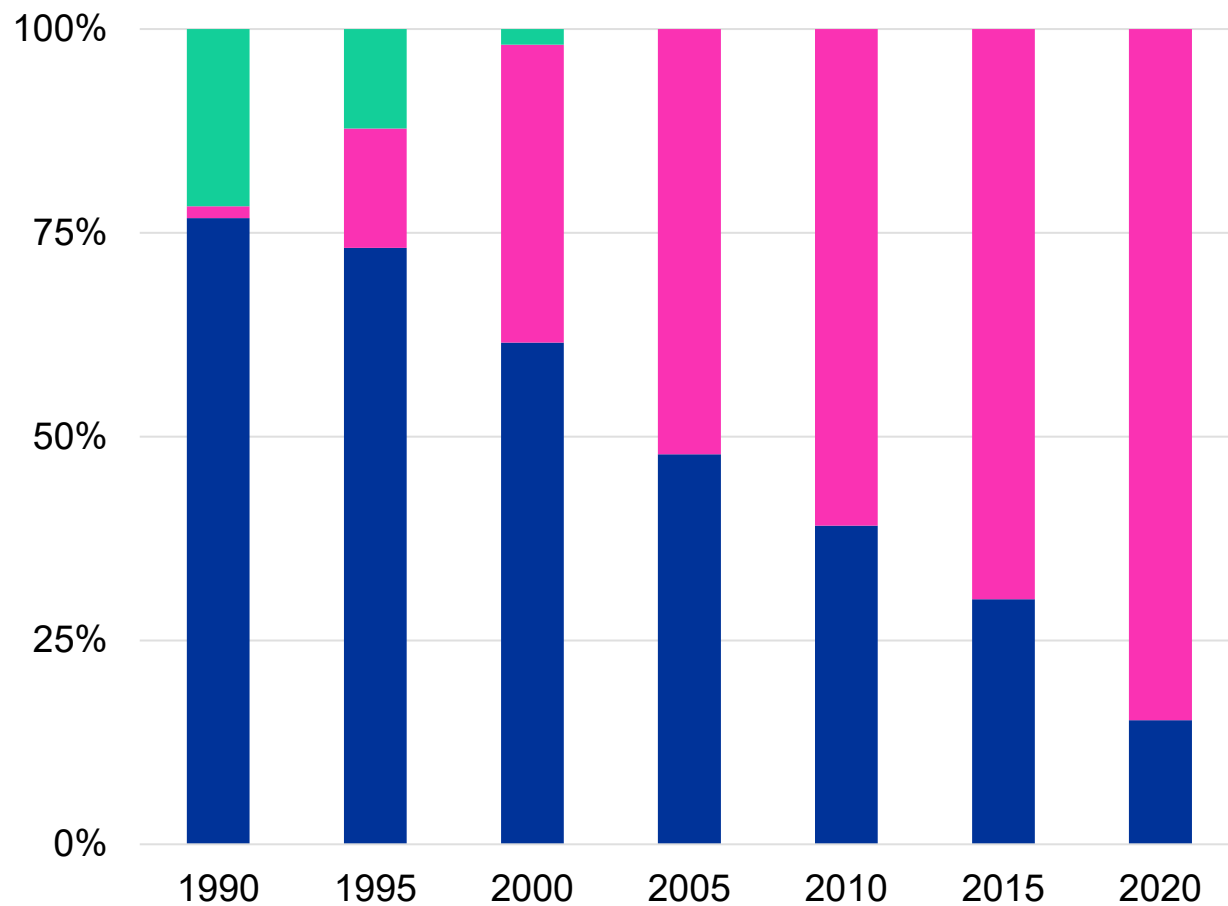
DeNederlandscheBank

EUROSYSTEEM

What is a digital euro?

 <p>Public Money</p>	 <p>Private money/</p>	 <p>Assets</p>
	<p>Insured / backed</p>	<p>Uninsured/ non-backed</p>
<ul style="list-style-type: none"> i. Cash: physical for general public ii. Central bank reserves: digital only for commercial banks iii. CBDC/digital euro: digital for general public 	<ul style="list-style-type: none"> i. Deposits at commercial bank ii. E-money of payment institutions iii. Some 'stablecoins' issued by private entities 	<ul style="list-style-type: none"> i. Crypto-assets

Why do we need a digital euro? (1)



Replicate valuable features of cash:

- Fall back option
- Inclusion
- Privacy

Why do we need a digital euro (2)



Monetary sovereignty and strategic autonomy:

- Securing critical infrastructure
- Preserving the monetary anchor



What are the impacts on commercial banks?

Operational

Role in
distribution

Business
model

Impact on
fees

Liquidity

Outflow of
deposits

Political support is needed



Always accepted

People would always be able to pay in digital euro with any euro area merchants accepting digital payments



Free for basic use

A digital euro would always be free for basic use to euro area citizens



Right to obtain digital euro

People would be able to obtain digital euro at the banks with which they already hold accounts



Fair economic incentives

Intermediaries would be compensated for distributing the digital euro, making it accessible across the euro area



Digital financial inclusion

People from vulnerable social groups would receive support to access basic digital payment services



High privacy standards

The ECB would ensure a high level of privacy, in line with European regulations

Progress of the ECB-project

Investigation phase

Oct. 2021 – Oct. 2023

Concept, definition, technical exploration and design proposal

Preparation phase

Nov. 2023 – Oct. 2025

Main foreseen activities:

- Finalising the **scheme rulebook**
- Selecting **service providers**
- Learning through **experimentation**
- **Deeper dive** into technical aspects such as offline functions and developing a testing and rollout plan for the future

Next phase

?

Political support is needed