



EUROPEAN CENTRAL BANK

EUROSYSTEM

Digital euro

Presentation to
ECON FinTech
Working Group

27/10/2020



Ulrich Bindseil
European Central Bank

Overview

- 1 Definition and key messages
- 2 Advantages of a digital euro
- 3 Elements for a viable product
- 4 Public consultation
- 5 Conceptual work and experimentation
- 6 Possible way forward

What do we mean by “digital euro”?

*Digital euro would be **central bank money** made available **to citizens and firms** in **digital form** for use in **payments***



Complementing, not substituting, cash and wholesale central bank deposits



Synergies with industry



Digital euro **not necessary so far**

Main benefits of a digital euro



Supporting **digitalisation** in the European economy



Response to a declining use of cash as a means of payment



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



The Eurosystem needs to be prepared

Necessary elements in a viable product



End-user perspective



Design decisions



Legal issues

**CBDC
back-
end**



**TARGET
Services**

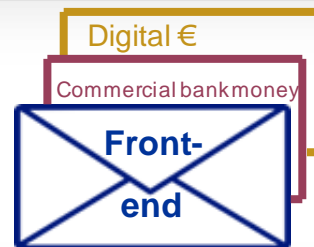
Back-end Infrastructure



**Digital
€
brand**



Front-end infrastructure



Distribution framework

Phase of ‘active listening’



Public consultation (October 2020-January 2021):

- **Citizens’ input on desirable designs**
... to find out how European citizens would use a digital euro
- **Engagement with public authorities and market participants**
... to fully understand how to address challenges and comply with needs/expectations of citizens, businesses, intermediaries



EU and international coordination on implications of CBDC

Conceptual work and experimentation



Conceptual work

- **Continue the analysis of different design options**

... whether they comply with the principles and policy objectives of the Eurosystem, and whether they satisfy the needs of prospective users



Practical experimentation

- **Test the implementation of functional design options**

... to explore their technical feasibility



Conceptual work and experimentation will be done in parallel to public consultation

Possible launch of a digital euro project



Towards mid-2021 the Eurosystem will consider whether to launch a digital euro project

- **Start with an investigation phase**

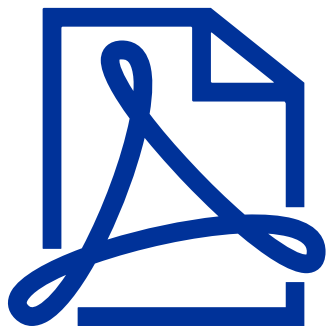
... to obtain answers to open questions raised in the report

... to develop a minimum viable product that would be able to meet Eurosystem requirements and the needs of prospective users



The objective is to ensure that the Eurosystem will be prepared to issue a digital euro if it decides to do so in the future.

Our publication



[Eurosysteem report](#)



[Website *digital euro hub*](#)