DIGITAL EURO

Maintaining the freedom to choose how we pay

ECB Civil Society Seminar

EUROPEAN CENTRAL BANK
EUROSYSTEM

13 November 2024

Q&A Session

Please note this seminar is being recorded and will be published on the ECB website after the event.

For questions, please raise your **virtual hand.**

Ask your question once the moderator calls your name

Turn on your camera and use a **head-set** for better audio quality.

Livestream participants: post questions **via Slido (www.slido.com).** The **event code** is #3422516

1

DIGITAL EURO FOUNDATIONS

Current state of play

The case for a digital euro in an increasingly digitalised world

ADAPT

- A digital euro would integrate **central bank money** and the latest **payment trends**
- It would be a form of digital cash **universally accepted** in the euro area, complementing current means of payment

FACILITATE

- **An additional payment choice** for euro area citizens, complementing cash
- **Legal tender status**, ensuring pan-European reach and acceptance
- **Always an available option** for euro area citizens in all payment scenarios

STRENGTHEN

- Preserving **Europeôs strate autonomy** and monetary sovereignty
- Reducing our **dependence on non-European payment service providers**
- Fostering **innovation** and **competition** in the European payments sector

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Available for all occasions

Currently**, there is no single European solution to pay across the euro area**, online and offline

Citizens or business would be able to use a digital euro anywhere in the euro area, in any retail payment scenario, 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

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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

Potentially developing and rolling out digital euro use cases

A decision to issue a digital euro will only be consid
legislative process has been completed

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2

DIGITAL EURO
What is in for you

Digital financial inclusion

Advancing financial inclusion in an increasingly digitalised world

Individuals and businesses have **access to useful and affordable financial products and services** that meet their needs delivered in a responsible and sustainable way

Digital financial inclusion refers broadly to the **use of digital financial services** to advance financial inclusion, (i.e. to reach the digitally financially excluded and underserved populations)

Financial inclusion in the context of a digital euro **cannot be decoupled from digital inclusion**

Focus is on designing a digital euro that is <u>available,</u> <u>accessible</u> and <u>usable</u> by everyone.

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