



EUROPEAN CENTRAL BANK

EUROSYSTEM

DIGITAL EURO

ERPB update

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

Investigation phase

October 2021 – October 2023

Concept definition,
technical exploration and
design proposal

Preparation phase

November 2023 – October 2025

Main expected next steps:

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

Next phase

From November 2025

Potential development and
rollout

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Holding limits

Work and engagement around
the methodology to calibrate
digital euro holding limits

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



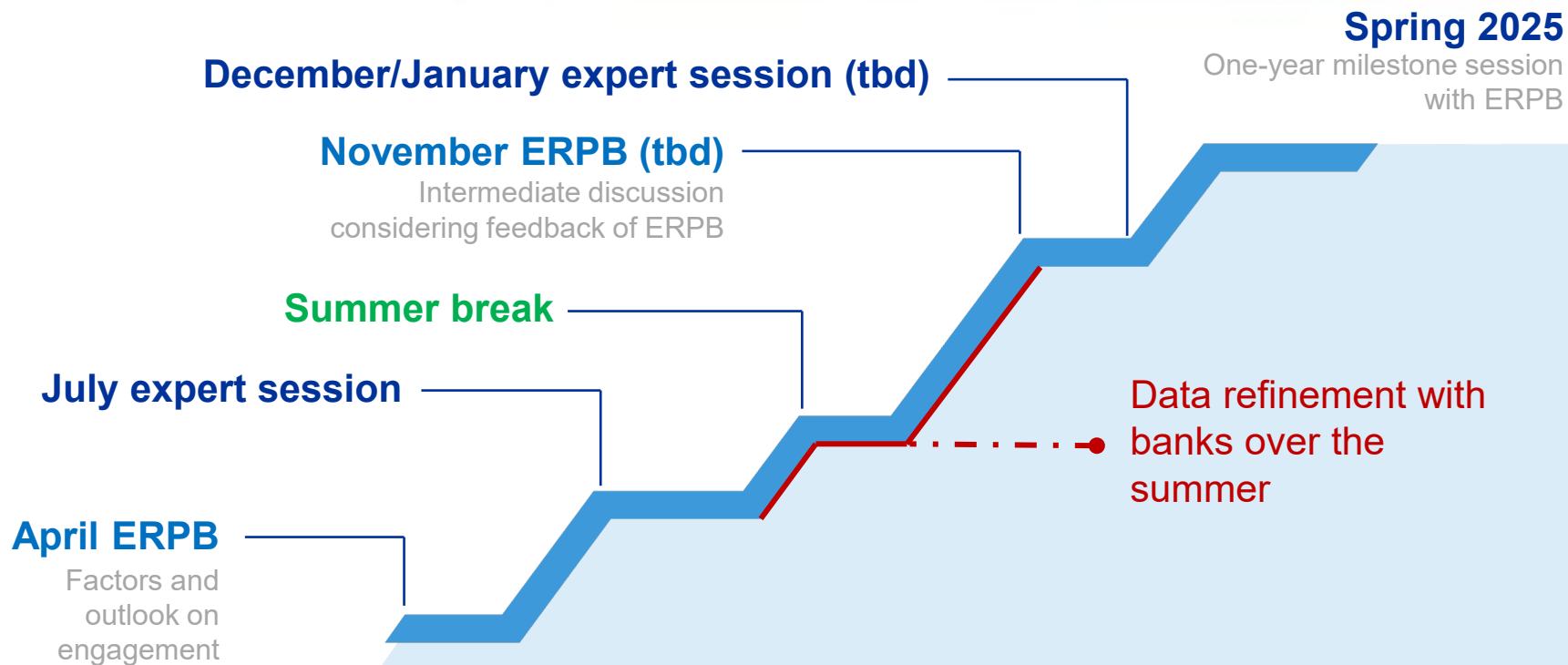
Share information about the work conducted to ensure transparency

How the workstream is set up

- ▶ **Multidisciplinary team:** Experts from relevant business areas of ECB and SSM with background in e.g., payments, monetary policy, financial stability, market operations and banking supervision
- ▶ **Eurosystem effort:** ECB team will leverage on expertise from National Central Banks and National Competent Authorities
- ▶ **Building on solid research:** Eurosystem staff has researched implications of CBDC extensively, which is groundwork for the workstream

Engaging with the market over the next year

One-year outlook



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Status of the scheme rulebook

Advancing in parallel to the
legislative process

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

The progress made: from foundations to specifics

Digital euro rulebook [1st draft]

- **Document information**
- **Digital euro scheme scope and interplay**
- **Functional and operational model**
 - High-level E2E flows
 - Identification and authentication
 - Dispute management principles
- **Adherence model**
- **Technical scheme requirements**
- **Defined terms and conditions**
- **Annexes**
 - User journeys
 - Detailed end-to-end flows
 - FAQ

Digital euro rulebook [2nd draft]

- **Document information**
- **Digital euro scheme scope and interplay**
- **Functional and operational model**
 - Minimum UX standards
 - Dispute management
- **Adherence model**
- **Technical scheme requirements**
 - Interface standards and specifications
- **Risk management**
- **Scheme management**
- **Defined terms and conditions**
- **Annexes**
 - Branding standards
 - Detailed technical specifications, implementation guidelines, certification-related documentation

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Project timeline

Next steps

The digital euro: evolving in parallel with the legislative process



The project will evolve in parallel with the legislative process to ensure **readiness** in the event a digital euro is needed in the future

The ECB stands ready to:

- Provide **technical support** as required
- Make the **appropriate design adjustments** in line with legislative deliberations



A decision on whether to issue a digital euro will only be considered by the ECB's Governing Council **once the legislation has been adopted**

Staying ahead of the curve: towards further testing and development

Tentative – timeline subject to change

Q4 - 2023

- Setting up the preparation phase
- Publication of **ECB legal opinion**

Q2 - 2024

- Start engagement with market on **calibration of holding limits**

Q4 - 2024

- **Evaluation and negotiation** of procurement offers
- Stable **draft of rulebook**
- Detail out piloting and rollout approach

Q2 - 2025

- Finalise **Architecture**
- **Data Protection Impact Assessment**
- **Positioning and Outreach plan**



Review process is over; team is currently analysing the 2500+ comments received

- RDG review of **Rulebook**
- Publication of **Call for Applications (CfA)**
- Draft **requirements** related to sourcing

Q1 - 2024

- Publishing of **procurement documentation**
- Initiate **user research**

Q3 - 2024

- **Selection of providers**
- 2nd round of **procurement** procedures
- **Initiate** planning for next phase
- **Draft rulebook consultation**

Q1 - 2025

- **Rulebook finalisation**
- Preparation of **Governing Council** decision

Q3 - 2025

October 2025
Governing Council decision to potentially launch next phase

Thank you

Additional supporting materials:

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