

# **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

# **Holding limits**

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

# A healthy balance between central bank money and commercial money



### 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





# 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

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... 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



# **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

Q3 - 2025

**\*0** 品 00  $\sim$ • October 2025 **Governing Council** decision to potentially Review process is launch next phase over: team is currently RDG review of Rulebook Publishing of procurement Selection of providers Rulebook analysing the · Publication of Call for documentation • 2<sup>nd</sup> round of **procurement** finalisation 2500+ comments Initiate user research Preparation of Applications (CfA) procedures received • Draft requirements related to • Initiate planning for next **Governing Council** decision sourcina phase

Q1 - 2024

Q3 - 2024

Q1 - 2025

Draft rulebook consultation



# Thank you

#### Additional supporting materials:

- Updated digital euro <u>FAQ</u>
- <u>Report</u>: A stocktake on the digital euro
- <u>ECB opinion</u> on the EU Commission's digital euro legislative proposal
- Digital euro <u>one-pager</u>
- Digital euro <u>booklet</u>
- Digital euro LinkedIn page