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Member of the Executive Board

**ECB-PUBLIC** 

Association Europe-Finances-Régulations (AEFR)

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Debate paper "A retail CBDC in Europe: the current situation and challenges" from 24 April 2023

Dear ,

Thank you for bringing your association's recent debate paper on the central bank digital currency to my attention. We are pleased to see growing interest in exploring retail central bank digital currency and we welcome your assessment of the fundamental issues that a digital euro raises for a wide range of stakeholders.

The paper addresses important design choices that are highly relevant to end users, banks, the Eurosystem and the European legislative bodies. We appreciate that your association and its members have taken an active role in the discussion and are deepening the dialogue we have established with European policymakers and market participants.

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We share the same views on many topics, several of which were endorsed by the ECB's Governing Council last year in September and November, and this year in March.<sup>1</sup> As I also noted in my speech before the European Parliament's Committee on Economic and Monetary Affairs<sup>2</sup>, we agree that an efficient distribution scheme and a fair compensation model are vital if the digital euro is to be successful. Furthermore, we agree that the digital euro is also a political project, and that legislative and political choices will be important, especially for legal tender and privacy considerations.

We look forward to continuing to engage with market participants and policymakers on these design options for the remainder of the investigation phase and for the project phase that will potentially follow, should the Governing Council decide to move forward on this in the coming autumn.

Ms Evelien Witlox, our digital euro Programme Manager, stands ready to discuss the issues that your debate paper raises. To arrange a meeting in the coming weeks, please do not hesitate to contact the secretariat for the digital euro project team.

Yours sincerely,



See Progress on the investigation phase of a digital euro, ECB, 2022, available at: <a href="https://www.ecb.europa.eu/paym/digital">https://www.ecb.europa.eu/paym/digital</a> euro/investigation/governance/shared/files/ecb.degov220929.en.pdf; Progress on the investigation phase of a digital euro – second report, ECB, 2022, available at: <a href="https://www.ecb.europa.eu/paym/digital">https://www.ecb.europa.eu/paym/digital</a> euro/investigation/governance/shared/files/ecb.degov221221 Progress.en.pd f; Progress on the investigation phase of a digital euro – third report, ECB, 2023, available at: <a href="https://www.ecb.europa.eu/paym/digital">https://www.ecb.europa.eu/paym/digital</a> euro/investigation/governance/shared/files/ecb.degov230424 progress.en.pdf

See A digital euro: widely available and easy to use, available at: https://www.ecb.europa.eu/press/key/date/2023/html/ecb.sp230424\_1~f44c7ac164.en.html