



EUROPEAN CENTRAL BANK

EUROSYSTEM

Update on digital euro



20/11/2025

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The Governing Council decision in a nutshell

*The Governing Council of the ECB has **decided to move to the next phase of the digital euro project.***

This decision follows the completion of the preparation phase, launched by the Eurosystem in November 2023, which laid the foundations for issuing a digital euro.

*The **Eurosystem will implement its preparations flexibly, in line with calls from euro area leaders for the Eurosystem to be ready for potential issuance as soon as possible,** while also recognizing that the legislative process has not yet been completed.*



Preparation phase begun in November 2023 has successfully concluded



New phase will ensure technical readiness to launch



If legislation in place in 2026, pilot could start in 2027 and first digital euro issuance in 2029

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1

**Results of the
preparation phase**

Achievements of the preparation phase (Nov. 2023 - Oct. 2025)

Preparation phase

Nov. 2023 – Oct. 2025

Broad achievement of the key objectives:

1. Finalise the scheme rulebook

- ✓ Completed interim review in 2024.
- ✓ Finalised the Rulebook v0.9.

2. Select service providers for Digital Euro Service Platform (DESP)

- ✓ Completed sourcing of external and internal components.

3. Learn through experimentation

- ✓ Quantitative and qualitative research including vulnerable consumers and small merchants.
- ✓ Technical experimentation and conceptual work with >70 market participants.

4. Deeper dive into technical aspects

- ✓ Work on the methodology for the holding limits.
- ✓ Further detailing the technical aspects of the offline solution.

Stakeholder management

- ✓ Technical sessions with market participants.
- ✓ Continuous engagement with stakeholders and EU policymakers to support the legislative debate.

Positioning & Outreach

- ✓ High-profile events with numerous stakeholders.
- ✓ Increased engagement with target audiences.



For detailed description see:

[Progress on the preparation phase of a digital euro - Closing progress report](#)

Key takeaways from this phase (I)

Rulebook



Collaborative work with market experts has delivered a draft rulebook that builds on existing industry standards and market practices with the aim of providing a **standardized digital euro payment experience across the euro area** and **offering open standards to enable market players to expand their solutions to achieve pan-euro area reach**.

Published results

[Update on the work of the digital euro scheme's Rulebook Development Group](#)

Selection of providers



Europe possesses the expertise, domestic providers, and capacity to develop a **robust and reliable infrastructure that meets the needs of European users** for their everyday payments in the digital age.

[ECB selects digital euro service providers](#)

User research



Majority of respondents (66%) would be interested in trying the digital euro. Both small merchants and vulnerable consumers responded positively to features that are to be included as part of a digital euro.

[Digital euro user research report](#)

Key takeaways from this phase (II)

Holding limits



Holding limits will ensure that using the digital euro for day-to-day payments **would not harm financial stability, even under a highly unlikely and extremely conservative crisis scenario.**¹

Published results

[Technical annex on the financial stability impact of the digital euro](#)¹

Market engagement



The digital euro would **enhance competitiveness in the European payment landscape** by **strengthening the negotiating position of PSPs and merchants.** It would also enable **easier scaling of existing European solutions** through open standards, also by establishing a common acceptance layer across POS and e-commerce platforms.²

[1. Fit of the digital euro in the payment ecosystem report;](#)
[2. A view on recent assessments of digital euro investment costs for the euro area banking sector](#)¹

Innovation



Experimentation with almost 70 market participants highlights **digital euro's potential to foster innovation and financial inclusion.** Moreover, conditional payments identified as possible key driver of innovation for consumers and businesses.³

[Digital euro innovation platform](#)

1. See also: [Letter from Piero Cipollone to Aurore Lalucq, ECON Chair, on technical data on financial stability impact of digital euro and assessment of bank investments costs](#)



2

**Deep dive on fit of
the digital euro in
the payment
ecosystem**















Limited support from PSPs on the competition perspective, but strong value recognized by all stakeholders in digital euro synergies

	Value driver	Description	Level of support			
			Bank PSPs	Non-bank PSPs	Merchants	Consumers
Competition	Benefiting from the digital euro without diminishing domestic or regional European schemes	Enabling pan-European reach while preserving market share of domestic/regional schemes where they are accepted				
	Enhancing competition with global digital wallets and X-Pays	By shifting a portion of digital wallet/X-Pay volumes to digital euro, PSPs could benefit and potentially increase profitability				
Synergies	Staggered roll-out approach with the objective of achieving quick wins first	Introducing the digital euro in a structured manner and achieving cost efficiencies				
	How and where to join forces to establish an EU acceptance network and to reuse existing standards, implementations and processes	Reusing standards to reduce costs or create new ones for a pan-European acceptance network for private sector benefit				

Limited support Full support

Level of support

Diverging stakeholder views on business model topics: compensation and open funding

		Level of support			
		Bank PSPs	Non-bank PSPs	Merchants	Consumers
Synergies	Integrating the digital euro in European payment solutions with a digital euro app as a necessary fall-back				
	Assessing co-badging, to be available if and when needed				
Business model	Calibrating a compensation model that compensates effort and liability (co-legislator's responsibility)				
	Practical solutions to avoid unintended consequences of open funding (co-legislator's responsibility)			No feedback provided	



Strong support for “digital euro as a service” to reach cost efficiency, resilience and inclusion welcomed by end-users' associations

	Value driver	Description	Level of support			
			Bank PSPs	Non-bank PSPs	Merchants	Consumers
Bus. model	What is needed to facilitate “digital euro as a service” – enabling a “make-or-buy” decision	Enabling PSPs to outsource digital euro services to third-party providers to mutualize investments				
Resilience and transparency	Ensuring the resilience of the payment system	Enhancing overall resilience by enabling transactions during internet connectivity issues or cash supply disruptions				
	Fee reporting – reducing complexity for merchants	Reducing fee complexity and prioritizing simplicity would improve merchants' cost control capabilities				
Digital financial inclusion, privacy and fraud prevention	Digital financial inclusion	Ensuring that the digital euro will be available everywhere and accessible to all			No feedback provided	
	Privacy and fraud prevention	Providing the digital euro with robust fraud prevention and, to the extent possible, protection measures			No feedback provided	



The ECB and the participants agreed on the need to continue exploring several areas that require joint efforts

1

Collaborate with private sector schemes and merchants to **ensure coexistence and leveraging existing infrastructure**, by:

- 1) Building on RDG work on **the use of existing standards or mandating new/upgraded standards** that also benefit private sector schemes.
- 2) On a voluntary basis, **working out how co-badging/tri-badging** (where applicable) would work in practice.
- 3) **Maximising the reuse of existing processes** such as AML/KYC, fraud risk management and onboarding/offboarding for the digital euro.

2

Launch **collaborative work to ensure that a potential digital euro is issued in as cost-efficient a manner as possible**.

3

Organise a deep dive on **digital euro fraud risk management** (within the context of the RDG workstream)

4

Organise a **multi-stakeholder deep dive on the offline digital euro** to clarify its characteristics and requirements.

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3

What's next?

Next project phase

Investigation phase

Oct 2021 – Oct 2023

Concept definition, technical exploration and design proposal

Preparation phase

Nov 2023 – Oct 2025

Preparation through testing and experimentation

Next phase

Nov 2025 - ongoing

Continued preparation will follow a **flexible implementation approach, ensuring alignment with the legislative process**

Focus on:

- **Advancing** technical readiness
- **Deepening** market engagement
- **Supporting** the legislative process

With the next phase of the digital euro project, the ECB aims to be ready for a potential first issuance of the digital euro during 2029. This is based on a working assumption that the European co-legislators will adopt the Regulation on the establishment of the digital euro in the course of 2026. A pilot exercise and initial transactions could take place earlier, potentially starting as soon as mid-2027.

Estimated timeline

In the next phase, **the Eurosystem will ensure technical readiness ahead of a possible decision to issue**, while maintaining flexibility and alignment with the legislative process.



Under a working assumption that the legislation in place in the course of 2026, the Eurosystem aims to be ready for a **potential first issuance during 2029**. A pilot exercise and initial transactions could take place earlier, potentially starting as soon as mid-2027.



The ECB Governing Council's final decision on whether to issue a digital euro, and on what date, **will only be taken once the legislation has been adopted**.



The Eurosystem's continued preparation for a digital euro will be implemented flexibly, ensuring alignment with the legislative process. To this end, work will be structured in modules to enable gradual scaling and limit financial commitments.

The next step in the advancement of our currency



A futureproof currency

The digital euro would bring valued features of euro cash, like pan-European reach and inclusion, to the digital world



Always a reliable option

The digital euro would provide something unprecedented, enabling several European digital means of payment accepted throughout the euro area



Our money in our hands

The digital euro would strengthen Europe's resilience and reduce our dependency on private non-European providers

Thank you

Additional supporting materials:

- [Progress on the preparation phase of a digital euro](#)
- Updated digital euro [FAQ](#)
- Webpage: [Digital euro and privacy](#)
- [ECB opinion](#) on the EU Commission's digital euro legislative proposal
- Digital euro [one-pager](#)
- Digital euro [LinkedIn page](#)