

Targeted consultation on a digital euro

Fields marked with * are mandatory.

Introduction

In [March 2021, the Eurosummit](#) called for a stronger and more innovative digital finance sector and more efficient and resilient payment systems and stated that exploratory work on a digital euro should be taken forward.

The introduction of a digital euro aims to preserve the role of public money in a digital economy. Preserving the accessibility and usability of central bank money in the digital era is key to protect monetary sovereignty and the well-tested two-layer monetary system based on convertibility of regulated/supervised forms of money into central bank money. Central bank digital money would thus complement cash in providing a monetary anchor to the payments system by ensuring that private money can always be converted in safe public money. This would support confidence in the singleness of money and financial stability in the digital age.

In addition, the [digital finance and retail payment strategies of the Commission](#) adopted in September 2020 supported the emergence of competitive pan-European payment solutions and the exploration of a digital euro, while continuing to safeguard the legal tender status of euro cash (see also [ECB cash 2030 strategy](#)). The [ECB's retail payment strategy](#) shares similar objectives. The digital euro should be considered in the context of ongoing efforts to reduce the fragmentation of the EU retail payments market, promote competition and innovation, including the full roll-out of instant payments, and industry initiatives to offer pan-European payment services, such as the [European Payments Initiative](#), while ensuring that cash remains widely accessible and accepted.

In October 2020, the [ECB issued its report on a digital euro](#) and between October 2020 and January 2021 the [ECB ran a public consultation on a digital euro](#). The ECB's public consultation surveyed both the general public and the financial, payment and technology professionals and sought their opinion on the main features of a digital euro. Out of the 8221 responses, 94% of the respondents identified themselves as citizens. Central banks from non-euro area Member States also envisage issuing digital currencies. In addition, the [ECB commissioned a study on new digital payment methods](#) that provides a thorough understanding of the current payment habits of citizens of euro area Member States and specifically their attitudes toward digital payment methods.

For a digital euro to be used as the single currency, concurrently with euro banknotes and coins, it would require a Regulation of the co-legislator, upon a proposal by the Commission, on the basis of Article 133 TFUE. Moreover, additional legislative adjustments of the current EU legislative framework to adjust to the digital euro and possibly to digital currencies issued by central banks of non-euro area Member States may be needed (e.g, definition of funds under [PSD2](#)). The implementation of the digital euro within the legal framework, will generally fall under the competence of the ECB.

For this purpose, the present targeted consultation complements the ECB's public consultation. It aims to collect further information from industry specialists, payment service providers (including credit institutions, payment and e-money

institutions), payment infrastructure providers, developers of payment solutions, merchants, merchant associations, consumer associations, retail payments regulators, and supervisors, anti-money laundering (AML) supervisors, Financial Intelligence Units, and other relevant authorities and experts. This targeted consultation will gather further evidence on the following issues

1. Users' needs and expectations for a digital euro
2. The digital euro's role for the EU's retail payments and the digital economy
3. Making the digital euro available for retail use while continuing to safeguard the legal tender status of euro cash
4. The digital euro's impact on the financial sector and the financial stability
5. Application of [anti-money laundering and counter terrorist financing \(AML-CFT\)](#) rules
6. The privacy and data protection aspects
7. International payments with a digital euro

This targeted consultation in no way prejudices whether and how these issues will be covered in a legislative proposal by the Commission, or the future scope of that proposal.

For an overview of design options and policy issues discussed in that consultation, please refer to the [ECB report on a digital euro](#).

Stakeholders are invited to explain their reasoning and provide quantitative evidence or estimates, where appropriate.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-digital-euro@ec.europa.eu.

More information on

- [this consultation](#)
- [the consultation document](#)
- [the call for evidence accompanying this consultation](#)
- [ECB's report on the digital euro](#)
- [ECB's public consultation](#)
- [digital euro](#)
- [digital finance](#)
- [the protection of personal data regime for this consultation](#)

About you

* Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen

- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

* First name

Erich

* Surname

KÜHNELT

* Email (this won't be published)

erich.kuehnelt@wko.at

* Organisation name

255 character(s) maximum

Wirtschaftskammer Österreich (Austrian Federal Economic Chamber)

* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

10405322962-08

* Country of origin

Please add your country of origin, or that of your organisation.

- | | | | |
|-------------------------------------|--------------------------------|-------------------------------------|---|
| <input type="radio"/> Afghanistan | <input type="radio"/> Djibouti | <input type="radio"/> Libya | <input type="radio"/> Saint Martin |
| <input type="radio"/> Åland Islands | <input type="radio"/> Dominica | <input type="radio"/> Liechtenstein | <input type="radio"/> Saint Pierre and Miquelon |

- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Lithuania
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar/Burma
- Namibia
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Sweden

- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
- Canada
- Cape Verde
- Cayman Islands
- Central African Republic
- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Iraq
- Ireland
- Isle of Man
- Israel
- Italy
- Jamaica
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- Northern Mariana Islands
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan
- Palau
- Palestine
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tokelau
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- United States

- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena
- Ascension and Tristan da Cunha
- Saint Kitts and Nevis
- Saint Lucia
- United States Minor Outlying Islands
- Uruguay
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe

* Field of activity or sector (if applicable)

- Credit institution
- Financial Sector association
- Payment service provider (other than credit institutions)
- Crypto asset services provider
- Payment services association
- Merchant
- Merchant organisation
- Technology service providers including software and hardware
- IT solutions provider for payments
- Industrial users of payment and value transfer systems
- Investment management (e.g. hedge funds, private equity funds, venture capital funds, money market funds, securities)

- Market infrastructure operation (e.g. CCPs, CSDs, Stock exchanges)
- International Financial Institution (IFI)
- Other
- Not applicable

* Please specify your activity field(s) or sector(s)

chamber representing Austrian financial and non-financial businesses

The Commission will publish all contributions to this targeted consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') is always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

* Contribution publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only the organisation type is published: The type of respondent that you responded to this consultation as, your field of activity and your contribution will be published as received. The name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

I agree with the [personal data protection provisions](#)

1. Users' needs and expectations

The digital euro would be available for retail payments^[1]. Like cash, it would be public money (a direct central bank liability), but in electronic/digital form. The overarching policy objective of digital euro is to preserve the role of public money in the digital age by providing a digital public money alongside cash. This would protect the role of public money

as a stabilising anchor for the payments system even as cash use declines, preserve monetary sovereignty and support the competitive provision of financial services. The digital euro may bring benefits to the retail payment market, financial inclusion, the digitalisation of the economy, the EU's open strategic autonomy^[2] and the [international role of the euro](#) among others.

Achieving these objectives requires in turn that a digital euro is widely adopted and thus that it fulfils the needs and expectations of prospective users. It is therefore important to identify these.

¹ To be commonly understood as payments between consumer, businesses and public authorities.

² Open Strategic Autonomy enables the EU to be stronger both economically and geopolitically - by being: (i) Open to trade and investment for the EU economy to recover from the crisis and remain competitive and connected to the world (ii) Sustainable and responsible to lead internationally to shape a greener and fairer world, reinforcing existing alliances and engaging with a range of partners (iii) Assertive against unfair and coercive practices and ready to enforce its rights, while always favouring international cooperation to solve global problems.

Question 1. How important do you think the possible following aspects of the digital euro would be for people?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Availability of flexible privacy settings that can be adjusted to suit the payment occasion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wide availability and user-friendly onboarding process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Always an option for the payer to pay anywhere / to anybody in the euro area with digital euro	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy to use payment instrument (e.g. contactless, biometric authentication)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Account-based payment instrument ^[3]	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based payment instrument	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real time settlement / Instant reception of funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Cost-free for payers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Payment asset is credit risk-free (central bank liability)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offline payments (face to face without connectivity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Ability to program conditional payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other benefits	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

³ The digital euro may function as an account based system (verification of transactions by an intermediary), as a bearer instrument (or token, with verification by parties of a transaction), or a combination of the two. For further explanation, see the ECB report on digital euro. It must be noted that DLT-based solutions are not exclusive of a specific design option, and can be carried out using an both account-based and bearer based instrument.

Please specify to what other benefit(s) you refer in your answer to question 1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

To the extent you deem it necessary, please explain the reasoning of your answers to question 1:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Other benefits could be: Charge back possibilities (like cards) and recover in case of loss

Most of the criteria above are not specific to the digital euro and already met in the provision of digital solutions by Payment Service Providers (PSPs). Regarding the choice between account-based and bearer-based instrument, it very much depends on privacy setting and the link with use of cash.

With an account-based solution, it would be easier for PSPs to include a digital euro in their offer and thus to provide added value services. However, a bearer-based instrument would be similar to cash, possibly better meeting citizens' needs. These instruments could provide a seamless customer experience with other UTXO or bearer-/token-/DLT-based business models (trade finance, securities, etc.) by direct coupling of payment tokens with other UTXO-based tokens.

Moreover, a digital euro should comply with the PSD2, the Payment Account Directive (PAD) and all the Anti-Money Laundering (AML) regulations, as the same rules must apply to all digital payment methods. The digital euro should not be more or less "private" in the process of payment than other means of payments are, mostly because of regulatory requirements (KYC, AML/CFT, fight fraud capacity). Availabilities of flexible privacy settings that give users control over their data will be an attractive factor. Users of the digital euro should be able to decide upon the data they want to share, when and with whom (always in compliance with AML/CFT measures and data protection regulation, following the model set forth by PSD2).

Regarding Programmability: Not only traditional standing orders and direct debits, but a plethora of payments (f. ex. BNPL, external event triggered smart-contract payments or even smarter payment conditions such as "voucher-like" special purpose payments – "green digital euro" and non-payment functionalities (f. ex. Triggered notifications and/or legal rights-, data- or document transfers based on payment conditions or smart investment such as limited digital euro versions) can be achieved with advanced programmability options.

Citizens are often not aware of the difference between central bank money and commercial bank money. Therefore, they do not appreciate the different level of risk inherent in the two forms of money (especially when referring to counterparty risk), because this difference is close to zero when the latter is covered by deposit guarantee schemes.

Instant and free of charge payments will also be basic features for a digital euro to be attractive for consumers – and as a consequence, for merchants. For the success of a digital euro, it will be crucial to have a clear understanding of the features that would distinguish a digital euro from other forms of euro payments and that would make it attractive for both corporates and consumers (offline payments or programmability).

Offline capabilities might also be important to design a cash-like CBDC.

Question 2. How important do you think the following aspects of the digital euro would be for merchants?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Low acquiring/merchant fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Better acquiring services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Standards for EU wide acceptance infrastructure (e.g. POS), allowing for pan-European payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Account-based payment instrument	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based payment instrument	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real time settlement / Instant reception of funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Offline payments (face to face without connectivity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 2, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In the first phase the digital euro will provide functionalities (thus benefits) not very different from existing alternatives. Therefore, the main criteria for joining this solution would be a lower cost (fee).

Consumers will only use a digital euro if it is widely accepted for payments, and the merchants that are ready to accept the digital euro will want to be reassured that enough consumers want to use it. In this respect, the acceptance of merchants will be a key element and will require an understanding for onboarding of existing POS terminals via enhanced functionality, aiming for acceptance of all devices and wallets. The business model of the digital euro should also include merchant/corporate acceptance of digital euro, as they will need to have their costs covered. This acceptance should be on a voluntary basis, at least in the beginning. As part of the digital euro framework, the Eurosystem should carefully determine how businesses would be able to receive payments in digital euro and to implement an efficient procedure for conversion into commercial bank money. Nevertheless, on the acquiring side, new features will have to be developed and it is not conceivable these new services be cost-free depending on the service.

Question 3. In view of the most important value-added features you consider a digital euro may bring to people (see question 1), in which payment situations do you think the digital euro would bring that added value for people?

	1 (no added value)	2 (almost no added value)	3 (some added value)	4 (significant added value)	5 (very significant added value)	Don't know - No opinion - Not applicable
Paying with / transferring digital euros to a (natural) person face-to-face	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paying with/transferring digital euros to a (natural) person remotely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paying for goods or services at a point of sale (face-to-face)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Paying for goods or services remotely (e-commerce)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Machine to machine Payments (Industry 4.0, IoT)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paying in situations without connectivity – offline face to face payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other situations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

⁴ Machine to Machine payments refer to smart contract based transfers of digital assets between machines such as autonomous cars, manufacturing machines, electricity charging stations and the like. Such transfers of digital assets are conditional upon meeting certain requirements which are coded into the [smart contract](#).

To the extent you deem it necessary, please explain the reasoning of your answers to question 3, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

On a general note, commercial solutions already exist and meet user's needs in all these use cases. These solutions are already efficient and secure and modifying them is not only expensive but also inefficient, without a clear added value for the customer. Therefore, it will be crucial to have a clear and easy understanding of the features that would distinguish a digital euro from other forms of euro payments and that would make it attractive for both corporates and consumers. It should be further assessed what gaps would be filled by a digital euro and it should be analysed whether current payments solutions could not be simply adjusted to achieve said goals. A digital euro should be built as a complement to cash and to existing means of payments. As a consequence, a digital euro should only focus on those use cases that have room for improvement in the EU in the current ecosystem.

Regarding the payment situations mentioned above the following can be said:

- Face to face - this service is not offered by other providers/alternatives.
- e-commerce – paying with cards is user friendly and most customer have already connected their cards with such e-commerce accounts. Changing to digital euro needs further incentives. The market interest is extremely high on this, but the change will be slow
- M2M – little known to private individuals, not a mass currently
- Offline payments - There are very few cases when internet connection is not available and/or cards cannot be used , furthermore there are very few cases when a person2person transaction will be needed in an offline situation. Offline capabilities can also be achieved via private solutions like EMVCo and there are only few use cases where this feature is actually necessary.

Question 4. In view of the most important value-added features you consider a digital euro may bring to businesses/merchants (see question 2), in which payment situations do you think the digital euro would bring added value for businesses/merchants?

	1 (no added value)	2 (almost no added value)	3 (some added value)	4 (significant added value)	5 (very significant added value)	Don't know - No opinion - Not applicable
Getting paid in physical shops, marketplaces, etc.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Getting paid in e-commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paying invoices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trade finance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Machine to Machine payments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paying in situations without connectivity – offline face to face payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Others (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 4, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As previously stated, the development of a digital euro should focus on those use cases that have room for improvement in the EU. Otherwise, their adoption will be costly and inefficient.

While trade finance generally is a wholesale business/process it impacts nonetheless everybody's life as consumers of the goods delivered via trade finance channels and end-to-end payment/data-flows comprise not only wholesale, but in the end also retail business/processes (f. ex. retail customers ordering and paying goods, which are then bundled by corporates via wholesale processes/payments). Trade Finance today is still very manual due to the many documents needed, involves credit risk and x-border payments/deliveries. In an environment of smart contracts and machine-to-machine communication a digital currency payment linked to / triggered by smart contracts will make the whole process (almost) straight-through similar to STP in the securities world today.

As previously stated, the development of a digital euro should focus on those use cases that have room for improvement in the EU. Otherwise, their adoption will be costly and inefficient.

While trade finance generally is a wholesale business/process it impacts nonetheless everybody's life as consumers of the goods delivered via trade finance channels and end-to-end payment/data-flows comprise not only wholesale, but in the end also retail business/processes (f. ex. retail customers ordering and paying goods, which are then bundled by corporates via wholesale processes/payments). Trade Finance today is still very manual due to the many documents needed, involves credit risk and x-border payments/deliveries. In an environment of smart contracts and machine-to-machine communication a digital currency payment linked to / triggered by smart contracts will make the whole process (almost) straight-through similar to STP in the securities world today.

A real benefit of a digital euro from a merchant's perspective would be to reduce the costs associated with the handling of cash. Other use cases for POS and e-commerce usage would mostly replicate existing private payment instruments, and as such would not create extra benefits for merchants.

However, merchant/corporate acceptance will be crucial for the success of a digital euro and requires an understanding for onboarding of existing POS terminals via enhanced functionality, aiming for acceptance of all devices and wallets. Payment functionalities which are currently offered as part of value-added payment services (e.g., payment guarantee, chargebacks or dispute resolution in card-based payments) should also be considered as 'advanced' functionalities in a digital euro arrangement (and thus with the possibility of them being monetized).

Regarding machine-to-machine (M2M) payments the market is still evolving and is in an early phase. This development should be carefully monitored. M2M payments can also be accommodated using existing payments methods, meaning that a CBDC is not a prerequisite for such payments.

Finally, a digital euro should not be used for large-value payments in trade finance, as it should be designed for retail payments only.

Question 5. How important would the following policy outcomes related to the possible issuance of a digital euro be in your opinion?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Providing access to public money in digital form for everyone	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Monetary sovereignty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
A stronger open strategic autonomy for the EU	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
A broader access to digital payments for people with less digital skills, disabilities or other physical vulnerabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
A broader access to digital payments for unbanked people (i.e. without bank account)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enabling for pan-European payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Preserving privacy and data protection in payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development of the EU's digital economy innovation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facilitating the provision of Europe-wide private payment solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Providing a European public alternative to the emerging new payment solutions such as crypto assets, stablecoins and foreign CBDCs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decrease payment costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 5, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Europe is at the forefront of innovation for retail payments. Banks and other PSPs provide European citizens with an efficient and secure payment system. Over the time, full accessibility has been provided both in terms of physical access and financial inclusion. If issued, a digital euro must complement gaps in the existing electronic payments services provided by banks and a proper framework must be put in place to ensure that a digital euro does not take the role of the deposit account services.

A digital currency may bring benefits to financial inclusion and privacy; at the same time, it may help foster innovation and fight the threats to financial stability and sovereignty posed by global private initiatives. However, while a digital euro could serve several different policy goals, each objective would require specific design features. A one-size-fits-all approach will not work. Instead, policymakers will have to decide what goal to focus on and design a digital euro accordingly. The most fundamental goal for a digital euro would be to provide the general public with central bank money in a digitised economy. Considering that the share of unbanked in the EU is very low, the focus should be on ensuring a digital euro is easy to access and use for all. This may mean a simple, low-tech, possibly bearer-based wallet that supports both offline and online transactions.

90% of payments are domestic transactions, therefore focusing too much attention on a pan European solution, might cut the time/effort which should better be allocated to other objectives.

Finally, we would like to point out that the strengthening of the EU's strategic autonomy and sovereignty in payments do not necessarily have to be solved with a digital euro solely. Instead, this could for example be achieved via instant payments schemes in parallel. In a public-private joint effort this could also enable pan-European payments, where the public is responsible for the infrastructure layer. Such a solution could potentially offer the same use cases/user experience and achieve some of the strategic goals of a CBDC, without leading to disintermediation and financial stability risks.

Question 6. What aspects or features of the digital euro would be important to support financial inclusion?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Easy process of onboarding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
No need for bank account	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy payment process (initiating and authenticating a payment transaction)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accessible device for payments (e.g. chipcards)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enabling of offline, peer-to-peer transactions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 6, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Generally speaking, we agree these features support financial inclusion. However, legal provisions (e.g., PAD) are already in place to ensure not only citizens, but also asylum seekers and refugees are entitled to a basic payment account with all the related banking services. These provisions need to be balanced with other regulatory obligations, most importantly related to AML, CFT, and KYC obligations. Since these legal obligations shall apply to CBDCs as well, we expect little to no impact on financial inclusion, especially considering that bank accounts already provide customers with the same services of a possible digital euro. Even if a digital euro enabled P2P offline transactions, we consider this would not massively influence the adoption of digital currency within the un-banked population. Not having an account is a matter of choice and therefore offline transactions would not influence drastically the adoption of digital currency within the un-banked population.

2. The digital euro's role for the EU's payment systems and the digital economy

Over the past decades, the EU's retail payment market has significantly developed and the offering of payment solutions has broadened, with faster, safer and more secure payment solutions being offered to wider segments of the population. The access to payment accounts has also been facilitated by legislation granting the right to every citizens to a payment account with basic services. However, as stated in the Commission's Retail Payments Strategy, the market is still fragmented and is highly dependent on very few global players to provide payment solutions that work across border in the euro area, even though there are some new promising market initiatives. The digitalisation of the economy has also created new payment needs. Crypto-assets, stable coins and foreign CBDCs may also carve out a part in the EU's retail payment market. A digital Euro can have various design features. We would like to better understand how the digital euro could further improve pan-European payments, strengthen Europe's open strategic autonomy, improve competition and support the needs of the digital economy while encouraging private innovation.

2.1 The digital euro's role in supporting pan-European payments and strengthening Europe's open strategic autonomy

Question 7. What aspects or features of the digital euro would be important to support pan-European payments and to strengthen Europe's open strategic autonomy?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
A new form of pan-European instant digital payment complementing the existing offer for point of sale (POS, face to face payments in e.g. shops) and e-commerce without a (quasi) universal acceptance in physical and online shops	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A new form of pan-European instant digital payment complementing the existing offer for point of sale (POS, face with a (quasi) universal acceptance in physical and online shops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
A public digital means of payments that can be offered through all available payment solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
A digital payment means allowing for online third-party validation of transactions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A digital payment means allowing for offline peer-to-peer transactions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
A digital means of payment offering programmable payment features	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

For those aspects you deem most important, please explain your answers to question 7:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Any measure aimed at introducing mandatory acceptance should be carefully assessed and designed in order not to affect the level playing field between different means of payment and to not crowd-out currently existing solutions. A universal acceptance would imply the mandatory set-up of an exchange and acceptance pan-European infrastructure, which would require high costs. Interoperability is an important feature in the digital edge indeed, but it does not have to be achieved with a digital euro. Setting standards for already existing solutions and the implementation of ongoing projects in the EU would be more effective. Finally, forcing mandatory acceptance would be anti-competitive, as it would crowd out other digital means of payments.

It is true consumers will only use a digital euro if it is widely accepted for payments. However, it is difficult to see how a digital euro could complement that use cases without suffering high costs and inefficiency.

Offline payments could serve as a fall-back option. However, it should be noted that offline capabilities could be developed also on private payments solutions, supporting increased resilience in the European payments ecosystem.

Question 8. How would the following aspects of a digital euro support a diversified and competitive retail payments market, where a variety of payment service providers offer a broad range of payment solutions?

	Positively affect	Negatively affect	Does not affect	Don't know - No opinion - Not applicable
Allowing for the distribution of the digital euro to take place through regulated financial intermediaries (Payment Service Providers)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offering another form of central bank money in the context of a declining use of cash for payments	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Existence of holding caps or interest and fees on large holdings to limit the store of value in the form of digital euros (for financial stability reasons)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using the digital euro acceptance network to foster pan-European private sector initiatives	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 8, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The digital euro should - in the same way and under the same rules as the non-digital euro - be made available to citizens and firms through accounts held with the commercial banks. Financial intermediation is a cornerstone of the financial system which ensures financial stability and this general principle should not be challenged by the ECB. We would like to emphasize our reasons why only an indirect access via credit institutions (through accounts with commercial banks) is a possible way to establish a digital euro:

- Accounts in a centralized digital euro infrastructure of the ECB would mean technical and organizational challenges and a huge amount of additional costs. The ECB infrastructure would have to process a massive volume of digital payments. The current infrastructure is not designed to handle such a mass of payments with an appropriate level of security and adherence to AML/CTF requirements. On the contrary, the commercial banks have implemented different payment channels and are used to apply the AML/CTF requirements in their daily business. Therefore, a direct operationalization by a centralized ECB infrastructure would not be proportionate with regard to the additional costs.
- A digital euro, which is held directly in ECB accounts would have less intrinsic risk in comparison to a deposit in a commercial bank as an insolvency of the central bank is unlikely. Especially, depositors could be induced by direct ECB accounts to transform their commercial bank deposits into digital euro holdings, which would significantly increase commercial banks' funding costs. Especially in crisis situations savers may very rapidly shift liquid assets from commercial bank deposits to digital euro holdings. In this context it must be borne in mind that the probability of crisis situations in the future will likely increase due to the easier spread of fake news via (for example) social media platforms.
- The holding of digital euro in ECB accounts would also jeopardize the funding base of small regional banks (as cooperative banks) which are mainly funded by deposits. These regional banks are also not active on capital markets. For these banks the introduction of a digital euro could have a negative effect, also if the holding of the digital euro would be limited with a certain threshold, as the main source of their funding would be reduced. These institutions would face challenges to fulfill their minimum requirements in LCR and NFRS. For these smaller regional banks, it would not be possible to substitute the lost deposit funding with central bank borrowing or capital market-based funding.
- Moreover, it is doubtful whether there is a valid legal basis in the TFEU and the Statute of the ESCB for making the digital euro available to citizens and firms through direct accounts held with the ECB. According to Article 17 of the statute of the ESCB the ECB and the national central banks may only open accounts for credit institutions, public entities and other market participants – not for citizens and private firms.

Hence, the digital euro should be made available through accounts with the commercial banks

In order to ensure that the digital euro is used as a payment instrument only (and to avoid its use as a form of investment) it is highly important to foresee limits for digital euro holdings for individual users. This is particularly important, if the digital euro were to be made available to citizens (retail clients). In case of unlimited access to digital euro holdings, there would be a dangerous systemic risk of uncontrollable shifts from commercial bank deposits to digital euro holdings in times of stress. There should be limits to individual holdings of digital euro, these should take into consideration not only the cash needs for payment purposes in the euro area, but also the net salary differences that exist between European countries. A limit on individual transactions might also be necessary, both at the transaction level and on a cumulative monthly or weekly basis. Moreover, a cap to digital euro holding would prevent a sudden shift from commercial bank deposits to central bank money. Caps would also help banks in the negative interest rate environment.

Regarding remuneration/interest there should not be a specific remuneration rate applied to the digital euro. The remuneration for the digital euro should be zero as for cash.

We have to respect on the one hand cash payment limits in Europe and on the other hand deposit guarantees as most likely the digital euro will be a mixture of cash and bank deposits.

2.2 The digital euro's role for the digital economy

Question 9. How important the following possibilities for the use of a digital euro would be to support the development of the EU's digital economy?

	1 (not capable at all)	2 (rather not capable)	3 (neutral)	4 (rather capable)	5 (very capable)	Don't know - No opinion - Not applicable
Possibility for programmable payment functionalities provided through the digital euro solution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possibility for integration with other payments solutions (independent of what technology they use)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Integration with platforms relying on distributed ledger technology (DLT)/blockchain ^[5] for smart contracts applications (beyond payments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possibility for micro and stream ^[6] payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Machine to Machine payments (Industry 4.0, internet of things (IoT)) ^[7]	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A digital euro that connects with the European Digital Identity Wallet ecosystem	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

⁵ A distributed ledger is a database that is shared and synchronized across multiple sites, institutions, or geographies, accessible by multiple server operators. A distributed ledger stands in contrast to a centralized ledger, which is the type of ledger that most companies use today. [Blockchain are a type of distributed ledger.](#)

⁶ Stream payments relate to consecutive execution of micro payments to pay for on-demand services, e.g. video, music, electricity recharging.

⁷ Machine to Machine payments refer to smart contract based transfers of digital assets between machines such as autonomous cars, manufacturing machines, electricity charging stations and the like. Such transfers of digital assets are conditional upon meeting certain requirements which are coded into the [smart contract.](#)

To the extent you deem it necessary, please explain the reasoning of your answers to question 9, including whether the elements of a digital economy outlined above would be better achieved if the digital euro is a bearer-based instrument or an account-based system, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

All these possibilities are key to develop the EU's digital economy, but it is not necessary to issue a digital euro to achieve them. Moreover, it must be very carefully investigated if a digital euro should be interoperable with other DLT/blockchain solutions. If these solutions are properly regulated it might be relevant to consider, but there would be substantial risks (reputational risk, AML/fraud risks) associated with interoperability with some of the already existing solutions.

Question 10. What use cases in your sector would you see for a digital euro?

Please briefly explain the use case(s) you see pertinent:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Starting from the assumption that two of the main policy goals of the introduction of a digital euro would be (i) to preserve the role of public money in a digital economy, and (ii) to address emerging alternatives such as cryptoassets and foreign CBDCs, we believe a higher priority should be given to use cases where these new payment solutions could provide added value – such as programmability – rather than focus on use cases already covered by solutions provided by PSPs. As a starting point, a digital euro may be issued in a small scale to only enable P2P low-value transactions. Then it could be further investigated the option to offer additional features like the settlement of smart contracts/nano transactions in digital euro and how such use cases could be offered via public/private partnership or fully via commercial bank money. It should also be noted that as of today 90% of payment transactions are of domestic nature and as such are served by existing services. Therefore, one other possible attractive market would be that of cross border transactions.

Second: today when we pay with phone (apple pay or cards) actually we use the partner rail and not the bank infra. As a consequence, we pay high fees to these providers. With digital currency, customer will pay using the real commercial rail. Ideally, the digital euro could be set up as a account based system using cards or mobile devices for providing access. Payments could be made similar to existing card based or mobile transactions using mechanisms similar to those currently used by card schemes.

For the banking industry possible use cases are:

- Classic Payment
- Non-classic payment (BNPL, SmartContracts, combination with investment and lending products, etc.)
- Value Added Services in non-banking industry

3. Making the digital euro available for retail use while continuing to safeguard the legal tender status of euro cash

In the Euro area, the euro banknotes have the status of legal tender as stipulated by the [Treaty on the Functioning of the European Union](#). The status of legal tender of coins denominated in euro is laid down in [Council Regulation No 974/98](#). The concept of legal tender of euro cash as interpreted by the CJEU implies

- i. a general obligation in principle of acceptance of cash by the payee
- ii. at full face value
- iii. for the settlement of the monetary debt by a payer.

3.1 Providing legal tender status to the digital euro

Since a retail digital euro would be another form (digital, not physical) of central bank money, it could also be given legal tender status, as is the case for banknotes and coins. Legal tender status should ensure a wide acceptance of the digital euro. This would however have implications on its distribution and acceptance. In particular, legal tender status could imply that a payee cannot generally refuse a payment by a payer in digital euro and that the digital euro would have to be universally accessible.

The concept of legal tender is enshrined in Union law but not defined in detail. According to the ECJ, the status of legal tender implies that a means of payment having legal tender involves a default obligation to accept it at full face value in payments and a corresponding default right to pay with it, unless that obligation and right are restricted for reasons of public interest, or waived by contractual agreement. In principle, the status of legal tender does not preclude the parties from agreeing to use other means of payment or other currencies. If the concept of legal tender was defined in EU legislation, this would regulate legal tender in detail at Union level, and any exceptions could be specified.

This section seeks to address these issues and seeks to get your views as regards the potential impacts of the legal tender status in general and on your institution.

Possible introduction of legal tender for the digital euro

Question 11. To achieve the digital euro objectives, how important do you consider it is that a payer always has the option to pay with a digital euro as a form of currency having legal tender status?

- 1 - Not important
- 2 - Rather not important
- 3 - Neutral
- 4 - Rather important
- 5 - Very important
- Don't know / no opinion / not applicable

Please explain your answer to question 11.

To the extent you deem it necessary, please consider how this could be better achieved:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

On a general note, it should be highlighted that the consequences of legal tender may largely differ across Europe depending on national legislations. For instance, in some Member States (MS) a digital euro with the status of legal tender would imply that its acceptance will be mandatory for merchants. The attribution of the status of legal tender status must be carefully evaluated, since it may create an unlevel playing field between the digital euro and other digital payment means.

Moreover, it should be further clarified what legal obligations would follow for both merchants and intermediaries. For instance, although cash is a legal tender, there are shops where it is not accepted, with little to no practical consequences. The law might be there, but sanctions for not accepting cash is missing. The consumers are used to the fact that cash is not accepted everywhere and it could be expected to be similar with the digital euro.

Therefore it could make sense to evaluate the necessity for legal tender status for the digital euro at a later stage.

Question 12. Do you see advantages in regulating legal tender in detail at Union level, including any possible acceptance exceptions, by including a definition of legal tender status for the digital euro in EU legislation?

- Yes
- No
- Don't know / no opinion / not applicable

To the extent you deem it necessary, please explain the reasoning of your answers to question 12 and the advantages/disadvantages:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 13. Should the legal tender status of the digital euro take inspiration from the current legal tender status of banknotes and coins, while addressing the specificities of a digital form of payment?

- Yes
- No
- Don't know / no opinion / not applicable

To the extent you deem it necessary, please explain the reasoning of your answers to question 13, for and against:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Different types of legal tender status for cash and the digital euro would be confusing for users and merchants.

Question 14. If the legal tender of the digital euro was defined in EU legislation, would there be a need for (justified and proportionate) exceptions to its acceptance?

- No
- Yes, for merchants not accepting digital means of payment
-

- Yes, for small merchants
- Yes, but exceptions should be further specified by Member States
 - Others
 - Don't know / no opinion / not applicable

To the extent you deem it necessary, please explain the reasoning of your answers to question 14, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

If consumers insist on paying with the digital euro then merchants will have to adapt anyway, therefore exceptions should not be a problem.

Question 15. Should there be a provision to require that the additional exceptions proposed by Member States are subject to approval by the European Commission after consulting the ECB?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 15:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 16. Should there be a provision for administrative sanctions for digital euro non-acceptance?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 16:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Should be discussed at a later stage depending on the acceptance of the digital euro

Question 17. If the legal tender status of the digital euro was defined in EU legislation, should it include rules that ensure digital euro is always an option for the payer, so following categories of payees cannot unilaterally exclude digital euro acceptance within its general contractual terms and conditions?

	Yes	No	Don't know - No opinion - Not applicable
Government	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Utilities providers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Large companies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Merchants that accept private electronic means of payment	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 17, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Legal tender status should not automatically imply mandatory acceptance, as it currently happens with coins and notes.

Estimation of costs

This section mainly aims at assessing the costs incurred by stakeholders should the digital euro receive legal tender. While costs would very much depend on the design and functionalities of a digital euro, we are looking at broad estimates and further explanation, including on cost drivers, which will inform Commission impact assessment.

Question 18. Technological and business developments might radically change the current way of payment acceptance (e.g. phones used as terminals). Irrespective of digital euro, how do you expect the cost of the acceptance infrastructure (not the transaction fees) to change with technological developments over the next 5 years?

- 1 - Significant decrease in cost
- 2 - Some decrease in cost
- 3 - No change in cost
- 4 - Some increase in cost
- 5 - Significant increase in cost
- Don't know / no opinion / not applicable

Please explain the reasoning of your answers to question 18, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Although it would depend completely on the design options, the technological development and implementation of new payments methods require huge costs, not only in terms of investments, but also in terms of human resources and time. As an example, the current domestic instant schemes have evolved over many years and the European payments card schemes has been fine-tuned over several decades. Even if current infrastructure is flexible enough to adapt to technological changes, it has never been “tested” for digital currencies, thus requiring costly updates. Moreover, we consider that the new acceptance model will have to coexist with the current ones. So overall the acceptance costs are not expected to decrease.

Question 19. The digital euro might be granted legal tender status that merchants would need to adhere to. Which and what type of additional costs would merchants face when starting to accept payments in digital euro?

	With legal tender status	Without legal tender status
Type of additional costs	Mandatory upgrade of POS terminals for all the merchants, except free secure apps or other means are provided by ESCB	Upgrade only for merchants who accept digital euro

Please explain the reasoning of your answers to question 19, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

With legal tender status the following additional costs would probably be faced:

- POS Terminal Solution Costs (except there are other cost free technical solutions)
- Transaction Costs
- Costs for Acquiring Contract (the costs here are assumed not to be so high as all merchants need a solution)

Furthermore, when full legal tender shall be applied, additional fees should not be allowed (similar to cash) and incurred implementation costs

Without legal tender status the following additional costs would be faced:

- POS Terminal Solution Costs
- Transaction Costs
- Costs for Acquiring Contract (without legal tender this costs might be higher as not all merchants will participate)

Question 20. For merchants to be equipped to accept the digital euro, new POS terminals, new software or new app-based POS solutions may be needed.

Please provide an estimate of the incremental costs necessary to accept payments in digital euro:

	Merchants already accepting electronic payments (in EUR per terminal)	Merchants not yet accepting electronic payments (in EUR per terminal)
One off costs related to (new) POS terminals for accepting payments in digital euro		
One-off costs related to software		
Annual cost for maintenance, licences, etc.		
Others		

Please specify to what other costs you refer in your answer to question 20:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please explain the reasoning of your answers to question 20, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Since the answer will depend on the concrete design of a digital euro, it is not possible to provide a concrete response at this stage.

Merchants already accepting electronic payments - In EUR per terminal: It is not possible to make a cost estimation without knowing how the technical solutions will exactly look like.

Merchants not yet accepting electronic payments - In EUR per terminal: Costs might be similar to standard electronic payments.

Question 21. Would these costs differ depending on whether the digital euro would be account-based or bearer based?

- Yes, account-based would be less costly
- Yes, bearer-based would be less costly
- No difference
- Don't know / no opinion / not applicable

Please explain the reasoning of your answers to question 21, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

A bearer-based digital euro could be less costly.

Question 22. How important would the aspects listed below be for Merchants to counterbalance the one-off investment cost of new point of sale (POS) terminals or software that can handle digital euro payments?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Possible savings on the transaction costs of digital euro payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
With the same (new) POS terminals purchased for digital euro payments, the possibility for merchants to accept other payment solutions offered by supervised private intermediaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
The possibility for merchant to accept digital euro payments from payers using a variety of devices e.g. smartphones, chipcards, wearables or other devices and contactless functionality (e.g. NFC antennas)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 22, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Acceptance of the merchants will also depend on costefficient and practical (easy to use for both the merchant and the customer) solutions

Merchant fees

Question 23. For merchants to be equipped to accept the digital euro, services of intermediaries may be needed. Taking into account the (possible) mandatory acceptance of the digital euro in case it has legal tender status, should any boundaries to the fees that may be applied to merchants be set?

- Yes
- No
- Don't know / no opinion / not applicable

To the extent you deem it necessary, please explain the reasoning of your answer to question 23, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The business model and pricing related to the introduction of the digital euro should be market driven. The pricing of these services should be competitive, a limit fixed by law could lead to competitiveness issues.

If legal tender acceptance is required, no additional fees should be required (at least in the initial phase).

Question 24. Please qualify the following statements with regard to how merchant fees could be designed

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (strongly agree)	Don't know - No opinion - Not applicable
Fees on digital euro payments should be based on real costs and a reasonable profit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Fees on digital euro payments could be based on the volume or value of transactions, if and insofar the volume or value has an impact on the real costs of intermediation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Multilateral interchange fees consistent with the Interchange Fee Regulation may be taken into account in the initial calibration of the fees on digital euro payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fees calculated in another way	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answer to question 24, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Multilateral Interchange Fees are a possibility to charge the merchant. The interchange fee should be lower than in cards-business so that the Digital Euro is attractive for merchants. This option is important for banks as they will not earn so much money from retail customers using the digital EURO.

Question 25. Should there be a prohibition on surcharges on payments with digital euro?

- Yes
- No
- Don't know / no opinion / not applicable

To the extent you deem it necessary, please explain the reasoning of your answer to question 25, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Surcharges might hinder acceptance, on the other hand merchants can take into account their payment costs anyway when pricing their products.

3.2 The legal tender status of euro cash

As mentioned in Commission retail payment strategy, while promoting the emergence of digital payments to offer more options to consumers, the Commission will continue to safeguard the legal tender of euro cash. The legal tender of euro banknotes as *lex monetae* is enshrined in Article 128(1) TFEU, according to which 'the banknotes issued by the European Central Bank and the national central banks shall be the only such notes to have the status of legal tender within the Union'. Furthermore Commission Recommendation of 22 March 2010 on the scope and effects of legal tender of euro banknotes and coins defines three core features for the legal tender: mandatory acceptance, acceptance at full face value and power to discharge from payment obligations ([Official Journal L 83, 30.3.2010, p. 70–71.](#)). Next to this, according to the ECJ, the status of legal tender implies that a means of payment having legal tender involves a default obligation to accept it at full face value in payments and a corresponding default right to pay with it, unless that obligation and right are restricted for reasons of public interest, or waived by contractual agreement. The Commission will assess whether recognising the legal tender status of the digital euro also results in a need to define in a binding EU legislative proposal the meaning of legal tender for cash, in line with CJEU jurisprudence, to ensure coherence. We would therefore like to understand better the implications of the possible granting of legal tender status to the digital euro for the definition of legal tender of cash.

Question 26. If it were decided to include a definition of legal tender status for the digital euro in EU legislation, please state your opinion on the following statements regarding the legal tender status of euro cash (banknotes and coins):

	Yes	No	Don't know - No opinion - Not applicable
The current situation where the legal definition of the legal tender status of cash is set out in the 2010 Recommendation and ECJ jurisprudence is adequate.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legislative action at EU level is needed to enhance legal certainty and enshrine the legal tender status of euro cash in secondary law.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer to question 26:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

If there is no economic benefit for consumers, the digital euro will have a slow adoption rate, even if imposed by law. Moreover, there are several questions that would need an answer: who and how will be checked if merchants do accept the currency? Starting from which amount a legal action shall be initiated? Which entity will be responsible to check, to identify and to initiate actions in case of non-acceptance? Realistically, such a law will not drive a faster adoption.

Rather, legislative action necessary for additional functionalities (such as programmability or in combination with BNPL or similar) should be enhanced.

Question 27. According to your organisation, is there a need for a further definition of justified exceptions to the general principle of mandatory acceptance if those are grounded on reasons related to the 'good faith principle'^[8]?

⁸ Notwithstanding the preliminary judgment of the CJEU in Joined Cases C 422/19 and C 423/19, which states in par. 55 that it is not necessary that the EU legislature lay down exhaustively and uniformly the exceptions to that fundamental obligation, provided that every debtor is guaranteed to have the possibility, as a general rule, of discharging a payment obligation in cash.

- Yes
- No

Don't know / no opinion / not applicable

Please explain your answer to question 27:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 28. Which of the following exceptions should be defined?

	Yes	No	Don't know - No opinion - Not applicable
No party shall be obliged to accept more than 50 coins in any single payment (except for the issuing authority and for those persons specifically designated by the national legislation of the issuing Member State)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
If refusal is for security reasons	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the value of the banknote tendered is disproportionate compared to the value of the amount to be settled	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
If a retailer has no change available	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
If there would be not enough change available as a result of that payment for a retailer to carry out its normal daily business transactions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any other exception	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer to question 28:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

These exceptions more likely concern cash transactions

Question 29. Should there be a provision to require that additional exceptions to the mandatory acceptance principle may be proposed by Member States subject to approval by the European Commission after consulting the ECB?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 29:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It would be contradictory to legal tender status

Question 30. Should there be a provision for administrative sanctions for cash non-acceptance?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 30:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

merchants act according to their customers preferences.

Question 31. Should the legislative proposal confirm the prohibition on surcharges on payments with euro banknotes and coins?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 31:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Different payment methods (cash vs. digital euro) should be treated equally. A surcharge would contradict a legal tender status.

Question 32. Since the effectiveness of the legal tender status of cash presumes the widespread possibility of having access to it, should there be a provision which aims to guarantee the availability of cash, such as an obligation on Member States to adopt rules to ensure sufficient access to cash and report these rules to the Commission and the ECB?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 32:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

customers will increase their use of digital payments but some will still prefer cash. Currently there is no need for obligations, cash is available in all Austrian regions.

4. The digital euro's impact on the financial sector and financial stability

The digital euro could be distributed centrally by the Eurosystem or with the help of private sector intermediaries. In either case, the digital euro would likely have an influence on financial intermediaries' balance sheets, income statements, business model and services. In this section, we would like to understand better how financial intermediaries perceive the impact of the digital euro and how they could offer additional value to the digital euro, also depending on whether the digital euro is account based or bearer instrument/token based ([see ECB Report on a digital euro of October 2020](#), section 5.1.5 on transfer mechanism for a presentation of the digital euro design options).

Question 33. What do you think the impacts of a digital euro would be on the business of providers of payment services and crypto-asset services?

	Positive impacts/challenges	Negative impacts/challenges
Credit institutions	x	x
Other payment services providers	x	
Crypto-asset services providers	x	x

Please explain your answer to question 33:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 34. How important would it be to limit the store of value function of the digital euro by, introducing holding caps, limitations to transactions, or different interest and/or fees disincentives on large holdings?

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
For financial stability purposes (e.g. to prevent bank runs in crisis situations)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
To prevent that the digital euro structurally disintermediates credit institutions (e.g. large conversion of bank deposits to digital euro)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please specify to what other purpose(s) you refer in your answer to question

34:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

To the extent you deem it necessary, please explain the reasoning of your answers to question 34, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The impact on credit institutions would be highly dependent on the future design of a digital euro and how attractive it will be to hold and use. If a digital euro would be off commercial banks' balance sheets, this would lead to detrimental effects on banks' liquidity, profitability and their capacity to finance the economy. The only way to avoid these effects would be to work on a solution where CBDCs would remain within banks' balance sheets.

Financial stability: A central bank deposit is by definition less risky than a bank deposit. Despite the existence of national and future EU DGSs, the creation of a digital euro could lead to a different perception of risk by depositors between commercial bank money and central bank money and behavioural patterns would likely lead to a flight to safety in a crisis situation, all the more since money transfer to digital wallets is fast and online. If clients lose confidence in the solidity of their bank and massively transfer their money to a digital euro wallet, we believe this would limit the recovery capacity and increase the procyclical risk of failure of such bank. From this perspective, we see a holding cap as a better instrument to limit the withdrawal of assets, with no other constraining framework being able to prevent arbitrage. We would also like to underline that the loss of profitability consequent to the introduction of a digital euro would increase the fragility of the European banking system, which will run counter to the use case for more banking inclusion.

External studies find the flight of retail deposits resulting from the introduction of a digital euro could exceed 15% of the total amount of retail deposits in the case of 3,000 digital euro wallet used in full by depositors. Extrapolating at Eurozone level, the level of deposits flight could reach about € 1 trillion. The issue would further increase when adding corporate deposits. In addition, the lost stable retail deposits would have a direct impact on liquidity ratios (LCR outflow rate at 5%, NSFR ASF at 95%) and there could be additional 2nd round effects on LCR and NSFR if the supervisor decides to alter the stability of the bank deposits which remain on their balance sheet (leading to higher LCR outflow rate, lower NSFR ASF rate). Moreover, internal liquidity stress test may be even more binding than the regulatory metrics.

The fact that depositors will transform their commercial bank deposits into digital euro holdings, would also significantly increase private banks' funding costs. In particular, this would jeopardize the funding base of banks, as many banks are predominantly funded by deposits and these deposits will decrease when the holdings of digital EURO increase. In the worst case Institutions could face challenges to fulfil their minimum liquidity requirements for both the LCR and the NFSR. However, this depends on the specific implementation design. Mid- to long-term the digital euro could be implemented without or more advanced safeguards, f.ex. limiting the issuance of digital euro to a ratio similar to M0, limiting the liability towards ECB to a specific max holding of digital euro (similar to the 100.000 EUR liability). In the final stage, there could be additional safeguards via a smart digital euro design (general purpose, special purpose and limited digital euro) possible to achieve final acceptance and minimize the varying implementation options for money.

To counterbalance this effect, banks will need to materially adjust their balance sheets. A first possible reaction could be an asset deleveraging which could concern sovereign HQLAs (with a likely deterring negative impact on LCR) or productive lending, to retail and SME clients. Another option could be to switch to market-based financing. However, (i) it is not possible for all banks; (ii) it is not only more expensive, but also more unstable – and hence riskier from a financial stability point of view; and (iii) as for MLT financing, historical SP and SNP issuances data show that the market would not have the capacity to absorb the additional extrapolated €1 trillion potential funding needed at Eurozone level.

Regarding remuneration (also due to the similarity between the digital euro and the non-digital euro) there should not be a specific remuneration rate applied to the digital euro. The remuneration for the digital euro should be zero as for cash.

In order to ensure that the digital euro is used as a payment instrument only (and to avoid its use as a form of investment) it is highly important to foresee low limits for digital euro holdings of individual users. This is particularly important, if the digital euro were to be made available to citizens (retail clients). In case of unlimited access to digital euro holdings, there would be a dangerous systemic risk of uncontrollable shifts from commercial bank deposits to digital euro holdings in times of stress.

Question 35. How would holding limits or disincentives to the store of value function affect the usability of the digital euro in the various use cases below?

	1 (significantly decrease in its usability)	2 (slight decrease in its usability)	3 (neutral)	4 (slight increase in its usability)	5 (significant increase in its usability)	Don't know - No opinion - Not applicable
Person-to-Person payments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Person-to-Business payments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business-to-Business payments	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Machine-to-Machine payments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 35, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The answer depends on the amount of the limits. "Reasonable" limits should be defined to allow citizens to process P2P or P2B payments. The amounts of these payments are usually quite small (a few hundred euros, not more) otherwise customers prefer some extra validation by banks. Holding limits or disincentives to the store of value function would not affect the usability of the digital euro in P2P payments, but it wouldn't increase its usability either. P2P payments are the natural use case of a digital euro. Despite some domestic P2P digital solutions that are already in place, there is a lack of a pan-European P2P digital solution. Limits and disincentives to the store of value function would affect the usability of the digital euro in P2B payments and business-to-business payments, as the volume of this kind of transactions is usually higher than P2P payments. For B2B and B2P, businesses should have a higher cap limit.

Question 36. How would a retail digital euro without any holding limits or disincentives for store of value function impact the following aspects of the EU credit institutions?

	1 (significant decrease)	2 (slight decrease)	3 (neutral)	4 (slight increase)	5 (significant increase)	Don't know - No opinion - Not applicable
Volume (value) of retail deposits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Volume (value) of corporate deposits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liquidity / bank run risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Volume (value) of new credit provision	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Revenue from payment services	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Net interest revenue	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to perform anti money laundering (AML) and other compliance obligations	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Costs due to operational risk in retail payments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 36, including whether your assessment would depend on whether the digital euro is a bearer-based instrument or is account-based and providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Should corporates also be entitled to hold a digital euro account without proper caps, additional liquidity outflows from deposits could occur. Especially deposits from SME's could decrease significantly. Volume (value) of new credit provision. The substitution of deposit accounts or the reduced use of bank deposit accounts by customers will inevitably lead to a reduced knowledge of customers and their solvency. This would impact client scoring and banks' risk management with ultimately more stringent lending conditions for some categories of lower-income customers or even a risk of eviction of these populations from bank lending.

Revenue from payment services and account management. Fees and commissions income represent approximately 50% of retail banking income and are a reliable revenue stream. Banks would thus face a significant decline in revenues related to fees and commissions paid by retail and SME customers who would either close their deposit account to permanently move to a digital euro wallet or drastically reduce the use of such their deposit account. Such a substitution might endanger the development of retail activities, jeopardize the "universal banking" model that has proven its resilience and robustness and also have repercussions on banks' nationwide physical presence.

Net interest revenue. Any additional funding, whether wholesale or provided by the ECB in replacement of lost retail non-remunerated deposits comes at a significant cost for the banking industry, considering the large volumes involved. This would have a detrimental impact on an already low net interest margin in the current interest rate environment. Not only funding needs would increase with the introduction of the digital euro, but funding costs could also increase if banks' credit quality were to be reduced in relation to higher debt, increased liquidity risk (potentially also factored in P2R capital charge, including for IRRBB) and the lower profitability which also impacts capital ratios. In that case, banks' overall funding needs would be impacted and not only the marginal issuances that would be made to compensate for the flight of deposits. Any attempt to remunerate sight deposits in order to limit the flight to digital euros would also be detrimental to banks' net interest margin in addition to raising serious issues of financial stability.

Ability to perform AML checks and other compliance obligations. In the same vein as for the assessment of clients' solvency profile, the substitution of deposit accounts by the digital euro wallet or the reduced use of bank deposit accounts by customers will inevitably lead to a reduced knowledge of customers (KYC) and a reduced visibility on payment flows, thereby limiting banks' ability to perform AML and other compliance obligations.

Question 37. What are the risks and impact on credit institutions of the non-issuance of a digital euro, for example in the scenario of a successful stablecoin in the EU?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

There would be a larger risk for disintermediation and larger revenue decrease. Business could be lost even more to third party cryptocurrency traders. The level playing field would be left to existing big techs and

payment schemes.

Overall, the digital euro is a support offered to commercial banks. Having a large base, this would be a strong competitor to private stablecoins. And if there will be interoperability achieved, digital euro will be the most used digital money. The consequences of a stablecoin will largely depends on the issuer of the stablecoin. The risk of non-issuance of a digital euro is weaker if the stablecoin is issued by European PSPs rather than by a GAFA for example. Similarly, stablecoins issued by non-banks could potentially have detrimental effects on credit institutions, from a funding and liquidity management perspective. If banks would issue stablecoins themselves however, this would have a smaller impact on their funding.

Question 38. How would a retail digital euro **without any holding limits or disincentives for store of value function impact the following aspects of the **EU payment service / crypto-asset service providers (excluding credit institutions)**?**

	1 (significant decrease)	2 (slight decrease)	3 (neutral)	4 (slight increase)	5 (significant increase)	Don't know - No opinion - Not applicable
Volume (value) of funds on payment accounts hosted by payment institutions, e-money institutions or crypto-asset service providers	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Volume (value) of payments initiated by payment service providers or crypto-asset service providers from third party accounts	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Direct revenue from payment or crypto-asset services	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Revenues from investing the balance of payment or crypto-asset accounts	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Revenues from data management	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to perform AML and other compliance obligations	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Costs due to operational risk in retail payments and crypto-asset services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 38, including whether your assessment would depend on whether the digital euro is a bearer-based instrument or account-based and providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 39. Where could duly licensed financial intermediaries offer value in the distribution of the digital euro?

	1 (no value)	2 (almost no value)	3 (some value)	4 (significant value)	5 (very significant value)	Don't know - No opinion - Not applicable
Experience in on-boarding of customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Experience in Know Your Customer (KYC) and AML checks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Efficient transaction verification and execution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Experience in customer management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Developing additional services using the digital euro	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Existing IT system for customer, front and back office services that could be adapted to the digital euro	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 39, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is in the interest of central banks to keep the current intermediation role of commercial banks. Banks already have all the mechanisms in place to ensure AML monitoring and to manage customer relations, customer contact channels, administrative management, etc. If deposits were to be made directly to a central bank, this institution would have to maintain customer support, incident reporting and transaction monitoring to minimize the levels of fraud, misuse, and money laundering in the system. As the banking industry already has such capabilities, it would be more than reasonable to employ them, especially considering that neither the ECB nor any other National Central Bank (NCB) have sufficient know-how, experience, or the required capabilities to provide these services.

Nowadays, customers (both retail and business) expect banks to provide a full range of payment services and in case a digital euro is issued they will expect banks to provide additional services and features. In this respect, it should be further investigated whether the digital euro should be programmable, and what kind of additional services intermediaries could offer. Nevertheless, there are still outstanding questions related to legal uncertainties, market efficiency (value added as programmability can be developed also using existing payments systems) and trust in the digital euro.

Irrespective of this, it is clear there needs to be a sustainable business model and credit entities should receive a remuneration to offset the cost of distribution (set-up and on-going management). The authorities should also consider offering alternative financing mechanisms to mitigate negative impacts in the event of a significant substitution of digital euros for bank deposits.

Question 40. How much increase, do you expect, in payment service providers' (including credit institutions') expenses related to the distribution of the digital euro?

Please consider all possible cost elements (e.g. front office and back office services, administrative costs, IT costs, compliance cost etc.)

	1 (no increase at all)	2 (low increase)	3 (perceivable increase)	4 (significant increase)	5 (very significant increase)	Don't know - No opinion - Not applicable
One-off expenses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Annual expenses	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify to what other expenses you refer in your answer to question 40:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

To the extent you deem it necessary, please explain the reasoning of your answers to question 40, providing quantitative evidence or estimates/ranges on these expenditures:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is impossible to provide estimated figures related to the future costs of the distribution of the digital euro, especially considering its design model has not been decided yet. It can be foreseen that the way to distribute the digital euro will be significantly different from the current distribution channels. In that way, the distribution costs of PSPs will increase.

Question 41. Using the digital euro, what additional services could your financial institution develop for your customers?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

To be assessed once the concrete characteristics of a digital euro are known.

To the extent you deem it necessary, please explain reasoning of your answer to question 41, and provide quantitative evidence or estimates/ranges on the benefits expected from these additional services:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

5. Application of anti-money laundering and counter terrorist financing (AML-CFT) rules

Intermediaries required to implement AML/CFT rules must conduct due diligence on their clients. These measures need to be performed for example, when a user opens an account, when transactions are carried out, or when there is a suspicion of money laundering or terrorist financing. While specific AML/CFT rules may need to be devised based on the exact design features of a digital euro, general views related to the implications of AML/CFT measures for intermediaries and estimation of compliance benefits/costs are welcome.

Question 42. How various design models of a digital euro would impact the AML/CFT compliance costs of private intermediaries?

	1 (no impact on costs)	2 (low increase of costs)	3 (regular increase of costs)	4 (high increase of costs)	5 (very high increase of costs)	Don't know - No opinion - Not applicable
Account-based digital euro, available online ^[9]	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based ^[10] digital euro, available online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based digital euro, available offline	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

⁹ In an account-based model, payments in digital euro would be initiated by end users but transferred by supervised intermediaries managing accounts on their behalf. In this scenario, AML/CFT requirements are expected to be performed by supervised intermediaries distributing the digital euro.

¹⁰ In a bearer-based model, payments in digital euro would be initiated and transferred by end users directly, without the need of a third party (supervised intermediary) playing a role in the transaction. Supervised intermediaries may be involved in the system, notably for the performance of AML/CFT requirements such as the onboarding of users, in addition to other activities such as the loading digital euro funds into digital euro wallets.

For each option of question 42, please provide quantitative/qualitative evidence or estimates if available:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As to the account-based model, the AML/CFT rules will not be different for a digital euro transaction and a 'traditional' euro transaction. Therefore, costs should not change significantly.
For the bearer-based model, the AML/CFT rules and obligations for intermediaries should be explicitly defined.

Question 43. Intermediaries will have to perform a series of controls and checks according to AML/CFT requirements. In comparison with existing requirements applying to other means of payments, what would be the specific challenges with digital euro payments to best ensure prevention and combat of money laundering and the financing of terrorism?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Generally speaking, the obligations for intermediaries should be the same for every transaction, irrespective of it happening in 'traditional' euro or digital euro. This would ensure a level playing field between different digital means of payment. Still, a clear governance framework needs to be agreed to ensure that end-to-end payment solutions rely on supervised private institutions in the distribution and provision of user-facing services. To be able to take on this responsibility, intermediating banks will need to continue to have access to transaction data for security, operational, and fraud prevention reasons. In addition, a secure onboarding process, including the identification of the payee when making a transaction /payment, is essential.
The concrete challenges will depend on different factors, for example on the privacy level of digital euro transactions. For instance, it should be considered that in case of offline transactions, the validation can only happen ex post. In case of bearer model, the system must ensure that the sender intermediary and the receiving bank did a proper customer onboarding; the counterparties need to be identified and combined with traditional account-based approaches. In case of an account-based model there will be no additional challenges.

Question 44. In case the digital euro provides for a functionality that would allow the user to perform low-value transactions offline, what challenges do you think this functionality could generate in the prevention and combat of money laundering and the financing of terrorism?

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Challenges would be low in this case, the validation could be based on compliance vouchers, with a “validation” taking place anyhow.

Tracing funds and the constant threat of smurfing small amounts could be a challenge.

From an AML/CFT perspective, offline usage needs to be further investigated. The security and privacy of transactions in offline-mode needs to be separately investigated, as local store-of-value devices may embed transaction history. Any offline use of a CBDC needs to deal with the PSD2 provisions on strong customer authentication and dynamic linking to protect the customer from unauthorized payments. There must also be reconciliation procedures in place as soon as there is an online connection. A limit to the number of consecutive offline transactions and on the amount that can be transferred should also be integrated.

Question 45. In your opinion, how would the risks related to money laundering and terrorism financing of a digital euro allowing the user to perform low-value transactions offline (proximity payments) compare to other payment options listed below?

Please indicate in each line your assessment of the relative risks:

	1 (low-value offline digital euro transactions less risky)	2 (low-value offline digital euro transactions equally risky)	3 (low-value offline digital euro transactions more risky)	Don't know - No opinion - Not applicable
Digital euro online payments	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cash payments	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online payments in commercial bank money	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For each option of question 45, please provide quantitative/qualitative evidence or estimates if available:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Low value transactions should follow current AML-regulation. There should be the same rules for all digital payments, including CBDCs.

6. Privacy and data protection aspects

The ECB's public consultation on the digital euro indicated that future users of the digital euro see privacy as one of the most important elements. Ensuring an appropriate level of privacy and data protection for the user of a digital euro is important to foster public trust in a digital euro, which underpins its adoption and use. Any processing of personal data must be in line with the Union data protection legislation, including the [GDPR](#) and the [EUDPR](#).

Question 46. Which features could appropriately enhance the privacy and data protection of the digital euro users ?

Note that these features are without prejudice to the lawful grounds of processing, as specified in Article 6 GDPR and the application of AML requirements, as appropriate^[11]:

¹¹ The processing of personal data is lawful when carried out in accordance with Article 6 GDPR. This includes, for example, the processing of personal data for the performance of a task carried out in the public interest (e.g. AML/CFT requirements) or for the performance of a contract.

	1 (not appropriate at all)	2 (rather not appropriate)	3 (neutral)	4 (rather appropriate)	5 (very appropriate)	Don't know - No opinion - Not applicable
Ability to mask the identity of the payer or the payee to each other ('peer-to-peer pseudonymity')	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to mask the identity of the payer or the payee to the other party's intermediary ('intermediary-to-intermediary pseudonymity')	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to limit the knowledge on the identity of the payer or the payee to the central bank, and/or other third party intermediaries not involved in the transaction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ability to completely hide the identity of the payer and payee for low-value offline transactions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer to question 46:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 47. The Commission has identified a number of potential activities related to digital euro that could entail the lawful processing of personal data by either private intermediaries or central banks in charge of initiating the digital euro transactions and services.

How appropriate are those activities for the lawful processing of personal data?

	1 (not appropriate at all)	2 (rather not appropriate)	3 (neutral)	4 (rather appropriate)	5 (very appropriate)	Don't know - No opinion - Not applicable
Fight against money laundering, organised crime / terrorism	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Enforcement of tax rules	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Payments settlement purposes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management of operational and security risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enforcement of potential holding limits	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional innovative online services and functionalities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 47, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Processing personal data would be necessary for activities such as for AML/CFT checks and for the enforcement of holding limits. It may be considered that intermediaries could process personal data to offer additional innovative online services and functionalities related to the digital euro. This would boost the innovation in the UE.

Question 48. Should the central bank be able to access personal data for the purposes listed below?

	Yes	No	Don't know - No opinion - Not applicable
Payments settlement purposes	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Operational resilience/security risks assessment and mitigation purposes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
AML/CFT	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fraud	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 48, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As central banks will likely not distribute a digital euro, it should be considered whether they even need access to personal data for any purpose. The activities mentioned above could be left to regulated financial institutions that have the necessary experience and tools available.

Question 49. Should users of a digital euro have the possibility to ‘opt-in’ and allow their personal data and payments transaction data to be used for commercial purposes, for example to receive additional services from intermediaries?



Yes

No

Don't know / no opinion / not applicable

To the extent you deem it necessary, please explain the reasoning of your answers to question 49, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The use of data for innovative activities in the EU should not be disincentivised since these will be in the interest of consumers and always safeguarding their rights. In the age of data, users must have the possibility to choose what to do with their personal data and have control over it. Nevertheless, it is of utmost importance to protect the privacy of European citizens, and some restrictions or enhanced consent requirements may be necessary to protect consumers from certain business models that may use data on transactions to target ads or offers, or to sell on to fourth parties.

7. International payments with a digital euro

While the digital euro is primarily aimed to be used within the euro area, questions about potential cross border use within or outside the EU (including by tourists and businesses) arise. While this may bring user benefits, its impacts on third countries' economies and monetary systems may be significant. While the ECB's consultation asked about the use outside of the euro area, we would like to better understand which use cases could be desired in the international context.

Question 50. How desirable would it be that the digital euro is available for the following users and use cases?

	1 (not desirable at all)	2 (rather not desirable)	3 (neutral)	4 (rather desirable)	5 (very desirable)	Don't know - No opinion - Not applicable
Euro area (EA) residents and intra EA payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Non-resident visitors to the EA (tourism dimension)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Selected non-EA residents for trade purposes with third counties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
All international retail transactions with third countries without limits on residency and geography of transactions (trade dimension)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 50, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Tourists coming out of EA are allowed to withdraw cash from ATMs in the EA. As a consequence, they should also have access to digital euro, considering its “similar to cash” function. For trade and international business purposes, the retail digital euro is not appropriate and would require enhanced interoperability. In this case, risks related to capital flows should be further evaluated. On the other hand, it is important to make sure that the digital euro will be future proof for enabling cross-border payments within Europe, including interoperability with other European CBDCs.

Furthermore, it could be a way to combat dollarization and resulting US dominance on world economy and geopolitics.

Question 51. If the digital euro is available for EU citizens living outside of the euro area, how do you assess the impact (risks) of the following aspects in these non-euro-area Member States?

	1 (no negative impact/ increase in risk)	2 (slight negative impact/ increase in risk)	3 (regular negative impact/ increase in risk)	4 (significant negative impact/ increase in risk)	5 (very significant negative impact/ increase in risk)	Don't know - No opinion - Not applicable
Financial disintermediation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial stability	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monetary autonomy	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Capital movements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To the extent you deem it necessary, please explain the reasoning of your answers to question 51, providing quantitative evidence or estimates:

5000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In contrast to many payment services, current solutions to deliver cross-border payments could be significantly improved. While domestic payment services (i.e., intra-EU) are already well developed and essentially work without frictions, we believe cross-border interoperability should be among the top priorities of the ECB. The banking industry is well aware of this and has started thinking about launching innovative projects and initiatives using commercial money. Said initiatives aim to improve cross-border payments, both globally and at European level. Digital coins have many features – real-time settlement, traceability and programmability – that if applied to cross-border payments could significantly improve both the quality of the service and the associated risks. Thus, there is room for a private global stablecoin to emerge and address these use cases.

Overall, considering that the digital euro acceptance network will be quasi-exclusively developed in EA countries, we do not see any major negative impacts on regulated entities in a non-euro MS if its citizens hold some digital euros (under the holding limit).

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) below. **Please make sure you do not include any personal data in the file you upload if you want to remain anonymous.**

The maximum file size is 1 MB.

You can upload several files.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Useful links

[More on this consultation \(https://ec.europa.eu/info/publications/finance-consultations-2022-digital-euro_en\)](https://ec.europa.eu/info/publications/finance-consultations-2022-digital-euro_en)

[Consultation document \(https://ec.europa.eu/info/files/2022-digital-euro-consultation-document_en\)](https://ec.europa.eu/info/files/2022-digital-euro-consultation-document_en)

[Call for evidence accompanying this consultation \(https://ec.europa.eu/info/law/better-regulation/initiatives/plan-2021-13199_en\)](https://ec.europa.eu/info/law/better-regulation/initiatives/plan-2021-13199_en)

[ECBs report on the digital euro \(https://www.ecb.europa.eu/pub/pdf/other/Report_on_a_digital_euro~4d7268b45f.en.pdf\)](https://www.ecb.europa.eu/pub/pdf/other/Report_on_a_digital_euro~4d7268b45f.en.pdf)

[ECBs public consultation \(https://www.ecb.europa.eu/paym/digital_euro/html/pubcon.en.html\)](https://www.ecb.europa.eu/paym/digital_euro/html/pubcon.en.html)

[More on the digital euro \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/payment-services/payment-services_en#euro\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/payment-services/payment-services_en#euro)

[More on digital finance \(https://ec.europa.eu/info/business-economy-euro/banking-and-finance/digital-finance_en\)](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/digital-finance_en)

[Specific privacy statement \(https://ec.europa.eu/info/files/2022-digital-euro-specific-privacy-statement_en\)](https://ec.europa.eu/info/files/2022-digital-euro-specific-privacy-statement_en)

[More on the Transparency register \(http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en\)](http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en)

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