

# Targeted consultation on a digital euro

Fields marked with \* are mandatory.

## Introduction

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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.

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**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](mailto: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

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\* 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

Helmut

\* Surname

Bauer

\* Email (this won't be published)

helmut.bauer@e-ma.org

\* Organisation name

*255 character(s) maximum*

Electronic Money Association

\* 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.

84308599569-14

\* Country of origin

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

- Afghanistan
- Djibouti
- Libya
- Saint Martin
- Åland Islands
- Dominica
- Liechtenstein
- 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

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

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The digital euro would be available for retail payments<sup>[1]</sup>. 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<sup>[2]</sup> 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.

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<sup>1</sup> To be commonly understood as payments between consumer, businesses and public authorities.

<sup>2</sup> 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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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 <sup>[3]</sup>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based payment instrument	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 checked="" type="radio"/>	<input type="radio"/>	<input 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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<sup>3</sup> 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.

**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.

Upfront general comment:

The attractiveness of the digital euro ("DE") and its acceptance at launch and over time will crucially depend on its integration with existing and new payment service propositions offered by private sector intermediaries. For determining the key design features of the DE it is important to see to its seamless integration with the existing and evolving payment infrastructure and landscape during the initial launch phase and subsequent expansion stages.

The following ratings relate to the functionalities and features taking into account DE-based products and services as supported by a fully developed ecosystem with distribution and other related service propositions being provided by private sector intermediaries. For this we're assuming a DE offered both as a bearer-instrument (i.e. token) and as an account-based instrument.

That said we would urge the Commission to work towards a design of the DE and the accompanying legislation acknowledging that it will represent another example of how "disintegrated value-chains" require a change in perspective from individual firms, products, and services to the entirety of the evolving ecosystem. The European Commission's recent work on this key aspect of what may amount to a paradigm shift affecting the set-up, workings, associated financial, operational and possibly systemic risks of payments and financial markets. All aspects of related regulation and oversight of competition, of regulation and prudential supervision of credit institutions, EMIs, and PIs and of central bank oversight of payment schemes and arrangements under the PISA framework need to be addressed.

From an eco-system perspective we would see two alternative and more narrow design propositions for the DE: First, the DE could be developed as a 'synthetic CBDC', that is e-money issued by private sector intermediaries and backed by central bank reserves (i.e. narrow-bank scriptural money). We developed this concept in appendix 1. Second, since meant as a substitute for cash a plausible and coherent concept for the DE would be to issue it as a bearer instrument (i.e. a token). The related ecosystem considerations would obviously differ from a DE operating as an account-based instrument.

The following ratings and comments do not relate to these alternative design propositions.

The following comments relate specifically to the respective topics covered in the table above:

An account-based digital Euro ("DE") would be easier to integrate with current payment markets infrastructure but exposed to significantly more competition with existing private sector products.

A bearer-instrument (i.e. token) would be better aligned to the concept and objective of replacing cash and accordingly, at least for the time being, exposed to less competition with private sector alternatives.

The risk-free character of the DE would not be particularly relevant for low-value (retail) payments and, as a consequence, also less affected by caps/other disincentives for use as a store of value.

An offline functionality would likely be easier to realise with a bearer-instrument (i.e. token).

The DE and the related ecosystem/infrastructure should be designed such as to avoid/minimise competition with private sector providers/intermediaries

**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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based payment instrument	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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.

**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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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"/>
Other situations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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<sup>4</sup> 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.

**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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Paying invoices	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trade finance	<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 type="radio"/>	<input checked="" 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 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.

**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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A stronger open strategic autonomy for the EU	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input 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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Enabling for pan-European payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Facilitating the provision of Europe-wide private payment solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 checked="" type="radio"/>	<input 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 checked="" type="radio"/>	<input type="radio"/>

**Please specify to what other policy outcome(s) you refer in your answer to question 5:**

*5000 character(s) maximum*

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

The question covers a broad range of policy objectives all of which we would support and believe to be important or very important. However, there may be circumstances where different policy objectives are in conflict and a proper balance needs to be struck. In such cases the EMA would always argue for an approach favouring policies that promote a strong payment infrastructure, supported by highly competitive payment markets, that can drive innovation to the benefit of consumers and the economy at large. These policy outcomes may conflict in particular with other outcomes as for instance preserving monetary sovereignty, a stronger open strategic autonomy of the EU, and providing a public alternative to emerging new payment solutions. Therefore, we rated these policy outcomes as neutral despite the fact that we would otherwise still regard them as important.

**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.

**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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Easy payment process (initiating and authenticating a payment transaction)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Accessible device for payments (e.g. chipcards)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Enabling of offline, peer-to-peer transactions	<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 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.

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

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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 <b>without</b> a (quasi) universal acceptance in physical and online shops	<input checked="" type="radio"/>	<input 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 <b>with</b> a (quasi) universal acceptance in physical and online shops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input 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 type="radio"/>	<input checked="" 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 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"/>

**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.

**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.

In addition we would believe the following aspects to be particularly important for a diversified and competitive retail payments market, where a variety of payment service providers offer a broad range of payment solutions:

- A clear regulatory framework assisting efficiency gains by innovation and optimisation of value chains in payment markets.
- A strong accountability mechanism to ensure that DE design for launch and subsequently does not distort competition.
- A framework for managing of conflicts of interest related to DE issuance and PISA oversight of payment schemes and arrangements.

## **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 type="radio"/>	<input checked="" 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 <sup>[5]</sup> for smart contracts applications (beyond payments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Possibility for micro and stream <sup>[6]</sup> payments	<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, internet of things (IoT)) <sup>[7]</sup>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
A digital euro that connects with the <a href="#">European Digital Identity Wallet ecosystem</a>	<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 checked="" type="radio"/>	<input type="radio"/>

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<sup>5</sup> 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.](#)

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

<sup>7</sup> 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.](#)

**Please specify to what other possibility/ies you refer in your answer to question 9:**

*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 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.

**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.

An account-based DE would represent an alternative to existing account-based payment instruments (e.g. e-money, scriptural money) and hence lend itself to integration into the existing payment ecosystem and infrastructure, the existing use cases and the related ongoing innovation of payment ecosystems, underlying technology, supported use cases and related business models. Thus, opting for an account-based DE may contribute significantly to swift acceptance and use of a DE.

In contrast the objective of replacing Euro cash may suggest opting for a bearer instrument (i.e. token) with potentially some advantages regarding use cases related to person-to-person payments (including offline) and machine-initiated payments.

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

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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.

For the acceptance of the DE (and achievement of all policy objectives) the status as legal tender and the corresponding default obligation/right of payee and payer to accept/use the DE is important. Notwithstanding any related exceptions, the default obligation of payees would in many cases effectively exercise significant pressure to implement the technological prerequisites for accepting DE (and other electronic forms of) payments and thus contribute to network effects.

**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.

The legal tender status is relevant for a range of public policy objectives that need to be subject to political, democratically legitimised decision-making and cannot be left to an independent ECB.

**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.

**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.

Generally, exceptions should take inspiration from and be aligned to what applies to cash. There is, however, a difficult balance to strike between the benefits and public good of a technology-based infrastructure for digital/electronic payments with an ideally full coverage of the EU economy and the individual freedom of (small) businesses not to opt in. Instead of coercion the issue should be addressed as far as possible by the attractiveness of the payment infrastructure and ecosystem surrounding the DE and related targeted incentives. We would expect a staged process over an extended transitional period with potentially some flexibility to respond to issues arising.

**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.

EU legislation should not allow for national discretions regarding the legal tender status of the DE.

**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.

If binding obligations are being introduced there should also be a corresponding enforcement mechanism.

**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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Merchants that accept private electronic means of payment	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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**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.

See our comments on question 14. For the listed categories of payees a prohibition to exclude DE acceptance in their general contractual terms and conditions appears reasonable.

### 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.

Given the pace of past and presumably future technological and business innovation affecting the payment markets and the workings of the payments ecosystems and infrastructures we would expect continued significant cost implications irrespective of the introduction of a DE.

**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		

**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.

Most obviously cost will be incurred by payees/merchants in relation to the acquisition, installation and/or update of required hardware and software (e.g. PoS terminals) to enable acceptance of DE payments

However, we would reiterate that it is not possible at this stage to provide reliable indications, let alone quantitative estimates, regarding differences in the cost implications for merchants between introduction of a DE with and without legal tender status. Eventually the DE proposition may be sufficiently attractive for merchants to make the required investments irrespective of the status of the DE as legal tender.

(see comments on question 20 below).

**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:**

	<b>Merchants already accepting electronic payments (in EUR per terminal)</b>	<b>Merchants not yet accepting electronic payments (in EUR per terminal)</b>
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.

see our comments above.

**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.

It can generally be assumed that integration of another account-based payment instrument would likely be less costly. However, the use of public and private bearer-based payment instruments/tokens (including the digital euro and prior, in parallel or subsequently competing private sector tokens) is likely to require existing payment ecosystems to invest anyhow in their integration both in terms of technology and product/service proposition.

**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 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 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 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.

see our comments above

### **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.

Fees charged to merchants by private sector intermediaries in relation to the mandatory acceptance of DE should be left to market forces/competition and will be determined by competitive service propositions. We do not see any need for upfront regulatory intervention.

**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 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 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.

see our comments above. We would reiterate that fees should be left to market forces/competition. Fees will be driven by competitive service propositions reflecting real costs and profit that can be realised given the quality of the services offered in competitive markets. We do not see any need for regulatory intervention to impose fixed fees or a specified computation of fees.

**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.

If at all, related issues should rather be considered within the broader context of targeted exemptions from the default obligation to accept DE payments.

### **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 type="radio"/>	<input type="radio"/>	<input checked="" 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 checked="" 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.

More generally, we would note that use and acceptance of the DE and hence related default obligations /rights of payee/payer will be dependent upon the availability and the functioning of the required technical devices. We would assume that at least during an extended transitional period of introduction of the DE specific exemptions may be needed.

**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'<sup>[8]</sup>?**

<sup>8</sup> 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 type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
If refusal is for security reasons	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
If the value of the banknote tendered is disproportionate compared to the value of the amount to be settled	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
If a retailer has no change available	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Any other exception	<input type="radio"/>	<input type="radio"/>	<input checked="" 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.

**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.

**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.

As for DE if binding obligations are being introduced there should also be a corresponding enforcement mechanism (see comment on question 16).

**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.

**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.

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

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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?**

	<b>Positive impacts/challenges</b>	<b>Negative impacts/challenges</b>
Credit institutions		
Other payment services providers		
Crypto-asset services providers		

### **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.

A centrally distributed digital euro is the least likely to be successful and hence will have the least impact on the market.

The impact upon private sector intermediaries providing payment services related to existing payment products depends upon the design of the ecosystem surrounding the DE and the scope left for these intermediaries to engage and develop additional product and service propositions that add value for users of the DE and hence contribute to the success of its launch and subsequent expansion stages. The impact can be both positive and negative depending eventually also upon the specific business model and product and service proposition.

The most favourable outcome will be a system whereby product design, launch and distribution are left to the market with only the minimum technical involvement of the central bank being required and its role eventually limited to the issuance of the DE.

**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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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 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.

Flexible product features allowing the ECB to respond to any adverse impact the use of the DE could have, are very important not just with a view to a potential store of value functionality. It'll be important to allow readjustments and fine-tuning across a range of product-features to mitigate any distorting effects the DE can have on competition in payment markets.

However, there are a number of related aspects that would need to be addressed not least in terms of the governance surrounding such decisions. Depending on the overall set up of the ecosystem surrounding the DE, the ECB may become a market participant competing directly with other providers of payment instruments and services including the full range of PSPs, EMIs, and commercial banks (not least regarding scriptural money).

Any adjustments of the specific features of the DE will likely have effects in terms of monetary policy and its transmission, competition in payment markets, the likelihood of bank runs and much more generally the business models in traditional banking markets. Some of these effects, namely any impact upon monetary policy and its transmission, would obviously remain within the traditional remit of independent central bank decision-making.

In contrast, where adjustments would also affect competition and potentially other aspects of payments and banking markets the question arises to which extent central bank independence would need to be complemented by broader accountability towards the EU political systems and possibly control by competition authorities. The situation is further compounded by conflicts of interests in relation to the ECB's role as overseer of payment systems under the PISA framework.

**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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Person-to-Business payments	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business-to-Business payments	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Machine-to-Machine payments	<input checked="" 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 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.

We can't quite see how holding limits and other disincentives to the store of value function could increase the usability of the DE. It will obviously decrease it by limiting the maximum value available for payments. Accordingly, the usability of the DE will be impaired the more high-value payments tend to occur i.e. the more businesses are involved as payer and/or payee.

**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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Volume (value) of corporate deposits	<input type="radio"/>	<input 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>
Volume (value) of new credit provision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Revenue from payment services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Net interest revenue	<input type="radio"/>	<input type="radio"/>	<input 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 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 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.

Question 36 is mostly related to the potential impact on credit institutions.

**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.

ditto

**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 type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Direct revenue from payment or crypto-asset services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Revenues from investing the balance of payment or crypto-asset accounts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Revenues from data management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Ability to perform AML and other compliance obligations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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.

**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.)**

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

**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.

Any additional services EMA member firms may be able to develop in relation to the DE depend crucially upon the, as yet unknown, design of the DE and of the overall set-up of the underlying ecosystem and infrastructure.

**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

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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 <sup>[9]</sup>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based <sup>[10]</sup> digital euro, available online	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based digital euro, available offline	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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<sup>9</sup> 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.

<sup>10</sup> 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.

We would generally expect a low impact. There may be additional costs involved in managing risks related to an offline use of the DE but these risks are well understood and addressed already for current products.

**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.

We do not see any specific new challenges with regard to the DE. Controls and checks will be very similar to those applied for existing deposit or e-money related payment products but will have to respond to the technological, business and customer risks, as well as other risk factors that may arise.

**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.

**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 <b>less risky</b> )	2 (low-value offline digital euro transactions <b>equally risky</b> )	3 (low-value offline digital euro transactions <b>more risky</b> )	Don't know - No opinion - Not applicable
Digital euro online payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cash payments	<input 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.

We believe a transaction value restriction to be a particularly effective mitigant of AML/CFT risks and would be as effective for DE payments.

## 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<sup>[11]</sup>:**

<sup>11</sup> 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 type="radio"/>	<input checked="" 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 type="radio"/>	<input checked="" 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 checked="" 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 checked="" 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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enforcement of tax rules	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Payments settlement purposes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Management of operational and security risks	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enforcement of potential holding limits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional innovative online services and functionalities	<input checked="" 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 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.

**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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operational resilience/security risks assessment and mitigation purposes	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
AML/CFT	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fraud	<input checked="" 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.

**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.

## **7. International payments with a digital euro**

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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 type="radio"/>	<input checked="" 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.

Generally, given the objective of the DE to complement/replace Euro cash, we believe it should allow to be used in much the same way as Euro cash. Accordingly, both EA residents and non-EA residents visiting the EA should be able to make full use of the DE for intra-EA payments.

In contrast, we do acknowledge that using the DE for payments outside the EA by non-EA-residents can pose problems (as, conversely, the use of non-EA CBDCs for payments within the EA). In this regard we would not want to propose any related ratings but encourage the ECB to work towards suitable binding arrangements at the wider international and global level.

**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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial stability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monetary autonomy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Capital movements	<input type="radio"/>	<input 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.

We prefer refraining from providing ratings for this table since we do not think that the specific expertise the EMA and its members have to offer allows us to fully assess, and opine on, the issues at stake under question 51.

## Additional information

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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.

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