

Targeted consultation on a digital euro

Fields marked with * are mandatory.

Introduction

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

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

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

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

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

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

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

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

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

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

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

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

More information on

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

About you

* Language of my contribution

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

* I am giving my contribution as

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

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

* First name

Helena

* Surname

Stjernstedt

* Email (this won't be published)

helena.stjernstedt@swedishbankers.se

* Organisation name

255 character(s) maximum

Swedish Bankers Association - on behalf of our members

* 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.

53517281038-30

* 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

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

Swedish Bankers Association

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

* Contribution publication privacy settings

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

Anonymous

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

Public

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

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

1. Users' needs and expectations

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

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

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

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

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

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

	1 (not important)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (very important)	Don't know - No opinion - Not applicable
Availability of flexible privacy settings that can be adjusted to suit the payment occasion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wide availability and user-friendly onboarding process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input 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 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 type="radio"/>	<input type="radio"/>
Account-based payment instrument ^[3]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based payment instrument	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real time settlement / Instant reception of funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost-free for payers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Payment asset is credit risk-free (central bank liability)	<input type="radio"/>	<input 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 type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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.

A retail CBDC could serve different policy goals, which were also concluded in the ECB Digital Euro report from September 2020 the digital euro.[1]. To serve its purpose, different objectives might require specific design features. Therefore, as a first step it needs to be decided what goal to achieve, and thereafter design a digital euro accordingly. The most fundamental goal for a digital euro would be to provide the general public with central bank money in a digitalised economy. At the same time, sovereignty policy issues, including private initiatives from large technology firms and global stablecoins, will probably require other design features and policy considerations. Following, the end-users' expectation on the functionality of the digital euro will likely depend on the goal and purpose that will be communicated.

As pointed out in the Kantar report recently published by the ECB, most respondents in the survey did not see a difference between central bank money and commercial bank money. Both were seen as safe and secure. . In this respect, one could assume that citizens will have similar expectations on the functionality of the digital euro as any other digital payments. There are also risks associated with overemphasizing the supposed "safety" of the digital euro, as this may lead to decreased confidence in the financial sector among the general public. It must be noted, that new regulations implemented after the great financial crisis of 2008 have significantly increased the resilience in the banking sector by ensuring that banks always have enough liquidity and capital reserves. Additionally, in the EU deposits are protected up to 100.000 EUR thanks to the Deposit Guarantee Scheme Directive and the Bank Recovery and Resolution Directive ensures that banks and authorities have proper crisis management planning.

The digital euro should follow PSD2, PAD and the AML-regulation in full. Same regulation must apply for all digital payment methods. The digital euro should not be more or less "private" in the process of payment than other means of payments are from legal reasons (KYC, AML/ATF, fight fraud capacity). These regulations must also be respected if the digital euro will be designed for offline capabilities.

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 type="radio"/>	<input type="radio"/>
Better acquiring services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Standards for EU wide acceptance infrastructure (e.g. POS), allowing for pan-European payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Account-based payment instrument	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bearer-based payment instrument	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real time settlement / Instant reception of funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Offline payments (face to face without connectivity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input 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.

The acceptance of merchants will be of importance and requires an understanding for onboarding of existing POS terminal models via enhanced functionality, aiming for acceptance of all devices and wallets. The business model of the digital euro should also include merchant/corporate acceptance of digital euro, as they will need to have their cost covered.

As part of the digital euro framework, it should also be carefully determined how businesses would be able to receive digital euros from their customers, and to implement an efficient procedure for conversion into commercial bank money.

Offline capabilities might be relevant, if the purpose is to design a cash-like CBDC. However, as the digital euro would be a digital means of payments all rules and principles for offline payments must also be valid for private payments methods, to ensure a level playing field.

Assessing Account or bearer based need more analysis from technical point of view. Remote or physical point of interaction, push- or pull payment and how the "banking" works etc.

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 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 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 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 type="radio"/>	<input type="radio"/>
Machine to machine Payments (Industry 4.0, IoT)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paying in situations without connectivity – offline face to face payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input 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"/>

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

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

5000 character(s) maximum

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

Most use-cases specified above can be solved with existing payment methods. From that point of view, it is difficult to define a clear value added for the customer. However, offline capabilities for low amounts of transactions could be a value added if designed properly. Though, it should be noted that offline capabilities can also be achieved via private solutions, global technical card payment standards (EMVCo) include functionality for offline. The question is also to whom value added is provided. The digital euro needs to provide a value added, for the users or for society, otherwise the payment system will not have gained any additional functions and the total cost of the payments infrastructure will increase from a societal perspective. A digital euro could provide a back-up function to e.g. card payments in countries where no efficient mobile payments exist. If a digital euro should constitute a back-up in cases of e.g. loss of electricity and/or broadband or problems in the financial sector, it needs to be fully separate from existing grids and networks.

Regarding machine-to-machine payments the market is still evolving and is in an early phase. This development should be carefully monitored. Machine to machine payments can also be accommodated using existing payments methods, which means that the CBDC is not a prerequisite for such payments. M2M is still two legal persons so even if your fridge automatically orders something, the rules and payments are set up by a legal person.

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 type="radio"/>	<input type="radio"/>
Getting paid in e-commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Paying invoices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trade finance	<input type="radio"/>	<input 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 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 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.

Digital euro use cases for POS and e-commerce usage will probably mostly replicate existing private payment instruments and would as such not add extra value .

Merchant/corporate acceptance of digital euro is important and requires an understanding for onboarding of existing POS terminal models via enhanced functionality, aiming for acceptance of all devices and wallets. Payment functionalities which are currently offered as part of value-added payment services (e.g. payment guarantee, chargebacks or dispute resolution in card-based payments) should also be considered as 'advanced' functionalities in a digital euro arrangement..

A potential limit on the supply of the digital euro which is needed to limit the disintermediation of banks will mean that the digital euro is less usable for businesses to make their own payments as they are usually larger than for private individuals. Moreover, there is a need to develop an efficient means to transfer excess digital euro from the merchants/businesses digital euro holdings into commercial bank accounts.

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

Machine-to-machine is still two legal persons so even if your fridge automatically orders something, the rules and payments are set up by a legal person.

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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monetary sovereignty	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A stronger open strategic autonomy for the EU	<input type="radio"/>	<input checked="" type="radio"/>	<input 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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A broader access to digital payments for unbanked people (i.e. without bank account)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Enabling for pan-European payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Preserving privacy and data protection in payments	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development of the EU's digital economy innovation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facilitating the provision of Europe-wide private payment solutions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

While a digital euro could serve a number of mentioned policy goals, each policy goal itself would require specific design features for the digital euro. The digital euro will not be able to achieve all goals, instead the central bank will have to decide what goal to focus on and design the digital euro with the best effort to achieve this goal. The most fundamental goal for the digital euro would be to provide the general public with central bank money, in a digitalized economy.

To strengthen the EU's strategic autonomy, including considering initiatives from large technology firm and global stablecoins, the analysis should be broader than only identifying a digital euro as the potential solution. First of all, it is unclear if the users of existing crypto/stablecoins solutions, would have an interest in shifting to a CBDC built on similar technology. Therefore, the introduction of a digital euro aiming to tackle these challenges might not be enough.

Further, a public-private joint effort could also enable and support the development of pan-European payments, where the public is responsible for the infrastructure. Such solution could potentially offer the same use cases/user experience and achieve some of the strategic goals of a CBDC, without leading to disintermediation and financial stability risks.

Regarding decreased costs, it depends on what perspective you have. If the digital euro will be free for end-users, costs must be covered by someone else. It should be noted that merchants/businesses will have costs to be able to accept digital euros. Also intermediaries will have costs for developing the systems and also to perform tasks on behalf of the central bank e.g. for KYC, ODD, transaction monitoring and SAR/STR reporting. The business model of the digital euro needs to take these costs into account and compensation to the intermediaries should be considered. A public subsidy of the digital euro would distort the level playing field with private payment solutions.

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 type="radio"/>	<input type="radio"/>
No need for bank account	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easy payment process (initiating and authenticating a payment transaction)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accessible device for payments (e.g. chipcards)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input 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 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.

Legal provisions are well in place (e.g. Payment Accounts Directive) to ensure access to citizens (including e.g. asylum seekers) to a basic payment account and the related banking services. These provisions need to be balanced continuously with other legal provisions, most importantly related to AML, CFT and KYC obligations. These legal obligations should also apply for a CBDC. Following, little impact could be expected regarding increased financial inclusion.

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

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

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

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

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

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

5000 character(s) maximum

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

Any measures to introduce mandatory acceptance should be carefully designed in order not to affect the level playing field between different means of payment, specially not to “crowd-out” currently existing very efficient solutions.

Offline payments could serve as a fall-back to online payment methods. . This will imply that a certain amount needs to be prefunded on the payer device, and the validation of the transaction will not involve any third party. This means that it will be impossible for supervised intermediaries to perform AML/CFT checks. This means that only very small amounts will be possible for offline transactions, as the digital euro should comply with AML regulation.

It should though be noted that offline capabilities could be developed also on private payments solutions, supporting increased resilience in the European payments landscape.

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 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 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 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 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.

It is important to implement restrictions under a framework that ensures that the tools cannot be easily changed due to political pressure. This also encompasses the potential limit on the supply of the digital euro as well as the model of remuneration (interest bearing or not).

Commercial banks have all the mechanisms in place (AML monitoring, customer profiling via data, customer relations, administrative management, etc.). A clear governance framework needs to be agreed upon to ensure that end-to-end payment solutions rely on supervised private institutions in the distribution and provision of user-facing services.

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 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 type="radio"/>	<input type="radio"/>
Integration with platforms relying on distributed ledger technology (DLT)/blockchain ^[5] for smart contracts applications (beyond payments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possibility for micro and stream ^[6] payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Machine to Machine payments (Industry 4.0, internet of things (IoT)) ^[7]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A digital euro that connects with the European Digital Identity Wallet ecosystem	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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

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

5000 character(s) maximum

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

The digital euro should be separate from other DLT/blockchain solutions, as there would be substantial risks (reputational risk, AML/fraud risks) associated with interoperability with some of the existing solutions in the international crypto market. It is of outmost importance to use a secure identification process (for example eID).

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.

Considering that one of the main policy goals of the introduction of a digital euro would be to preserve the role of public money in a digital economy, and that is mainly directed to emerging alternatives such as crypto assets and foreign CBDCs, further importance should be attributed to use cases where these new payment solutions could provide added value – such as programmability – and less focused in those use cases already covered by solutions provided and heavily invested in by regulated intermediaries, such as instant payments.

It would though be wise to issue the digital euro in a small scale focusing on small amounts of P2P (person-to-person) transactions initially. This is the fundamental use case that would support the main policy goal of the digital euro (ie. to offer central bank money to the general public). It could then be further investigated if it would be valuable to society for the digital euro also to offer for example smart contracts/nano transactions and how such use cases could be offered via public/private partnership or fully via commercial bank money.

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

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

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

3.1 Providing legal tender status to the digital euro

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

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

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

Possible introduction of legal tender for the digital euro

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

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

Please explain your answer to question 11.

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

5000 character(s) maximum

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

If the main objective is to create an alternative payment method its success depends mainly on the added value it would create, rather its legal tender status.

An introduction of legal tender status must be carefully evaluated since a legal tender status for the digital euro would create an unlevel playing field between the digital euro and other digital payment means. It should also be further clarified what the legal obligations that would follow legal tender status, considering both merchants and intermediaries.

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

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

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

5000 character(s) maximum

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

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

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

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

5000 character(s) maximum

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

Any central bank money should have the same legal status.

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.

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

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

Please explain your answer to question 15:

5000 character(s) maximum

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

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

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

Please explain your answer to question 16:

5000 character(s) maximum

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

Administrative sanctions are not part of the current arrangement.

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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Utilities providers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Large companies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Merchants that accept private electronic means of payment	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

5000 character(s) maximum

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

Legal tender status should not automatically imply mandatory acceptance, as is not the case with coins and notes.

Estimation of costs

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

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

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

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

5000 character(s) maximum

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

The technological development and implementation of new payments methods requires both investments, human resources, and time. As an example, current domestic instant scheme and has evolved over many years and the European payments card schemes has been finetuned over several decades. But as mentioned, these new innovations also require human resources, including technical and payments expertise. It is critical to assess the alternative costs of these scarce and most valuable resources, especially given the magnitude of ongoing transformation efforts in the payments industry. There is a risk that key resources would be diverted to address issues that will not bring any significant value-add.

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.

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

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

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

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

5000 character(s) maximum

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

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

5000 character(s) maximum

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

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.

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.

Merchant fees

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

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

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

5000 character(s) maximum

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

The business model related to the introduction of the digital euro should be market driven, transparent and pricing of these services should be competitive.

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 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.

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.

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 type="radio"/>
Legislative action at EU level is needed to enhance legal certainty and enshrine the legal tender status of euro cash in secondary law.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer to question 26:

5000 character(s) maximum

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

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

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

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

Please explain your answer to question 27:

5000 character(s) maximum

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

Legal tender status should not automatically imply mandatory acceptance. Any measures to introduce mandatory acceptance should be carefully designed in order not to affect the level playing field between different means of payment, specially not to “crowd-out” currently existing very efficient solutions.

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 type="radio"/>
If refusal is for security reasons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the value of the banknote tendered is disproportionate compared to the value of the amount to be settled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If a retailer has no change available	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If there would be not enough change available as a result of that payment for a retailer to carry out its normal daily business transactions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Any other exception	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain your answer to question 28:

5000 character(s) maximum

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

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.

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

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?

	<p align="center">Positive impacts/challenges</p>	<p align="center">Negative impacts/challenges</p>
<p>Credit institutions</p>	<p>If established with a well designed business case the digital euro can promote new innovative solutions for the end-users.</p>	<p>A digital euro could provide the public with an alternative to bank deposits which would challenge banks' intermediation capacity, which was also stated in a recent publication from the ECB where it was concluded that deposit outflow could be up to EUR 7,4 trillion, if the digital euro is not restricted. This would deprive banks of an important source of funding and therefore reduce their ability to provide credit to the economy. If the banks' deposit base becomes less stable because of a CBDC, this would increase the demands on the banks' liquidity and funding management.</p> <p>Under normal market conditions the existence of the digital euro would have a negative impact on the availability of funding sources for banks. Deposits moving from the banking system may lead to increased funding rates because banks will have to increase the share of market financing, and market financing as such may become more expensive as investors and rating institutions re-evaluate the risks. Increased funding costs could lead to increased mortgage and lending rates for consumers and companies with negative impact on the economy. Another alternative would be for banks to shrink lending portfolios by an equivalent size to the deposit CBDC migration, again negatively impacting economic growth.</p> <p>In periods of financial stress, the demand for the digital euro may increase dramatically since it would constitute a risk-free asset. This could in turn trigger and precipitate bank runs and in the worst-case lead to a systemic financial crisis. Even if there is a limit on the supply of the digital euro, there could be a pressure on the central banks to increase the limit in times of financial stress, exacerbating the financial stability concerns.</p> <p>It is vital that the digital euro does not undermine the robustness of the financial system. The digital euro should be designed as a means of</p>

		<p>payment and its usage as an investment instrument should be carefully evaluated, and preferably restricted.</p> <p>The loss of deposits might also be compensated by increased central bank funding. But even if liquidity would be lent back to the banking systems through monetary policy operations, this would under current regulation and central bank policies require additional collateral (HQLA) to be posted by the banks, meaning the provided liquidity would be of no use for lending to the public (assuming unchanged liquidity risk tolerance). The central bank may need to lend unsecured to banks in order to contribute with de facto liquidity to the banking system and thus facilitate lending, but instead exposing the central bank to credit risk.</p> <p>The impact on LCR and NSFR (and similar bank internal liquidity risk metrics) must also be further analyzed. The introduction of CBDC would leave banks exposed to heightened liquidity risk from a balance sheet impact perspective. Assuming the banking system liquidity risk tolerance is unchanged (essential to avoid decreased financial stability), banks would build larger liquidity reserves to counterbalance this risk which reduces lending and ultimately reduces economic growth.</p> <p>Similarly, rating agencies value stable deposits and in particular retail deposits above wholesale funding, from a liquidity risk and funding structure perspective. The increased wholesale funding dependence would increase risks of rating downgrades, which in turn increases funding costs and decreases lending.</p>
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.

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

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

34:

5000 character(s) maximum

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

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

5000 character(s) maximum

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

Tools to avoid excessive use of digital euro as a form of investment and to avoid bank disintermediation are crucial. Restrictions need to be regulated/defined under a framework that ensures that the tools cannot be easily changed due to political pressure.

Restrictions should though not cause any new risks to the financial system and needs to be evaluated thoroughly. Examples of such risks are:, impact on the efficiency of monetary policy, impact on each member states financial system and real economy (this is important taking into account differences among member states such as maturity in digitalisation and average salary levels).

Limits on holdings are necessary to avoid excessive use of the digital euro as a form of investments, and to avoid disintermediation. Limits holdings could be combined with caps on transactions (per week/day /months). Limits on individual holdings will only serve its purpose if it the digital euro system will ensure that individuals cannot have more than one digital euro wallet/account. There needs to be a system to ensure that each individual only holds one digital euro wallet and does not circumvent the limit by opening wallets with several market players. There need to be sufficient AML-regulations to address the risk of money-laundering.

There needs to be an automatic daily/intraday transfer of digital euro to commercial bank deposits to avoid large amount of liquidity held on wallet.

If remuneration will be used the digital euro must be able to take negative interest rate, and always be lower than interest rates on deposits. Remuneration might not be necessary if only small amounts of holdings are accepted, as this would furthermore decrease complexity of a digital euro.

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

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

For holding limits to be efficient from the perspective of the end-user customer experience, efficient transfer between deposits and the digital euro account/wallet is a prerequisite. It should be further investigated how this can be achieved efficiently and according to relevant regulation, as regulated intermediaries (might) have to make AML/CFT/fraud controls when digital euros are transferred from or to a deposit account.

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

	1 (significant decrease)	2 (slight decrease)	3 (neutral)	4 (slight increase)	5 (significant increase)	Don't know - No opinion - Not applicable
Volume (value) of retail deposits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Volume (value) of corporate deposits	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Liquidity / bank run risk	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Volume (value) of new credit provision	<input checked="" 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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Net interest revenue	<input checked="" 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 checked="" 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 checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

Other:

It should be noted that according to current law for central bank they cannot open up accounts for the general public. It is not the banks responsibility to monitor payments between wallets, that is the role of the central banks.

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.

Stablecoins issued by non-banks could potentially have similar effects on credit institutions, from a funding and liquidity management perspective. If banks would issue stablecoins themselves however, this would have a smaller impact on their funding.

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

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

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

Banks already have all the mechanisms in place to ensure AML monitoring and to manage customer relations, customer contact channels, administrative management, etc. If deposits were to be made directly to a central bank, this institution would have to maintain customer support, incident reporting and transaction monitoring to minimize the levels of fraud, misuse, and money laundering in the system.

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

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

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

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

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

5000 character(s) maximum

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

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

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

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

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

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

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

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

5000 character(s) maximum

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

There should be a level playing field between different digital means of payment and therefore the regulatory AML/CFT.

The digital euro system should follow requirements on protection of personal data and rules regarding money laundering and fraud, e.g. GDPR, AML and CFT regulation. Commercial banks have all the mechanisms in place to manage this (AML monitoring, customer profiling via data, customer relations, administrative management, etc.). To be able to take on this responsibility, intermediating banks will need to continue to have access to transaction data for security, operational and fraud prevention reasons.

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.

Any offline use of a CBDC needs to deal with the PSD2 provisions on strong customer authentication and digital linking to protect the funds holder from unauthorized payments. There must also be reconciliation as soon as there is online connection.

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.

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

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

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

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

6. Privacy and data protection aspects

The ECB's public consultation on the digital euro indicated that future users of the digital euro see privacy as one of the most important elements. Ensuring an appropriate level of privacy and data protection for the user of a digital euro is

important to foster public trust in a digital euro, which underpins its adoption and use. Any processing of personal data must be in line with the Union data protection legislation, including the [GDPR](#) and the [EUDPR](#).

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

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

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

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

Please explain your answer to question 46:

5000 character(s) maximum

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

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

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

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

The digital euro system should follow requirements on protection of personal data and rules regarding money laundering and fraud, e.g. GDPR, AML and CFT regulation. Commercial banks have all the mechanisms in place to manage this (AML monitoring, customer profiling via data, customer relations, administrative management, etc.). To be able to take on this responsibility, intermediating banks will need to continue to have access to transaction data for security, operational and fraud prevention reasons.

Any means of payment must be robustly built so that it guarantees good operational reliability and can offer a high level of protection against cyber-attacks and different types of fraud. A robust cyber security strategy will be necessary to ensure the system will be future proof against any potential future large scale cyber-attack. A CBDC system might be a high-risk target.

Even if the digital euro would be central bank money, it would still be subject to operational risks associated with fraud, theft, and loss. Just like cash stored in a physical wallet, end-users may lose their money if CBDCs are stored locally on a physical device that it is lost or stolen.

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.

For innovation purposes, users should have control over their payment data, including data sharing with third parties, in line with PSD2.

7. International payments with a digital euro

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

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

	1 (not desirable at all)	2 (rather not desirable)	3 (neutral)	4 (rather desirable)	5 (very desirable)	Don't know - No opinion - Not applicable
Euro area (EA) residents and intra EA payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input 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 type="radio"/>	<input type="radio"/>
Selected non-EA residents for trade purposes with third countries	<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.

Risks related to capital flows should be further evaluated. It is also important to make sure that the digital euro will be future proof for enabling cross-border payments, including interoperability with other CBDCs. There are ongoing initiatives that are important to evaluate interoperability, for example SWIFTs recent initiatives to test x-border interoperability with CBDC-CBDC, CBDC-to-fiat and vice versa.

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

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.

Cross-border payments could be significantly improved. While domestic payment services (i.e., intra-EU) are already well developed and essentially work without frictions, cross-border interoperability should be among the top priorities of the ECB. There are a few ongoing initiatives in Europe, eg. P27 in the Nordics and EIP. These initiatives along with the G20s road-map for facilitating cross-border payments have the goal to increase the efficiency in cross-border payments.

Additional information

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

The maximum file size is 1 MB.

You can upload several files.

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

Useful links

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[ECBs report on the digital euro \(https://www.ecb.europa.eu/pub/pdf/other/Report_on_a_digital_euro~4d7268b45t_en.pdf\)](https://www.ecb.europa.eu/pub/pdf/other/Report_on_a_digital_euro~4d7268b45t_en.pdf)

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

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