



PRESS RELEASE

A digital euro beyond impulse – think twice, act once

Brussels, 23 October 2023 – A new study, ‘**A digital euro beyond impulse – think twice, act once**’, highlights that to ensure widespread adoption, the digital euro must offer a compelling value proposition and clear benefits to consumers and merchants in the EU, while the EU’s legislative framework should allow for these benefits to gradually emerge over time. There is a need to minimise the risk of crowding out European private solutions, which would impact competition and the attractiveness of the European payments market, while at the same time hinder the digital euro’s adoption.

Formed in April 2023, a CEPS-ECMI-ECRI Round Table brought together a working group of market operators and infrastructure providers, central bank representatives, regulators, and academics to take part in research and in-depth discussions over a six-month period.

Prior to deciding whether to proceed with the digital euro project, the study argues that:

1. The benefits of an eventual digital euro and its **added value** for end users (i.e. individuals, merchants and businesses), compared with existing payment solutions, should be crystal clear, well understood and clearly communicated.
2. The digital euro should be **cost efficient, economically viable** and contribute to making payments – and ultimately the European economy – more **competitive**.
3. The **effectiveness** of **holding limits** should be better justified and explained.

If a decision is made to proceed with the digital euro project, our study proposes approaching it as follows:

4. Start with a digital euro that is as **simple** as possible and includes only the most **basic functionalities**.
5. Rely on and build upon **existing mechanisms** in the **payment infrastructure** as much as possible and take full advantage of current service processes.
6. Establish a **regulatory framework** that ensures a **level playing field** for the payment ecosystem, between providers and between currencies (public and private money).
7. Finally, so as not to impact the euro’s **attractiveness** as a means of payment relative to other major currencies, decisions on the digital euro (either a retail or wholesale one) **cannot be taken in isolation** from central bank digital currency developments in other **major jurisdictions**.

“The digital euro represents an opportunity to think together, both the public and private sector, about how we will make payments in the future. Together, we can shape a future that is more competitive, efficient, and inclusive, unleashing tremendous economic potential and fostering prosperity for Europe's citizens and businesses.”

Jose Antonio Alvarez, Chair of the Round Table, and Vice Chairman of Santander

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