

## Press release

28 June 2023

# ECB welcomes European Commission legislative proposals on digital euro and cash

- Proposed legislation establishes framework facilitating the possible introduction of a digital euro that is widely usable and available throughout the euro area
- ECB also welcomes Commission proposal to protect legal tender status of euro cash
- Governing Council to decide in autumn whether to move to next phase of digital euro project

The European Commission has published today its legislative proposal on a digital euro.

Like banknotes and coins are now, a digital euro would be a universal means of payment across the entire euro area. The proposed legal tender status for the digital euro would ensure it is widely accepted as a means of payment. The provision that people can get digital euros through their bank on request would make it easily accessible and ensures that nobody would be left behind.

The proposal also foresees that people could use basic digital euro services for free. At the same time, the proposal offers private intermediaries appropriate economic incentives to distribute the digital euro as they do other digital means of payment, while preventing excessive fees for merchants.

Moreover, the proposed legislation supports a high degree of privacy and data protection for users, while minimising money laundering and terrorist financing risks. It enables offline digital euro payments, to provide cash-like privacy levels.

“The euro is the most tangible symbol of European integration”, said ECB President Christine Lagarde. “It is highly valued and trusted by citizens. We look forward to continuing working together with other EU institutions towards a digital euro to ensure our currency is fit for the digital age.”

The [investigation phase](#) of the digital euro project will conclude in October 2023. The Governing Council of the ECB will then decide whether to move to the next phase of the project. In the next

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phase, the ECB would further develop and test the technical solutions and business arrangements. A possible decision by the Governing Council to issue a digital euro would be taken only after the legislative act is adopted.

“The legislative proposal is key to ensuring that the digital euro brings value to the people, taking the appreciated features of cash into the digital sphere”, said Executive Board member Fabio Panetta, who chairs the High-Level Task Force on a digital euro. “The ECB also welcomes the Commission’s proposal on the legal tender status of euro cash, to ensure banknotes remain easily accessible for citizens and businesses and widely accepted throughout the euro area.”

The ECB welcomes the Commission’s proposal aiming to ensure that cash continues to be a vital part of the payments system. It is crucial that cash remains widely accepted in physical transactions in line with its legal tender status. People and businesses need to be able to efficiently withdraw and deposit their money. The legislative proposal ensures that both acceptance of and access to euro banknotes and coins is legally guaranteed, so that everyone who wants to pay with cash can do so.

The ECB stands ready to provide technical input to support the work of the EU co-legislators. The European Commission has recommended that the European Parliament and the EU Council consult the ECB on the proposed legislative changes. Following requests for consultation, the ECB would deliver its opinion in due course.

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