The Digital Euro – State of Play
Chicago Payments Symposium – Digital Currency
Matthias Schmudde, Head of Payments Division, Deutsche Bundesbank

The following slides present the current state of discussion and do not contain finally binding Eurosystem decisions.
Central Bank Digital Currency

Matthias Schmudde, Deutsche Bundesbank
5 October 2023

Page 2

liability of a central bank

general public

limited access

Cash

retail CDBC, e.g. digital euro:
supplement to cash and deposits as a new form of central bank money

central bank deposits

wholesale CDBC:
new technology wholesale central bank money settlement (technological evolution)

since 10/2021: „digital euro“ project

2023: exploration on new technologies for wholesale central bank money settlement

Matthias Schmudde, Deutsche Bundesbank
5 October 2023
Page 2
Why would the ECB issue a digital euro?

**The evolution of money:** The digital euro is the evolution of cash in the digital world, just like banknotes were the evolution of coins centuries ago.

**Making your life easier:** The digital euro would be an additional option. We will make life easier for people by making the digital euro always accessible and accepted. And just like cash, it would be free of charge for basic use.

**Increased resilience:** Everyday payments are an essential service for people and the well-functioning of the economy. A digital euro would strengthen the strategic autonomy of the euro area by increasing the independence from non-European payment solutions.
Value propositions of a digital euro

- **Offline payments** are possible
- More digital and financial **inclusion**
- **Easier** and **faster** online payments
- **More privacy** / no big brother
- **Cheaper** digital payments for merchants
- **Always** able to pay when you travel

Matthias Schmudde, Deutsche Bundesbank
5 October 2023
As of today the **actual issuance** of a retail digital euro, **complementing** not substituting cash, **could begin in four or five years** at the earliest.

---

**Journey of the digital euro so far**

- **Establishment of High-Level Task Force on CBDC**
- **ECB Governing Council: decision for the launch of a digital euro project**
- **Legislative proposal** on the possible issuance of a digital euro from the European Commission

**Timeline**

- **January 2020**: Publication „Report on a digital euro“
- **October 2020**: Start of the **investigation phase** of the D€ Project
- **July 2021**: Conclusion of the investigation phase and decision of the Governing Council on the initiation of a **preparatory phase**
- **October 2021**: ECB Governing Council: decision for the launch of a digital euro project
- **June 2023**: Legislative proposal on the possible issuance of a digital euro from the European Commission
- **fall 2023**: Preparation and potential development of a digital euro

---

Matthias Schmudde, Deutsche Bundesbank
5 October 2023
Page 5
Thank you for your attention!