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“Wholesale or retail, interoperability and regulatory framework - what policy choices for the introduction of the digital Euro?”

Plenary intervention - Debate on digital euro

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I am among those who see the introduction of the digital euro as a meaningful opportunity for Europe. I see it as well as a chance to strengthen the international role of the euro.

The important question for me is whether the EU should focus its efforts on modernizing the digital form of the euro for wholesale purposes or implement a retail digital euro first.

At present, discussions in the Eurosystem seem to be mainly focused on the retail option.

But addressing the wholesale version could be easier and quicker as it would concern large-value payments.

These are common amongst Eurosystem banks and counterparties which already have the necessary infrastructure in place.

With the exception of China and a few others, our global counterparts are focusing on the wholesale version of their digital currency.

For both options interoperability with other currencies will be a key aspect.

CBDCs can make cross-border payments cheaper, faster and more efficiently settled compared with current payment systems.

Making the digital euro usable for cross-border payments will significantly increase its international attractiveness.

I also think that it is critically important that the regulatory framework for the digital euro is fit for the future.

That implies that the regulation that the Commission will present and the infrastructure that the ECB will build should not stifle future innovation, but rather be flexible enough to accommodate and incentivise future technological changes.

To this end, it is fundamental that EU authorities draw on the knowledge and experience of the private sector, and provide them with a framework that they can leverage to develop new value-added services for citizens and businesses.