

Digital Euro Market Advisory Group (MAG)

12 January 2022

## MINUTES

### 1<sup>st</sup> MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG)

10 November 2021, 10.00 – 13:00 (CET) and 19 November 2021, 11.00 – 13.00 (CET)

Webex teleconference

#### Introductory remarks

The MAG Chair welcomed the members and participants to the first Digital Euro Market Advisory Group (MAG) meeting, that was held in two separate sessions over the month of November. He explained the aim of this market practitioner group, which is to engage with industry experts, asking for their technical input and experience on a broad set of considerations that may apply to the design and distribution of a potential digital euro. The Chair invited members to actively engage in the meetings discussions recalling that they do so in their personal capacity without representing their employer.

Meetings are foreseen to take place every two months and will be predominantly virtual. The Chair provided an explanation on how the work will be organised at the MAG<sup>1</sup>. In every regular meeting, the ECB will (i) indicate concrete input requests for the next work cycle where market expertise would be valuable and (ii) give feedback to members on the previous round of work, e.g. what was deemed particularly valuable and what are remaining gaps of knowledge. Between meetings, members will be invited to prepare concrete input for the next cycle.

In addition, the Chair informed members on the confidentiality regime. Meetings will be held under the Chatham House Rule. The Eurosystem will keep the broader market informed of these deliberations without naming individual members, by publishing the Meetings' agendas, minutes and ECB supporting presentations. Member's contributions should not contain market sensitive information and are not intended for publication, consistent with the Chatham House Rule.

#### Design choices for a digital euro

The ECB recalled the basic concepts and design choices of a digital euro<sup>2</sup> and answered some of the questions posed by members.

A digital euro would be a central bank liability made available in digital form for use in retail payments, with the objective of maintaining public access and full usability of central bank money in a world of increasing move towards electronic payments. Some members asked for further clarification on the target groups and its use for corporate payments. The digital euro is defined as a general purpose CBDC and as such is targeted in principle at citizens and businesses for use in retail payments. However, the actual use cases of a possible initial release of the digital euro will be established in the Investigation Phase of the project.

---

<sup>1</sup> [Work organisation and confidentiality presentation](#)

<sup>2</sup> [Digital euro design choices presentation](#)

The ECB also indicated that the selection of use cases is being assessed according to the fulfilment of policy objectives and citizens needs and emphasised the importance of fostering adoption and generating network effects.

As stated in the [Eurosystem's report on a digital euro](#), the digital euro should be available via supervised intermediaries, who might develop value added services and compete in the market. Developing effective funding mechanisms will be important to achieve the desired balance between maximising the options to pay with a digital euro with a limited store of value function. The presentation showed several design choices ahead for the digital euro, such as the online and offline functionality, and the different access options, either account-based, bearer instrument based or a combination of both. One of the areas where questions from members arose were the tools to avoid disintermediation (e.g. tiering, quantity limits on holdings). In this regard, the Eurosystem might consider introducing tools to ensure that it is used primarily as means of payment and to preserve financial and monetary policy stability.

### **Members contributions to key areas of work**

Members presented their thoughts to the MAG on four different topics currently being analysed by the High-Level Task Force on Central Bank Digital Currency (HLTF-CBDC): use cases prioritisation, payment acceptance, payment issuance and privacy options. The aforementioned presentations were followed by an open discussion between members.

The ECB provided feedback to members on the main takeaways specific to the digital euro<sup>3</sup>. On payment acceptance, some members highlighted the importance of payment service providers as key enablers of the digital euro's adoption. For this to be achieved, they argued that a point of interaction both with online and offline is key. In terms of remuneration, the proposed model should create value for all market participants. Other factors considered important to foster payment acceptance mentioned were costs, seamless security requirements, reliability, interoperability between different payment solutions using the digital euro and leveraging on current and "near future" acceptance infrastructure.

On use case prioritisation, some members focused on developing use cases similar to the ones of cash, while others suggested offering new value-added services with different features with respect to current electronic payments. Several members pointed out that programmability of payments is something that already exists, although it is usually burdensome and a digital euro may provide opportunities for simpler and native interoperability. Several members were of the view that the market should be the force leading innovation.

The feedback on the topics of payment issuance and privacy options will be presented by the ECB at next MAG meeting.

### **Preparation for the next MAG meeting**

The digital euro project team made input requests for the next MAG meeting, which mainly focus on front-end distribution, remuneration of both issuers and acquirers as well as several technical features and functionalities, such as the use of bearer instruments, offline usage and privacy trends.

### **Closing remarks and way forward**

The Chair closed the meeting and thanked members for their participation and contribution to the discussion items. Next meeting will take place in January.

---

<sup>3</sup> [Feedback from previous member's contributions presentation](#)

**ANNEX 1. LIST OF ATTENDEES OF THE 1st MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG) ON 10 & 19 NOVEMBER 2021**

**Chair: Mr. Ulrich Bindseil**

**Members**

Aleksander Kurtevski	Nilixa Devlukia
Alessandro De Cristofaro	Nils Beier
Antonio Macías Vecino	Paul Le Manh
Axel Schaefer	Piet Mallekoote
Cristian Cengher	Régis Folbaum
Cyril Vignet	Roberto Catanzaro
Diederik Bruggink	Ruth McCarthy
Etienne Goosse	Sean Mullaney
Fanny Solano	Silvia Attanasio
Fernando Rodríguez Ferrer	Sofia Lindh Possne
Gerard Hartsink	Stefano Favale
Inga Mullins	Teresa Mesquita
Jens Holeczek	Valdis Bergs
Jochen Siegert	Ville Sointu
Nicolas Kozakiewicz	Yves Blavet

**Observers**

Anja De Langhe (Banque Nationale de Belgique)  
 Heike Winter (Deutsche Bundesbank)  
 Rainer Olt (Eesti Pank)  
 Sissy Papagiannidi (Bank of Greece)  
 William Molloy (Central Bank of Ireland)

**ECB participants**

Ignacio Terol  
 María Teresa Arráez  
 Daniel McLean  
 Andrea Pinna  
 Harald Deinhammer  
 Giulia Di Rienzo  
 Tobias Tesche  
 Esther Barruetaña