



DeNederlandscheBank

EUROSYSTEEM

Digital Euro

Catalyst or complication?



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After 25 years, the euro prepares for the digital age

Digitalising public money



Cash payments fell from 72% to 52% (2019 to 2024)



Card payments rose from 25% to 39%, of which most were contactless



The digital euro is necessary to keep public money available in the digital age



Making Europe more independent

Providing an infrastructure that is independent of non-EU providers



Making the economy resilient, by adding offline payments



Helping with the scale up of European private payment solutions



Preparing for a possible issuance after political agreement

The Eurosystem central banks have communicated on 30 October they are committed to be technically ready for a possible issuance of the digital euro. The digital euro legislation could land in the course of 2026. While it will take some years to develop the necessary infrastructure, also at the PSPs, a first possible launch date could possibly be 2029.

Investigation phase

Oct. 2021 – Oct. 2023

Concept definition, technical exploration and design proposal

Preparation phase part 1

Nov. 2023 – Oct. 2025

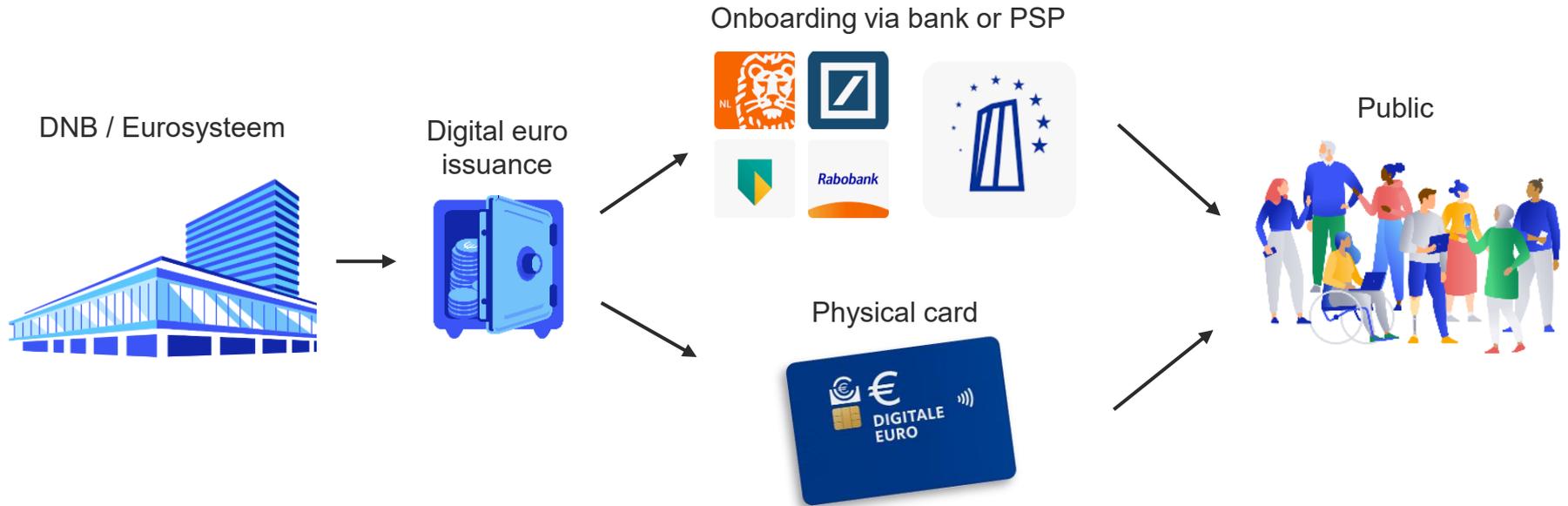
- Advancing the **scheme rulebook**
- Selecting **service providers**
- Learning through **experimentation**
- **Deeper dive** into technical aspects

Current phase

Nov. 2025 – Dec. 2027

- Finalising the **scheme rulebook**
- Start **development** of the Digital Euro Service Platform
- **Piloting** the first use cases in a closed environment
- Preparing for the **possible issuance** (from 2029 onwards)

Distribution would be via banks and PSPs, like with cash



Banks: where are the concerns?



Banks' concerns are real and must be taken seriously.

- **Complexity of integration** and operational requirements
- Possible **high investment costs** (IT, compliance, migration) to integrate the D€ into current systems – although not as high as banks' current projections
- **Uncertain** business case, that has an uncertain impact on other uncertain business cases
- **Fear of crowding out** by public infrastructure

The Digital Euro as a Catalyst



Can accelerate standardisation

The digital euro can spur the use of open standards in payments, such as CPACE at the POS. That will open up the (terminal) infrastructure to all private initiatives in Europe, also those based on A2A.



Can increase interoperability

The Rulebook will lead to more harmonisation across countries, so banks and fintechs don't need to integrate repeatedly for each market



Can enable other initiatives

Strengthening instant payments and account-to-account ecosystems, accelerating private innovation



Can increase efficiency and lower costs

The Eurosystem will charge no scheme fees and the compensation model will be fair for all players.



Can support strategic autonomy

Less dependency on non-European players and more clout to take on US Bigtechs, for instance in securing access to the NFC reader or other hardware.

Conclusion & Call to Action



- The digital euro **can** be a catalyst
- But only if we **understand and address** the concerns
- Call for **collaboration**: banks + PSPs + public sector + infrastructure providers
- Only by working together we can build a **trusted payment ecosystem** for Europe



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Questions?

Read more about the digital euro on our website:

