



## PRESS RELEASE

### **ESBG welcomes the newly issued analysis of the EP Think Tank on a digital euro while preserving its reservations**

BRUSSELS, 20 April 2023 – The European Savings and Retail Banking Group (ESBG) takes note of the [in-depth analysis of the European Parliament Think Tank on a digital euro](#), published on 18 April 2023. The document, prepared by the Economic Governance and EMU scrutiny Unit at the request of the European Parliament Committee on Economic and Monetary Affairs, is broadly positive on the preparatory work for a digital euro, currently carried out by the European Central Bank, but “doubtful on the wisdom of eventually launching a digital euro”. In parallel, the European Commission is working on a legislative proposal that will facilitate the rollout of a possible digital euro.

The analysis thereby seems to confirm what has been addressed by the latest ESBG paper, [‘A Digital Euro: what does it mean for savings and retail banks?’](#), published on 29 March, that stressed the need of addressing many open questions before a successful implementation of a digital euro would be feasible.

Notably, ESBG agrees with the reports’ conclusions on the need for a well-designed compensation structure for the services provided by banks and the analysis of the impact a possible digital euro could have on the banking sector.

“We are supportive of investigating digital money issued by the central bank”, says Sofia Lindh Possne, Chairwoman of the ESBG Task Force on Central Bank Digital Currencies (CBDCs). “Yet, a digital euro must be designed without causing any new vulnerabilities in the financial system”, she says, pointing at potential deposit outflows that would reduce banks’ capabilities to finance the economy, and highlights the need of a sustainable compensation model.

Apart from its potential negative impact on banks’ liquidity, it will be vital to maintain a level playing field in the European payments market, according to Diederik Bruggink, Head of Payments, Digital Finance and Innovation at ESBG, and recent efforts towards a pan-European digital payment solution must be taken into account. “Indeed, ESBG and its members welcome the digital euro as a logical representation of central bank money in the digital age. However, a digital euro needs to find its place in the already busy payments mix, and where it should respect the existing level playing field”.

Supportive of further embracing innovative payment solutions, ESBG looks forward to continue the constructive dialogue with involved stakeholders in the European Commission, the European Parliament and the European Central Bank.



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