

PRESS RELEASE

Digital euro: EU Commission's proposal a first step in the right direction, but more is needed for a safer alternative to bank deposits

Brussels, 28 June 2023 — The European Commission today published its long-awaited proposal on the digital euro, marking a significant milestone in the digitalisation of public money. The document sets the stage for a democratic debate, as the project moves from its investigation phase by the European Central Bank to the chambers of the European Parliament and the Council.

Cash, the only form of public central bank money currently available to people, is gradually decreasing as a means of payment due to the increasing demands of digital payments, banks closing down ATMs and the fact that some sections of the economy, such as e-commerce, do not consider cash as a payment option. Today, we largely rely on bank deposits, which are inherently fragile and pose concerns to the accessibility and cost of money. In this context, the digital euro can offer a solution by providing a safer alternative to bank deposits and ensuring that a public, digital form of money is available to everybody.

Positive Money Europe, the Veblen Institute, and BETTER FINANCE welcome the Commission's proposal as a first step towards a digital euro that serves the interests of people. However, the next steps of the legislative process should guarantee stronger privacy for online payments, ensure that any provision restricting the amount of digital euros that people can hold is grounded in solid research and maintain the public intermediary option.

Adua Dalla Costa, Policy Officer at Positive Money Europe:

“The EU Commission’s proposal marks the beginning of a democratic debate around the digital euro, which is necessary to ensure its design will work for people and society. The EU Commission understands that in distributing the digital euro, public intermediaries are a piece of the puzzle that cannot be left out in order to guarantee its public nature. However, any decision about limits on the amount of digital euros that people can hold should be grounded in research that explores the implications of no limits, or gradually increasing the limits, for financial stability.”

Wojtek Kalinowski, Co-Director at the Veblen Institute for Economic Reforms:

“We need a broader policy discussion about the objectives to be fulfilled by the digital euro, as its potential for improving our monetary system is substantial but remains unexplored.”

Martin Molko, Research and Outreach Officer at BETTER FINANCE:

“The current proposal would rely on the traditional chain of intermediaries for payments, which could compromise the digital euro’s capacity to provide the enhanced privacy that users are expecting for online transactions. While we welcome the offline privacy capabilities of the digital euro and its ‘not-for-profit’ approach in cases of basic use, details have yet to be clarified. The EU needs to ensure that the digital euro lives up to its potential as a public tool of trust and inclusion that fosters competition within the financial services system.”

Notes for editors:

- Positive Money Europe and the Veblen Institute recently published the position paper '[A digital euro for the people](#)' to contribute to the design and development of a digital currency that truly serves people as a public good.
- [Positive Money Europe](#) is a research and advocacy nonprofit organisation working towards a money and banking system that supports a fair, democratic and sustainable economy.
- The Veblen Institute for Economic Reforms is a politically independent, not-for-profit think tank promoting policies for a sustainable economy and a just transition. It recently published the report '[A Digital Euro for a better Monetary system: The case for a public option](#)' (Jan 2023).
- [BETTER FINANCE](#) is a public interest non-governmental organisation defending the interests of European citizens as financial services users at the EU level in order to promote research, information and training on investments, savings and personal finances.

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