



**To: Fabio Panetta**  
Member of the Executive Board  
European Central Bank

Brussels, 18 January 2022

**Subject: Digital euro – involvement of the European banking industry in the investigation phase**

Dear Mr. Panetta,

The European banking industry, united in the European Banking Federation (EBF), the European Savings and Retail Banking Group (ESBG) and the European Association of Co-operative Banks (EACB), is acutely aware that payments are undergoing fundamental change. Driven by the digital transformation, but also the more recent pandemic-related changes in habits, new trends and products emerge, some of them raising questions that go to the very heart of the Eurosystem's core functions. The banking industry therefore fully appreciates that the Eurosystem would see the need to reflect on the possible introduction of a digital euro. The above associations have closely followed the many discussions that have taken place in the last 18 months on the topic and contributed to them – on an individual basis - at various intervals.

We observe that, since the announcement of the investigation phase on 14 July last year, the ECB has put in place an impressive project organisation and has undertaken different initiatives to involve the wider stakeholder community. This is indeed justified as the possible introduction of a digital euro, like the introduction of the euro itself 20 years ago, is a project with broad societal impact. We welcome the fact that a Market Advisory Group (MAG) has been established drawing on a wide range of relevant expertise. In addition, the Euro Retail Payments Board (ERPB) has been given a place in the process which we also appreciate.

However, both the MAG and the ERPB seem to be focusing only on the technical and payment-related aspects of a possible digital euro. There are many more fundamental aspects to be addressed, as the digital euro could have major consequences, well beyond payments aspects. Indeed, it could change fundamentally the core functions of banks in the economy. We believe that the impact of a digital euro on bank deposits and lending, combined with risks deriving from disruptive digital innovation, should be part of the discussion.



Additionally, the banking industry has been the trusted partner of the ECB for more than 20 years in the transmission of the monetary policy and in distributing the euro – both in physical and electronic form - to Europe’s companies and citizens by building and providing the necessary infrastructures.

The above elements differentiate the banking industry from all other stakeholders in the debate. In line with this we strongly believe that a close and high-level dialogue between the ECB and the banking industry where banks’ representatives would be able to discuss more holistically and strategically all aspects of the project at different stages of the ongoing investigation phase is essential. The banking industry can bring unique insights in the reflections as a digital euro goes into the core of what banking is and what banks do within and for the economy and society.

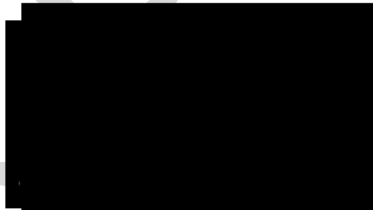
We would envisage regular meetings, at a minimum during crucial stages of the decision-making on the side of the ECB. We are convinced that only by working closely together, authorities and banks can successfully harness this transforming environment.

We thank you for your consideration and look forward to a possibility to exchange with you.

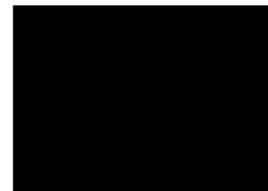
Yours sincerely,



European Banking Federation



European Savings and Retail  
Banking Group



European Association of  
Cooperative Banks

**c.c.:** [Redacted] Market Infrastructure and Payments, ECB)

Evelien Witlox (Programme Manager, Digital Euro, ECB)