

Digital euro scheme Rulebook Development Group (RDG)

18 July 2023

MINUTES
**6th MEETING OF THE DIGITAL EURO SCHEME RULEBOOK DEVELOPMENT
GROUP (RDG)**

18 July 2023, 09:00 – 16:00 (CET)

Welcome note by the Chair and review of agenda

The Chair of the Rulebook Development Group inaugurated the 6th meeting of the Rulebook Development Group (RDG) and introduced the participants.

The Chair then introduced the foreseen agenda, which was confirmed by the participants.

Update on the legislative proposal

The Chair then gave the floor to the representative from the European Commission for a short update on the digital euro legislative proposal. After the update, some RDG members intervened to confirm common understanding of certain aspects of the legislative proposal such as the number of digital euro accounts allowed per individual (unlimited), the links between the digital euro and the Accessibility Act and the applicability of PSD2 to digital euro accounts. The Chair thanked the representative from the European Commission for providing this update and moved to the next agenda item.

Review of Minutes from the 5th RDG meeting

The Chair referred to the draft minutes from the 5th RDG meeting (June) and opened the floor for reactions. RDG members did not have any comment and the minutes were endorsed.

Frequently Asked Questions (FAQ)

The Chair referred to the FAQ document and opened the floor for reactions. Some RDG members asked for further clarifications on topics related to offline payments, standards for cards and liquidity management in the context of open intermediaries. The ECB team invited RDG members to refer to dedicated deep-dives (e.g., on open intermediaries) and/or dedicated workstreams (e.g., scheme compatibility) for further

details on some of these topics. Some RDG members also suggested to align language in different sections of the FAQ document to ensure consistency. The ECB team took note for internal reflection.

Section 2 of the rulebook (scheme scope and interplay)

The ECB team provided an update on the last version of section 2 of the rulebook related to scheme scope and interplay. Some RDG members highlighted that they agreed with the proposed depiction of scheme scope in this section but raised nevertheless doubts on whether the rest of the rulebook, in particular section 3 (functional and operational model) complies with this definition of scope (e.g., the end-to-end flows specify some parts of the interactions between the payers and the payees). The ECB team clarified that section 2 of the rulebook aims to lay the foundations for the scope of contractual agreements governed by the scheme and that contractual relationships between payer and payees are not foreseen to be governed by the digital euro scheme. From the ECB team perspective, this is not in contradiction with the end-to-end flows as depicted in section 3 of rulebook, which might lead to requirements that payer's intermediary and payee's intermediary will need to accommodate for the distribution of the digital euro towards payers and payees.

Some RDG members also asked for further clarity on the relationship(s) between the digital euro scheme, the DESP and TARGET. The digital euro team took the point for future reflection.

Some RDG members also asked if and when the specifications of the digital euro app would be released. The ECB team answered that the functional scope of the digital euro app is depicted in the user journey document while the technical specifications should be detailed in the potential next phase of the project (i.e., in case a decision is made to launch a next phase).

Workstream F1 (Scheme compatibility)

The ECB team presented the results of the second sprint of workstream F1 on scheme compatibility, summarizing the standards identified to potentially support interactions in the end-user to intermediary space, and opened the floor for reactions. Some RDG members suggested to clarify further the nature of each standard identified (i.e., distinguishing messaging format vs. frameworks vs. schemes). Some RDG members also asked for visibility on the proposed next steps for the areas for which no standard was identified. The digital euro team took note of the request for future reflection.

Some RDG members reminded that governance and intellectual property considerations should also be taken into account in the evaluation of possible standards for the digital euro. Some RDG members also mentioned that the selection of some standards could impact the roll-out speed in some markets. The digital euro team reminded that no decision has been made so far on selection of standards and that all these dimensions will indeed be taken into account. The work done by workstream F1 will be considered as an input to inform such decisions.

Workstream A1 (Identification & Authentication)

The ECB team presented the results of the first sprint of workstream A1 on Identification and Authentication as well as the proposition of scope for a second sprint and opened the floor for reactions. Some RDG members pointed out that the legislative proposal from the Commission grants an unlimited number of accounts per individual, which could have implications for some of the items in scope of workstream A1. The ECB team answered that the ECB is currently reviewing the legislative proposal. Some RDG members also asked about the potential link with European digital identity initiatives. The ECB team reminded that this topic is in scope for the second sprint. Some RDG members also emphasized the need to accommodate financial inclusion requirements such as the compliance with accessibility standards. Considerations on liabilities and risks were also mentioned as key aspects of identification and

authentication, as well as reporting requirements which can constitute additional constraints for the definition of the structure/format of digital euro account numbers (DEANs).

E2E flows

The ECB team presented an overview of comments received from the RDG on the previous batch of E2E flows, presented further clarifications on the topic of offline and introduced the list of new E2E flows developed for v0.5 of the rulebook. Referring to the presentation on offline use cases, some RDG members questioned why an online connection would be required at ATMs. The ECB team clarified that it is the ATM that would be connected online, not necessarily the individual user. Some RDG members also questioned whether the offline and online digital euro should be treated separately in the rulebook (e.g., dedicated sections). The ECB team took note of the question for future reflection.

Section 4 of the rulebook (Adherence model)

The ECB team presented an update on the approach foreseen for developing the adherence model section of the rulebook, introducing a high-level contractual framework. Some RDG members made a couple of editorial comments (e.g., request to add a legend).

Workstream C1 (Technical scheme requirements)

The ECB team presented the results of the first sprint of workstream C1 on technical scheme requirements and opened the floor for reactions. Some RDG members pointed out that a more detailed functional architecture will be necessary to assess the impact of the digital euro. The ECB team highlighted that detailing the functional architecture is one of the objectives of the second sprint of workstream C1. Some RDG members also asked for more details on the setup foreseen for fraud prevention. The ECB team took note of the request and might organize a presentation on this topic as part of an upcoming RDG meeting.

Next steps and 3-month rolling plan

The ECB team presented an overview of the foreseen next steps as well as the updated 3-month rolling plan, reminding in particular which documents need to be reviewed by RDG members during the summer break. RDG members were also invited to prepare a presentation summarizing their perceived level of maturity of the draft rulebook and highlighting any key additional element that is considered necessary to include before the draft rulebook can be released for public consultation. Some RDG members warned that, besides rulebook-specific items, there might also be design decisions missing from their perspective and questioned whether the public consultation should be launched before such design decisions are clarified. The ECB team invited participants to reflect on these considerations and stand ready for presenting them during the September RDG meeting.

Closing remarks and way forward

The Chair thanked members for their participation and summarized the key next steps for the Rulebook Development Group.

ANNEX 1. Participants to 2nd MEETING OF THE DIGITAL EURO SCHEME RULEBOOK DEVELOPMENT GROUP (RDG) on 14 March 2023**Representatives from the European retail payments market**

Consumers – AGE: Anne Sophie Parent (*remote*)
Consumers – BEUC: Anna Martin (*remote*)
Corporate Treasurers – VDT: Regina Deisemann
Merchants – Eurocommerce: Axel Schaefer
Merchants – Ecommerce Europe: Roberto Liscia (*excused*)
Credit Institutions – ESBG: Pedro Martinez
Credit Institutions – EBF: Rita Camporeale (*remote*)
Credit Institutions – EACB: Vincent Maissin
Payment Institutions – EPIF: Hartwig Gerhartinger
Payment Institutions – ETPPA: Ralf Ohlhausen
European Payments Council: Manfred Richels
Electronic Money Institutions: Thaer Sabri
Acquirers – EDPIA: Alessandro Agnoletti (*remote*)

Representatives from the European Commission as Observer

Naisa Baldissera May
Jan Ceyskens (*remote, at the beginning of the session only*)

Representatives from the Eurosystem

Banco de Espana: Justo Arenillas (*remote*)
Bank of Finland: Maria Huhtaniska-Montiel
Banque de France: Paul Desprairies
Banca d'Italia: Riccardo Cerruti
Banco de Portugal: Rui Pimentel
Deutsche Bundesbank: Alexander Merkel
Eesti Pank: Anu Keller (*remote*)
Oesterreichische Nationalbank: Eva Kiss
European Central Bank:
Evelien Witlox (digital euro programme manager)
Christian Schäfer (chair digital euro scheme rulebook development group)
Maria Teresa Arraez Gonzalez (*remote*)

Daniel McLean

Marcus Hartel

Thomas Janik

Giulio Ronzino

Ernst Kokke

Paul Le Manh

Amina Zahir