



EUROPEAN CENTRAL BANK

EUROSYSTEM

Scheme access criteria and supervised intermediary distribution

Market Advisory Group

9 November 2022

Digital euro project team



Where do we stand?

Tentative - timing subject to change

July 2021
Governing Council
decision to launch
investigation phase

Use case prioritisation
Report on focus groups with
citizens and merchants



Design options to moderate take-up
Distribution model



Compensation model
Access to ecosystem
Value added services
Advanced functionalities

Prototyping results



Selection of service provider(s)
for possible project realisation
phase

Decision making document
including advice on potential
issuance digital euro, its design
and implementation plan



Q4-2021

Q1-2022

Q2-2022

Q3-2022

Q4-2022

Q1-2023

Q2-2023

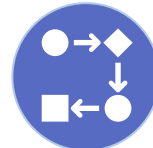
Q3-2023



Project team on-boarding
Governance set-up



On-line/off-line availability
Data privacy level
Transfer mechanism



Settlement model
Distribution of amount in circulation
Role of intermediaries
Integration and form factor
Funding and defunding
Prototype development



User requirements

Preparation for possible
project realisation phase
decision making

September 2023
Governing Council
decision to possibly launch
realisation phase

Objective of today's exchange



Present Eurosystem's analysis of the **scheme access criteria for the digital euro** and subsequently **the supervised intermediaries which should distribute it**



Invite you to **share your input as part of a written procedure (deadline 5 December)** that will feed into the ECB's decision-making on the distribution model that will be brought to the HLTF-CBDC in Q1 2023.

Scheme access criteria and supervised intermediary distribution

Based on the analysis the following scheme access criteria has been derived

Scheme access criteria

Ensure distribution is undertaken by trusted and sound intermediaries

- Capacity to
 - offer payment services
 - offer digital euro accounts
 - provide front-end solutions
- Subject to AML/CFT framework
- Solvency
- Operational readiness and risk control
- Regulatory details

Contribute to digital euro key objectives¹

- Capacity to offer basic digital euro services
- Access to digital euro settlement mechanism to carry out (de)funding
- Capacity to provide PSD2 APIs to allow third parties access and the development of value-added services

1: Those access criteria aim to support the digital euro as monetary anchor and the achievement of strategic autonomy and economic efficiency objectives

Payment service providers (PSPs), as defined in PSD2², meet the scheme access criteria



PSPs fulfil the defined digital euro scheme access criteria, depending on the payment services they are licensed to provide under the PSD2.

Thus, the following PSPs could distribute the digital euro:



Credit institutions (CIs)



Electronic money institutions (EMIs)



Payment institutions (PIs)



Account servicing payment
service providers (ASPSPs)



Payment initiation service providers (PISPs)



Account information service providers (AISPs)

Proposal on services provided by different supervised intermediaries

Supervised intermediaries →	CIs / EMIs / PIs
Services ³ ↓	
Offer digital euro payment services	✓
Provide digital euro account ⁴	✓
Make APIs to digital euro accounts available	✓
Offer digital euro basic services ⁵	✓

 PISPs and AISPs could provide payment initiation and account information services based on the digital euro account APIs.

 Eurosystem works with the Commission on legally facilitating the digital euro distribution by the different types of intermediaries.

3: The full list of services provision is shown in the PSD2.

4: Implementation of funding and defunding services might differ between different types of PSPs.

5: Digital euro basic services are yet to be defined but should be similar in nature to the basic services that credit institutions are to provide under the Payment Accounts Directive (PAD).

Future outlook and discussion

Way forward



The Eurosystem will continue engaging with the **European Commission** with options being discussed with member states with a proposal that can be addressed with **external stakeholders**



In parallel, consultation of **Eurosystem committees**



Outreach to **external stakeholders**



Review of combined decisions (“Bringing it all together”) in Q2 2023 and feedback by stakeholders on overall design prior to Governing Council decision making thereafter

For feedback

We invite **reflections by participants**, including the following points:

1. Do you agree that PSPs as designated in the PSD2 would be best placed to distribute the digital euro?
2. Do you agree on the proposed services to be provided by the different categories of PSPs?
3. Do you see any drawbacks in the proposed approach and if so, how could they be overcome?

Thank you for your attention!