



Single Currency Package: new proposals to support the use of cash and to propose a framework for a digital euro

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The European Commission has today put forward two proposals to ensure that citizens and businesses can continue to access and pay with euro banknotes and coins across the euro area, and to set out a framework for a possible new digital form of the euro that the European Central Bank may issue in the future, as a complement to cash.

The euro continues to be a symbol of Europe's unity and strength. Across the euro area and beyond, for more than two decades, people and businesses have been accustomed to paying with euro coins and banknotes. While 60% of people surveyed would like to continue to have the option to use cash, an increasing number of people are choosing to pay digitally, using cards and applications issued by banks and other digital and financial firms. This trend was accelerated by the COVID-19 pandemic.

To reflect these trends, the Commission has today proposed two mutually supportive sets of measures to ensure that people have both payment options, cash and digital when they want to pay with central bank money:

- **A legislative proposal on the legal tender of euro cash** to safeguard the role of cash, ensure it is widely accepted as a means of payment and remains easily accessible for people and businesses across the euro area.
- **A legislative proposal establishing the legal framework for a possible digital euro** as a complement to euro banknotes and coins. It would ensure that people and businesses have an additional choice – on top of current private options – that allows them to pay digitally with a widely accepted, cheap, secure and resilient form of public money in the euro area (complementing the private solutions that exist today). While today's proposal – once adopted by the European Parliament and Council – would establish the legal framework for the digital euro, it will ultimately be for the European Central Bank to decide if and when to issue the digital euro.

The Package in detail

Legal tender of euro banknotes and coins

Euro cash is 'legal tender' in the euro area. This proposal aims to set out in legislation what that actually means, with a focus on two 'A's': acceptance and access. Although acceptance of cash is high on average across the euro area, issues have emerged in some Member States and sectors. Meanwhile, some people have difficulties in accessing cash, for example as a result of closures of ATMs and bank branches.

Today's proposal aims to safeguard the continued and widespread acceptance of cash throughout the euro area and will also ensure that people have sufficient access to cash to be able to pay in cash if they so wish.

Member States will need to ensure widespread acceptance of cash payments, as well as sufficient and effective access to cash. They will need to monitor and report on the situation and take measures to address any problems identified. The Commission could step in to specify measures if needed.

The proposal will ensure that everyone in the euro area is free to choose their preferred payment method and has access to basic cash services. It will ensure the financial inclusion of vulnerable groups who tend to rely more on cash payments, such as older people.

Digital euro

To adjust to the increasing digitalisation of the economy, the European Central Bank (ECB) – like many other central banks around the world – is investigating the possibility of introducing a digital euro, as a complement to cash. The digital euro would give consumers an alternative European-wide payment solution, in addition to the options that exist today. This means more choice for consumers

and a stronger international role for the euro.

Like cash today, the digital euro would be available alongside existing national and international private means of payment, such as cards or applications. It would work like a digital wallet. People and businesses could pay with the digital euro anytime and anywhere in the euro area.

Significantly, it would be available for payments both online and offline, i.e. payments could be made from device to device without an internet connection, from a remote area or underground car park. While online transactions would offer the same level of data privacy as existing digital means of payments, offline payments would ensure a high degree of privacy and data protection for users: they would allow users to make digital payments while disclosing less personal data than they do today when making card payments, just like when paying with cash, and the same as what they disclose when they take cash out of an ATM. Nobody would be able to see what people are paying for when using the digital euro offline.

Banks and other payment service providers across the EU would distribute the digital euro to people and businesses. Basic digital euro services would be provided free of charge to individuals. To foster financial inclusion, individuals who do not have a bank account would be able to open and hold an account with a post office or another public entity, such as a local authority. It would also be easy to use, including for persons with disabilities.

Merchants across the euro area would be required to accept the digital euro, except very small merchants who choose not to accept digital payments (as the cost to set up new infrastructure to accept payments in digital euro would be disproportionate).

The digital euro could also be a solid basis for further innovation, allowing banks to provide innovative solutions to their clients, for example.

The wide availability and use of digital central bank money would also be important for the EU's monetary sovereignty – particularly if other central banks around the world start developing digital currencies. It is also important against the backdrop of the developing crypto currency market.

Today's proposal sets out the legal framework and essential elements of the digital euro, which would enable – once adopted by the European Parliament and Council – the European Central Bank to eventually introduce a digital euro that is widely usable and available. It will be for the ECB to decide if and when to issue the digital euro. This project will require significant further technical work by the ECB.

Background

The European Commission has been working closely with the [European Central Bank](#) over the past few years to jointly review at technical level a broad range of policy, legal and technical questions on the digital euro.

For more information

[Questions and answers](#)

[Factsheet](#)

[Legal texts](#)

IP/23/3501

Quotes:

The euro is a clear European success story: a trusted global currency that symbolises our strength, unity and solidarity. However, as more people choose to pay digitally, the euro should reflect and adapt to the digital age. A digital euro would complement cash but not replace it. Today's proposals will also make sure that cash will continue to be fully available, while allowing the European Central bank to develop, over time, the practical aspects of the digital euro. It would be safe and secure, instant and convenient - online and offline – offering more consumer choice alongside with private digital payment options such as cards and apps. And it would be available for everyone to use, free of charge and with strict data privacy.
Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People - 28/06/2023

Together with our proposal for a legal framework for a digital euro, today we are also taking action to safeguard the role of cash in our society. Sixty percent of Europeans think it is important to keep cash as a payment option, but there is growing evidence of difficulties with both acceptance of cash and access to it. That's why we are acting to enshrine in EU law the definition of legal tender, to ensure that our citizens can continue to pay in cash throughout the euro area for everyday transactions.
Paolo Gentiloni, Commissioner for Economy - 28/06/2023

Bringing the euro into the digital age is an important European project. By complementing cash, I have no doubt that a digital euro will bring advantages to citizens and businesses across the EU. But I am aware that it requires peoples' trust and confidence. Today's proposal will help frame the debate around what a digital euro is and the advantages of creating it. We are at the beginning of a long democratic process, one which will be done hand-in-hand with the European Parliament, Council – and of course, the European Central Bank, who will decide if and when to introduce the digital euro.
Mairead McGuinness, Commissioner for Financial Services, Financial Stability and Capital Markets Union - 28/06/2023

The digital euro will further strengthen the international role of the euro and provide consumers and businesses with a further, universal, digital payment solution. It will trigger new opportunities in terms of faster, safer and more innovative payments, all while ensuring the highest level of privacy for its users.
Thierry Breton, Commissioner for Internal Market - 28/06/2023

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Related media

 [Press conference by Valdis Dombrovskis, Executive Vice-President of the European Commission, Paolo Gentiloni, and Mairead McGuinness, European Commissioners, on the Digital Euro and the legal tender of euro banknotes and coins](#)