

Digital Euro Market Advisory Group (MAG)

22 April 2022

MINUTES

3rd MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG)

9 March 2022, 10.00 – 13:00 (CET)

Webex teleconference

Introductory remarks

The Chair welcomed members and participants to the third Digital Euro Market Advisory Group (MAG) meeting. The Agenda was approved.

ECB presentations on key milestones on the digital euro project and feedback on members contributions

The ECB provided insight regarding the overall planning of the investigation phase via a presentation¹. The Digital Euro MAG is key in advising the Eurosystem on the design and distribution of a digital euro and acts as a sounding board for the Eurosystem's analysis of design options during the investigation phase. Interactions with the MAG complement the Eurosystem's engagement with market stakeholders via the institutional dialogue in the Euro Retail Payments Board (ERPB).

The ECB provided oral feedback on the contributions received from members on the payment services distribution analysis and thanked members for their valuable comments which will further enrich the ECB's analysis. In addition, the ECB provided a high-level summary presentation on the collected inputs from members submitted during the second round of work which took place between January and February 2022².

Topics for discussion on key areas of work

The ECB asked several members to share their contributions on three different topics in a dedicated presentation during the meeting. Following the presentations, the floor was opened for a fruitful discussion with all members.

¹https://www.ecb.europa.eu/paym/digital_euro/investigation/profuse/shared/files/dedocs/ecb.dedocs220422_keymilestones.en.pdf?2afcedb556849a1f208772a8455a04bf

²https://www.ecb.europa.eu/paym/digital_euro/investigation/governance/shared/files/ecb.degov220309_feedbackpreviouscontributions.en.pdf?0d55673e60238a10f6aed872216dfe70

The first topic addressed was how to ensure a **harmonised and efficient provision of end-users' onboarding services** in the euro area. The importance for the digital euro to have an onboarding process that is to the maximum digitalized and standardized was highlighted. This would apply in particular to the domains of data collection and verification (e.g. standards for data collection, clear definition of controls and its minimisation). Some members were of the view that current procedures should be reused and adjusted to the specific needs of the digital euro, including the need for a unique identification. A discussion among members ensued about the advantages and disadvantages of a full harmonisation of the onboarding process. The question arose whether customers wanting to open a digital euro account could be rejected or not by supervised intermediaries.

The second topic focused on **privacy end user perception** and its relationship with the use of technical privacy safeguards. Members explained that trust and privacy control usually have a positive impact on the perception of privacy risks, unlike privacy concerns whose effect tends to have a negative impact. Striking a balance between these opposing forces is key. Members also noted that a trade-off exists between security, privacy and usability. In addition, it was indicated that different privacy needs should cater for different models, depending on the use cases and functionalities.

Finally, the third topic addressed **security considerations** on payment innovations. As explained by members, trust in a CBDC is essential similar to other means of payment. Among the dimensions mentioned were the protection of the value of money, privacy and confidentiality, operational resilience and security related to systems and technology. Regarding the use of new technologies, additional considerations might be needed to ensure security and functionality.

Input requests for the next round of work

The Chair announced that members will become increasingly involved in providing feedback to the analysis carried out by the digital euro project team. These interactions, which have already started with the distribution model analysis, are closely linked to the overall planning of the investigation phase presented at the beginning of the meeting. The next input request will be on the use cases prioritization analysis. The ECB will reconsider the organisational procedure of the regular rounds of work organised in between meetings in order to better promote interactions between members. Members will be informed accordingly.

Closing remarks and way forward

The Chair closed the meeting and thanked members for their participation and contribution to the discussion items. The next meeting will take place in May.

ANNEX 1. LIST OF ATTENDEES OF THE 3rd MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG) ON 9 MARCH 2022

Chair: Ms. Evelien Witlox

Members

Aleksander Kurtevski	Nilixa Devlukia
Alessandro De Cristofaro	Nils Beier
Antonio Macías Vecino	Paul Le Manh
Axel Schaefer	Piet Mallekoote
Cristian Cengher	Régis Folbaum
Cyril Vignet	Roberto Catanzaro
Diederik Bruggink	Ruth McCarthy
Etienne Goosse	Silvia Attanasio
Fanny Solano	Sofia Lindh Possne
Fernando Rodríguez Ferrer	Stefano Favale
Gerard Hartsink	Teresa Mesquita
Inga Mullins	Valdis Bergs
Jens Holeczek	Ville Sointu
Jochen Siegert	Yves Blavet
Nicolas Kozakiewicz	

Observers

National Central Banks of the Eurosystem
European Commission

ECB participants

Ignacio Terol
María Teresa Arráez
Daniel McLean
Andrea Pinna
Harald Deinhammer
Giulia Di Rienzo
Panos Papapaschalis
Tobias Tesche
Andrej Bachmann
Eric Faber
Philip Conrad Nadler
Eugenio Schininà
Esther Barruetaña