

MINUTES

9th MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG)

24 February 2023, 10:00 – 15:00 (CET)

Introductory remarks

The Chair welcomed members and participants to the ninth Digital Euro Market Advisory Group (MAG) meeting which was held at ECB premises in Frankfurt am Main. The Agenda was approved.

The Chair recalled the Governing Council approval of Lot 2 decisions last November, which was a second milestone for the investigation phase. The second report on the progress of the investigation phase provides an overview of the design choices endorsed by the Governing Council.¹ The Chair concluded the introductory remarks by thanking members on their active contributions to the last written consultations.

Outcome from the past written consultations

The ECB provided high-level feedback on the contributions received from members on its analyses presented at the past two MAG sessions in November and December. The first presentation summarised the feedback received in the written procedure on cross-currency architecture for digital euro payments and conditional payments.² During the meeting, one member invited the ECB to revisit the term conditional payments to better reflect the heterogeneity on programmable payments.

Afterwards, the ECB debriefed on the replies to the written consultations on supervised intermediaries and scheme access criteria, and form factor and delivery options for a digital euro.³ Some questions referred to the type of scheme participation and the associated responsibilities by participants. Regarding the form factor, members reactions placed the focus on the acceptance infrastructure, its reusage and the associated complexities. Privacy considerations on the usage of proxy/alias functionality were also mentioned. The Chair reiterated that the digital euro would build on existing standards to the greatest extent, while acknowledged the importance of fulfilling the key objective on strategic autonomy.

The remaining two presentations addressed the three topics presented in December: (i) on-boarding and digital euro access; (ii) end-user services for a digital euro; and (iii) dispute management.⁴ Members referred to the limits on digital euro holdings for citizens and the zero holding limit for merchants. Technical challenges for intermediaries associated to the ability to check existing citizen's holding and to portability

¹ Published at the end of December and accessible via the following [link](#)

² Accessible via the following [link](#)

³ Accessible via the following [link](#)

⁴ Accessible via the following [link](#)

were also mentioned. With regards to dispute management, one member pointed out the need for a clear delineation between disputing the payment transaction and managing the dispute between intermediaries.

Compensation model in a digital euro ecosystem

The ECB presented its analysis of core principles for the envisioned compensation model in a digital euro ecosystem.⁵ Members were invited to share their views and ask clarifications. Some members referred to the set-up costs to be faced by intermediaries, something which was clarified by the Chair as not being part of this analysis which refers to the production stage. Some members had questions on the incentives for intermediaries on the issuing side and merchants. One member pointed at the compensation model for the open banking services, while other referred to the role of premium value-added services.

Rollout approach for the digital euro

The ECB presented its analysis of a suitable rollout strategy to be developed in a realisation phase for the digital euro.⁶ The Chair noted that this analysis does not pre-empt any decision on a realisation phase or even an issuance decision.

Some of the aspects flagged by members referred to the boundaries between the POS and e-commerce use cases for in-store payments and the synergies that might arise if these two use cases are rolled out together. In addition, several members asked for implementation timelines, something that is not yet part of the analysis presented. One member stressed the need to consider in the timelines the settlement implementation (i.e., account Vs. wallet) while another flagged the fraud risks associated to the e-commerce use case being released in the first place. Connected to the compensation model, it was also indicated the challenges associated to the P2P use case as part of the first product release.

Client journeys and update on the digital euro scheme

The scheme rulebook manager provided an update on the set-up of the Rulebook Development Group and the approach foreseen for the rulebook development.⁷ The Chair noted that this Agenda item was presented for information purposes only.

Closing remarks and way forward

The Chair then thanked members for their participation, informed them of the next physical meetings (3 April and 10 May 2023) and closed the meeting. A written procedure, with deadline until 24 March 2023, was launched after the meeting to collect members' inputs and views on the analyses presented.

⁵ Accessible via the following [link](#)

⁶ Accessible via the following [link](#)

⁷ Accessible via the following [link](#)

ANNEX 1. LIST OF ATTENDEES OF THE 9th MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG) ON 24 FEBRUARY 2023

Chair: Ms. Evelien Witlox

Members

Aleksander Kurtevski
Alessandro De Cristofaro
Antonio Macías Vecino
Axel Schaefer
Cristian Cengher
Cyril Vignet
Diederik Bruggink
Etienne Goosse
Fanny Solano
Fernando Rodríguez Ferrer
Gerard Hartsink
Jens Holeczek
Jochen Siegert

Nicolas Kozakiewicz
Nilixa Devlukia
Nils Beier
Paul Le Manh
Piet Mallekoote
Roberto Catanzaro
Ruth McCarthy
Sean Mullaney
Silvia Attanasio
Sofia Lindh Possne
Teresa Mesquita
Valdis Bergs
Ville Sointu
Yves Blavet

Observers

National Central Banks of the Eurosystem
European Commission

ECB participants

Evelien Witlox
Christian Schäfer
Jürgen Schaaf
Daniel McLean
Stephanie Bergbauer
Lukas Schäfer
Barbora Kalmaityte
Luigi Pedace
Sebastian Siepen
Esther Barruetaña