

From: [REDACTED]
Sent: 24 April 2023 16:11
To: Office FP
Subject: [EXT] AEFR - Debate Papers on A retail CBDC in Europe: the current situation and challenges

Dear Fabio Panetta,

We are pleased to send you the third Debate papers that AEFR is publishing on a retail CBDC in Europe: the current situation and challenges [AEFR-Debate paper - A retail CBDC in Europe: the current situation and challenges](#) led by [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] - La Banque Postale with [REDACTED] of the Finance and Insurance Reloaded (FaIR) program.

The monetary and payment environment is swiftly evolving, and most central banks are exploring the concept of a retail central bank digital currency (CBDC) as a response to the decreased use of cash and possibly to the emergence of so-called "stablecoins". The ECB has launched an investigation phase, involving many technical aspects, and will perhaps decide in the fall of 2023 to launch a realization phase.

At the time this debate paper is being drafted (March 2023), such a complex innovation still raises numerous questions, notably: which uses and purposes? What would be the consequences for the banking system? Which distribution pattern and economic model? How will it technically work? Will the public understand it and accept it? Beyond the technical features, what is the "normative frontier" that would have to be part of a democratic debate? How to reconcile the privacy of cash and the traceability of a digital substitute?

This Debate Paper attempts to give an overall view of some fundamental issues for a wide range of players, from citizens and payment providers to regulators and legislators, and concludes with possible scenarios for the digital euro and stablecoins. It emphasizes that a digital euro seems to be more driven by strategic objectives - notably sovereignty - than by actual use cases which are not already covered by existing payment solutions. The main design choices, risks of over or under-adoption, and competition issues are also explored. Ultimately, legislative and political choices will be decisive, especially regarding legal tender, privacy, economic incentives, and the regulation of distribution.

It may be read in connection to the issue of the Revue d'économie financière on Digital currencies and cryptoassets (REF, 2023) [AEFR - REF n°149 - Digital Currencies and Cryptoassets](#).

We believe that these are both important contributions to the ongoing discussions and that they can be useful in the decision-making process. We are ready to discuss them further and welcome your comments.

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Best regards,

[REDACTED]
[REDACTED] (AEFR)

[REDACTED]
[REDACTED] of AEFR



Désinscription

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