

From: [REDACTED]
To: [Panetta, Fabio](#)
Cc: [Office FP](#); [REDACTED]
Subject: [EXT] Follow up - Reflections about Digital Euro
Date: 01 February 2023 18:08:54
Attachments: [240124_Digital Euro - Santander reflections- FV.pdf](#)

Dear Fabio,

I hope this finds you well.

It was a pleasure to speak with you a few months ago in Washington on the digital euro in an open and constructive way. Thank you so much as well for the opportunity to participate in the virtual conference organized by the European Commission in November.

Since then, our teams have held bilateral meetings, as well as with the Spanish Banking Association and the European Banking Federation. These meetings have been very useful for us to understand your goals and find ways to collaborate. Thank you for supporting this dialogue with your teams.

As we agreed, I am enclosing a brief paper with some reflections on how we could help to accelerate your vision:

- **Infrastructure:** The digital euro could rely on current infrastructure and enable interoperability with local payment solutions. This would be the most efficient way to deliver to consumers across Europe the benefits and also respond to ECB's goals in a faster and more certain time frame. There would be high costs to create a completely new infrastructure, and we are at your disposal to provide you with details on this, if this might help
- **The importance of the digital euro scheme rulebook:** We appreciate the establishment of an industry working Group to contribute to the drafting of the digital euro scheme rulebook. We agree with you that to find the right balance to ensure a homogenous end-user experience across the euro area, while at the same time leaving sufficient room for the private sector to innovate and compete are common goals
- The **compensation model** for intermediaries: Banks are ready to play a key role to support the successful adoption of the digital euro by bringing the digital euro closer to citizens and businesses that we serve today, integrating the digital euro into their daily financial lives. We believe to create the incentives for all intermediaries to provide these services, and allow the market to build and provide advanced services on top of the digital euro, subject to remuneration and not defined at scheme level, are essential, given our experience in other geographies.
- The **design of the digital euro** – including limits on the amounts individuals can hold - will be crucial in minimizing and mitigating risks. Those include potential risks to financial stability, banks' liquidity, and their capacity to finance the economy.

We have sent the attached paper to President Christine Lagarde as well, as a follow up of the conversation we both had in Davos.

I hope you find this useful. My team and I would be delighted to share these thoughts with yours when it suits you best.

With best regards,



Banco Santander, S.A.

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