

Digital Euro Market Advisory Group (MAG)

17 February 2022

## MINUTES

### 2<sup>nd</sup> MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG)

19 January 2022, 10.00 – 13:00 (CET)

Webex teleconference

#### Introductory remarks and feedback on previous contributions

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

As a starting point, the ECB provided a high-level summary of collected inputs from members in the first round of work which took place between November and December 2021<sup>1</sup>.

#### Members contributions to 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.

The first topic focused on **the differences between account-to-account (A2A) and card payments as regards functionalities and services provided to consumers and merchants**. It was noted that A2A payment solutions for P2B payments are still a market niche in many countries with some exceptions (NL, PL). As part of the analysis, both advantages and disadvantages of A2A payment solutions were identified. Some of the advantages mentioned were the reliance on the current payment accounts infrastructure, the dual function for 'push' and 'pull' payments and in some cases lower acceptance costs for merchants. However, in order to meet consumer and merchant preferences, a number of shortcomings of existing A2A solutions were identified (e.g. pre-authorisation, dispute management). Additional issues raised were the current level of fragmentation that hinders a uniform user experience and the different regulatory requirements for account-based and card-based payments (e.g. PSD2 exemptions).

The second topic addressed was **end users' privacy in the context of electronic payment solutions**. Some examples mentioned were prepaid cards and e-money systems, although no single traditional payment method has been designed based on privacy or anonymity. It was pointed out that additional legal restrictions on the use of prepaid cards and cash are progressively being enforced, revealing that full

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<sup>1</sup> [Link to presentation: feedback on previous contributions](#)

anonymity is neither possible nor desirable. The importance of transaction data for the provision of value-added services, along with other needs (e.g. data access requests for litigation processes) was also noted.

Finally, members discussed **use cases which might drive end user adoption of an offline digital euro**. Given that the cost structure and main attributes of existing account-based offline payment solutions are very similar to the ones for online payments; it was felt that the business case is rather limited. As for non-account based offline payment solutions, the need for a dedicated infrastructure was highlighted (although this might also be needed in account-based ones). Among the potential use cases, members referred to small-value payments (e.g. transit fares) and P2P payments, where privacy can be a distinct feature for a potential digital euro.

### **Preparation for the next MAG meeting**

The digital euro project team announced the input requests for the next meeting, both for front-end and back-end services, including end user's interfaces, user experience, acceptance infrastructure for offline payments, payments processing, roles and services to be provided by intermediaries, and privacy and security standards, among other topics.

### **Closing remarks and way forward**

Members asked for further insights regarding the overall planning of the investigation phase. As such, the Chair committed to share more details on the project plan in the upcoming meeting. The Chair closed the meeting and thanked members for their participation and contribution to the discussion items. The next meeting will take place in March.

**ANNEX 1. LIST OF ATTENDEES OF THE 2nd MEETING OF THE DIGITAL EURO MARKET ADVISORY GROUP (MAG) ON 19 JANUARY 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	Sean Mullaney
Fanny Solano	Silvia Attanasio
Fernando Rodríguez Ferrer	Sofia Lindh Possne
Gerard Hartsink	Stefano Favale
Inga Mullins	Teresa Mesquita
Jens Holeczek	Valdis Bergs
Jochen Siegert	Ville Sointu
Nicolas Kozakiewicz	Yves Blavet

**Observers**

Carlos Conesa (Banco de España)  
 Heike Winter (Deutsche Bundesbank)  
 Emīls Dārziņš (Latvijas Banka)  
 Marius Jurgilas (Lietuvos bankas)  
 Pierre Thissen (Banque centrale du Luxembourg)

**ECB participants**

Ignacio Terol  
 María Teresa Arráez  
 Daniel McLean  
 Andrea Pinna  
 Harald Deinhammer  
 Giulia Di Rienzo  
 Panos Papapaschalis  
 Tobias Tesche  
 Esther Barruetaña