



## Digital euro

# Digital currencies as payment method of the future

One thing is certain: the digital euro is coming! The ECB is strongly pushing ahead with the development of a digital central bank money for the euro area. But the private sector is also active and working on digital means of payment.

### What are the ECB's plans?

A central bank digital currency (CBDC) is planned, i.e. a digital currency issued directly by the ECB. Like cash, a digital euro can be used by private consumers and entrepreneurs as a means of payment – in shops, online or even from person to person – just in digital form.

For commercial banks and other financial service providers, this is a major challenge in that, according to the ECB's plans, they are to take over the distribution of the digital euro. The currency must be accepted as legal means of payment by all retailers and businesses in the euro area.

### How far along is the private sector?

At the same time, the private sector – FinTechs, banks, e-money institutions and other organisations – are working on privately issued forms of digital currencies. Examples are stablecoins, e-money tokens or scriptural money tokens.

Such projects rely largely on the possibilities of programmable payments and programmable tokens. These are important developments, especially for companies in the private sector. Because this is how innovative business models and processes can be implemented in tandem with payments.

## Digital euro

# The next step

### Challenges for banks and financial service providers

#### What tasks does the ECB's digital euro entail?

As distributors of the digital euro, commercial banks in particular have important tasks to perform:

- Establishing access to the digital euro for consumers, for example via wallets
- Establishing digital payment options, both in shops and online
- Promoting acceptance by retailers and corporate customers
- Implementing regulatory requirements such as fraud prevention and anti-money laundering measures

#### What tasks does the digital euro planned by the private sector entail?

Private solutions are on the rise. It is important not to miss the boat:

- Tracking and analysing current initiatives
- Examining cooperation opportunities
- Developing suitable use cases for companies

PPI supports financial service providers in the design and implementation of various solutions for the digital euro.

### Services by PPI

PPI AG can support financial service providers in preliminary studies for the adaptation of the fields of action and a target-group-oriented definition of the market entry scenario for the digital euro.

This includes services such as:

- Strategy development
- Provider selection and tender support
- Concepts for use cases (including mock-up design)
- Creation of a proof of concept
- Technical design of possible solutions

We are also happy to support you with customised workshops and webinars on the topic.

**We guide you on the way to the digital euro!**

### For questions and further information:



#### Benno Rach

Partner  
M +49 15165869762  
Benno.Rach@ppi.de



#### Anja Kristina Kamping

Managing Consultant  
M +49 16097983948  
Anja.Kamping@ppi.de

#### PPI AG

Wilhelm-Leuschner-Straße 79  
60329 Frankfurt/Main  
Germany

#### PPI AG

Moorfuhrweg 13  
22301 Hamburg  
Germany