

MINUTES
**1st MEETING OF THE DIGITAL EURO SCHEME RULEBOOK DEVELOPMENT
GROUP (RDG)**

15 February 2023, 09:00 – 16:00 (CET)

Welcome note by the digital euro Programme Manager

The digital euro Programme Manager welcomed and inaugurated the 1st meeting of the Rulebook Development Group, held in-person at the European Central Bank.

The digital euro Programme Manager reminded the vision, objectives and timeline of the ongoing digital euro project's investigation phase, as well as a recap of the associated governance. The digital euro Programme Manager emphasized that no decision regarding the launch of the digital euro implementation had already been made and that the rulebook development group's work is independent from that decision.

After this introduction, the digital euro Programme Manager handed over the floor to the Chair of the Rulebook Development Group.

Introductory remarks by the Chair and introduction of the mandate of the Rulebook Development Group

The Chair welcomed members and participants to the 1st Rulebook Development Group meeting, highlighting that the work of the Rulebook Development Group will be based on the applicable law and design decisions made by the Eurosystem High-Level Taskforce. The Chair emphasized that the Rulebook Development Group will not debate these design decisions, nor the overall rationale for the digital euro project, but rather focus on developing a scheme rulebook and potentially identifying necessary design clarifications as needed. The Chair also highlighted that the "business conditions" of the digital euro are out of scope of the rulebook development group reflections, even though these will be part of the scheme rulebook ultimately (e.g., as an appendix document). Process-wise, the Chair informed the participants that they would typically receive the material for the RDG meetings one week in advance of each meeting.

Participants were then invited to share their reactions and questions on the RDG's mandate. Several participants shared their concern with the 1-week timeframe for receiving and reviewing materials ahead of RDG meetings – perceived as too short. The Chair answered that all RDG meetings will be planned in advance to allow participants to schedule their internal and/or mirror meetings in advance as well. The

Chair also highlighted that a number of topics will be reflected through several iterations with the RDG, thereby leaving more time for participants to iterate within their internal and/or mirror working groups.

Some participants, while acknowledging their understanding that the Rulebook Development Group will not debate design decisions, pointed out that some clarifications might still be requested and asked for the process foreseen in such situations. The digital euro Programme Manager answered that it would depend on the type of clarifications requested. In some cases, the digital euro project team might be able to provide clarifications directly. In other cases, clarifications might require a new design decision requiring the involvement of the digital euro program governance bodies, including the High-Level Taskforce.

Some participants also asked for the process foreseen in situations where the Rulebook Development Group cannot reach consensus on some sections of the rulebook. The Chair answered that, in such situations, the position of each participant would be documented in order to allow a well-informed decision by the relevant governance bodies of the digital euro programme.

Some participants asked if the Rulebook Development Group would also reflect on the governance of the (potential) future digital euro scheme. The Chair answered that this was indeed in the scope of the Rulebook Development Group but would be reflected at a later stage, after other important sections of the rulebook have been drafted.

Some participants asked if alternates would be allowed for the Rulebook Development Group Meetings, in situations where some participants are not able to attend the meetings. The Chair answered that allowing alternates might lead to situations where participants end up less committed to contributing actively. Nevertheless, the Chair highlighted that written reactions could be provided in situations where participants cannot attend a meeting.

Lastly, some participants asked if the draft rulebook will be reviewed once the legal text for the digital euro (currently being prepared) will be finalized. The Chair answered that the sections of the rulebook dependent on the legal text will be flagged to allow tracking and adjustments as needed.

Overview of the design decisions endorsed by the Eurosystem framing the work of the RDG

The digital euro team presented an overview of the design decisions endorsed by the Eurosystem, which will serve as the foundation for the writing of the scheme rulebook. Participants were then invited to share reactions and questions with respect to these design decisions.

Some participants asked if “dispute management” was foreseen as in scope of the potential digital euro scheme, to which the digital euro team answered positively.

Some participants asked for clarifications on the meaning of “privacy enhancing techniques”, to which the digital euro team answered that these techniques should aim at ensuring that the Eurosystem will never

access directly individuals' information and data. It was highlighted that privacy is a crucial objective for the digital euro project.

Some participants asked if funding/defunding from/to electronic forms of money other than commercial bank money would be possible (e.g., such as electronic money ('e-money')). The digital euro team answered that this would be possible based on the understanding that e-money is always backed by central bank reserves. Specifics in the final settlement model are to be observed.

Some participants asked for confirmation that the development of value-added services would be fully left to the market, to which the digital euro team answered positively.

Some participants asked whether both the online and offline use cases are foreseen to be part of the first release of the digital euro. The digital euro team answered that both were in scope for the rulebook, but that the development of the offline use cases should not delay the launch of the online use cases.

Some participants asked whether a potential remuneration of digital euro holdings was foreseen. The digital euro team answered that it has been decided to build the functionality for allowing the activation of potential remunerations in the future, but that the usage of such functionality in the future was unlikely.

Some participants asked if the decision on account-based vs token-based had been made. The digital euro project team answered that the decision was still open at this stage.

Some participants asked for a definition of a "Business" in the context of the digital euro, to which the digital euro team answered that a legal analysis was indeed required (and ongoing).

Some participants asked for confirmation that every citizen should have access to the digital euro, under the principle of financial inclusion, to which the digital euro team answered positively.

Approach for the Rulebook Development

The digital euro team then introduced the foreseen approach for the development of the rulebook, presenting the target table of content, associated building blocks and high-level planning. The concept of workstreams was also introduced and the proposed mandate for workstream F1 ("Scheme compatibility") was presented. Participants were then invited to share questions and reactions with respect to the proposed approach.

Some participants asked for more details on the "interoperability" section foreseen for the rulebook, to which the digital euro team answered that workstream F1 ("Scheme compatibility") should focus on these details.

Some participants asked to include the following items in the target table of content for the rulebook: dispute, fraud management, security and governance. The digital euro team answered that these items were indeed in scope of the foreseen rulebook.

Some participants asked if, overall, the digital euro scheme would be a "technical scheme" (e.g., comparable to existing SEPA schemes) or an "end-to-end scheme" (i.e., covering also rules related to end-users such as issuing and acceptance rules). The digital euro project team answered that the digital euro

scheme is foreseen to be an “end-to-end scheme”, reminding that nevertheless some elements would have to be fully developed by the market such as value-added services.

Some participants asked for confirmation that the core sections of the scheme would be drafted first and that the implementation guidelines would come potentially at a later stage. The digital euro team answered positively.

Some participants asked for confirmation that draft sections of the rulebook will always be reflected in the Rulebook Development Group meetings, including these drafted through dedicated workstreams. The digital euro team answered positively.

Some participants asked for confirmation that the Rulebook Development Group participants could also apply to participate to some workstreams, but that it was not mandatory for them to do so. The digital euro team answered positively.

Some participants asked if there should be an additional workstream dedicated to the settlement model. The digital euro team indicated that this was not foreseen but would be discussed within the programme and clarified in the next meeting.

Regarding workstream F1 (“Scheme compatibility”), some participants suggested to start by an inventory of existing initiatives and standards, followed by an evaluation of what could be leveraged for the digital euro.

Client journeys

The digital euro project team presented the suggested approach for the development of illustrative client journeys informing the digital euro scheme rulebook. Participants were then invited to share questions and reactions.

Participants asked for clarifications on the proposed approach, which were answered by the digital euro team during the session and indicated that they will now await for the first client journey illustrations to be shared for providing further reactions.

Closing remarks and way forward

The Chair then thanked members for their participation and informed them of the foreseen dates for the future RDG meetings. A few participants indicated being unavailable on some of the proposed dates. The digital euro team will assess if alternative dates can be proposed.

ANNEX 1. Participants to 1st MEETING OF THE DIGITAL EURO SCHEME RULEBOOK DEVELOPMENT GROUP (RDG) on 15 February 2023

Representatives from the European retail payments market

Consumers – BEUC: Anna Martin
Corporate Treasurers – VDT: Regina Deisemann
Merchants – Eurocommerce: Axel Schaefer
Credit Institutions – ESBG: Pedro Martinez
Credit Institutions – EBF: Rita Camporeale
Credit Institutions – EACB: Vincent Maissin
Payment Institutions – EPIF: Hartwig Gerhartinger
Payment Institutions – ETTPA: Ralf Ohlhausen
European Payments Council: Manfred Richels
Electronic Money Institutions: Thaer Sabri
Acquirers – EDPIA: Alessandro Agnoletti

Representatives from the Eurosystem

Banco de Espana: Justo Arenillas
Bank of Finland: Maria Huhtaniska-Montiel
Banque de France: Paul Desprairies
Banca d’Italia: Riccardo Cerruti
Banco de Portugal: Rui Pimentel
Deutsche Bundesbank: Alexander Merkel
Eesti Pank: Anu Keller
Oesterreichische Nationalbank: Eva Kiss
European Central Bank:
 Evelien Witlox (digital euro programme manager)
 Christian Schäfer (chair digital euro scheme rulebook development group)
 Daniel McLean
 Stephanie Bergbauer
 Karine Themejian
 Giulio Ronzino
 Jason Ekberg
 Paul Le Manh