Summary of collected inputs from ERPB

- Supervised intermediaries and scheme access criteria
- Form factor options and delivery approach for the digital euro consumer interface

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Digital euro project team

Supervised intermediaries and scheme access criteria

Scheme access – summary of feedback received

- **All participating ERPB members welcomed the proposed approach except consumer associations,** who preferred a stronger role of the Eurosystem in the distribution of the digital euro in order to ensure financial inclusion and situations were end-users are not granted access.

- Banking associations suggested limiting it to account servicing payment service providers or even to credit institutions only. Non-bank PSPs associations focused on the need for having access to the settlement infrastructure and some suggest new types of licenses next to the ones regulated within the PSD2 (e.g. wallet provider/manager).

- Merchant representatives emphasized that EMI and PIs should get access to the settlement infrastructure to be able to independently offer all services. In addition, they stresses the importance of APIs standardisation for the successful interplay among the different licensed PSPs and their service offer.

- The issue was raised that any mandatory distribution might affect also highly specialised PSPs which currently only offer services towards merchants and that any regulation should have enough flexibility to take this into account.

Form factor options and delivery approach for the digital euro consumer interface

Considerations on the prioritization of payment initiation technologies (I)

- ERPB members largely supported the prioritization of technologies for the initial release: "Alias/proxy" functionality for P2P and e-commerce, NFC for POS and QR-codes for P2P, e-commerce and POS.

- An additional technology was mentioned: Bluetooth Low Energy (BLE) for POS and P2P (offline).

- The three technologies should be available as of the beginning. NFC was recognized as the most currently widespread technology. A lack of NFC implementation at the POS the successful adoption of the digital euro might be at risk. One association suggested to limit QR-codes to specific countries or use cases (e.g. e-commerce) while other recommended avoiding its usage for high-risk transactions.

- In order to ensure a universal provision of digital euro payment services across all use cases (i.e., an omni-channel checkout experience), it was suggested to extend the usage of alias/proxy to POS.

- Technological neutrality and flexibility for future form factor developments would support any upcoming and relevant technology (e.g. ultra wideband).

- Some members, including consumers associations, stressed the importance of financial inclusion considerations → form factors with lower technical requirements and complementary to cash.

- Usability and user experience were mentioned as key for a successful adoption of the digital euro.

Considerations on the prioritization of payment initiation technologies (II)

- Overall, members preferences pointed at leveraging on European standards, like the EPC QR-code and CPACE.

- Some members indicated that since NFC is already widely deployed, it is connected to lower adoption costs for merchants compared to QR-code.

- The provision of a standard solution for merchants (especially SMEs) to easily generate their QR-codes was mentioned as key.

- A massive roll out of new terminals should be avoided. Instead, existing infrastructure (hardware and potentially software) should be reused, guaranteeing that necessary investments on merchant side remain as low as possible.

- The roll-out NFC in the whole euro area could be very ambitious till 2026 – strong collaboration with device manufacturers and card schemes to manage software availability and recertification. Using an existing kernel provider could be a possibility, while developing European standards.

- One member mentioned the convenience to bundle with EU digital wallet.

Potential drawbacks of the prioritised delivery approach and ways to overcome

The ERPB has contrasting views in relation to the delivery approach for the digital euro consumer interface:

- **Consumers** associations strongly supported the harmonised entry point for three main reasons: (1) homogenous design and UX across the euro area, allowing clear differentiation between central bank vs. commercial bank money and the different rights/protections in each context; (2) PSPs might have a limited interest in promoting digital euro solutions in their interfaces as compared to their commercial payment solutions and value-added services, and might make it more cumbersome for consumers to use the digital euro; (3) more choice to consumers and ability to set up a front-end for financial inclusion, always considering the need for several arrangements in the back-end to make this happen.

- An association representing **retailers** supports the described delivery approach for the digital euro consumer interface, stressing the importance of providing clear guidelines in the scheme in order to ensure functional and visual standardisation of the integrated applications.

- Some associations from the **supply slide**[1] preferred the integrated-only approach, and highlighted the main drawbacks for a harmonised entry point: (1) extra complexity and costs due to the additional ECB layer and potential confusion on who bears the responsibility for the solution; (2) potential operational burden on the Eurosystem to provide support activities, depending on the development and distribution strategy of the app; and (3) it may distort market competition. The rationale for a stand-alone ECB app was also questioned in terms of financial inclusion.

[1]Several did not specifically reply to this question

Thank you