

EUROPEAN CENTRAL BANK

EUROSYSTEM

Summary of collected inputs from MAG members

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



Digital euro project team

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Disclaimer

The following presentation summarises findings of the answers provided individually or jointly by some digital euro MAG members; these findings need not necessarily reflect design decisions for the digital euro

Supervised intermediaries and scheme access criteria

Scheme access – summary of feedback received

- Most MAG members shared the view that PSPs as designated in the PSD2 are indeed best place to distribute the digital euro. They stress that the supervisory regime and the license requirement should match the risk profile related to the task.
- There was an agreement that ASPSPs should be allowed to serve as D€ account provider and that current AISP and PISP should only perform for the D€ the functions they are also licensed for in the context of the PSD2.
- Some member stressed the importance of a dedicated scheme to cater for new services around the digital euro beyond the scope of PSD2.
- Member(s) stressed that a general obligation linked to a certain license might not work, as certain PSPs are only active on the merchant side and would struggle if forced to offer services for end-user.
- Several members raised the issue of access to the D€ settlement infrastructure which is currently limited for PSPs and which might need to be extended.
- Members(s) also pointed towards the possibly problematic role of BigTechs which might gain a controlling position in the D€ should they acquire or use the respective license.

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

Considerations on the prioritization of payment initiation technologies

- **MAG 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.
- In addition, some members pointed out the possibility for using a "link" for sending a payment request (i.e. via messaging app or email).
- Especially regarding POS, the lack of end-users' familiarity with QR-codes may cause a slow adoption. For this reason, several members recommended to launch all technologies at the same time.
- One member suggested to limit the QR-codes usage to low value and risk transactions and mainly for e-commerce. Other members supported QR-code since it is providing a uniform user experience across different use cases.
- One member was of the opinion that the Eurosystem should not be too prescriptive on how front-end solutions should look like.

Major considerations for rolling out QR-codes and NFC

- Diverging views on the implementation costs of both technologies:
 - > Implementing QR-codes would be less expensive than NFC since technical complexity is lower.
 - NFC would require lower adaptation costs for both merchants and intermediaries compared to the deployment of QR-codes, due to lower familiarity of market participants with QR-codes and therefore higher efforts on marketing and training.
- Several members stressed that NFC technology at POS would not be feasible before 2026. Previous experiences reveal a roll-out timeframe of minimum 3,5 years.
- Members made several technical considerations (e.g. to leverage ISO 20022, advantages and disadvantages of different types of QR-codes, implications on merchant proprietary systems)

Considerations on the delivery approach

- The MAG has contrasting views in relation to the delivery approach for the digital euro consumer interface.
- Some members considered the harmonised entry point as a good mechanism to speed up the deployment, decrease costs for certain categories of PSPs, and ensuring a harmonised look and feel.
- At the same time, members largely outlined three main potential downsides of having a harmonised entry point: (1) complexity for PSPs due to the additional layer, and potential confusion on the end-user side about who bears the responsibility for the solution; (2) potential operational burden on the Eurosystem to provide technical support activities and maintenance; and (3) it may distort market competition. For these reasons, some members believe that the digital euro end-user interface should be left to private actors.
- Finally, most members mentioned the need to provide clear guidelines in the scheme in order to ensure functional and visual standardisation of the integrated applications and limit the risk of fragmentation of implementation specifications, APIs, and SDKs both at the PSP and merchant-level.

Thank you