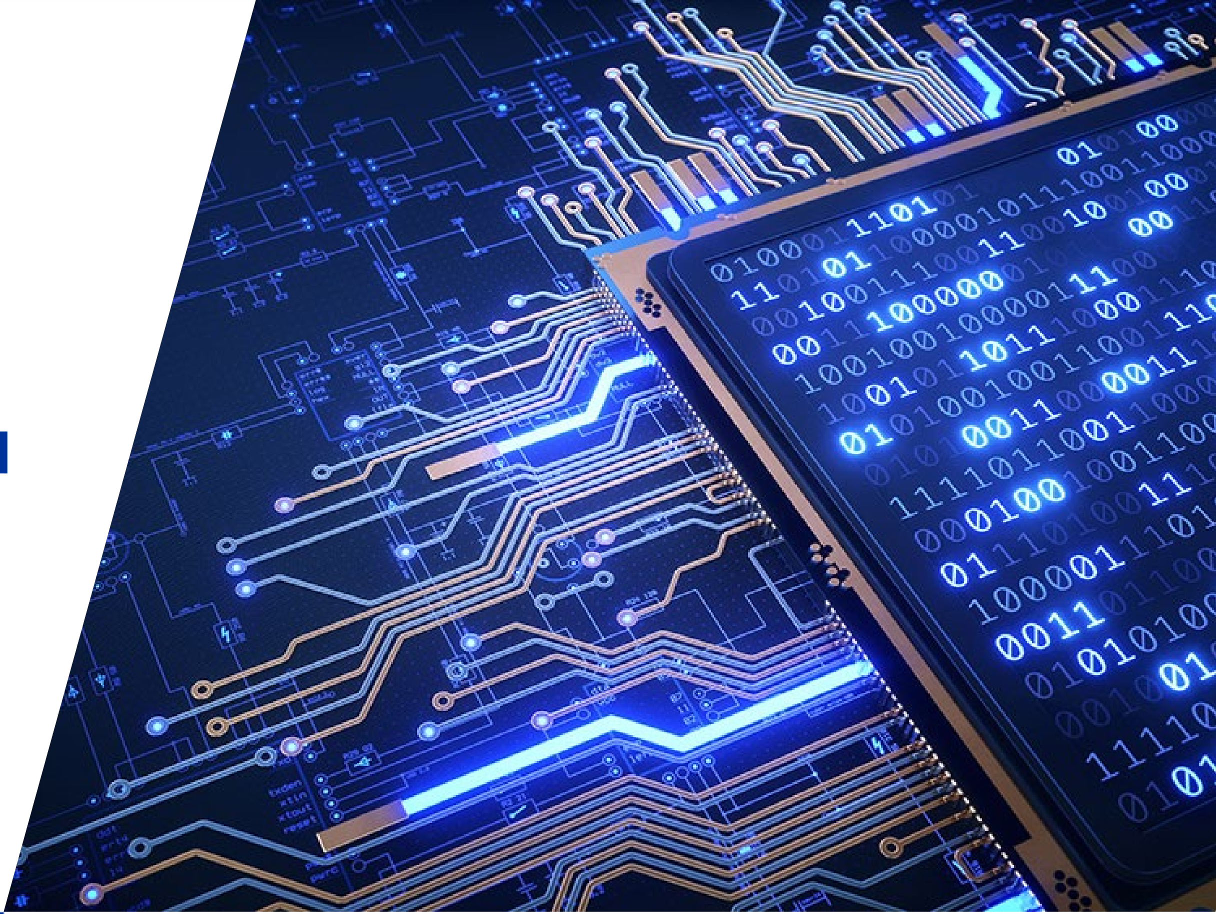
EUROPEAN CENTRAL BANK

EUROSYSTEM

The digitalisation of money, payments and finance

Fondazione ResPublica



23 September 2026

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Member of the Executive Board of the ECB

The digital transformation of payments and finance

Payments and finance are changing, requiring **a forward-looking** approach to support the development of an **integrated**, **innovative and competitive European market for digital payments and finance.**

Driven by:

Digitalisation of **payments**

Emergence of **new technologies,** such as distributed ledger technology (DLT)

Heightened focus on **reducing dependencies** and **strengthening resilience**

Our comprehensive payments strategy: strategic aims

Provide a steer to:

- Ensure an **integrated**, **future-oriented** payments **landscape**
- **Align** policies and initiatives under a **holistic vision**
- Ensure **effectiveness** of **monetary policy** and **financial stability**
- **Safeguard** continuity and **smooth operation** of the **payment system**

Our comprehensive payments strategy: use cases

Retail payments

Wholesale payments

Cross-border payments

Business-to-business payments

New ways of supplying central bank money:

Digital euro

Tokenised central bank money
(Pontes & Appia)

Focus of this presentation

Taxonomy of digital settlement assets

Settlement Assets

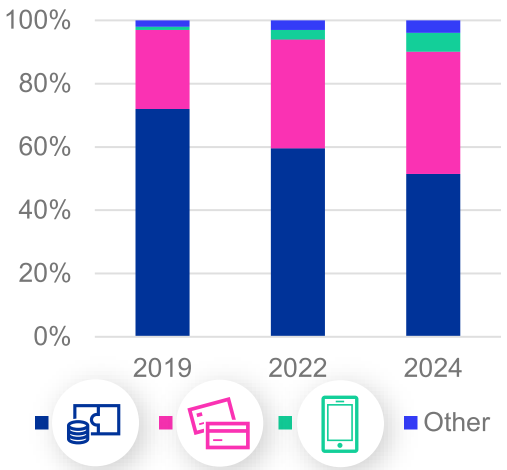
Assets or claims on assets that a beneficiary accepts for the final settlement of an obligation

- **Public settlement assets**
  - Central bank money for day-to-day (retail) digital transactions: **Digital euro**
  - Central bank money for wholesale digital transactions: **Pontes & Appia**
- **Private settlement assets**
  - Commercial bank money: **Tokenised deposits**
  - Crypto-assets backed by other assets to limit their price fluctuation: **Stablecoins**

Digital euro: a digital form of cash for day-to-day payments

Digital payments on the rise*

Payments in shops**



The digital euro: a digital form of cash

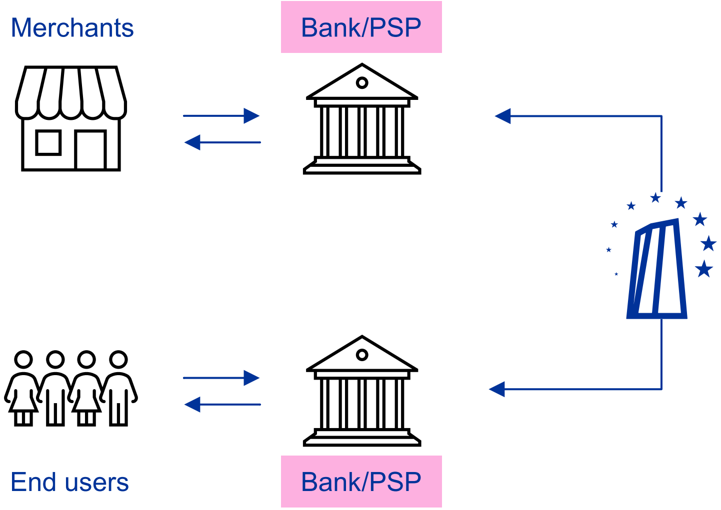
Would complement cash

Would offer freedom of choice between cash and digital payments

Available across the euro area, online and offline

* Study on the payment habits of consumers in the euro area (SPACE), ECB, December 2024.
** As a proportion of all day-to-day payments in the euro area, in numbers

EU-licensed payment service providers (PSPs) will be at the core of digital euro distribution



- **Critical role for banks:** banks will play a key role in digital euro distribution.
- **Preserving customer relationships:** customers will be able to access the digital euro through their trusted banking partners.
- **Robust safeguards**: holding limits, no remuneration, (de)funding features and no holdings for businesses.
- **Fair compensation:** banks will be compensated for their efforts in distributing digital euro.
- **Synergies**: 1) standardised acceptance network; and 2) co-badging.

Financial stability and **competitiveness** as key pillars of the digital euro

Digital euro: a public infrastructure for digital payments

Digital euro

- Establishes a European acceptance infrastructure with standards open to private solutions
- Offers a platform for innovation based on which private providers can build value-added services

↓

Domestic and regional solutions

Domestic solutions adopt digital euro standards and achieve pan-European reach without heavy investment

Digital euro: where we stand

Investigation phase
Oct 2021 – Oct 2023

Concept definition, technical exploration and design proposal

Preparation phase
Nov 2023 – Oct 2025

Preparation through testing and experimentation

Current phase
Nov 2025 - ongoing

Continued preparation follows a **flexible** and **modular approach**.

Focus on:

- **Advancing** technical readiness
- **Deepening** market engagement
- **Supporting** the legislative process

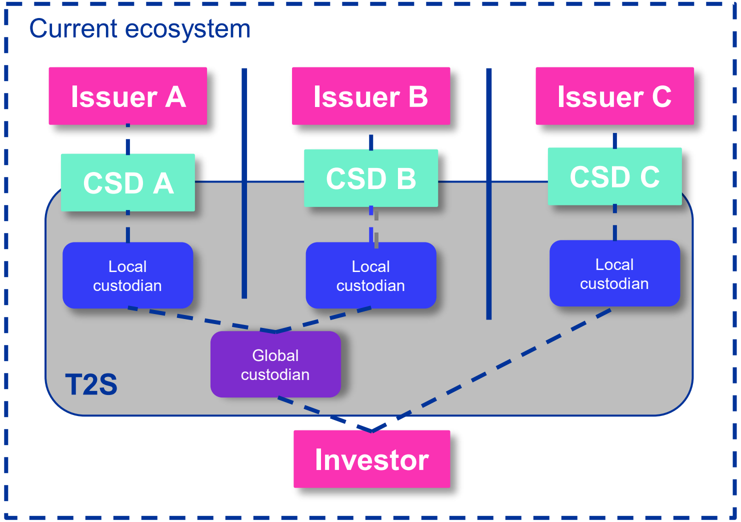
The **digital euro pilot** will run for 12 months, starting in the **second half of 2027**.

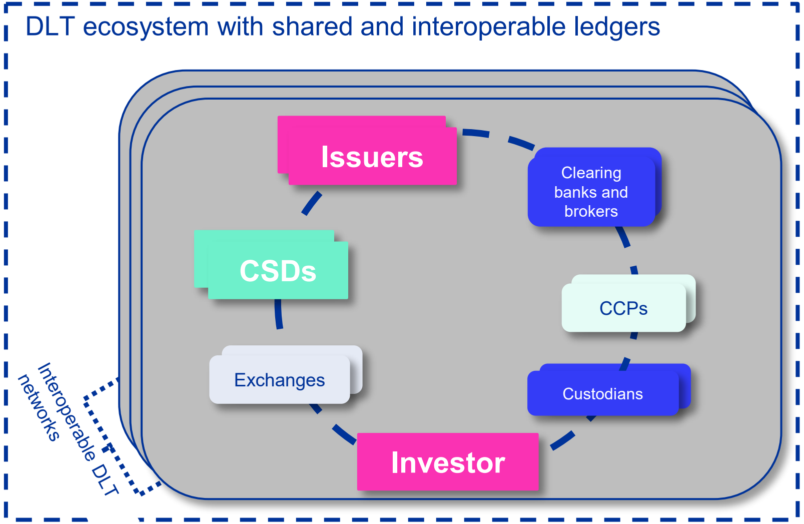
The ECB **aims to be ready for a potential first issuance** of the digital euro during **2029**. Preparing for the digital euro pilot does not pre-empt any decision to issue the digital euro. The ECB will only take a decision on whether to issue the digital euro once the EU co-legislators adopt the digital euro Regulation.

Tokenisation can deliver efficiency gains, drive innovation in financial services and support integrated European capital markets

Current capital markets are highly complex and fragmented, mainly due to:

- Separate, independent ledgers for bookkeeping across market participants
- Fragmented regulatory framework for custody, asset servicing and tax-related processes
- Non-interoperable technological ecosystems in each country, creating siloed pools of asset liquidity





Eurosystem policy response: tokenised central bank money

Central bank money provides a **risk-free settlement anchor** to digital finance

Enables expansion of digital asset market
- Safe settlement asset
- Standards
- Finality

Addresses the limited scalability of stablecoins due to…
- 100% reserve backing
- Asset scarcity
- Bank dis-intermediation effects

Supports an integrated market for digital assets
- Fungibility
- Liquidity

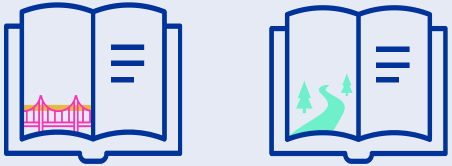
Integrates tokenised deposits into the monetary system
- Compliance with financial regulation
- Mitigates systemic risks

A tokenised euro for wholesale transactions: Pontes & Appia

Pontes provides the bridge between DLT platforms and TARGET Services, so that DLT transactions can be settled in central bank money

Launched on 21 September 2026, will be gradually enhanced over the next two years

Pontes & Appia



Pontes & Appia will enable safe, efficient settlement in central bank money and support an integrated European market for digital assets from the outset

Appia supports the development of a future-ready, innovative and integrated tokenised ecosystem in a public-private partnership

Analysis, standardisation, longer-term design – vision to be documented in a Blueprint in 2028

Cross-border interlinking: our initiatives in line with G20 objectives

GLOBAL CROSS-BORDER PAYMENTS

The ECB is committed to improving cross-border payments globally by:

- exploring interlinking TIPS with fast payments systems outside Europe through bilateral links and multilateral networks
- participating in Project Agorá, a public-private collaboration led by the Bank for International Settlements (BIS), to test a multi-currency shared platform

MULTI-CURRENCY SETTLEMENT

Leveraging the multi-currency feature of the Eurosystem’s instant payments settlement service (TIPS) to settle funds end to end instantly in central bank money, in TIPS hosted currencies.

- The Eurosystem’s comprehensive payments strategy

Digital euro:

- Dedicated webpage
- FAQs
- Latest progress report
- Fit in the payment ecosystem
- Key findings on innovation potential
- User research report by Ipsos

Settlement of DLT-based transactions:

- Tokenisation and DLT
- Pontes
- Appia
- Pontes launch

Cross-border payments

- Dedicated webpage

Thank you