

Denis Beau: Euro payment systems - a challenge for monetary and financial stability and sovereignty in France and Europe

Speech by Mr Denis Beau, First Deputy Governor of the Bank of France, at the "Assises des Technologies Financières", Paris, 11 December 2025.

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Ladies and Gentlemen,

The worsening of the geopolitical landscape, the acceleration of payment digitalisation, and the emergence of a new tokenised financial ecosystem have, in recent years, shed fresh light on the important role played in Europe by non-European players and technologies in our payment systems. These transformations and this role are increasing the risk of a loss of stability and strategic autonomy. For the Banque de France, in charge of maintaining financial and monetary stability within the Eurosystem, this growing risk justifies mobilising its resources to support the transformations underway while ensuring that stability and autonomy are preserved. We are now fully committed to this endeavour, and I would like to briefly outline its priorities and main aspects, after sharing a few observations and thoughts on the opportunities for transforming our euro payment systems and the resulting consequences.

1. Opportunities for transforming our payment systems

Among the ongoing transformations in the payments landscape, I would highlight three that are of particular interest to the Banque de France, in respect of its mandate to maintain monetary and financial stability:

1. The gradual decline in the use of cash for transaction purposes to the benefit of digital payment solutions, which are currently dominated by cards in France and underpinned by the growth of e-commerce. This growing use of electronic payment solutions has contributed to simpler, faster, more practical and more secure payments, but it has two consequences that are likely to have a negative impact on the efficiency and security of our payment system:

a. **It increases our dependence on non-European players** (particularly American ones) who already benefit from significant network effects and hold certain widely used proprietary standards (Visa, Mastercard). **This dependence raises concerns regarding competition, strategic autonomy and data protection.** Contrasting with these international players, European payment solutions appear highly fragmented and their market share has been gradually eroding.¹

b. **It increases exposure to cyber risk**, thereby creating challenges amplified by the wider use of AI, in terms of maintaining a high level of payment security, especially given the growing complexity of fraud schemes, which in particular involve manipulating payers and circumventing the strong authentication mechanisms put in place to ensure the security of digital payments in Europe.

2. The extension of digitalisation to financial assets, as part of a phenomenon known as "tokenisation". Tokenisation helps to improve the functioning of our monetary and financial system in terms of transparency and efficiency in the execution of transactions, as well as reducing transaction costs and times. Nevertheless, it does pose challenges, particularly in terms of settlement assets that can be used in this new tokenised financial ecosystem. The only settlement assets currently available are stablecoins. However, they are almost exclusively dollar-backed and are mainly issued by non-bank, lightly regulated non-European players, as is the case with the largest of them, Tether. **This situation therefore poses a significant challenge in terms of monetary sovereignty, as the growing use of such assets in the euro area carries the risk of a form of "digital dollarisation".**

3. An increase in competition, due to the development of tokenisation, in the area of infrastructures and related technologies. There has been a proliferation of initiatives from non-European players, with Google,² for example, entering the payments market. **By increasing the number of competing infrastructures, these developments are contributing to the fragmentation of the post-trade landscape and are therefore a potential source of inefficiency.**

These transformations therefore harbour progress but also carry risks for the stability and strategic autonomy of our euro payment system. Indeed, these risks warrant particular attention as they have recently increased due to the active role played by the new US administration in promoting companies, technologies and stablecoins in order to maintain and strengthen the international role of the dollar.

2. The actions of Banque de France to help preserve the stability and strategic autonomy of the euro payment system.

To reduce these risks, **strong and concerted action between European public and private players is needed. The Banque de France is contributing to this by developing its actions to strengthen three important lines of defence, namely the regulatory framework, central bank money payment services, and the supply of public and private settlement assets in euro.**

1. As regards the regulatory framework, the Banque de France strongly advocated the adoption of regulations that ensure effective consumer protection and the development of cryptoassets within a framework of trust. **With PSD2 now in place and PSD3, soon to follow, we now have an advanced regulatory framework to reduce risks and protect users.** Nevertheless, as regards crypto-assets, MiCA **only partially addresses the risks posed by changes in the sector, particularly in the event of widespread adoption of stablecoins issued by non-European players.** Against this backdrop, we are pressing for a **strengthening of MiCA,** particularly to restrict the use of stablecoins for everyday payments and to address the risks arising from multi-issuer models.

2. As regards central bank money payment services, for several years now the Banque de France has been working actively to adapt the services offered by the Eurosystem in central bank money to developments in the digitalisation of payments

and tokenised finance. **This adaptation is essential to maintain the anchor role played by central bank money in ensuring the stability of our payment system.** It aims not only to **change the form** in which central bank money is made available for everyday payments (known as "retail" payments) and payments between intermediaries in the financial system (known as "wholesale" payments), but also to **use new infrastructures to make it available**, which are adapted to the development of the tokenised circulation of financial assets that are issued, transferred and stored using decentralised infrastructures such as blockchains.

To this end, the Eurosystem has launched **three strategic and complementary projects**:

- **The digital euro.** Its aim is to **ensure that a means of payment in central bank money in the form of a "digital banknote" with the main attributes of a "paper" banknote remains available in the range of pan-European payments for digitalised transactions.** It should thus facilitate the development of the digitalisation of payments in Europe, by preserving the freedom of choice we enjoy between public and private monies for our everyday payments and by promoting synergies with private European payment solutions, with a shared aim of strengthening our strategic autonomy. This project is progressing at a sustained pace and has just entered a new phase to prepare technically for the possible issuance of the digital euro, once a regulation has set out the conditions under which it can be used. The ECB will only be able to take a decision on issuing the digital euro once this regulation has been approved by the Council and the European Parliament, which is expected in the middle of next year.
- **The Pontes project.** This project aims to provide participants in the tokenised financial asset ecosystem, particularly intermediaries, with a **suitable central bank currency that is also tokenised and available on a blockchain.** The objective is to ensure that central bank money, which is the safest settlement asset, remains the preferred settlement asset for financial asset transactions, which present the most sensitive systemic stakes. An initial version of this "wholesale" central bank digital currency will be available to banking institutions by the end of 2026.
- **The Appia project.** The aim of this project is to explore the potential of distributed ledger technologies (DLT) with a view to **designing, in the medium term, a new generation of critical infrastructure for the European post-trade market, dedicated and adapted to the development of tokenised finance.** It is currently very hard to predict how widespread tokenised finance will become compared to traditional dematerialised finance, which currently dominates our financial system. **Market needs and forces will determine their respective shares in the medium term and long-term, but it is very important that Europe prepares itself today to establish a benchmark post-market infrastructure adapted to tokenised finance, which is efficient and therefore well integrated, and under European governance.** This infrastructure could be based on a European Shared Ledger, enabling the exchange of tokenised assets and payments in CBDC and private bank money that is also tokenised.

3. Lastly, with regard to the supply of public and private settlement assets in euro, we at the Banque de France consider that, while the provision of an appropriate CBDC is essential, central bank money is not intended to meet all the settlement asset needs of the European real and digital economies. Alongside this, **it is necessary to have a significant and effective supply of private money, particularly for everyday payments, which can be exchanged reliably at par with central bank money, provided by regulated players**, foremost among which are naturally the major players in the provision of payment services, namely banks. **The challenge today is therefore to consolidate and extend the benefits of the sound, stable and flexible monetary system we have for the euro, in order to ensure, with the necessary strategic autonomy, the settlement of trade within our economy and thus support its development.**

In this respect, the discussions and initiatives currently being developed by European financial intermediaries, **such as those conducted by the European Payments Initiative (EPI) consortium, or those aimed at developing a range of tokenised deposits and stablecoins in euro, particularly to meet the cross-border transaction and cash management needs of international companies, are very important and welcome**, and we are ready to play a facilitating role in the development of these products wherever necessary.

Conclusion

It will be clear from my remarks that at the Banque de France, we are fully committed to monitoring, understanding and supporting the major transformations underway in the payments landscape. **This commitment leads me to conclude with an observation and a conviction:**

The observation is that the ongoing transformations in the payments landscape are bringing progress, but they also carry the **risk of a loss of stability and strategic autonomy for our euro payment system.**

The conviction is that in order to respond to this risk in an appropriate and adequate manner we need to **mobilise all the relevant European players.** This involves, in particular, **developing secure, efficient, pan-European public and private payment solutions based, for settlement assets, on the coexistence, complementarity and substitutability at par between public money issued by the central bank and private money issued by European financial intermediaries regulated to that effect.**

Thank you for your attention

¹ See, for example, the recent ECB publication on the subject: [Report on card schemes and processors](#)

² Project to create a Google Cloud Universal Ledger (GCUL)