

SPEECH

# Europe's money evolves so people's freedom to pay remains

## Introductory statement by Piero Cipollone, Member of the Executive Board of the ECB, at the Committee on Economic and Monetary Affairs of the European Parliament

*Brussels, 3 June 2026*

I am pleased to be back here again to discuss the digital euro.

I am encouraged by the good progress being made on the Single Currency Package negotiations by the ECON Committee, and I look forward to the European Parliament adopting its position on this important initiative in the near future.

Today I will start by addressing the important issue of ensuring access to cash, which you emphasised a few months ago in your resolution on the ECB Annual Report.<sup>[1]</sup> I will then focus on two key updates on the digital euro project since our last meeting in March: first, the agreements we have signed with European standard-setting bodies and, second, further preparations for next year's piloting exercise.

### Strengthening people's freedom to use cash

Ensuring that people remain free to use cash is at the core of our work as a central bank.

We therefore welcome the fact that the legislative proposals for the legal tender of cash and for the digital euro have been treated as a single package. This reinforces the notion that euro cash and digital euro are the same money – they just use different technologies.

We strongly support the proposal on the legal tender of cash as it safeguards its acceptance and availability and finally aligns cash policies across the euro area.<sup>[2]</sup>

Our commitment to cash is also reflected in the ongoing redesign of euro banknotes. The new design will be based on either "European culture" or "Rivers and birds".<sup>[3]</sup> We expect to have decided on the final theme by the end of this year. We are preparing to issue the first denominations of the new series of banknotes in the early 2030s. They will incorporate enhanced security features and be produced using more sustainable materials and production methods.

As I said, together, cash and digital euro safeguard monetary sovereignty and freedom of choice when making payments.

### Agreements with European standard-setters

Turning now to the digital euro, let me say a few words about our work on standards.

Standards are the language of technology, enabling payment cards, phones and terminals to communicate seamlessly. Just like a shared spoken language allows people to understand each other,

standards ensure that payment systems work smoothly, securely and across borders.

Today, Europe heavily depends on the proprietary standards controlled by international card schemes.

<sup>[4]</sup> This limits scalability for European solutions, as they are dependent on these non-European standards. The European solutions need to either pay for the use of these foreign standards or convince the merchant to use European standards that currently have limited reach, both of which are costly and inefficient.

But the digital euro, thanks to its legal tender status, will provide uniform open standards across the euro area, ensuring that all payment cards, phones and terminals speak the same European language that we have created and own ourselves. By leveraging the digital euro standards, European private payment solutions will also be able to expand across the euro area and diversify use cases without requiring further technical terminal upgrades at the point of sale. This is one clear example of how the digital euro complements and benefits private solutions.

In May we signed cooperation agreements with three European standard-setting organisations, thereby providing the market with early clarity on the standards that the digital euro will use and upon which private operators can already safely start to build their solutions.<sup>[5]</sup>

We will reuse these existing European open standards for processing digital euro online payments. The standards were identified in close cooperation with market participants through the digital euro Rulebook Development Group.<sup>[6]</sup>

This early clarity has immediate benefits in that it reduces adaptation costs for the market and facilitates coordinated adoption. For instance, merchants have to periodically update their payment terminals, so they can already take these standards into account in their next upgrade cycle. Payment service providers (PSPs) can align development plans for their own payment solutions accordingly.

However, technical clarity alone is not enough. Only the co-legislators can provide legal certainty that these standards will apply across the euro area by establishing a digital euro that has legal tender status.

Timely progress on the legislative framework is therefore essential.<sup>[7]</sup> It will allow the benefits of these standards to materialise and European players to scale up even before the digital euro is issued, thereby contributing to our autonomy in payments.

## **Selecting participants for the digital euro piloting exercise**

We are also preparing for the piloting exercise.

This exercise will use the infrastructure we are developing, validate its functionality in real-world conditions and allow us to collect feedback from all participants.<sup>[8]</sup>

In recent months we have published supporting documentation on our website and actively engaged with market participants interested in joining the pilot.<sup>[9]</sup>

In mid-May, we closed the call for expressions of interest for PSPs wishing to participate.<sup>[10]</sup> We received more than 50 applications, which we are now evaluating. The applications received show a

good balance across business models, including smaller and larger banks, acquiring and distributing PSPs and country coverage.

We will announce which PSPs have been selected in July, with a view to starting development in the third quarter of this year. The pilot itself is expected to start in the second half of 2027.

## Conclusion

Let me conclude.

On 1 January 2027 we will mark the 25th anniversary of euro banknotes and coins entering circulation. Finishing trilogues and adopting the Single Currency Package by then – including both the legal tender of cash and digital euro files – would send a strong, symbolic message that cash and the digital euro are two sides of the same coin. It would show how the money we issue in Europe evolves so people's freedom to pay remains – be it with physical cash or a digital euro.

I now look forward to your questions.

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1.

See [European Parliament resolution of 10 February 2026 on the European Central Bank – annual report 2025](#).

2.

Cash remains widely accepted by companies across the euro area. However, between 2021 and 2024 cash acceptance decreased from 96% to 88%. See ECB (2024), [Use of cash by companies in the euro area](#).

3.

See ECB (2025), [ECB selects motifs for future euro banknotes](#), 31 January.

4.

There is no European alternative that works across the euro area. For example, if you have a Dutch bank account and you want to make a card payment in another European country, you would normally use Visa or Mastercard. And while some countries have their own domestic payment solutions with their own standards, such as France and Germany, they only work within their respective countries.

5.

The standards include: (i) CPACE standards, developed by the European Card Payment Cooperation – these support contactless “tap-to-pay” payments using near-field communication between a payment device and a payment terminal; (ii) nexo standards specifications – these connect merchants' systems with the back-end systems of payment service providers and acquirers and are used, for example, to support payment acceptance and ATM transactions; (iii) Berlin Group standards – these allow payments to be made using an alias (such as a mobile phone number) and support balance checks and reconciliation across mobile devices and payment acceptance in areas like digital euro

transactions initiated in merchant apps on smartphones. For further information, see ECB (2026), "[ECB signs agreements with European standard setters to facilitate digital euro payments](#)", *press release*, 24 April.

6.

The digital euro rulebook provides a single set of rules, standards and procedures for the provision of basic digital euro payment services for payment service providers participating in the scheme. See ECB (2025), [Update on the work of the digital euro scheme's Rulebook Development Group](#), 30 October.

7.

This is also mentioned in the [One Europe, One Market Roadmap](#) of the European Parliament, the Council of the European Union and the European Commission.

8.

The pilot will test the envisaged digital euro features in a controlled environment, focusing on person-to-person and person-to-business payments. The exercise will be conducted through a mixture of online and offline activities at the premises of the Eurosystem central banks. It will involve staff from participating Eurosystem central banks, as well as selected merchants providing everyday services on our premises – for example, in cafeterias and restaurants – or e-commerce services. The digital euro used in this exercise will be a digital means of payment without legal tender status. See Cipollone, P. (2026), "[The digital euro: preparing for a potential launch](#)", introductory statement at the Committee on Economic and Monetary Affairs of the European Parliament, 24 March.

9.

See the ECB's [website](#); [Focus session on the digital euro pilot \(III\)](#); [Focus Session on the digital euro pilot \(II\)](#); and [Focus Session \(virtual\) – The digital euro pilot](#).

10.

See ECB (2026), [Call for expression of interest – Participation of payment service providers in the digital euro pilot](#), 5 March.

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