SPEECH

Cash and the digital euro: two sides of the same coin

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, 10 November 2026

It is a pleasure to be back here for the first time since the Parliament adopted its position on the Single Currency Package, and I very much welcome the broad support it received in the plenary session on 9 July. This gives a strong democratic backing to the digital euro. Let me also thank you for the considerable work and constructive dialogue that have made this progress possible.

A swift conclusion of the ongoing trilogue negotiations would pave the way for the adoption of the Single Currency Package[1] by the end of the year as foreseen in the *One Europe, One Market Roadmap*.[2] This would give us the legal certainty needed to complete our preparations for the digital euro. It would also give certainty to the market regarding the planned date for a possible first issuance, which can be set only after the Regulation is adopted. A delay in adoption could instead postpone the introduction of the digital euro, further entrench Europe's dependence on foreign providers, and make it more difficult for European companies to innovate and compete.

Europe's achievements in payments innovation go beyond progress on the digital euro. In September we launched Pontes, which connects market distributed ledger technology (DLT) platforms with the Eurosystem's TARGET Services.[3] The launch was widely welcomed by the market, with 18 market participants and market DLT operators onboarded on day one and many others preparing to join soon. Pontes makes the settlement of tokenised transactions in central bank money an operational reality and is a major milestone in the development of digital European capital markets. On 2 November it settled the issuance of the European Stability Mechanism's first digitally native benchmark bond of €1 billion[4], facilitating the shift in European tokenised finance from experimentation to adoption.

While I am happy to answer any questions on Pontes, I would like to focus my remarks today on the digital euro and cash.

Preparing for the digital euro pilot and first issuance

We are moving ahead with preparations for the digital euro pilot. It will test the digital euro's technical functionality, operational processes and user experience, using a beta version without legal tender status.

Starting in the second half of 2027, the pilot will involve Eurosystem staff, participating payment service providers (PSPs) and selected merchants offering everyday services – for example in

canteens – at the ECB and participating national central banks.

We have seen strong market interest in the pilot and, in July, we announced the 36 PSPs selected to join the pilot from more than 50 applicants.[5] They include banks and non-bank providers, and cover a broad range of business models, sizes and geographical locations.

We are working closely with participating PSPs to hear their views and benefit from their experience.[6]

In September we opened an additional call for online and mobile merchants to join the pilot to test remote payments. The final selection of merchants will be announced early next year.[7]

This collaboration with market players is essential. The digital euro must work on a technical level, but also in everyday life – for consumers, merchants and PSPs.

Looking further ahead, we are planning for the digital euro rollout.

On our side, we plan to ensure that all relevant use cases[8] for the digital euro are made technically available from first issuance. At the same time, feedback from market participants[9] shows that a gradual rollout would support a smooth and successful first issuance by giving them sufficient time to adapt. We are glad that the co-legislators intend to provide legal clarity on the feasibility of such a phased rollout in shops.

In preparation for first issuance, we are also working more closely with the market on the digital euro innovation platform.

In September we launched a new call for expression of interest, inviting private companies and organisations to explore how the digital euro can foster market innovation.[10] The next wave of activities, including testing conditional payments and exploring applications of artificial intelligence in payments, will run from January to June 2027.[11]

Redesigning euro banknotes

Innovation also extends to banknotes. In July we invited Europeans to share their views on ten shortlisted design proposals for the new euro banknotes based on the themes “European culture” and “Rivers and birds”.

The survey received almost 10 million responses, with high participation across all euro area countries and age groups.[12] This demonstrates how deeply Europeans care about their money.

The survey results will inform the ECB Governing Council’s decision on the final design concept, expected around the end of this year. At that point, we will also publish the survey results. First denominations of the new banknote series are expected to enter into circulation in the early 2030s.[13]

But cash must also remain widely available and accepted in practice. We therefore support strong legislative provisions on mandatory cash acceptance, access to cash across the euro area and the resilience of cash infrastructure.

Conclusion

Let me conclude.

In today's uncertain geopolitical environment, timely progress on the digital euro is essential to strengthen Europe's autonomy in payments. We are doing our part by progressing with the technical preparations. But the adoption of the legal framework is necessary to finalise the digital euro's design and Rulebook[14] and, ultimately, to issue the digital euro.

In two months' time we will mark the 25th anniversary of euro banknotes and coins entering circulation. While cash is still widely used in shops, digital payments are growing. I therefore hope that by then we will have a strong legal framework in place: one that both safeguards the acceptance of cash and gives Europeans a digital form of cash alongside it.

Thank you.

1.

The Single Currency Package includes the legislative proposal on the legal tender of euro cash and the legislative proposals establishing the legal framework for a possible digital euro.

2.

One Europe, One Market Roadmap of the European Parliament, the Council of the European Union and the European Commission.

3.

See ECB (2026), "Eurosystem brings central bank money to tokenised finance", *press release*, 21 September.

4.

See Deutsche Bundesbank (2026), "ESM is first European supranational issuer to settle DLT-based bond issuance on Eurosystem's Pontes platform with Bundesbank and Clearstream", *press release*, 26 October.

5.

See ECB (2026), "ECB selects 36 payment service providers to join digital euro pilot", *press release*, 14 July.

6.

The kick-off workshop in Frankfurt in September was an important step in building a shared understanding of the work ahead. See ECB (2026), "Digital euro pilot: PSP kick-off workshop", 29-30 September.

7.

See ECB (2026), "Call for online and mobile merchants to participate in digital euro pilot now open", *MIP News*, 15 September.

8.

Including person-to-person, e-commerce and point-of-sale payments.

9.

See ERPB (2026), "Digital euro market rollout plan discussion", 13 October.

10.

See ECB (2026), "Call for expressions of interest in a new wave of digital euro innovation platform activities", *MIP News*, 28 September.

11.

The innovation work will follow two workstreams. The experimentation workstream will help the private sector develop practical features and services that enhance user experience, including electronic receipts and conditional payments. The exploration workstream will examine how emerging technologies could enhance future releases of the digital euro, for example the application of artificial intelligence in payments.

12.

See ECB (2026), "Almost ten million people took part in ECB survey on new euro banknotes", *press release*, 23 September.

13.

See the "Future banknotes" page on the ECB's website.

14.

The digital euro scheme 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 (2026), *Update on the work of the digital euro scheme's Rulebook Development Group: Sixth progress report*, 6 July.

CONTACT
European Central Bank
Directorate General Communications
Sonnemannstrasse 20
60314 Frankfurt am Main, Germany
+49 69 1344 7455
media@ecb.europa.eu

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Media contacts

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