

*Of CBDCs and the Digital euro*  
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***Panel 4 - Developments on Digital Finance***

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# Outline

CBCDs  
Monetary Law,  
theory & Regulation

The Digital Euro

International Issues

# Monetary law and regulation

Money is or  
becomes a  
public good

Note issue &  
banking  
regulation

Lex  
Cryptographia

# Digital Euro

Proposed Regulations on  
the euro and legal tender  
(Art 133 TFEU)

Proposed Regulation on  
the Provision of digital  
euro services by non Euro  
area payment system  
providers (Art 114)

ECB Opinion Oct 2023 and  
preparatory phase  
commencing Nov. 2023

The start of the preparation phase marks a significant step, but it does not preempt any decision by the Governing Council on the issuance of a digital euro. That decision can only be considered after the relevant legislation has been adopted.

# Rationale of the Digital euro

Monetary anchor  
function and  
singleness of euro

Two tiered  
monetary system

Decline of cash  
and financial  
inclusion

“A digital euro would provide an anchor of stability  
for our money in the digital age”

# Key features of the proposed digital euro

Liability of the  
Central Bank and a  
complement to  
cash (Legal Tender)

Retail CBDC and  
non interest  
bearing

Holding Limits for  
financial stability  
(fears of  
disintermediation)

# Issues for discussion

Central Bank  
Independence

Data, privacy,  
prevention of  
financial crime

Interaction with  
stablecoins and  
regulation of the  
ecosystem

# International Issues

International role  
of the euro

A global digital  
currency?

Comparative  
approach (UK, US,  
other jurisdictions)  
and CBDCs



# Conclusion

The digital euro (CBDC), if created, will be *fiat money*. Private digital money will need to be regulated. Money is or becomes a public good and, as such, it requires the public ordering of the monetary and payment system. In that public ordering of the economy where the safeguard of confidence is key, central banks have traditionally played a key role as lender of last resort, as monetary agent, and in the discharge of its responsibilities in the pursuit of the goals of monetary and financial stability (safe and sound banking)