

# ECB intensifies its work on a digital euro



PRESS RELEASE

2 October 2020

- Publication of Eurosystem High-Level Task Force report on digital euro
- Eurosystem needs to be ready for possible future decision to introduce digital euro
- Public consultation and experimentation to be launched

The European Central Bank (ECB) today published a comprehensive report on the possible issuance of a digital euro, prepared by the Eurosystem High-Level Task Force on central bank digital currency (CBDC) and approved by the Governing Council.

A digital euro would be an electronic form of central bank money accessible to all citizens and firms – like banknotes, but in a digital form – to make their daily payments in a fast, easy and secure way. It would complement cash, not replace it. The Eurosystem will continue to issue cash in any case.

“The euro belongs to Europeans and our mission is to be its guardian,” said Christine Lagarde, ECB President. “Europeans are increasingly turning to digital in the ways they spend, save and invest. Our role is to secure trust in money. This means making sure the euro is fit for the digital age. We should be prepared to issue a digital euro, should the need arise.”

The Eurosystem task force, bringing together experts from the ECB and 19 national central banks of the euro area, identified possible scenarios that would require the issuance of a digital euro. These scenarios include an increased demand for electronic payments in the euro area that would require

a European risk-free digital means of payment, a significant decline in the use of cash as a means of payment in the euro area, the launch of global private means of payment that might raise regulatory concerns and pose risks for financial stability and consumer protection, and a broad take-up of CBDCs issued by foreign central banks.

“Technology and innovation are changing the way we consume, work and relate to each other,” said Fabio Panetta, member of the ECB’s Executive Board and Chair of the task force. “A digital euro would support Europe’s drive towards continued innovation. It would also contribute to its financial sovereignty and strengthen the international role of the euro.”

A digital euro would preserve the public good that the euro provides to citizens: free access to a simple, universally accepted, risk-free and trusted means of payment. It also poses challenges, but by following appropriate strategies in the design of the digital euro the Eurosystem can address these.

The Governing Council has not taken a decision yet on whether to introduce a digital euro.

The Eurosystem will engage widely with citizens, academia, the financial sector and public authorities to assess their needs, as well as the benefits and challenges they expect from the issuance of a digital euro, in detail. A public consultation will be launched on 12 October.

Experimentation will start in parallel, without prejudice to the final decision.

For media queries, please contact [Alexandrine Bouilhet](#), tel.: +49 172 174 93 66.

Notes:

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## [European Council conclusions on external relations, 1 October 2020](#)



### **II. External relations**

#### **Eastern Mediterranean**

15. The EU has a strategic interest in a stable and secure environment in the Eastern Mediterranean and in the development of a cooperative and mutually beneficial relationship with Turkey. Pursuing dialogue in good faith and abstaining from unilateral actions which run counter to the EU interests and

violate international law and the sovereign rights of EU Member States is an absolute requirement in this regard. All differences must be resolved through peaceful dialogue and in accordance with international law. In this context, the European Council reiterates its full solidarity with Greece and Cyprus, whose sovereignty and sovereign rights must be respected.

16. The EU welcomes the recent confidence building steps by Greece and Turkey, as well as the announcement that they will resume their direct exploratory talks aiming at the delimitation of the Continental Shelf and Exclusive Economic Zone of the two countries. These efforts need to be sustained and broadened.

17. At the same time, the European Council strongly condemns violations of the sovereign rights of the Republic of Cyprus which must stop. The European Council calls on Turkey to abstain from similar actions in the future, in breach of international law. The European Council underlines that delimitation of the Continental Shelf and Exclusive Economic Zone should be addressed through dialogue and negotiation in good faith, in full respect of international law, and calls on Turkey to accept the invitation by Cyprus to engage in dialogue with the objective of settling all maritime-related disputes between Turkey and Cyprus.

18. The European Council supports the speedy resumption of negotiations, under the auspices of the UN, and remains fully committed to a comprehensive settlement of the Cyprus problem within the UN framework and in accordance with the relevant UNSC resolutions, including UNSC resolutions 550 and 789, and in line with the principles on which the EU is founded. It expects the same of Turkey. The EU stands ready to play an active role in supporting the negotiations, including by appointing, upon resumption, a representative to the UN Good Offices Mission.

19. Provided constructive efforts to stop illegal activities vis-à-vis Greece and Cyprus are sustained, the European Council has agreed to launch a positive political EU-Turkey agenda with a specific emphasis on the modernisation of the Customs Union and trade facilitation, people to people contacts, High level dialogues, continued cooperation on migration issues, in line with the 2016 EU-Turkey Statement. The European Council invites its President, in cooperation with the President of the Commission and with the support of the High Representative, to develop a proposal for re-energising the EU-Turkey agenda to this effect.

20. Recalling and reaffirming i.a. its previous conclusions on Turkey of October 2019, in case of renewed unilateral actions or provocations in breach of international law, the EU will use all the instruments and the options at its disposal, including in accordance with Article 29 TEU and Article 215 TFEU, in order to defend its interests and those of its Member States. The European Council will continue to closely monitor developments and will revert accordingly and take decisions as appropriate at the latest at its December meeting.

21. Finally, the European Council calls for a Multilateral Conference on the Eastern Mediterranean and invites the High Representative to engage in talks

about its organisation. Modalities such as participation, scope and timeline will need to be agreed with all involved parties. The Conference could address issues on which multilateral solutions are needed, including maritime delimitation, security, energy, migration and economic cooperation.

## **China**

22. The European Council welcomes the oral report on the EU Leaders' meeting with President Xi Jinping on 14 September as well as the signing of the agreement on Geographical Indications. It stresses the need to rebalance the economic relationship and achieve reciprocity. It recalls the goal of finalising, by the end of this year, negotiations for an ambitious EU-China Comprehensive Investment Agreement (CAI) that addresses the current asymmetries in market access, contributes to a level playing field, and establishes meaningful commitments on sustainable development. It also calls on China to deliver on previous commitments to address market access barriers, to make progress on overcapacity and engage in negotiations on industrial subsidies at the World Trade Organization.

23. The European Council encourages China to assume greater responsibility in dealing with global challenges. This includes, in particular, taking more ambitious action on climate in line with the goals of the Paris Agreement and on biodiversity, and supporting multilateral responses to the COVID-19 pandemic, notably as regards treatments and vaccines, the independent review of the international health response, and debt relief as a necessary condition for recovery from the pandemic, particularly in Africa. The European Council welcomes, as an important step in the right direction, the statement of President Xi Jinping, following the Leaders' video conference, that China will aim to achieve carbon neutrality before 2060.

24. The European Council underlines its serious concerns about the human rights situation in China, including developments in Hong Kong and the treatment of people belonging to minorities, as expressed at the EU-China summit in June and the Leaders' meeting held on 14 September.

25. The European Council reaffirms the policy approach towards EU-China relations as set out in the Joint Communication of the Commission and the High Representative 'EU-China: A Strategic Outlook' of March 2019 and calls for further coherent efforts to implement it. It invites the Commission and the High Representative to present a progress report by March 2021. It looks forward to a meeting of all its members with President Xi Jinping in 2021.

## **Belarus**

26. The European Council condemns the unacceptable violence by Belarusian authorities against peaceful protesters, as well as intimidation, arbitrary arrests and detentions following the presidential elections, the results of which it does not recognise. The European Council fully supports the democratic right of the Belarusian people to elect their President through new free and fair elections, without external interference. The European Council calls on the Belarusian authorities to end violence and repression, release all detainees and political prisoners, respect media freedom and

civil society, and start an inclusive national dialogue. It agrees that restrictive measures should be imposed and calls on the Council to adopt the decision without delay. The European Council also encourages the European Commission to prepare a comprehensive plan of economic support for democratic Belarus.

27. With regard to the Belarusian Nuclear Power Plant Ostrovets, the European Council reiterates the importance of ensuring nuclear and environmental safety.

### **The Nagorno-Karabakh conflict**

28. The European Council calls for an immediate cessation of hostilities and urges parties to recommit to a lasting ceasefire and the peaceful settlement of the conflict. The loss of life and the toll on the civilian population are unacceptable. There can be no military solution to the conflict, nor any external interference. Azerbaijan and Armenia should engage in substantive negotiations without preconditions. The European Council expresses its support for the OSCE Minsk Group Co-Chairs and asks the High Representative to examine further EU support for the settlement process.

### **Alexei Navalny**

29. The European Council condemns the assassination attempt on Alexei Navalny with a military chemical nerve agent from the 'Novichok' group. The use of chemical weapons constitutes a serious breach of international law. The European Council calls upon the Russian Federation's authorities to fully cooperate with the Organisation for the Prohibition of Chemical Weapons (OPCW) to ensure an impartial international investigation and to bring those responsible to justice. The European Council will return to the matter on 15-16 October 2020.

[Visit the meeting page](#)

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## **Ukraine: two persons and four entities involved in the construct**



The Council today added **two individuals** and **four entities** to the list of those individuals and entities **subject to restrictive measures** in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine. These measures were adopted in the light of the role played by these people and entities in the construction of the bridge and railway tracks linking Russia to the illegally annexed Crimean peninsula via the Kerch Strait, and further isolating Crimea from Ukraine.

The sanctions, which now apply to a total of **177 individuals** and **48 entities**, include a **travel ban** and an **asset freeze**. The travel ban prevents the entry into or transit through the territory of the European Union of the persons listed, while the asset freeze concerns the funds or economic resources of both listed persons and entities. In addition, EU citizens and companies are forbidden from making funds available to those listed persons.

The relevant legal acts, including the names of the persons and entities concerned, have been published in the Official Journal.

The European Union does not recognise the illegal annexation of Crimea and of the city of Sevastopol by the Russian Federation, and continues to condemn the Russian violation of international law. Moreover, the EU remains unwavering in its support for the territorial integrity, sovereignty and independence of Ukraine.

## Background

Individual restrictive measures **were first applied on 17 March 2014** in response to the unprovoked actions deliberately undermining and destabilising the territorial integrity of Ukraine. Other EU measures in place in response to the crisis in Ukraine include economic sanctions targeting specific sectors of the Russian economy and restrictions on economic relations with Crimea and Sevastopol.

The list of sanctioned persons and entities are kept under constant review and are subject to periodic renewals by the Council.

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## [Ukraine: two persons and four entities involved in the construction of the Kerch bridge added to EU sanctions list](#)



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## **[European Council: Remarks by the High Representative / Vice-Pres](#)**



*Check against delivery!*

This is going to be a very busy [European] Council. We have important issues

on the agenda.

The most important ones are the relationship with Turkey and the sanctions regarding Belarus.

We have been [working very much in recent times](#) to put on the table a set of sanctions against Belarus, and I hope that the leaders will be able to overcome the difficulties in order to have the required unanimity.

With Turkey, I have said many times that we are in a watershed moment. We have to decide the future of our relationship with Turkey, trying to avoid escalation of the conflict on the delimitation of waters and taking very much into account the relationship that we have with Turkey from many points of view. There also the guidance from the leaders will be very important for the Foreign Affairs Ministers to continue working on a comprehensive approach to the relationship with Turkey.

We are going to talk also about the situation in the Nagorno-Karabakh, but the most important things will be how we deal with the sanctions on Belarus and how we deal with our relationship with Turkey and overcome important difficulties that we have had recently.

Link to the video: <https://audiovisual.ec.europa.eu/en/video/I-195886>