

Press release

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Eurosystem moving to next phase of digital euro project

- New phase will ensure technical readiness for first issuance
- If legislation in place in the course of 2026, a pilot exercise could start in 2027 and the Eurosystem should be ready for a potential first issuance of the digital euro during 2029
- Preparation phase begun in November 2023 has successfully concluded

The Governing Council of the European Central Bank (ECB) has decided to move to the next phase of the digital euro project. This decision follows the successful completion of the preparation phase, launched by the Eurosystem in November 2023, which laid the foundations for issuing a digital euro.

The Governing Council's decision aligns with European leaders' request to accelerate progress on the digital euro, as recently stated at the October 2025 Euro Summit. A digital euro will preserve Europeans' freedom of choice and privacy and protect Europe's monetary sovereignty and economic security. It will foster innovation in payments and help make European payments competitive, resilient and inclusive. The Eurosystem will implement its preparations flexibly, in line with calls from euro area leaders for the Eurosystem to be ready for a potential digital euro issuance as soon as possible, while also recognising that the legislative process has not yet been completed.

The ECB Governing Council's final decision on whether to issue a digital euro, and on what date, will only be taken once the legislation has been adopted. Under the assumption that European co-legislators will adopt the Regulation on the establishment of the digital euro in the course of 2026, a pilot exercise and initial transactions could take place as of mid-2027. The whole Eurosystem should then be ready for a potential first issuance of the digital euro during 2029.

"The euro, our shared money, is a trusted sign of European unity," said ECB President Christine Lagarde. "We are working to make its most tangible form – euro cash – fit for the future, redesigning and modernising our banknotes and preparing for the issuance of digital cash."

As payment habits evolve, and cash payments decline compared with digital transactions, the need for a public digital means of payment – complementary to cash – has become increasingly urgent. The digital euro will complement cash and bring its benefits – simplicity, privacy, reliability, availability across the whole euro area – to digital payments. Along with the Regulation on the establishment of the digital euro, the ECB is also supporting the European Commission's proposal to reinforce the right to pay with cash.

The Eurosystem will focus on three main areas:

- **technical readiness:** developing the digital euro's technical foundations, including initial system set-up and piloting;
- **market engagement:** collaborating with payment providers, merchants and consumers to finalise the rulebook, conduct user research and test the system through pilot activities;
- **legislative process support:** continue providing technical input to EU co-legislators and assist the legislative process as required.

"This is not just a technical project but a collective effort to future-proof Europe's monetary system," said ECB Executive Board member Piero Cipollone, who chairs the High-Level Task Force on a digital euro. "A digital euro will ensure that people enjoy the benefits of cash also in the digital era. In doing so, it will enhance the resilience of Europe's payment landscape, lower costs for merchants, and create a platform for private companies to innovate, scale up and compete."

Transparency and close cooperation with stakeholders have been – and will continue to be – fundamental to the project. The Eurosystem has benefited greatly from feedback from European decision-makers, market participants and potential users, and will continue to engage actively with a wide range of stakeholders.

The Eurosystem's continued preparation for a digital euro will be implemented flexibly, ensuring alignment with the legislative process. To this end, work will be structured in modules to enable gradual scaling and limit financial commitments.

The final cost of a digital euro – for both its development and operation – will depend on its final design, including components and related services that need to be developed. As a result of the work done in the preparation phase, the total development costs, comprising both externally¹ and internally developed components, are estimated at around €1.3 billion until the first issuance, which is currently expected during 2029. Subsequent annual operating costs are projected to be approximately €320

¹ External development costs until a first issuance are estimated at around €265 million.

million per year from 2029. The Eurosystem would bear these costs, as it does for producing and issuing euro banknotes – which, like the digital euro, are a public good. As in the case of banknotes, these costs are expected to be compensated by the generated seigniorage – even if digital euro holdings were small compared with banknotes in circulation.

The [conclusion of the preparation phase](#) marks an important transition in the digital euro project. Building on the insights gained during the investigation phase conducted from 2020 to 2023, we moved towards refining its practical design. Key achievements include (i) the development of the draft [digital euro scheme rulebook](#), (ii) the [selection of providers](#) for digital euro components and related services, (iii) the successful running of an [innovation platform](#) for experimentation with market participants, as well as (iv) the [investigation](#) by a technical workstream into the fit of the digital euro in the payment ecosystem. The latter, conducted by the ECB and market participants via the Euro Retail Payments Board, concluded that a digital euro could foster further competition in the European payments market. Besides directly benefiting from distributing the digital euro, banks and other payment service providers could leverage its open standards to expand their reach across the euro area without needing their own acceptance networks. They would also be able to co-badge the digital euro with existing payment solutions.

The ECB provided technical input to co-legislators on request, thereby supporting the legislative process. This [input](#) demonstrated that the costs of the digital euro for banks will be contained – these costs will be close to the European Commission's initial estimates and similar to those incurred for the implementation of the Payment Services Directive. It also showed that safeguards built into the design of the digital euro (such as holding limits) would ensure that it does not create financial stability risks.

To ensure that the digital euro is designed to meet the needs of European citizens and merchants, the Eurosystem conducted extensive user research targeting vulnerable consumers and small merchants. The findings – available in a separate [report](#) published today – show the need for a simple, reliable and secure payment experience.

These results reaffirm the ECB's commitment to developing a digital euro that works for everyone and advances Europe's financial evolution – designed to empower citizens, support innovation and strengthen the resilience of our monetary system.

For media queries, please contact Georgina Garriga Sánchez, tel.: +49 69 1344 95368.