

Central Bank Digital Currencies – A Bundesbank's perspective

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Jochen Metzger, Director General Payments and Settlement Systems, Deutsche Bundesbank

Digital euro

Still many open questions



Content:

- Analysis of different scenarios and functional design possibilities for a potential introduction of retail central bank digital currency (CBDC)
- Main characteristics: CBDC as a market-neutral central bank liability – trusted by its users
- In any case: **complement to cash**

Looking ahead:

- Public consultation until 12 January 2021
- Eurosystem is conducting **experiments** on the digital euro on the basis of the report
- Eurosystem will decide by mid-2021 whether a project on the digital euro will be launched

Programmability

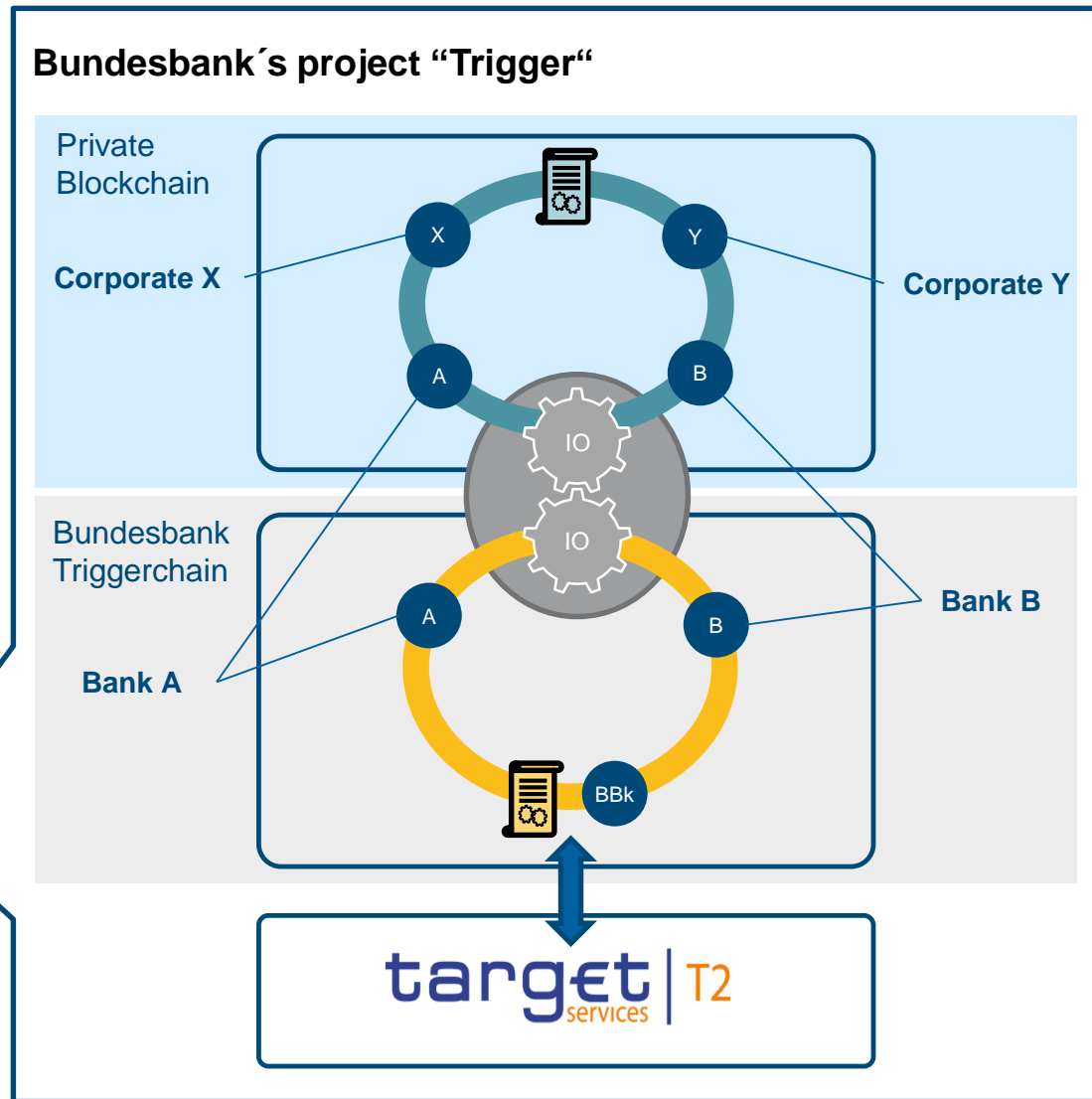
Ideally, the actual driver of the debate on CBDC?!

Smart Contracts enable the automatic settlement of contracts

... but need a facility for programmable payments

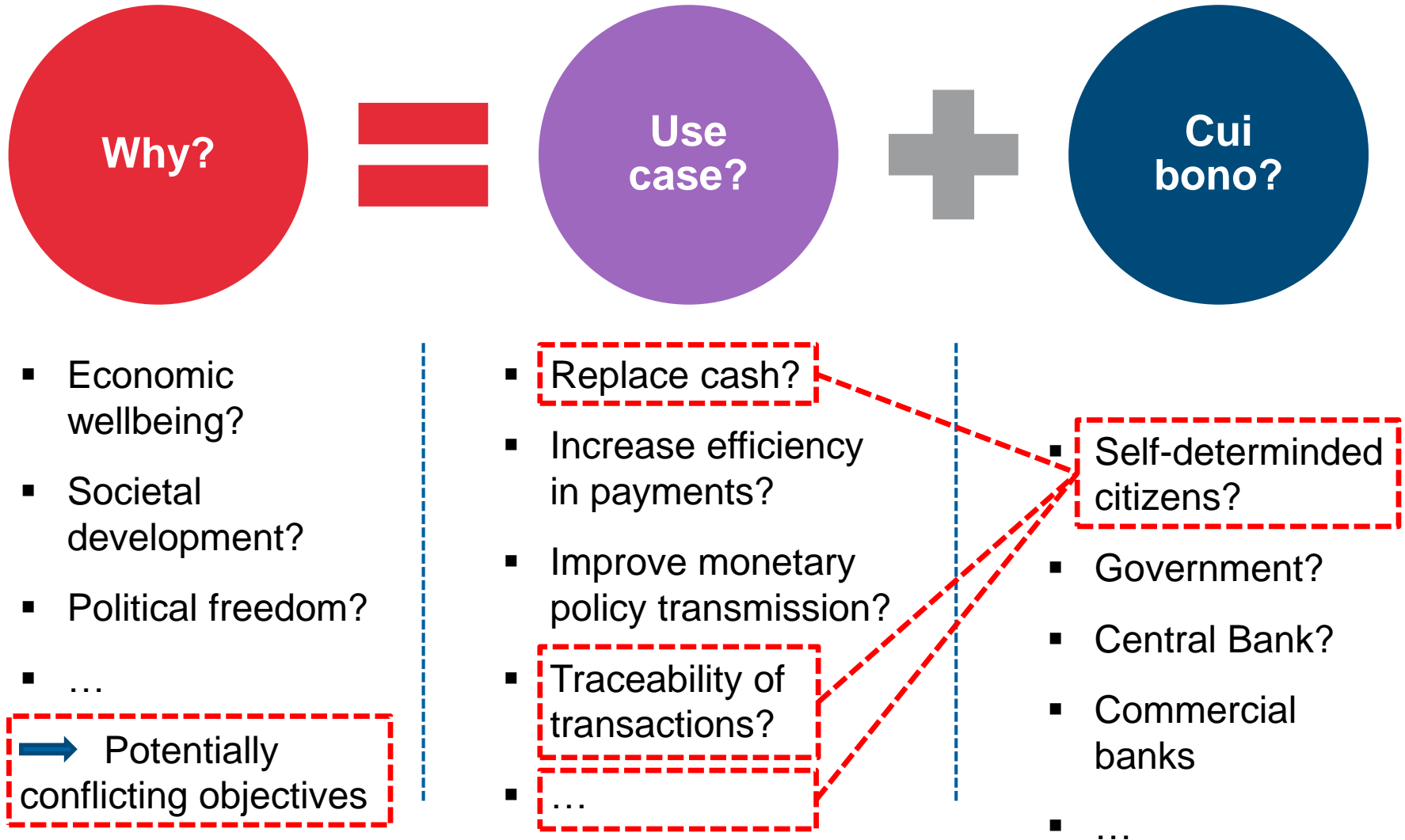
Central bank options to enable programmable payments:

- Support **private solutions**
- **CBDC**
 - is the most far reaching,
 - entails unknown implications,
 - and widens significantly the realm of public services
- **“Trigger Solution”** can be implemented very fast, at low cost and without significant risks



Digital euro / CBDC

Most important question: Why?



To discuss

Theses on a digital euro

1. The design of the digital euro is key:
But first the WHY, then the HOW
2. Digital money without programmability is like
a self-driving car without navigation
3. Convenience is king – self-determined individuals will make
no exception with the digital euro