



# Tweede Kamer

DER STATEN-GENERAAL

to EU Executive Vice-President for an Economy that Works for  
People, Mr. Valdis Dombrovskis  
EU Commissioner for Economy, Mr. Paolo Gentiloni  
EU Commissioner for Financial services, financial stability  
and Capital Markets Union, Ms. Mairead McGuinness  
EU Commissioner for Internal Market, Mr. Thierry Breton

European Commission  
Wetstraat 200  
BE-1049 Brussel  
België

**Finance Committee**  
**House of Representatives of the Netherlands**

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Bezuidenhoutseweg 67  
2594 AC Den Haag

Place and date The Hague, 13 June 2022  
Regarding Political dialogue regarding the targeted consultation on a digital euro  
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Dear Mr. Dombrovskis, Mr. Gentiloni, Ms. McGuinness and Mr. Breton,

The European Commission has launched a consultation on a digital euro to precede its legislative work on a digital euro. In the context of the consultation, the Finance Committee of the House of Representatives of the Netherlands has decided to send you a letter within the framework of a political dialogue. The Finance Committee would like to utilize this moment to share four priorities regarding the digital euro with you: i) the involvement of (national) parliaments and citizens, ii) privacy, iii) its non-programmable form and iv) the opportunity to provide an inclusive and sustainable complement to cash. I hereby convey to you the Committee's letter.

## **Introduction**

In March 2021, the Eurosummit concluded that the exploratory work done by the ECB and national central banks on the possible introduction of a digital euro should be taken forward. On 14 July 2021, the ECB Governing Council decided to launch an investigation into the possible issuance of a digital euro. The investigation phase will last 24 months and aims to address key issues regarding design and distribution. In spring 2022, the European Commission announced to work on a legislative initiative to establish and regulate essential aspects of the digital euro. A regulation by the European Commission is planned for the first quarter of 2023 and aims to cover key design features and other essential aspects of the digital euro. Following adoption of the regulation, the ECB could issue a digital euro as early as 2025.

The Finance Committee of the House of Representatives of the Netherlands has followed the digital euro project with particular interest from the start. In July 2020,



Members of Parliament Ms. Aukje de Vries (People's Party for Freedom and Democracy, VVD) and Mr. Mahir Alkaya (Socialist Party, SP) were appointed as rapporteur, to closely follow the development of a central bank digital currency by among others De Nederlandsche Bank (DNB) and the ECB. Their work resulted in the publication of the report: Digital Central Bank Currencies: an overview of possibilities, risks and focal points (in Dutch only). After publication of this report, the Dutch Finance Committee decided in May 2021 to prolong the rapporteurship with Mr. Heinen (VVD) and Mr. Alkaya (SP) as rapporteurs. They have been mandated to i) closely monitor the investigative phase of the digital euro at the ECB, and related developments, ii) to enable the House to have a thorough and timely debate on the forthcoming European Commission legislative proposal and iii) actively promote the view that the role of parliaments in the design process of the digital euro should be strengthened.

### **Input Finance Committee of the House of Representatives of the Netherlands**

The European Commission has launched a public consultation to prepare for their legislative work. The Dutch Finance Committee would like to utilize this opportunity to share four key points with the European Commission:

#### **1. Involvement of (national) parliaments and citizens is key**

The Dutch Finance Committee emphasizes that the design of a digital euro should not solely be based on a technocratic discussion, but should follow the outcome of a political debate. The potential introduction of a digital euro and its design raises fundamental choices with potentially far-reaching consequences. Questions as which problems we want to solve with it and how that should be done have a major impact on the nature of a digital euro. The subsequent design choices determine to a large extent its practical, economic and legal consequences. The architecture of a digital currency should be sound and not undermine the stability of the Eurozone. In this regard, the Dutch Finance Committee also explicitly asks the commission to clearly state its objectives on the wholesale digital euro, in light of the ongoing experiments with the Banque de France and the Swiss National Bank.

In order to be successful, a digital euro needs to be a common European project. Its design should be influenced by the involvement of (national) parliaments and be shaped to serve the needs of the European public. The Finance Committee emphasizes the importance of consulting the public and involving citizens throughout the digital euro project. The design of a digital euro should not be set in stone before the public and political debate on its objectives and features has taken place. The introduction of a digital euro requires a solid democratic basis.

#### **2. Privacy is vital in the design of a digital euro**

Second, the Finance Committee stresses that privacy should be a top priority in the design of a digital euro. Research by the Dutch central bank shows that privacy is a key concern for consumer adoption of a digital euro in the Netherlands.<sup>1</sup> It is therefore vital

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<sup>1</sup> 'What triggers consumer adoption of CBDC?', Michiel Bijlsma, Carin van der Cruijssen, Nicole Jonker and Jelmer Reijerink, DNB Working Paper, no 709, April 2021, available at: [https://www.dnb.nl/media/amwfigey/working\\_paper\\_no-709.pdf](https://www.dnb.nl/media/amwfigey/working_paper_no-709.pdf)



that the design of a digital euro strikes the right balance between privacy and other policy objectives.

The Dutch parliament has adopted a motion by large majority to underline that a digital euro should allow anonymous payments up to a certain maximum amount per transaction and per month.<sup>2</sup> Up to that amount, a digital euro should match the privacy cash offers to European consumers.

### **3. A digital euro should be non-programmable**

A digital euro has the potential to bring public money into the digitalizing world. While a digital euro could do so in different forms and shapes, the Finance Committee underlines that this objective does not necessitate a form of programmable money, now or in the future. The digital euro could in this regard best mimic the characteristics of cash. A potential capability for governments to decide what a digital euro could and could not be spend on would be detrimental for the trust of society in this new form of payment. A digital euro should therefore be non-programmable and at all times be convertible one-to-one with both cash and commercial bank money.

### **4. A digital euro should be an inclusive and sustainable complement to cash**

For the Dutch Finance Committee, a digital euro should complement cash, not replace it. Cash needs to remain available to consumers in an easily accessible manner and should always and everywhere remain legal tender (at least up to a maximum amount). A digital euro can only function alongside cash, now and in the future. The digital euro should promote financial inclusion, allowing individuals and businesses to have access to a useful and affordable means of payment in a sustainable manner. The digital euro should meet the needs of non-bankables, the financial illiterate and other groups with special needs, like blind people.

The Finance Committee looks forward to receiving your response within the context of the Political Dialogue with national parliaments as soon as possible, but at the latest on 2 September 2022.

Yours sincerely,

Judith Tielen

Chair of the Finance Committee  
House of Representatives of the Netherlands

<sup>2</sup> Motion nr. 1829, Tweede Kamer, vergaderjaar 2021–2022, 21 501-07, nr. 1829, available at:  
<https://www.tweedekamer.nl/kamerstukken/moties/detail?id=2022Z06251&did=2022D12721>



