

Digital Euro: Feedback on the *Proposal for a Regulation - COM(2023)369 final* by the European Commission

The digital euro as *Retail CBDC* is communicated as a means of payment that aims to be equivalent to cash in many respects. In the public debate - and especially from the perspective of citizens - "Privacy and data protection" (Articles 34 to 36) as well as "Personal data processed by providers of support services" (Annex V) are particularly relevant. However, the explanations in this regard should be more concrete to clarify to what extent the proclaimed **equivalence to cash** is actually enabled.

1. **PROHIBITION OF COMMERCIAL DATA USAGE FOR PAYMENT SERVICE PROVIDERS.**
On several occasions, the specific use of personal data is specified only for the ECB and national central banks. However, no statements are made on the use of data by payment service providers. If **the digital euro is to be designed as public money and a public good**, payment service providers should not be allowed to use personal data and data rendered by financial transaction more extensively than the ECB and national central banks.
2. **BANNING COMMERCIAL USE OF DATA IN ARTICLE 37.** In addition to Article 37 "Anti-Money Laundering & Counter-terrorist financing framework", commercial banks and other payment service providers should be explicitly prohibited from using personal and other forms of financial transaction data for commercial and business purposes. **Both a prohibition on data use for commercial purposes (especially data sharing with third parties) and a prohibition of internal data analysis (no use of data for own business purposes)** should be included.
3. **TRANSPARENT IMPLEMENTATION CONTROL.** The implementation of the requirements for handling personal data and financial transaction data should be subject to **appropriate procedures on the part of the national central banks and payment service providers, such as auditing (with reports) by independent experts.** The reports should be communicated to the public in a comprehensible manner. Such procedural arrangements complement the sophisticated design of CBDC as *Digital Public Infrastructure*. This should contribute to making the digital euro an attractive payment option that is widely accepted.

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https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13392-Ein-digitaler-Euro-fur-die-EU_de

Centre Responsible Digitality (<https://zevedi.de/en/>) investigates ethical and legal aspects of digital transformation, transfers knowledge into the economic sector and communicates with politics and society. In this context, the externally funded project *eFin & Democracy* is dedicated to *Democracy issues of the digitalised financial sector* (<https://zevedi.de/en/topics/efin-and-democracy>). From his perspective, the legal regulation of the digital euro offers a historically prominent opportunity to democratically shape this new form of money in the political decision-making process.

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