

Digital euro could happen 'within five years': Lagarde

January 13 2021



A virtual euro should arrive within five years but the physical coins and notes will stay

A digital euro should be a reality within five years, European Central Bank president Christine Lagarde said Wednesday.

"It's going to take a good chunk of time to make sure it's safe," Lagarde told an [online forum](#) organised by Reuters, adding "I would hope that it's no more than five (years)."

"There is a demand" for a digital [currency](#), she added, but that there is a "need to have a system that is secure" and where risks such as hacking are addressed.

"We're moving on, we are not charging on."

However, "banknotes are here to stay", Lagarde added.

Lagarde set a similar timeframe to China which launched a pilot scheme in 2020 and is edging closer to launching the world's first sovereign digital currency.

The comments came as the ECB concluded a consultation on the [digital currency](#), which registered more than 8,000 respondents, according to the Frankfurt-based bank.

Privacy was listed as the highest concern among those who responded.

"The high number of responses to our survey shows the great interest of Europe's citizens and firms in shaping the vision of a digital [euro](#)," said ECB board member Fabio Panetta.

Detailed analysis will be published in the spring, the ECB said.

A digital euro would be an electronic form of central-bank money, which proponents say will allow for faster and cheaper payments as they cut out the administration and the [high costs](#) needed in traditional banking.

Cashless payment options have grown in popularity during the coronavirus pandemic, with customers switching from handling coins and notes.

A digital euro may also outflank cryptocurrencies like Bitcoin, for which Lagarde on Wednesday called for stricter regulation.

"For those who thought (Bitcoin) might turn into a currency, I'm terribly sorry but this is a highly speculative asset, which has conducted some funny business and... totally reprehensible money-laundering activity."

Regulation "needs to be agreed at a global level because if there is an escape that escape will be used," she said.

© 2021 AFP

Citation: Digital euro could happen 'within five years': Lagarde (2021, January 13) retrieved 23 April 2024 from <https://techxplore.com/news/2021-01-digital-euro-years-lagarde.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.