

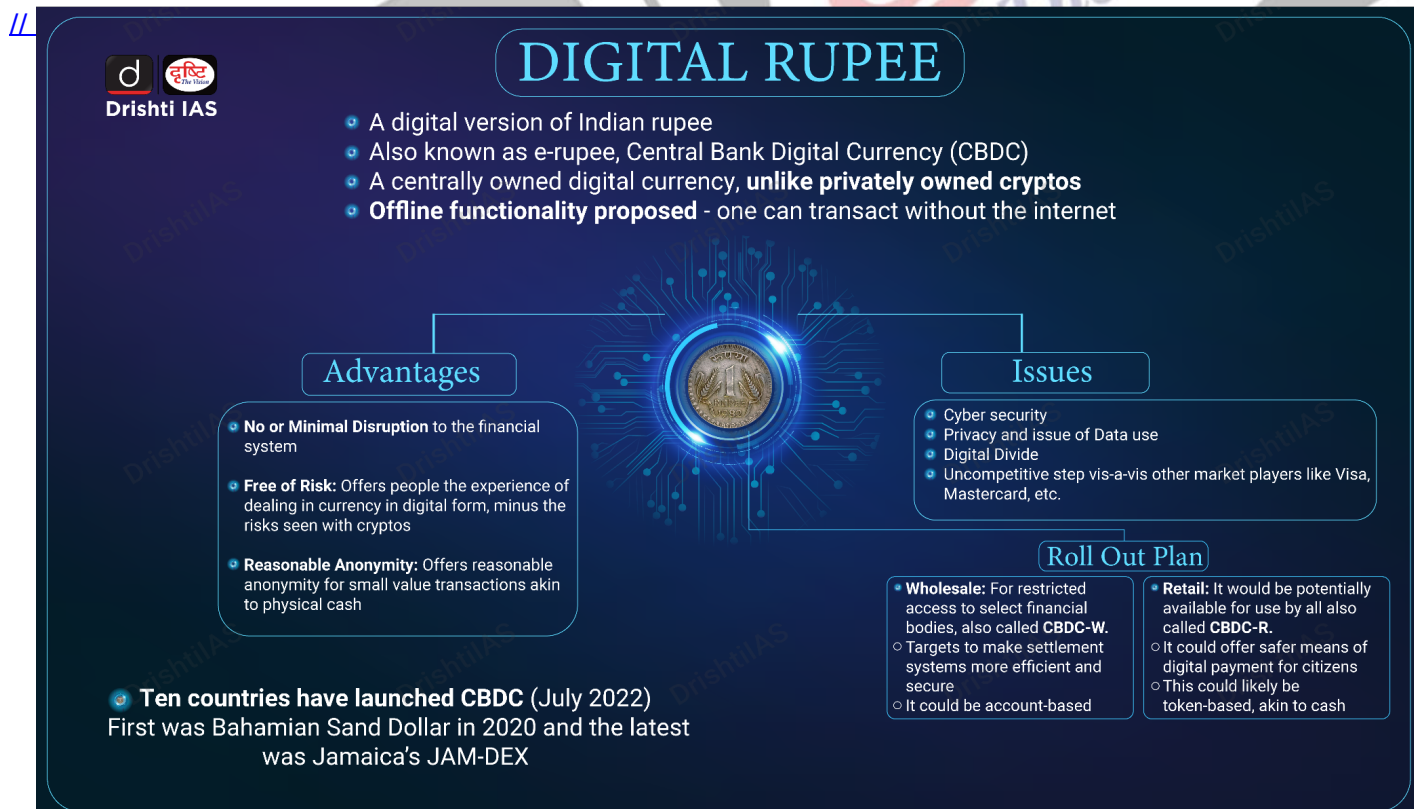


## Europe's Digital Euro

Source: TH

The **European Central Bank (ECB)** has introduced the **digital euro** as a new **central bank digital currency (CBDC)**, designed to modernise the payment landscape in Europe.

- The digital euro aims to **facilitate direct payments without intermediary** banks or gateways, functioning as a digital version of cash that enables **peer-to-peer transactions, even offline**, while maintaining a level of **anonymity similar to cash**.
- Issued directly by the ECB, this CBDC is designed to **lower transaction costs**, including for **micro-payments** which are currently expensive with traditional banks.
- The ECB envisions the digital euro as a **counterbalance to non-European payment providers** and a tool to strengthen **Europe's digital sovereignty** against global competitors, especially US companies.
- The **Reserve Bank of India (RBI)** launched the **Digital Rupee (e₹)** in 2022, as a CBDC.
  - CBDCs are a digital form of a **paper currency** and unlike **cryptocurrencies** that operate in a regulatory vacuum, these are legal tenders issued and backed by a central bank.



Read more: [Central Bank Digital Currency](#)

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