

Untangling Digital Euro's Personal Data Protection Challenges

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The paper

- ① Background on Digital €, other digital money & cash
- ② Detailed analysis of the privacy regime in the Digital € proposal

Digital Money, Cash & Decentralization

- How anonymous/decentralized is cash?
- How anonymous/decentralized are digital currencies & stablecoins?

Monetary Competition

	Private Money	Public Money
Account-based	Money Market Funds Shares (MMF) Uninsured Deposits	Central Bank Reserves Insured Deposits Digital €
Token-based (Circulating)	Stablecoins	Cash

- CDBC should not be a design as a response to competitive pressure (Martino, 2024)

A privacy framework

- Privacy-related policy goals
 - Protecting the fundamental right to privacy, foster technology adoption, prevent abusive use of personal data;
- Relevant trade-offs
 - Financial stability; fighting tax evasion; fighting fraud, money laundering, crime financing; operational resilience;
- Relevant actors
 - Private vs. Public Parties
- Approaches & remedies
 - Ex-ante requirements
 - Ex-post remedies (private vs. public enforcement)
 - Complement or substitutes?
- Evolving technology
 - Rules vs. Standards

Comparative statics

- ① Given this (account-based) model
 - Can privacy be better protected without sacrificing other goals?
 - Can privacy be better protected with a different composition of relevant (public) interests?

- ② Taking privacy protection as the ultimate policy goal
 - Can the optimal protection of privacy be achieved under the model proposed in the Digital € proposal?
 - Which compromises are needed to achieve optimal protection of privacy?

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