



# Payments strategy 2026-2028

DeNederlandscheBank

EUROSYSTEEM

# More payment options for a stronger payment system



# DNB's vision at a glance

## Strengthening the resilience and autonomy of the payments sector



### Ambitions:

- The payment chain has been made more resilient.
- Dependence on non-European players in critical parts of the payment chain has been reduced.
- Consumers and entrepreneurs can opt for European digital payment instruments that can be used to pay anywhere in Europe.
- Society understands that investment is necessary to increase resilience.
- Cash remains available, reliable, accessible and affordable.



Access to payment services remains as important as ever

## Fostering innovation in the payments market



### Retail payments

#### Ambitions:

- Consumers are well-informed about new payment methods and can make informed choices.
- Payment fraud has been reduced through cooperation in and with the sector.
- Payment service providers are transparent about AI use, explain why they use AI and manage concomitant risks.
- Cash innovations contribute to availability, security and affordability of cash.

### Wholesale payments

#### Ambitions:

- The central bank system evolves in sync with innovations in the payment system.
- Payments to non-euro area countries have become faster and cheaper.
- Central bank money is available to settle DLT transactions.
- European stablecoins and other commercial forms of digital money are given the room to prove themselves in the market.

# Introduction

The world of money, payments and payment systems relies on trust. To protect that trust, security, accessibility and resilience are key. Millions of payments are made in the Netherlands every day, and they are part of a complex payment system that is constantly evolving.

In the context of geopolitical tensions, pressure on European autonomy and technological innovations, maintaining a reliable and secure payment system is more important than ever. It is one of the core tasks of De Nederlandsche Bank (DNB) to do so, and thus protect public trust in the payment system.

As part of the present Payments Strategy, we will continue to focus on the accessibility of the payment system (see [Box 1](#)), since it is almost impossible for both consumers and entrepreneurs to function in today's society with limited or no access to payments. In addition, we believe that those who struggle with the increasing digitalisation of the payment system must also be able to fully participate. We therefore encourage the players in the payment system to continue improving their services for this group, in order to avoid creating a divide in society. At the same time, it is necessary to consider the tension that may exist between innovations in payment products and accessibility.

Building on previous strategy documents, the present Payments Strategy outlines our vision for the payment system for the period 2026-2028. It provides insight into the ambitions we are pursuing and what can be expected of us. Together with market participants, government and civil society organisations, we are working on a future-proof, secure payment system for all – which is essential in these uncertain times.

In addition to ensuring a smoothly operating payment system, with a strong commitment to accessibility, we will focus on two other strategic priorities in the coming years.

## 1 Strengthening resilience and autonomy in the payments sector

Increasing the resilience and autonomy of the European payments sector is crucial in a rapidly changing geopolitical landscape where global partnerships can no longer be taken for granted. We aim to reduce the sector's dependence on non-European parties and encourage the development of digital European payment instruments, such as the digital euro and Wero. In addition, the resilience of critical links and parties in the payment chain must be strengthened. Substantial investments are required to make this happen. We are working to build broad public support for finding the right balance between resilience and affordability. Cash (public money) is a key element in this regard and we attach great importance to public money remaining available, accessible and affordable in its various manifestations.

## 2 Stimulating innovation in the payment system

Innovations must be given the room to develop, provided the stability and reliability of payments remain safeguarded. Consumers and businesses need to be confident that they can pay securely, without worrying about what happens behind the scenes when transactions are processed. We will focus on trends such as digital wallets and the use of artificial intelligence (AI) in the coming years. Fraud prevention is becoming increasingly challenging, with payment service providers as well as consumers and entrepreneurs having their own and joint roles to play in reducing payment fraud.

Central banks serve as an anchor for confidence. On the one hand, by issuing central bank money to the public and, on the other, by settling transactions between financial institutions. Further digitalisation is creating new payment trends and money needs. We are working to realise a digital euro in addition to cash for the public. In addition, together with other central banks in the Eurosystem, we will build bridges between different

Distributed Ledger Technology ([DLT](#)) platforms. By doing so, we aim to give new technologies and innovations in the market plenty of room to prove themselves and strengthen the European Savings and Investment Union ([SIU](#)).

### Box 1 Ensuring accessibility of payments

**Access to payments remains as important as ever.** Payment transactions must be secure, reliable and accessible to all. This applies to both consumers and corporate users. Access to payment services has been made easier for most people thanks to digital innovations. At the same time, the risk has increased that certain groups are becoming less capable of managing their payment affairs.

**DNB calls on parties to make their payment services even more inclusive.** The category of people experiencing problems due to digitalisation is large and diverse. It includes, for example, people who are linguistically and digitally less proficient, those with physical disabilities and those who have insufficient access to digital resources. In recent years, banks – collectively and individually – have made efforts to make digital payments more inclusive. For instance, they improved their telephone services, extended their personal assistance offering, and generated more awareness of existing initiatives. Interest groups and volunteer organisations play a crucial role in helping their support base. We encourage parties to continue these initiatives and continue developing new ones. Together with the National Forum on the Payment System ([NFPS](#)), we work to prevent a divide in society.

**Access to corporate payment services must also remain available to every bona fide entrepreneur, foundation and association.**

Without such access, participation in the payment system is *de facto* impossible. Not only is access within specific sectors under pressure, but the time required to gain access is also sometimes problematic.

# Strengthening the resilience and autonomy of the payments sector



**Autonomy in payments is a priority in an era of fundamental changes.**

The geopolitical climate has become more tense and global partnerships can no longer be taken for granted. At the same time, it is clear that Europe has not yet achieved the level of autonomy in payments transactions that is required to protect public trust in the payment system.

**Strengthening resilience is equally urgent.** This is partly due to an increasingly bleak international playing field and growing dependence on non-European players. It is also urgent because cyber attacks and digital crime are a daily reality, with major risks to payment security and the functioning of the payment system. On top of this comes the threat of future technologies, such as quantum computing, which could undermine existing security mechanisms.

**Ambition:** The payment chain has been made more resilient.

**The retail payment system is vulnerable to the failure of critical players in the chain.** Therefore, it is vital that these critical players are highly resilient. They include the major banks, national and international card issuers, large processors and parties in the cash supply chain for the supply of cash to ATMs. The possibility of failure of these chain parties for an extended period raises concerns.

**Payment function failures undermine trust in the payment system.** If payments fail, consumers and businesses are unable to pay for their orders and groceries or pay and receive wages, for example. The point-of-sale (POS) payment system in particular is vulnerable, because it relies heavily on electronic debit card and smartphone payments. These payments often concern basic necessities. If these are inaccessible, it could lead to

inconvenience or social unrest. The problem is that existing emergency processing options can only handle short periods of outages. Cash cannot or no longer act as a fully fledged fall-back option for card payments. At the same time, the non-cash payment infrastructure is currently not adequately equipped to facilitate other methods of payment during such temporary outages, using QR codes for example.

**Making the payment chain more robust requires actions from consumers and retailers as well as payment service providers – and their critical suppliers.** There is no one-size-fits-all solution to solve all vulnerabilities, which is why we discuss a series of measures to increase resilience below.

**There are various ways to reduce the risk of payment function failures:**



When electronic POS payments are disrupted, a form of [deferred card payments](#) could be used. This is also referred to as offline card payments. It requires various parties in the card payment chain to make adjustments, which could be complex. The NFPS is working on this with payment service providers and retailers.



Adopting a [dual provider strategy](#) could help reduce the risk of single-provider failure for businesses and payment service providers.



It is important for households to have access to [more than one means of payment](#). The NFPS therefore advises households to keep enough cash at hand for a 72-hour disruption. Consumers can also take other precautions, such as having a mobile banking app on their phone, so that cashless payments remain possible.

Some households have multiple payment accounts. They can choose to hold these with different banks, so that they keep access to the payment system should one bank system temporarily fail.



**Increasing the scalability of cash logistics** in case of unexpectedly large cash demands. As the cash supply chain in the Netherlands has been highly optimised as a result of reduced cash usage, the room for expansion is limited. Concrete examples to scale up further could include expanding the provisioning capacity of cash-in-transit companies and linking the number of ATMs to population numbers (with a minimum of 22.3 ATMs per 100,000 residents). This means the number of ATMs grows in proportion to the population.

**Chain party failures can have various causes, such as a disruption or a cyber attack.** We regard the latter in particular as a major threat. A cyber attack may not only affect individual parties in the payment chain, but also shut down entire sections of the payment system. This could damage trust in the entire financial system. It is therefore essential that all links in the chain continue to invest in digital resilience.

**Investing in crisis management and sharing information on cyber threats increases payment chain preparedness.** This is why we map the constantly changing payment chain ecosystem, including critical vendors, to identify any emerging risks. We encourage Dutch market participants to join our cyber resilience programmes, such as TIBER and ART testing. We assist financial institutions in conducting cyber resilience tests under the European Digital Operational Resilience Act (DORA). We also organise crisis management exercises at national and sectoral level and cooperate with the AFM and the Ministry of Finance in a crisis management body for the financial sector (TCO). This is activated in case of actual or imminent cross-institution disruptions in the payment system. We are working alongside other European authorities to ensure that our market infrastructures remain highly resilient to cyber threats.

**Ambition:** Dependence on non-European players in critical parts of the payment chain has been reduced.

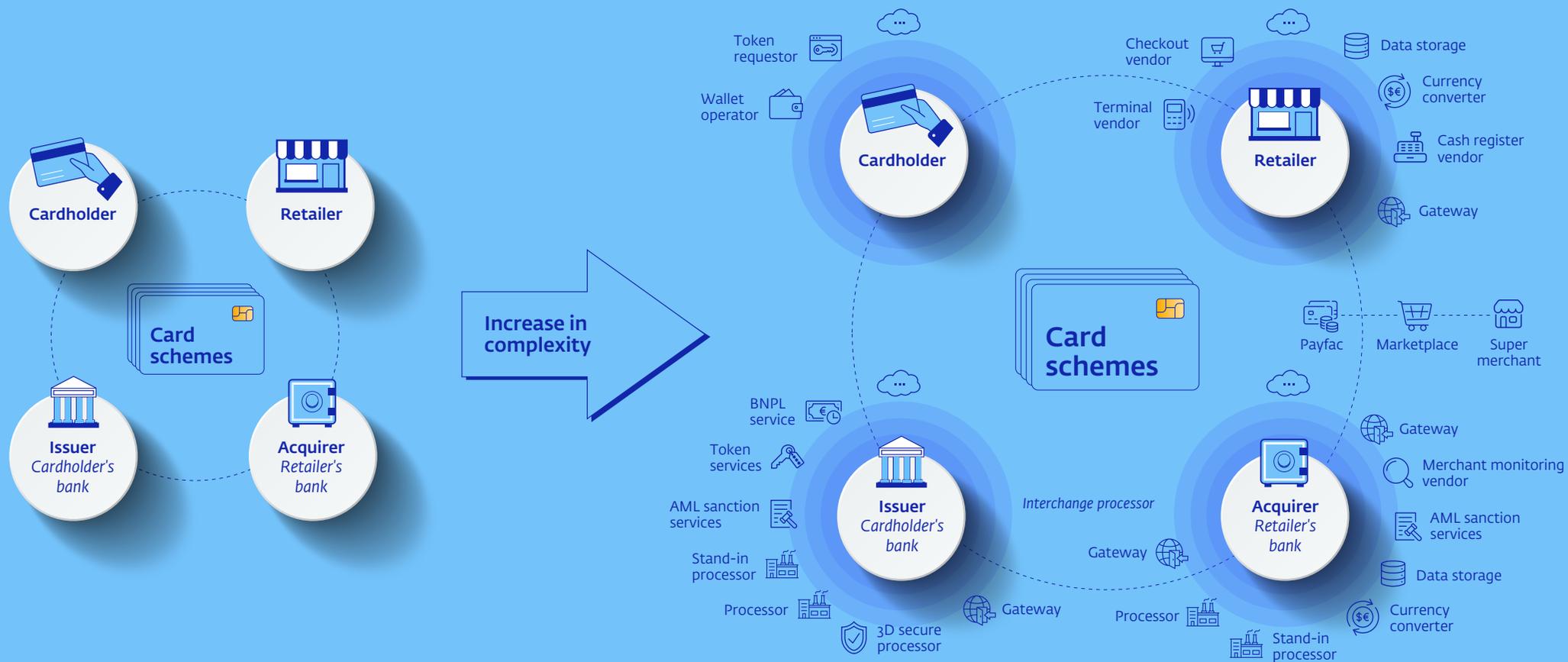
**The payment ecosystem is made up of an increasing number of parties.** Several process and product innovations have improved efficiency and the payment journey for consumers and retailers. At the same time, this has given a number of non-European parties a significant or even critical role in the payment chain. The illustration on the next page shows the sharp increase in roles and parties involved in card payment processing.

**We value European independence in the payment chain.** In the light of geopolitical developments and the importance to work towards further European autonomy, over-dependence on non-European players is undesirable. It is essential that Europe takes matters regarding stability, reliability and protection of privacy in its own hands. We emphatically do not propose to end cooperation with non-European parties, but rather to take action to reduce Europe's dependence by developing and offering our own European payment solutions.

# Payment circuit for card payments

The payment circuit has become more complex in recent decades.

New business models in the payments circuit have given rise to additional roles, with specialised – often non-European – market entrants taking over tasks previously performed by traditional players.

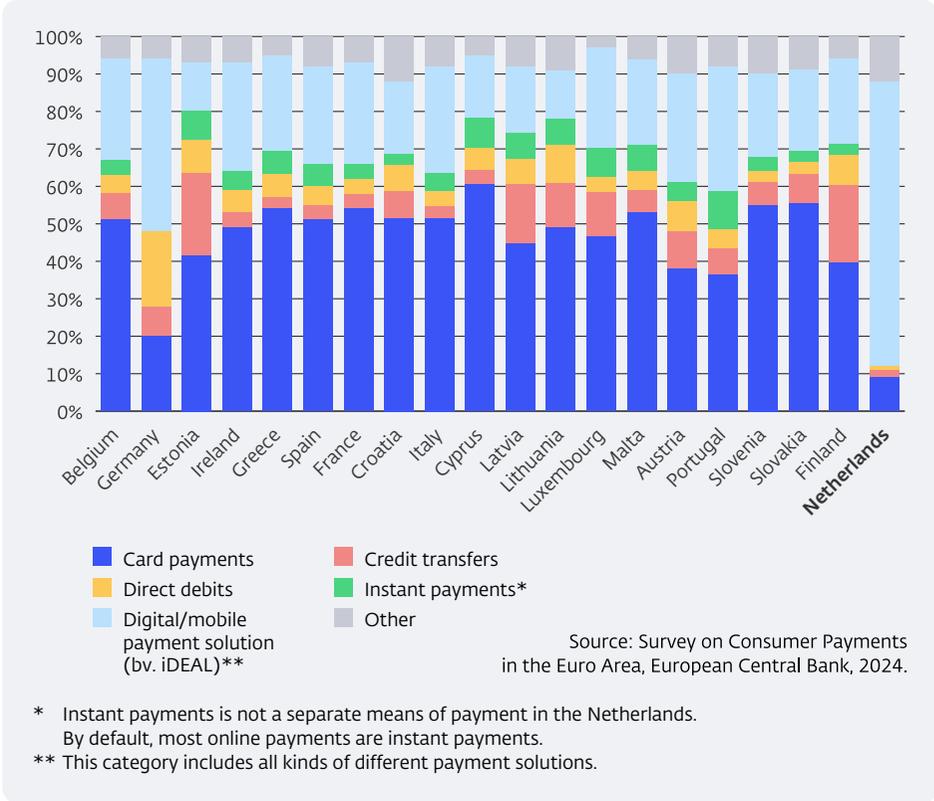


**Ambition:** Consumers and entrepreneurs can opt for European digital payment instruments that can be used to pay anywhere in Europe.

We are committed to developing European payment instruments to enhance strategic autonomy in private payments. Such instruments can reduce dependence on payment solutions controlled outside Europe, and represent a logical step in the further integration of the single European payments market. Europe has a wide range of national payment options. A uniform, retail payment method that can be used across Europe at both physical and online points of sale is still lacking. The euro and IBAN (the system of bank accounts in Europe) have formed a foundation for uniform European credit transfers, direct debits and instant payments. The time has come to extend this with a European POS payment solution.

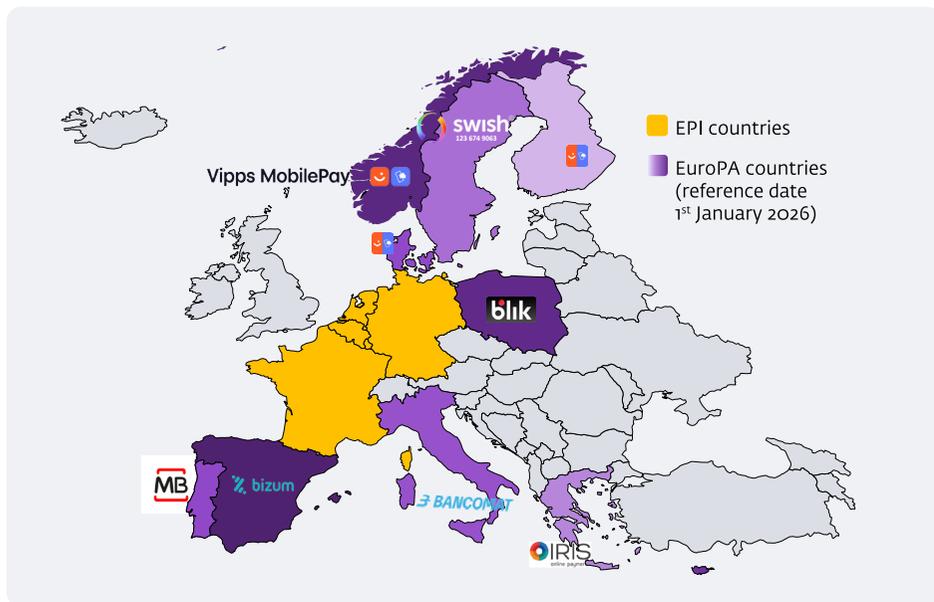
We encourage private initiatives to develop a pan-European retail payment solution. Three initiatives are currently underway. There is one public initiative: the digital euro. In addition, there are two private initiatives: European Payments Initiative (EPI) and European Payments Alliance (EuroPA). Private parties are ideally placed to respond to market demand and add value. EPI is launching in five countries: Germany, France, the Netherlands, Belgium and Luxembourg. Its payment solution Wero is primarily focused on e-commerce and peer-to-peer payments. In 2024, it acquired the Dutch iDEAL, and Wero will roll out in the Netherlands in 2026. We keep a close eye on consumers' and retailers' concerns surrounding the migration to Wero and are actively and committedly monitoring this transition. EPI is also working on a POS application.

Figure 1 The online payments market in Europe is divided



**EPI and EuroPA are working together to facilitate cross-border payments between the two initiatives.** EuroPA is a similar collaborative initiative of mobile payment solution providers from Italy, Spain, Portugal, Greece, Poland, Denmark, Finland and Norway. It focuses on achieving cross-border interoperability between existing mobile payment solutions in those countries. However, the chosen route of making private initiatives interoperable should not lead to the perpetuation of fragmented national payment solutions. Consumers and retailers require uniformity, and a successful payments market requires scalability and agility.

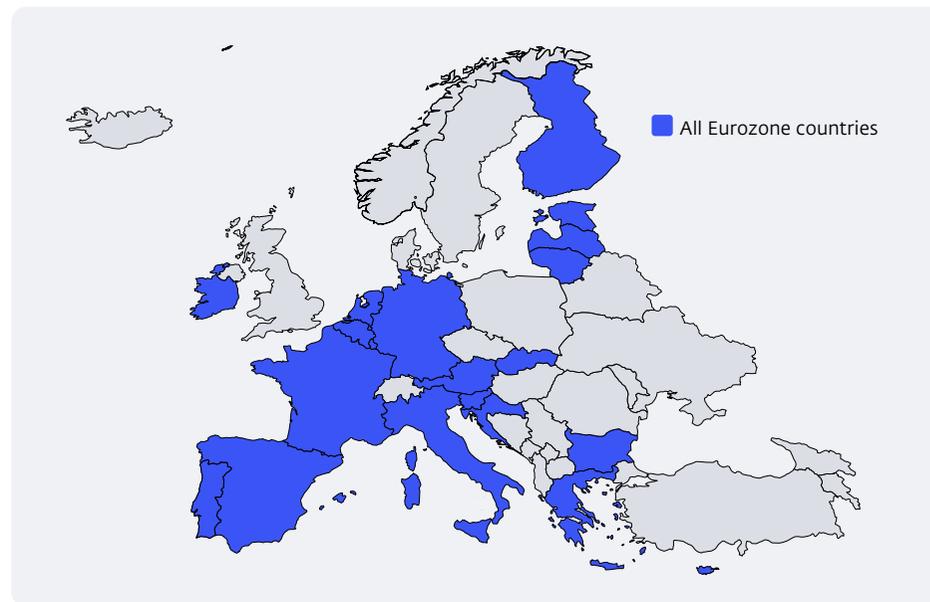
Figure 2a EPI and EuroPA countries



**We support the introduction of the digital euro, the public initiative to create a European retail payment solution.** By 2028, provided the necessary rules and regulations have been approved in the political process, the euro countries want to be far along in designing and developing the digital euro so that it can be introduced in the medium term. The digital euro project is an initiative of the European Central Bank (ECB) and the European Commission (EC) to develop public money in a digital form that everyone in the euro area can use: a digital version of cash that can be used both online and offline.

**In the Netherlands, the digital euro will reduce dependence on non-European parties.** Over 80% of POS payments are made by card, either physically or by phone (Figure 3). For these card payments, the Netherlands relies almost entirely on two major US corporations. This means our crucial payment infrastructure could be used as a geopolitical

Figure 2b Digital euro countries



pressure tool. An offline version of the digital euro would allow consumers to pay digitally at any time, even in the event of internet or power failures. All in all, a public digital euro is a desirable complement to private means of payment. There is room in the current landscape for a universally accessible euro area-wide basic payment solution that caters to public interests, such as additional resilience and additional privacy protection compared to existing digital solutions.

**We primarily regard the digital euro as a complement to and catalyst of private payment solutions.** The digital euro can help private payment solutions gain acceptance in shops because it provides open POS standards that private European parties can also use. As such, it acts as a catalyst, increasing access to in-store acceptance networks and enabling faster scaling up.

**Ambition:** Society understands that investment is necessary to increase resilience.

**Strengthening resilience and autonomy comes at a cost.** Measures that reduce vulnerabilities and dependencies require investment by all parties in the payment chain. In the NFPS, we discuss with representatives from both the demand side (consumers and retailers) and the supply side (payment service providers) of the payment chain how these measures can be funded.

**Our ambition is a future-proof balance in the distribution of payment transaction costs between retailers, consumers, payment service providers and other parties.** Currently, the Netherlands has a national exception to the European fee cap for card payments, resulting in a relatively low rate for Dutch retailers compared to fees elsewhere in Europe. We are exploring with stakeholders whether or not the exception should be adjusted, taking into account various public interests such as efficiency, competition and long-term resilience. After all, we do not want an unbalanced fee system to hamper investment in improvements or payment resilience.

**Ambition:** Cash remains available, reliable, accessible and affordable.

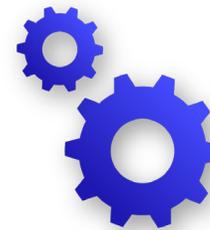
**Cash is issued by the central bank and is therefore public money, which is the foundation for trust in the economic and social system.**

Cash payments currently account for about 20% of total POS payments in the Netherlands, while in 2014, this was still more than 50%. The number of electronic payments increased sharply in recent years. The Dutch made about 7 billion card payments at home and abroad in 2025.

**We believe it is crucial to keep cash available, accessible and affordable.**

This allows consumers to use the payment method of their choice, enables everyone to continue paying independently, and ensures that payments can still be made if electronic systems are temporarily unavailable. We are working with the Ministry of Finance to ensure cash remains available and generally accepted.

**We are committed to maintaining an adequate basic infrastructure and broad acceptance of cash.** It should be and remain easy and affordable to withdraw, use and deposit cash. This means we need a solid, nationwide network of ATMs and users should pay no (or minor) fees for withdrawals or deposits. In addition, broad acceptance of cash by retailers is essential to ensure that cash remains usable. Cash payments should also be possible in smaller retail outlets and during evening hours. The proposed Cash payments act (*Wet chartaal betalingsverkeer – Wcb*) and the upcoming EU legal tender regulation may regulate this. In the coming years, the challenge will be to develop legislation to ensure cash remains available, accessible and affordable to all.



# Fostering innovation in the payments market

**Continuous innovation has become the norm in the payments world – from digital wallets and AI agents to programmable transactions.**

As people cooperate, communicate and transact digitally more frequently, individuals and businesses expect digital payment solutions that are fast, seamless and reliable. New applications can meet this demand, but can also introduce risks.

**We aim to give innovations the room to develop, provided the stability and reliability of payments remain safeguarded.** Consumers and businesses should be able to pay without needing to worry about what happens “under the bonnet” during transaction processing. Key trends that will demand our attention in retail payments in the coming years include preventing payment fraud, the use of AI, and the evolving role of wallets. These developments increase the need for digitally skilled and payment-savvy users, as the payment landscape grows broader and more complex.

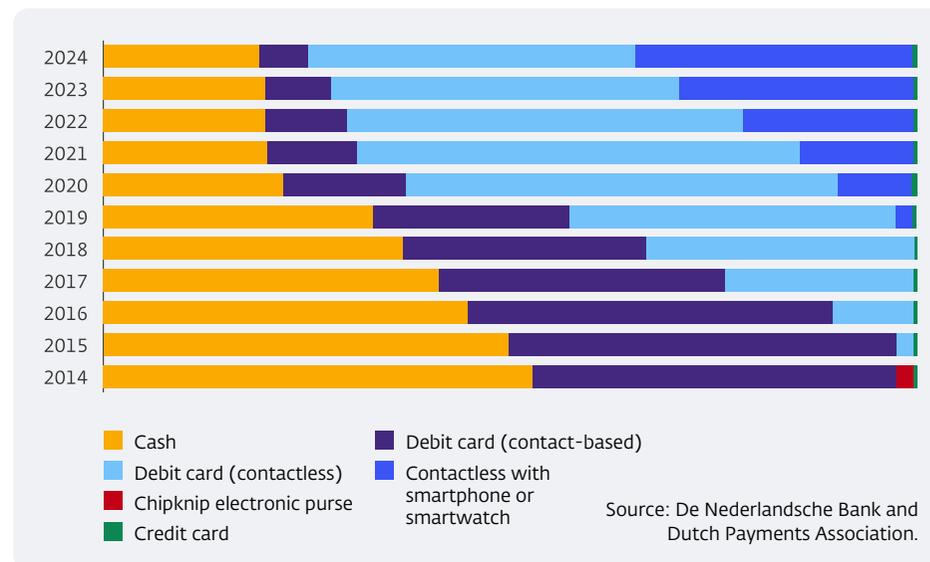
**The monetary landscape is also changing rapidly internationally.** New digital assets, such as stablecoins, are gaining traction. In the United States, stablecoins are being actively promoted to strengthen the international role of the dollar. Europe, by contrast, seeks to avoid fragmentation and instead strengthen its own capital market and the sovereignty of the euro. It is therefore crucial that the underlying payment infrastructure for financial institutions continues to evolve in sync with market trends. By future-proofing our systems with new technologies, we ensure the financial market infrastructure is ready for tomorrow’s digital world.

## Retail payments

**Ambition:** Consumers are well-informed about new payment methods and can make informed choices.

**Mobile payments have expanded rapidly, from 2% of point-of-sale transactions in 2019 to 34% by the end of 2024.** For many users, mobile payments increase convenience, and they often ensure quick handling at the checkout. While the smartphone is theoretically the gateway to various payment instruments, from debit and credit cards to banking apps, this potential has still not been fully unlocked in practice, as payment service providers have long been denied access to the built-in payment features of iOS phones.

**Figure 3** How our point-of-sale payment methods have evolved



**We welcome the fact that different types of payment instruments can now use the contactless payment technology in all phones.** Thanks to requirements from the European Commission, access to Near Field Communication (NFC) has been opened up to third parties. This will allow more wallet and app providers to make their payment instruments available for different types of smartphone operating systems, and provide them the same ease of use.

**A wider range of wallets and apps increases resilience of mobile payments.** Moreover, it prevents a small number of BigTech companies from exercising dominant market power offering their wallets, leading to price increases and more unwanted dependencies. We therefore welcome innovations and new wallet providers to the market, as this improves the accessibility, efficiency and affordability of payment transactions. In addition to these market initiatives, a European Identity Wallet (EUIDW) will be launched, which can be used to store identification documents and serve as an authentication method for payments. It is currently being investigated whether this wallet can be used to make payments.

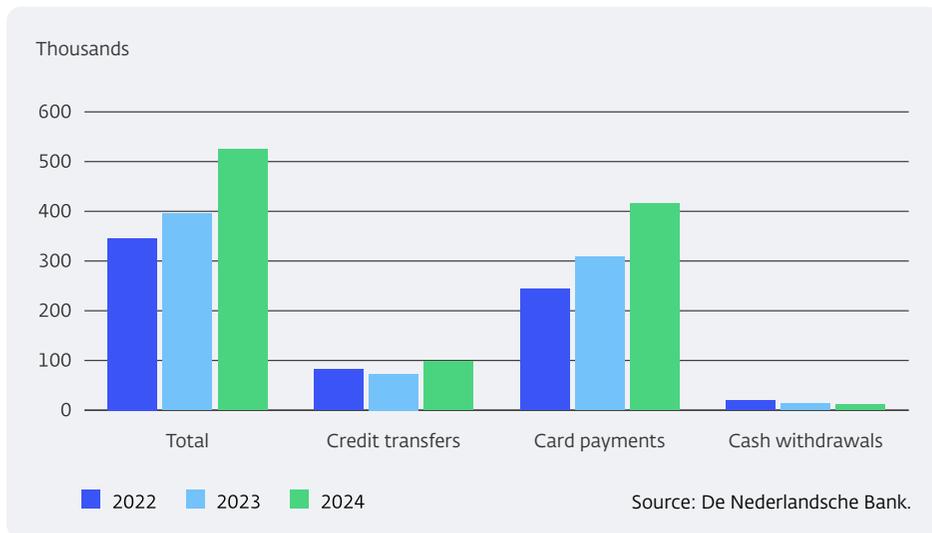
**While a wider range of payment instruments and methods can make payments more resilient, it can also increase complexity.** This can cause confusion for end users. For end users to have confidence in the payment system, they must be made sufficiently aware of the different characteristics and costs of payment instruments to enable them to make informed choices. The same applies to data shared in wallets. Payment data is personally sensitive information, but it is not always clear to consumers how different wallets handle it. We consider maximum transparency desirable. Retailers need more transparency on the fees charged for accepting payment instruments and processing transactions. This allows them to make informed choices about the payment methods they offer. It also stimulates competition among payment service providers.

**We aim to make consumers and retailers payment-savvy.** Payment-savvy users know the pros and cons of different payment methods, including debit and credit cards, online payment instruments, credit transfers and authorisations or products like Buy Now Pay Later (BNPL). Pros and cons include, for example, buyer protection, speed of settlement, or non-standard conditions and costs. DNB research shows that Dutch people score an average of 6 out of 10 for payment literacy, based on 20 statements. That is where we see room for improvement, especially among certain target groups. Payment literacy is also about risks. Payment-savvy consumers and retailers are able to pick up signs that indicate spoofing or phishing activities undertaken by criminals. We therefore plan to put the topics of money and safe payments on the agendas of all payment system participants. Where possible, we cooperate with the Dutch Authority for the Financial Markets (AFM). The AFM will supervise the sector that facilitates payment in arrears (BNPL) from November 2026 at the latest. Of course, we are also using the facilities available in De Nieuwe Schatkamer in our head office, where visitors can learn about payments in an accessible way.

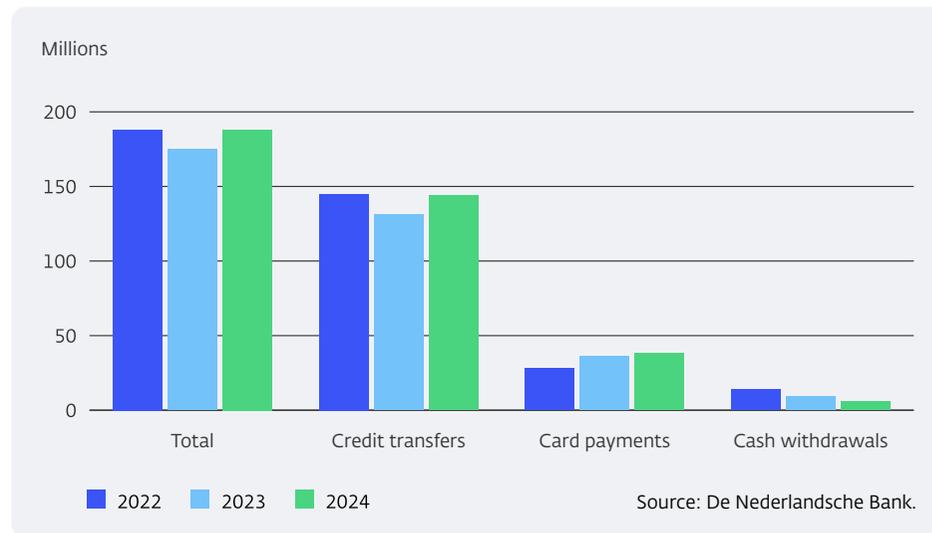
**Ambition:** Payment fraud has been reduced through cooperation in and with the sector.

**Fraud prevention requires coordinated action and focus from all participants in the payment chain.** Fraud and scams in payment transactions are a growing problem. Incidents are shifting from card payments to online payments, for which end-users unintentionally give their consent and mostly involve larger amounts. An effective approach requires payment service providers to anticipate every single new type of scam criminals use. Cooperation in the chain and between participants is therefore essential. We provide reliable fraud data, and we monitor and list fraud topics in the National Forum on the Payment System (NFPS).

**Figure 4 More people are experiencing fraud**



**Figure 5 The highest scam amounts involve credit transfers**



**Joint campaigns are helping to raise awareness among consumers about fraud risks.** Deepfake videos and voice clones are increasingly difficult to distinguish from real people, which can tempt people to share personal banking data or even transfer money to criminals. Likewise, criminals keep targeting businesses. With or without the help of AI, they are capable of mimicking invoices or payment links that appear genuine.

**Banks are constantly innovating to help prevent their customers from becoming victims of fraud.** Good examples include verification of payee identity (IBAN/name check), setting limits on transfer amounts and telling users clearly how and what the bank will contact them for. Dutch banks continue to lead the way in Europe with such innovations. New European payment services legislation (PSR/PSD3) balances the division of responsibilities between payment service providers and consumers across the euro area.

**Ambition:** Payment service providers are transparent about AI use, explain why they use AI and manage concomitant risks.

**The rise of AI offers new opportunities in payments, but also raises concerns over accountability.** For example, consider new payment methods that involve agentic payments. AI agents search for a specific product, such as a certain type of trainers, on behalf of a customer and automatically buy them as soon as the price falls below a certain amount. Such innovations make online payments even more accessible, but also raise new questions. What happens if a purchase goes wrong, for example due to fraud or a technical failure? Who is responsible: the consumer or the payment service provider? Clear agreements must be reached within the sector on this and other questions in the coming years.

**AI can contribute positively to numerous payment processes, provided it is applied responsibly.** Self-learning algorithms can detect unusual transactions faster and thus prevent fraud. This is a not new phenomenon, but it is becoming increasingly important at a time when cyber crime is booming and becoming more international. AI applications also allow banks to tailor their services in a more service-oriented manner to their different types of customers.

**If payment service providers use AI, they must comply with a number of requirements for responsible use under the European AI Act.**

These concern transparency, explainability and proactive risk management, especially with regard to data quality, privacy and prevention of discrimination. Payment service providers will remain responsible for any decisions AI makes and will be liable for damage or loss caused by these systems.

**Ambition:** Cash innovations contribute to availability, security and affordability of cash.

**Together with the ECB, we are working on a new series of euro banknotes with a completely new design.** The notes will be more attractive, recognisable and more inclusive for all Europeans, including those with visual impairments. We are also working on banknote features that make counterfeiting more difficult and on ways to reduce the impact of banknotes on the environment, for example by extending their lifespan.

**Innovation among market participants in the cash chain remains necessary and contributes to accessibility.** Examples include a closed cash register system that automates cash handling at a point of sale and a small and flexible ATM that can be deployed quickly. In the coming years, it will become easier for retailers to offer cash-in-shop systems, so that customers can withdraw cash at a point of sale without buying a product.

## Wholesale payments

**Interbank payments are based on central bank money, which is the foundation of our monetary system.** Unlike balances held by commercial banks, central bank money has no counterparty risk. It is a direct claim on the central bank as a public institution, making it the safest form of money. Banks must hold a small portion of their short-term liabilities as reserves in central bank money at the central bank. They use this to effect interbank transactions. In addition, they can obtain credit from the central bank against collateral on a flexible basis, which is crucial to ensure liquidity in the day-to-day payments market and absorb financial shocks. In this way central bank money is the cornerstone of today's monetary system.

**To handle the daily flow of money in Europe safely and quickly, the Eurosystem is continuously improving its crucial infrastructure – the TARGET services.** TARGET connects central banks and around 40,000 financial institutions across Europe and offers several services, such as interbank payments, instant payments and securities transactions. Bringing all these services together strengthens integration of Europe's capital markets. Whereas private payments are characterised by large volumes of low-value transactions, payments between financial institutions are the opposite: small volumes of higher-value transactions. In the Netherlands, this involves about 4 million transactions a year with a total value of almost EUR 24,000 billion. This accounts for roughly 5% of the total value of interbank payments in the euro area. For payments to countries outside the euro area, a network of correspondent banks is used, with messaging facilitated by a network provider (Swift). For the Netherlands, the United States and the United Kingdom are the main counterparties for such payments.

**The use of foreign currency is increasingly seen as an unwanted dependency.** Some countries boost their national currencies with the aim of expanding their geopolitical capabilities. In this dynamic juncture, DNB is committed to upholding the strategic importance of the euro. This is why we are making our European central bank money future-proof, so that it

can continue to provide confidence and stability. At the same time, we encourage market innovation so that the European capital market remains competitive and attractive.

**Ambition:** The central bank system evolves in sync with innovations in the payment system.

**We work to maintain trust by ensuring TARGET evolves in line with today's 24/7 economy.** Money and financial assets are continuously needed. The world is increasingly digitally connected and economic activities are no longer dependent on one's physical location. We are committed to increasing the availability of TARGET services for liquidity management and interbank payments. Non-bank payment service providers, which are playing an ever more important role in the payments system, can now also gain access for making payments. To keep TARGET payments resilient, major participants must use two different networks for their data connections from March 2026, just like central banks. DNB also uses two different network connections.

**Ambition:** Payments to non-euro area countries have become faster and cheaper.

**We enable fast payments outside the euro area by linking the European instant payment system to similar foreign systems.** Within the Eurosystem, TARGET Instant Payment Settlement (TIPS) is used for instant payments. Since 2025, TIPS has supported payments in other European currencies beside euro, such as Swedish and Danish kroner. To bolster European autonomy, it is desirable to link TIPS more widely to instant payment systems across Europe and beyond such as the Indian UPI. Creating such links should also reduce costs and increase the resilience and speed of international payments, in line with the G20 goals for cross-border payments.

**Ambition:** Central bank money is available to settle DLT transactions (wCBDC).

**A significant trend is the increasing use of distributed ledger technology (DLT) in payment and securities transactions (see Box 2).** Using this technique, transaction and ownership data can be maintained without a central party. Participants collectively operate a single platform that effectively functions as a shared ledger. Financial institutions are experimenting extensively on DLT platforms to digitally represent (tokenise) traditional financial assets. This allows market participants to trade these tokenised assets quickly and easily on these platforms.

**We advocate clear legislation for DLT applications.** We are currently assessing whether Dutch legislation provides sufficient room for this. Internationally, several countries are taking steps to create legal frameworks that provide legal certainty when applying tokenisation. We are following these initiatives and push for harmonisation of DLT legislation. To this end, we are in close contact with market participants, legal experts and peer regulators.

**We want to enable settlement of transactions on DLT platforms in central bank money.** This concept is known as wholesale Central Bank Digital Currency (wCBDC). It allows financial institutions, which have access to central bank money, to use the most secure form of money on decentralised platforms and make payments irrevocably and definitively. The challenge ahead lies in designing a future-proof system. To achieve this, we are working intensively with the Eurosystem and will actively involve Dutch market participants in the system's design.

**Wholesale CBDC provides an anchor for payments of European digital assets, contributing to the realisation of the Savings and Investment Union (SIU).** It provides a secure and uniform means of payment on DLT platforms, on which European digital assets can be traded. wCBDC is the only means of payment that is completely free of credit and liquidity risks – no private alternative can provide this security. It avoids fragmentation of

different payment solutions between DLT platforms and supports Europe's innovative capabilities without compromising on trust and security. A more fully integrated capital market will facilitate trade with and within Europe, strengthen the international role of the euro and boost Europe's strategic autonomy. In the short term, the Eurosystem seeks to provide an initial solution to connect several private DLT platforms to TARGET Services. Central banks in the Eurosystem will offer this as a service named Pontes, which is Latin for 'bridges'. To this end, we will work closely with Dutch market participants to ensure the solution fits their needs and operational processes.

**Ambition:** European stablecoins and other commercial forms of digital money are given the room to prove themselves in the market.

**Besides central bank money, DNB believes there is room for other forms of digital money that can contribute to better payments.** Ideally, a diverse ecosystem will emerge in which public and private payment methods co-exist and each contribute to the success of the European Savings and Investment Union based on their own specific strengths. We aim to create such a future-proof and well-connected ecosystem. While stablecoins are currently used for buying and selling crypto currencies, more and more traditional financial institutions in Europe and beyond are exploring opportunities to apply them in their own services, such as cross-border payments or payments of tokenised assets. For this and other reasons, the European Union has implemented the Markets in Crypto Assets Regulation (MiCAR). It is now possible to issue regulated stablecoins in Europe and DNB has been overseeing this since 2024.

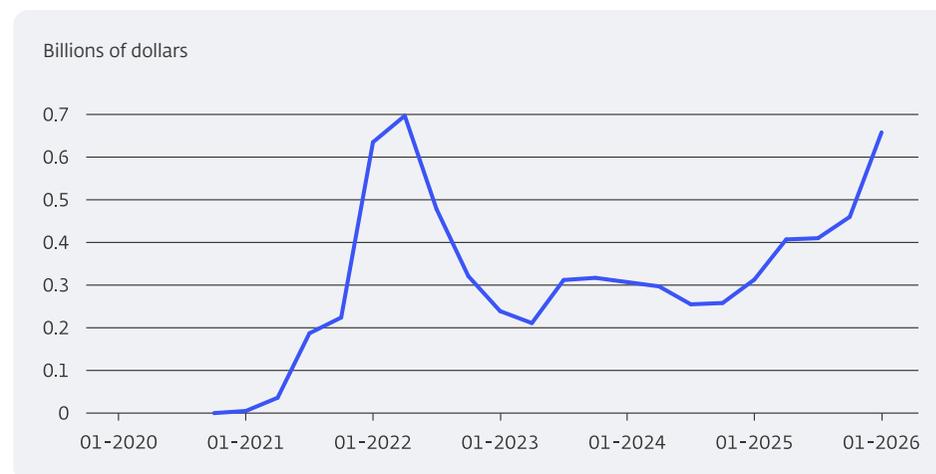
**For use in Europe, EUR stablecoins are preferred to stablecoins representing another currency or operating in whole or in part outside the EU.** Using non-European stablecoins could lead to currency substitution or strategic dependencies on foreign infrastructures, thereby undermining monetary sovereignty and financial stability in Europe. Therefore, the use of regulated euro stablecoins is preferred. This also avoids risks inherent in international stablecoins issued through multi-issuance models under

different legal frameworks. Besides stablecoins, other digital forms of money should also be allowed to develop, such as tokenised bank deposits. This could ensure that digital money grows and flourishes in Europe, with the central bank continuing to act as an anchor of trust.

**Figure 6 The total market value of stablecoins increases...**



**Figure 7 ... but EUR stablecoins only account for a fraction of this**



## Box 2 The rise of new digital assets and digital money

**Distributed Ledger Technology (DLT) is a technology that does not store data in a central database, but in a network of computers.**

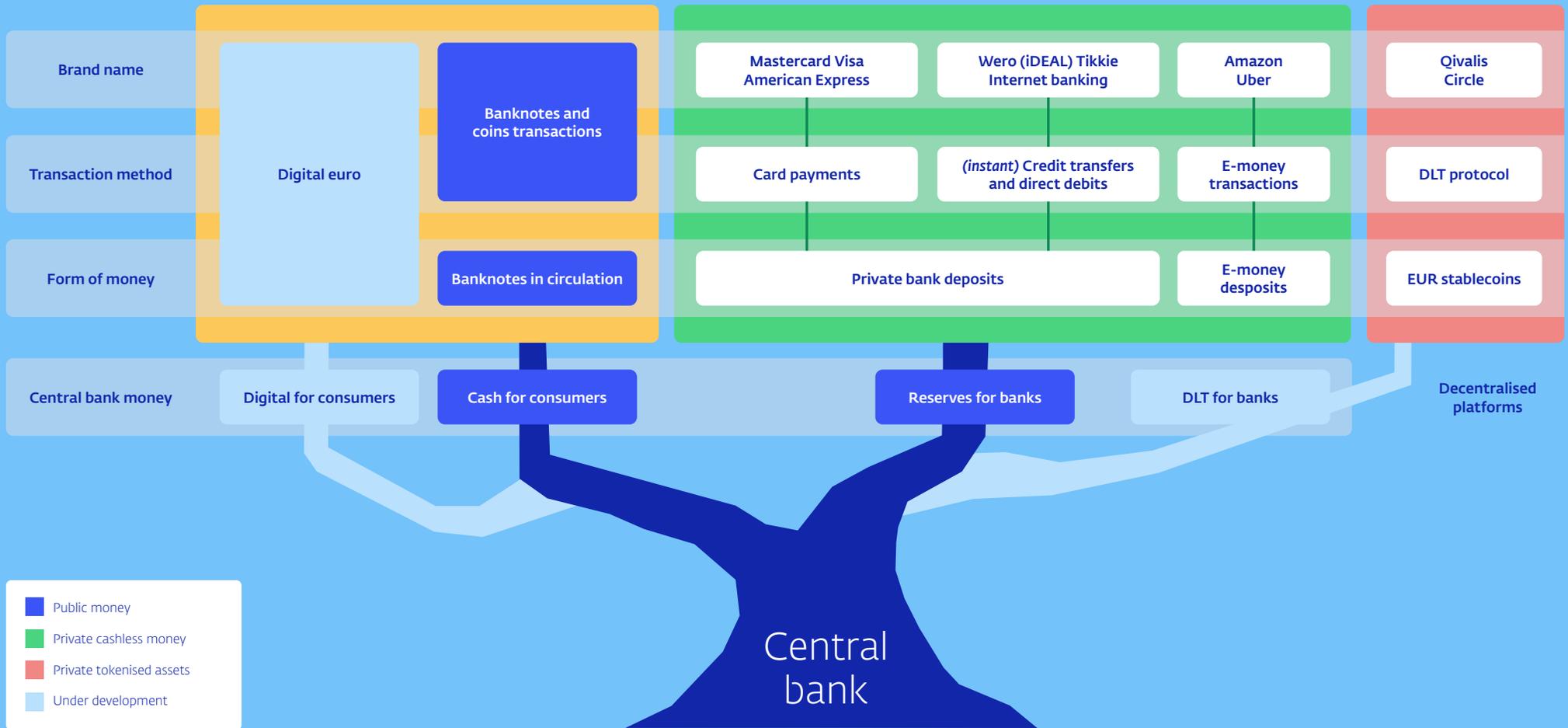
These computers work together to record and verify transactions. Using tokens, ownership of money or other financial assets can be digitally recorded and transferred. This process is called tokenisation.

**Money can be tokenised in various ways.** Two main types are stablecoins and tokenised bank deposits. Stablecoins are tokens that track the value of a fiat currency, such as the euro or US dollar. They are designed to maintain a stable value so they can always be redeemed at par. In Europe, regulated stablecoins must be backed by high-quality liquid assets or bank deposits, as stipulated in MiCAR. Tokenised bank deposits are digital representations of traditional bank deposits, issued by a bank.

**Central banks can also make money available for payments in a DLT network.** In payment and securities transactions between financial institutions, this is referred to as wholesale Central Bank Digital Currency (wCBDC). The key difference between wCBDC and stablecoins is that wCBDC is central bank money, while stablecoins are issued by private entities. In the case of stablecoins, the holder is exposed to counterparty risk as well as liquidity risk – to obtain stablecoins, they must first be purchased from the issuer, and then they are sold at a later point in time.

**It is important to note that wCBDC is not the same as the digital euro.** wCBDC is central bank money for financial institutions that want to use it for transactions with tokenised financial assets, such as digital bonds, and are connected to the central bank system. In contrast, the digital euro is intended for consumers and businesses as a digital version of cash for both online and offline point-of-sale payments. This does not require a DLT network.

# Trust as a basis for money



# Glossary

## **Retail payments**

Payments between consumers, businesses and governments.

## **Wholesale payments**

Payments between financial institutions, such as interbank transactions. Some of these transactions take place in central bank money in TARGET services.

## **Advanced Red Teaming (ART)**

A DNB modular framework for simulating cyber attacks that allows financial institutions to voluntarily test their cyber resilience using realistic threat intelligence-based scenarios. ART was developed as a flexible complement to TIBER.

## **Correspondent banks**

Banks carrying out activities on behalf of other – usually foreign – banks in countries or currencies to which those other banks do not have direct access. They maintain accounts in local currencies, facilitating, for example, international credit transfers and currency exchanges.

## **Distributed ledger technology (DLT)**

A decentralised system for recording and sharing ownership data, about money or assets, through a network of computers rather than a central database.

## **European Digital Identity Wallet (EUIDW)**

An EU-initiated digital solution that allows citizens to securely share their personal data.

## **European Payments Alliance (EuroPA)**

An alliance of national mobile payment solutions in Europe (Italy, Spain, Portugal, Greece, Poland, Denmark, Finland and Norway) with the aim of making them interoperable.

## **European Payments Initiative (EPI)**

A consortium of European banks from Germany, France, Belgium, Luxembourg and the Netherlands that aims to develop a pan-European payment method, including a digital wallet for physical and online payments. See also Wero.

## **Instant payments**

Payments credited to the payee's account within seconds, at any time of the day or night.

## **International Bank Account Number (IBAN)**

A standardised format for bank account numbers in Europe and elsewhere. It ensures uniform identification of accounts in cross-border and domestic payments, reducing transfer errors and making transaction processing more efficient.

## **Markets in Crypto-Assets Regulation (MiCAR)**

EU regulation regulating crypto-assets, including stablecoins.

## **National Forum on the Payment System (NFPS)**

A platform of organisations representing providers and users of payment services chaired by DNB that work together to ensure a secure, reliable, accessible and efficient payment system for everyone.

## **Near Field Communication (NFC)**

A technology that allows devices to exchange data wirelessly over short distances (usually less than 10 cm). It is widely used for contactless payments, for example using a debit card or smartphone.

## **Payment Services Directive 3 (PSD3)**

Proposed revision of the European Payment Services Directive aimed at modernisation and improvement of consumer protection.

## **Payment Service Regulation (PSR)**

A new EU-regulatory framework to be introduced in parallel with PSD3. Whereas PSD3 contains mainly supervisory rules, PSR harmonises operational rules for payment services providers, with the aim of strengthening consumer protection, reducing fraud risks and creating a level playing field for banks and non-banks.

## **Phishing**

Attempts by rogue parties to obtain victims' personal data or login details through misleading messages.

**Social engineering**

Manipulation techniques in which criminals deceive their victims into disclosing confidential information or performing specific actions. Social engineering exploits human vulnerabilities, rather than system vulnerabilities.

**Savings and Investment Union (SIU)**

A European Commission initiative aimed at creating an integrated savings and investment market within the EU. By lowering barriers between national markets, the SIU aims to improve cross-border access to financial products, thus contributing to a more efficient allocation of capital within the EU.

**Spoofing**

Forging communications by rogue parties that pose as a trusted or authorised party to deceive victims.

**Stablecoins**

Cryptocurrencies that seek to maintain a stable value against a traditional currency. Issuers peg their value by backing their position with certain assets. In Europe, stablecoins are regulated under [MiCAR](#).

**T2**

TARGET service in which interbank transactions are settled in central bank money.

**TARGET services**

An integrated set of Eurosystem market infrastructures for collateral management and settlement of payments and securities in central bank money. TARGET Services include T2, T2S and TIPS.

**TARGET2-Securities (T2S)**

TARGET service in which securities are settled against payment in central bank money.

**TARGET Instant Payment Settlement (TIPS)**

TARGET service for settling instant payments in central bank money 24/7 and within seconds.

**Threat Intelligence Based Ethical Red Teaming (TIBEREU)**

A European framework for controlled, realistic cyber attacks that helps financial institutions systematically assess and bolster their cyber resilience.

**Tokenisation**

Digital representation of assets, such as money or securities, on a DLT platform.

**Tokenised deposits**

Digital representations of bearer bank deposits on a DLT platform issued by a bank.

**Point-of-sale payments**

Physical payments made at the checkout.

**Wero**

A pan-European digital wallet developed by the EPI consortium. Wero supports online and P2P payments and was designed as an alternative to international card networks. In the long term, Wero may also support physical payments.

**Wholesale Central Bank Digital Currency (wCBDC)**

Digital central bank money available on DLT platforms.

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