



SVERIGES RIKSBANK  
SE-103 37 Stockholm  
(Brunkebergstorg 11)

Tel +46 8 787 00 00  
Fax +46 8 21 05 31  
registratorn@riksbank.se  
www.riksbank.se

---

DRN 2022-00632

# SUMMARY

## DIALOGUE FORUM E-KRONA

DATE: 15 June 2023  
DOCUMENT: RB PUBLIC  
CLASSIFICATION:  
PRESENT: Gabriela Guibourg, Riksbank, Chair  
Anders Mölgaard Pedersen, Riksbank  
Viktor Möllborg, Riksbank  
Elisabeth Nilsson, Riksbank  
Hachem Hassan, BIS Innovation Hub  
Birgitta Söderlund Rietz, H & M  
Jenny Winther, Handelsbanken  
Johan Hörmark, SEB  
Jonas Hedman, Copenhagen Business School  
Sofia Lindh Possne, Swedbank  
Susanna Laurin, Funka

## Meeting 8. Processing of data and possible compensation model

### Introduction

This eighth meeting of the external dialogue forum of the e-krona dealt with the processing of data and a possible compensation model for an e-krona based on the model published by the ECB for the digital euro.

The participants also received a presentation of Project Aurora, which examined how innovative computer technology and information sharing between financial companies and across national borders can be used to combat money laundering<sup>1</sup>.

### Processing of data

The first part of the meeting was about the protection and use of data. The Riksbank's working hypothesis is that the use of an e-krona will not be as anonymous as using cash. However, the data will be covered and protected by equivalent regulations to those existing today when it comes to the use of data and the protection of personal data.

### Processing of data by retailers

The discussion started from a retailer's perspective. Participants compared information from purchases with cash, cards and an e-krona for purchases in physical stores and on-line. It was argued that data that is always needed regardless of payment method is the

---

<sup>1</sup> <https://www.bis.org/about/bisih/topics/fmis/aurora.htm>

article number to keep track of inventory balance and replenish stocks. When paying with cash, this is the only information that retailers have access to. When paying by card, you also need to get a tokenised card number to receive the payment. This is provided by the payment service provider. The retailer thus does not have access to the card number – the customer is still anonymous to the retailer. However, it was said that the payment service provider can link together the customer's card payments to create a profile of the customer to prevent fraud. This type of payment data may never be used for marketing purposes. Participants said that as a retailer one wants to avoid processing personal data due to GDPR and one can use one's own order systems to analyse sales figures without having to process personal data.

Participants said that the personal data processed by retailers comes through different types of membership or customer loyalty programmes. The data processing has thus been approved by the end customer via the membership terms. Almost everyone who shops on-line is logged in as a member, giving retailers access to all the information they need to do market research and so on.

Participants said that when paying with an e-krona, retailers need to be able to access the article number, account number for the customer's e-krona, and any information received through the customer's membership. Other information would complicate data processing and entail a large personal data responsibility that one would prefer to avoid. It would be good if customers could save their e-krona account on their membership in a similar way to how they save their card details today.

## Processing of data from a consumer perspective

From a consumer perspective, participants do not see that there would be such a big difference with an e-krona compared to today's digital payment services when it comes to data protection – you must have at least the same protection in an e-krona payment as you have with any other payment. It is important to make it sufficiently clear for the consumer to understand what they are consenting to when handing over their personal data.

Participants said that overall, there is a concern among consumers about being scammed when making digital payments. There is also concern that digital traces can be left that other actors can use, such as medical or other privacy-sensitive information that can be used by, for example, employers or insurance companies. These challenges must be taken into account when designing an e-krona.

Possible benefits mentioned with an e-krona could be personalised services via content and interfaces. Examples that were mentioned included ceilings on payments for people who do not have the ability to handle larger amounts of money, built-in support such as tactile aids or automatic detection of user needs. If the service can use data to detect, for example, a visual impairment, it can be adapted automatically.

## Possible compensation model

The ECB has published its first thoughts on what an envisaged compensation model could look like for a digital euro and listed a number of targets based on four core

principles<sup>2</sup>. The participants had been asked to read the material prior to the meeting and during the second part of the meeting the compensation model was discussed as an example of a possible model.

The first principle of the ECB's model is that the use of the digital euro should be free to end-users for services that would be considered as the public good. Participants were generally sceptical that even a basic offering would be completely free for end users. They argued that the costs will affect the customer even if this is not directly through transaction costs.

The second and third principles aim to create economic incentives for issuers, acquirers and retailers to receive the digital euro and to provide payment service providers with equivalent financial incentives to issue the digital euro as they do for other digital payment services. The participants agreed that it would be important for all parties to have financial incentives to receive the e-krona and that one way to drive demand could be network-related effects.

The fourth and final principle of the ECB's model is that the Eurosystem should bear its own costs in the same way as it does with cash today. Participants felt that this would mean that the state subsidises the use of the e-krona and expressed that this could be problematic. While cash is already subsidised via seigniorage without damaging competition, physical cash has other competitive disadvantages. It was also mentioned that the Swedish payment market looks different from the European one and that a digital euro would probably not cannibalise today's payment methods in the same way in the euro area as in Sweden.

Other participants thought that there was a point in this as an e-krona should be seen as a public good and thus subsidised by the state. They said that everyone should have the right to manage their day-to-day payments and the state could provide a basic account for this. In that case, it should be free for retailers and payment service providers to receive e-krona payments and the target group should be those who have problems with managing their payments today, for example, people with disabilities or who have difficulty getting a bank account.

The participants felt that whether or not the e-krona were mandatory would be completely decisive for the compensation model. If use were driven by market demand, there would also be financial incentives to provide an e-krona. The costs would be a problem first and foremost if the e-krona became mandatory. One way to lower the threshold would be to make sure that it is possible to use existing infrastructure to connect to the e-krona. Participants felt that they needed more concrete information about the type of product one wants the e-krona to be before they could determine the details of a compensation model.

One principle that participants thought was missing from the ECB's model was that the digital euro should not be used for "dark" transactions. Of course, money laundering and fraud must be counteracted across the entire payment market, not just for the digital euro.

---

<sup>2</sup> See material from the ECB's Market Advisory Group (MAG) 24 February 2023, [Item 4 - Compensation model \(europa.eu\)](#)



## Planning ahead

The Riksbank wishes to continue the meetings of the dialogue forum during the autumn and will return with dates and times for 2-3 meetings going forward. The focus will move to the Riksbank's thoughts on the design of an e-krona in various areas.