

## EPP ECOFIN Ministers

### Position Paper on Digital Finance

Nicosia, Friday 22<sup>nd</sup> of May 2026

**Executive summary:** Technological disruption is reshaping money and finance. For Europe, this brings both risks and opportunities. Digital finance has the opportunity to strengthen innovation, competitiveness and financial integration through technologies such as tokenisation, instant payments and stablecoins. At the same time, Europe must safeguard monetary sovereignty and financial stability by ensuring secure and independent payment infrastructures, and effective regulation and supervision.

For EPP, the following five elements will be part of the upcoming discussions:

1. **Digital finance offers significant opportunities for Europe.** Technologies such as tokenisation, instant payments and stablecoins can make financial services faster, cheaper and more accessible, while improving cross-border payments, fostering innovation and deepening European financial integration. If leveraged well, these innovations can strengthen Europe's competitiveness and help build a more efficient, integrated and resilient financial system.
2. The future of digital finance cannot be built by the public or private sector alone. **Innovation should involve both public and private actors.** The public sector must preserve monetary sovereignty, financial stability and create interoperability, while the private sector should drive customer-facing innovation and technological developments.
3. **Financial infrastructure carries clear geopolitical implications.** In the digital era, relying entirely on external platforms and technologies would expose Europe to vulnerabilities and reduce its capacity to act. The challenge is therefore not only economic or technological, but also geopolitical. **Europe must safeguard its monetary sovereignty.** Secure and independent payment infrastructures are not only an economic necessity, but a strategic one. Europe cannot afford excessive dependence on foreign providers when it comes to the future of money and payments.
4. **The rapid growth of global stablecoins and new digital financial actors can also create financial stability risks** related to liquidity, cyber resilience, bank disintermediation, regulatory arbitrage and cross-border contagion. Strong regulation, effective supervision and close international coordination therefore remain essential to contain systemic risks, avoid fragmentation and preserve confidence in the financial system. **Innovation must always go hand in hand with financial stability and trust.**
5. **With the European Union's MiCA framework, Europe has already demonstrated global leadership in the regulation of crypto-assets and stablecoins.** The EU was the first major

jurisdiction to establish a comprehensive and harmonised framework that combines innovation with financial stability and consumer protection. At the same time, digital finance is evolving rapidly. **Europe must therefore remain ready to make targeted adjustments where needed to address emerging financial stability risks and new technological developments.**