



Financial inclusion check-in

By

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Minimum standards for Insolvency law at EU level

Is there a need?:

- No or poorly designed insolvency law results in dramatic social consequences.
- Forum shopping/insolvency tourism.
- Costs: procedure, fees, taxes, growth... and costs for society as a whole.
- Cross-border dimension and CMU.
- Punitive insolvency based on an antiquated paradigm.

Minimum standards for Insolvency law at EU level

Principles:

- The starting point of any insolvency law should be to preserve the human dignity of debtors and guarantee decent living conditions based on reference budgets.
- Good faith should be presumed, bad faith should be demonstrated.

FSUG recommendations:

- Pre-emptive measures
- Early intervention and debt counselling
- Insolvency procedure: affordability, accessibility, intelligibility, efficiency, promptness, independence, trust, enforceability, access to justice.

Minimum standards for Insolvency law at EU level

Minimum standards:

Based on identified best practices (FSUG research paper 2012)

- A timely procedure: three year repayment plan, discharge after a year.
- Move from courts to administrative procedures (access to justice only for appeal) ex: Sweden and France
- An increased role for independent debt counsellor
- Examine combination of existing solutions: debt cancellation, datio in solutum.

Digital euro and CBDCs

Context:

- Emergence of cryptocurrencies and “stablecoins”, PayPal, Google/Apple Pay, Facebook’s Diem/Libra
- Global trend of all central banks to provide a CBDC
- Digitalization of payments (“online” cash)

Features:

- “Public” money (different from “private” money)
- Privacy by default (within limits)
- Online and offline payment capabilities
- Free for basic use
- Standalone app/potential integration with existing apps
- Cap on amount of digital euro

Digital euro and CBDCs

Issues:

- What's the point?
- Caps defeat the purpose (max 3000€?)
- Limited privacy and control (in case of “crisis”, money laundering etc, no control only for “small amounts”)
- Excuse to stifle the emergence of or even ban stablecoins
- Financial inclusion? (KYC and AML will still apply)
- Limited benefit (PayPal, stablecoins)

Timeline:

- Official launch not before 2026
- COFACE-Families Europe part of ECB civil society working group

Questions?



Get in touch with us!

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Co-funded by
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