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From:	General Secretariat of the Council
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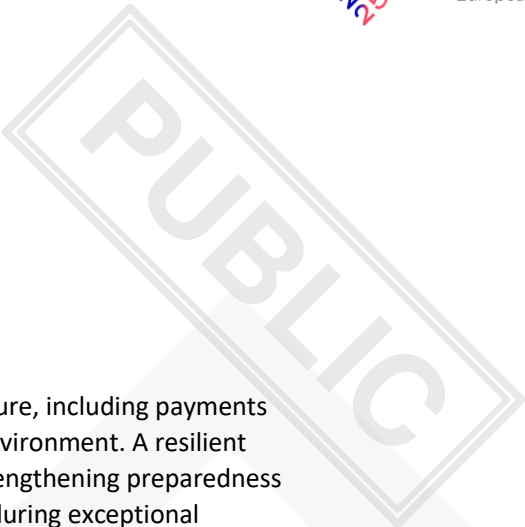
Presidency discussion note on Article A-D and 31

Working Party on Financial Services and the Banking Union

25. September 2025

Proposal for a regulation on the establishment of the digital euro

Meeting on 25-26 September 2025



1. Introduction

It is a key priority to ensure the functioning of critical infrastructure, including payments systems in the EU, particularly in light of the evolving security environment. A resilient digital euro infrastructure can contribute to this objective by strengthening preparedness and providing safeguards to ensure the continuity of payments during exceptional circumstances, thereby complementing national arrangements.

In a non-paper presented in January 2025, Estonia, Finland, Latvia and Lithuania proposed a set of measures to support the continued use of the digital euro as a means of payment during emergencies. The provisions proposed in the non-paper would give Member States the possibility to apply optional measures to ensure the continued availability of payments services based on the digital euro. The proposals have since been discussed at several Council Working Parties (CWPs), most recently in July 2025.

Building on the work of the Polish Presidency and Member States' written comments following the CWP in July, the Presidency has refined the drafting with the aim of addressing outstanding concerns and moving closer to an agreement on this topic. The Presidency invites Member States to provide their views on the suggested drafting for Articles A-D, 31 and the related recitals.



Chapter I

1.1 Article A – Possibility to adopt certain measures in exceptional circumstances

The Presidency notes that some Member States, in their written comments, suggested to introduce a definition of “exceptional circumstances”. While the Presidency understands the intention, the Presidency would like to recall that Article A is designed to provide a framework for measures in such circumstances. Adding a separate definition in Article 2 could reduce the flexibility requested by Member States to cover a wide variety of situations that may affect the continuity of payments. It should also be noted that if the definition, as it does in this case, represents a substantive provision for the following chapter, it should be included in an Article. The Presidency also notes that only a limited number of delegations have raised this issue in recent comments, while most have accepted the current drafting. To balance legal certainty and flexibility, the Presidency instead proposes to include further examples in recital A, as set out below.

In addition, several Member States have asked for clarification around the temporal limitation of the measures. The Presidency therefore suggests strengthening the safeguards by underlining that any recourse to exceptional measures must be temporary, proportionate and strictly linked to the circumstances justifying their use.

Furthermore, the Presidency recalls that several Member States pointed out an ambiguity in Article A as to whether exceptional circumstances refer to widespread and severe disruptions of **payments in general, or whether a disruption limited to digital euro payments would also qualify**. To address this, the Presidency proposes drafting that clarifies that the situations envisaged concern widespread and severe disruptions to the continuity of digital payments, including digital euro payments.

Finally, the Presidency notes that some **Member States have requested further clarifications regarding the implementation of the emergency measures**. It was suggested, first, to clarify in Article A that it is for the Member State concerned to assess, as a first step, whether exceptional circumstances prevail within its jurisdiction, and that a Member State may submit a request under Articles B–C on that basis. Second, some Member States proposed introducing a pre-defined maximum duration for such measures, after which they could be renewed. This would aim to ensure regular scrutiny and allow non-affected Member States to express their views in accordance with Article B(2) for each renewal. The Presidency has not tabled drafting suggestions on these points but **invites Member States to indicate whether such clarifications would be necessary, or whether the current wording is considered sufficiently clear**.

Drafting suggestions

PL Presidency in *blue*
DK Presidency in *green*

Article A – Possibility to adopt certain measures in exceptional circumstances

One or more of the following measures may be adopted pursuant to the provisions of this chapter, as appropriate, in situations where there is widespread and severe disruption of the continuity of digital payments, ~~or including digital euro payments-operations,~~ or a credible and imminent risk of such disruption that affects or threatens to affect, in whole or in part, a Member State or the euro area:

- a) raising offline digital euro holding and transaction limits;
- b) emergency switching;
- c) enhancing the distribution of the digital euro;

The measures listed in the first subparagraph, points (a), (b), and (c), shall be limited in time, duly justified and proportionate. These measures shall be applied during the period of time that is necessary in view of the exceptional circumstances in question.

Recital accompanying Article A:

To strengthen the resilience of digital euro payments in exceptional circumstances, **such as natural disasters, major cybersecurity incidents or other events of comparable impact**, and to leverage on the digital euro resilience for the benefit of ensuring the continuity of payments, it is appropriate to provide for measures aimed at safeguarding the continuity of digital euro payments. These measures, which consist of the possibility to increase offline limits, activate emergency switching and enhance the distribution of the digital euro, should be limited in time, duly justified and proportionate. They may only be adopted when credible and substantial risks of disruptions to the continuity of payments, including digital euro payments, are growing to a level where actions are needed or when widespread and severe disruptions are already present, whether affecting, in whole or in part, one or more Member States of the euro area or the euro area as a whole. The measures should cease to apply as soon as they are no longer necessary in view of the exceptional circumstances justifying them. This Regulation is without prejudice to national procedures that Member States may establish for the purpose of requesting the adoption of the measures under this Chapter, to procedures under national law to declare national emergencies, or to their power to adopt other measures regarding the continuity of payments within their own sphere of competence.

Questions 1-2 to Member States:

Q1: Do Member States agree with the Presidency's proposal to Article A and its accompanying recital A?

Q2: Do Member States consider that the Presidency's drafting of Articles A–D sufficiently addresses the points raised on procedural aspects and timeframes?

1.2 Article B – Procedures for raising the offline holding and transaction limits

In light of comments from delegations, the Presidency suggests a number of adjustments to Article B to improve legal clarity while ensuring that the provision remains workable in practice.

First, several delegations expressed concern about the scope of requests from a Member State to temporarily increase the applicable offline transaction and holding limits. They underlined that such requests should be clearly circumscribed and remain within the jurisdiction of the requesting Member State(s). To reflect this, the Presidency proposes to refine paragraph 1 by clarifying that **requests must be limited to categories of users under the jurisdiction of the requesting Member State(s)**. In addition, the Presidency suggests clarifying in the recital that Member States may **indicate whether a request should apply to individual and/or business users**. The Presidency notes that this indication is necessary because, under the applicable privacy arrangements, the ECB cannot distinguish between user categories beyond individual and/or business users.

Second, some delegations asked for greater precision regarding the conditions for adoption of the measure. To address this, the Presidency suggests **clarifying that the Commission may only act in the circumstances referred to in Article A, and to specify that the implementing act to be adopted concerns the temporary increases of offline transaction and holding limits**. Moreover, several Member States stressed that the Commission should take into account the principles set out in Article 37(6) when adopting the implementing act. The Presidency therefore proposes to **include a cross-reference to Article 37(6)**.

Finally, several Member States highlighted that measures under paragraph 5 may need to be adapted as circumstances evolve. To respond to this, the Presidency proposes to **clarify in the recital that the Commission's implementing act may be amended, including with regard to timeframes, jurisdictions and limits**. The recital could also underline the importance of monitoring and information exchange with the affected Member States to ensure that any adjustments remain appropriate.

Drafting suggestions

PL Presidency in *blue*
DK Presidency in *green*

Article B – Procedures for raising the offline holding and transaction limits

1. In the circumstances set out in Article A ~~One or more Member States may submit a request to the Commission for a temporary increase of the applicable offline digital euro payment transaction limits and offline digital euro holding limits, within the limits, which shall respect the limits to the use of the digital euro as a store of value set out in accordance with Article 16. The~~ Such a request shall specify, and be limited to, the relevant territories and categories of users under the jurisdiction of the requesting Member State or Member States, and shall contain the grounds justifying that measure and the envisaged precise timeframe for its application.

2. The European Central Bank and/or the Member States other than those requesting the measure envisaged in paragraph 1 may submit their opinion on the proposed measure without undue delay and in any event within a limit of [24] hours from the notification of the request by the Commission.

3. If the circumstances as referred to in Article A are present and the conditions set out in this Article for the adoption of the measure are met, ~~the~~ the Commission shall adopt its implementing act setting out the temporary increase of the digital euro offline payment transaction and holding limits, without undue delay and in any event within [48] hours after receiving the request referred to in paragraph 1. In case of a negative decision, the Commission shall provide grounds for it. In adopting such an implementing act, the Commission shall take into account the principles referred to in Article 37(6).

4. The Commission may adopt such a measure also on its own initiative. Paragraph 2 shall apply *mutatis mutandis*.

5. The measure shall cease to apply at the end of the timeframe provided for in the Commission implementing act. In duly justified cases, where the circumstances set out in Article A justifying the adoption of the measure continue to exist, change or cease to exist, the Commission shall, without undue delay, adopt a new implementing act under paragraph 3 amending or repealing the measure.

Recital accompanying Article B:

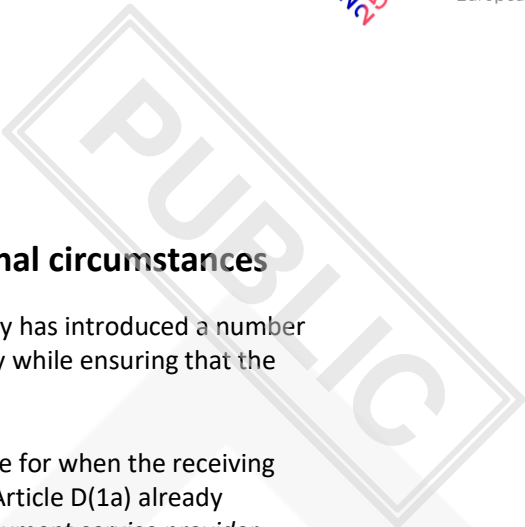
To strengthen the resilience of society, payment systems, and the euro, and to support the use of the digital euro in exceptional circumstances, it should be possible to temporarily increase the applicable offline digital euro payment transaction limits and offline digital euro

holding limits. These limits should in any event respect the limits to the use of the digital euro as a store of value that are set out in accordance with Article 16. Such a decision may be adopted by the Commission either at the request of one or more Member State concerned or at the Commission's own initiative. **In its request, a Member State may indicate whether the temporary increase should apply to individual users, business users, or both within its jurisdiction.**

The adoption by means of a Commission implementing act should allow for a rapid activation, also by specifying the relevant deadlines for consultation of the Commission, **the affected Member States** and other Member States as well as for the adoption. The Commission implementing act should take account of the need of balancing its possible impact on money laundering/terrorist financing risks with the need to maintain the usability of the digital euro in exceptional circumstances, and it should allow for input from **the affected Member States**, other Member States and the European Central Bank. **The Commission implementing act should allow for subsequent amendments, including adjustments to its timeframe, the affected jurisdictions and the applicable limits, as circumstances evolve. To this end, there should be close monitoring of the situation in the affected Member States and an ongoing exchange of information between the Commission and those Member States, in order to ensure that the measures remain appropriate.**

Question 3 to Member States:

Q3: Do Member States agree with the Presidency's proposal to Article B and its accompanying recital B?



1.3 Article C – Emergency switching in exceptional circumstances

In light of comments from several Member States, the Presidency has introduced a number of adjustments to Article C with the aim of improving legal clarity while ensuring that the provision remains workable in practice.

Several Member States have suggested setting a specific deadline for when the receiving PSP must perform the switching. The Presidency considers that Article D(1a) already provides a sufficient safeguard, as it states that *“the receiving payment service provider shall perform the switching upon notification of such authorisation...”*. In practice, this wording would imply **that switching must take place as soon as it is technically and operationally feasible**. The Presidency therefore sees the current drafting as already ensuring that **switching is carried out at the earliest possible moment, without the need to introduce a fixed deadline**.

In addition, some delegations have raised questions regarding the reference to “third parties” in paragraph 5. The Presidency clarifies that this was a **drafting error**, as switching can only take place to entities listed in Article D and not to any other third parties.

Finally, the Presidency recalls that several Member States raised concerns regarding the provisions on **technical proofs**, in particular PSPs’ storage obligations. The Presidency acknowledges these comments and is working on identifying a solution that balances privacy and security considerations with the need to safeguard users’ continued access to their digital euro holdings. **At this stage, the Presidency therefore does not propose changes to the provisions on technical proofs in Articles C(5)–(7), 31(3a)–(3c), and 34(5)**. However, the work on this topic will continue with the aim of developing a balanced approach that responds to Member States’ concerns while preserving the objectives of resilience and privacy.

Drafting suggestions

PL Presidency in *blue*
DK Presidency in *green*

Article C – emergency switching in exceptional circumstances

1. Upon the reasoned request of a Member State, the European Central Bank or the relevant national central bank ~~may~~*shall* authorise the emergency switching in the circumstances set out in Article A if, on the basis of the information provided by the requesting Member State, the measure is justified and proportionate for the achievement of one or more of the following objectives:

(a) to ensure the continuity of digital euro payment functions;

(b) to protect the access of digital euro users to their digital euro holdings.

1a. For the purpose of this Article, the emergency switching shall mean an authorisation of the switching of basic digital euro payment services, as referred to in Annex II, from one payment service provider or providers to another payment service provider or providers designated by the Member State. The receiving payment service provider shall perform the switching upon notification of such authorisation, without the need to exchange information with the unavailable payment service provider.

2. The European Central Bank or the relevant national central bank may discuss with the requesting Member State the proportionate measures to be adopted. They shall only refuse to authorise emergency switching if such authorisation is not justified in view of the achievement of the objectives set out in paragraph 1.

3. The emergency switching under this Article shall be a temporary measure. It shall only apply for as long as the measure is justified in view of the achievement of the objectives set out in paragraph 1.

4. When the emergency switching is carried out in accordance with this Article, the digital euro access ~~account~~ number shall be maintained.

5. Upon the opening of a digital euro payment account, payment service providers shall request from digital euro users their authorisation to share, with other authorities or entities designated to provide temporary digital euro payment services according to Article D ~~or other payment service providers or third parties as applicable~~, the information necessary to identify the direct liability in digital euro of the European Central Bank or of national central banks towards the digital euro user in order to facilitate the emergency switching in the conditions established in this article. Digital euro users may also give that authorisation or withdraw it at any time thereafter.

6. The PSPs shall inform digital euro users about the consequences of not authorising the sharing of the information necessary to identify the direct liability in digital euro of the European Central Bank or of national central banks towards the digital euro user in the conditions established in this article, in particular the impossibility to carry out the emergency switching foreseen in this article.

7. Any outsourcing arrangements or arrangements between PSPs and third parties for the storing of the relevant information as referred in paragraph 5 of Article 34 in this Regulation, should include adequate safeguards to ensure a high level of data protection, in accordance with Regulation (EU) 2016/679, and apply high-level cyber-security requirements in accordance with the Regulation (EU) 2022/2554.



Question 4 to Member States:

Q4: Do Member States agree with the Presidency's proposal to Article C?

1.4 Article D – Enhancing the distribution of the digital euro in exceptional circumstances

In light of comments from delegations, the Presidency suggests introducing **two clarifications to Article D to strengthen legal clarity.**

The Presidency recalls that several Member States underlines the importance of ensuring consistency of terminology and clarity of scope. To reflect this, and to better capture the objective of Article D, which is to safeguard the continuity of basic digital euro services in exceptional circumstances, the Presidency proposes to **replace the reference to “daily payments” in paragraph 1 with “basic digital euro services”**. This ensures consistency with the terminology of the Regulation and avoids any interpretation that the provision would be limited only to everyday transactions.

Furthermore, the Presidency recalls that some Member States stressed the need to ensure broad access in emergency situations. To respond to this, the Presidency proposes to clarify in the accompanying recital that the entities designated by Member States under Article D **may also serve users beyond their existing customer base**. This would underline the intention, already reflected in the recital, that such entities should be able to serve a broader range of users in exceptional circumstances.

Drafting suggestions

PL Presidency in *blue*
DK Presidency in *green*

Article D: – Enhancing the distribution of the digital euro in exceptional circumstances

1. In the situations provided for by the circumstances set out in **Article A**, and only for as long as it is justified, **Member States may decide** that ~~they have designated pursuant to Article 14(3)~~ one or more of **the authorities or bodies** other entities referred to in Article 1 (1) points (a) to (d), and (f) of the Directive (EU) 2015/2366 **shall, in addition to their other tasks, provide temporary digital euro payment services and payment instruments to digital euro users that are necessary to facilitate the continuity of ~~daily~~ basic digital euro payments services.**

Recital accompanying Article D

To safeguard the continuity of digital euro payment functions and to protect access of users to digital euro holdings, Member States may designate authorities or other entities to provide

temporary digital euro payment services and instruments to digital euro users under exceptional circumstances. These authorities or entities may be the same as the specific entities designated for the distribution of the digital euro in the framework of Article 14(3), but they may also be authorities or other entities within the categories mentioned in that provision. Member States may ~~operate under~~ use service agreements when designating the authorities or other entities to reduce the burden imposed on them. This could create synergies as under normal circumstances, the designated authorities and entities could be tasked with providing basic digital euro payment services to these consumers as well as the appropriate face-to-face support. This would ensure access to digital euro payment services to vulnerable groups. Under exceptional circumstances, these authorities or entities could be designated to serve a broader range of users, **including users that are not already their clients**, with digital euro payment services and instruments to facilitate the continuity of daily payments on a temporary basis. To be able to provide these services, these authorities or other entities should be members of the digital euro scheme and have implemented the necessary preparatory measures. In order to provide guidance on policies, procedures and controls that authorities or other entities designated by the Member States should have in place in exceptional circumstances to balance the need for broad access to the digital euro with robust AML/CFT measures, the EBA and AMLA should issue guidelines.

Question 5 to Member States:

Q5: Do Member States agree with the Presidency's proposal to Article D?



Chapter II

2.1 Article 31 – Switching of digital euro payment services

Based on comments received from Member States, the Presidency suggests a number of adjustments to Article 31 on switching.

The Presidency recalls that some Member States noted that the reference to the switching of “accounts” in Article 31 may not adequately capture the functionality. Several delegations suggested replacing this with a reference to the “provision of services”. The Presidency therefore proposes to adjust the wording accordingly, **clarifying that what is envisaged is not the switching of accounts themselves, but rather the switching of the provider delivering digital euro services.**

Furthermore, some Member States raised concerns that paragraph 1(b) was unclear as to whether a request for switching in the case of jointly held accounts required the consent of one or all account holders. To address this, the Presidency proposes to amend paragraph 1(b) to make clear that such a **request must be made jointly by all account holders.**

Finally, the Presidency suggests a number of editorial adjustments to paragraph 1(d) to improve consistency. The Presidency also notes that, should the suggested changes to Article D be accepted, a consequential amendment to Article 14(5) would be required.

As mentioned previously, the Presidency does not propose changes to the provisions on technical proofs in Article 31(3a)–(3c), as work is ongoing with the aim of developing a balanced approach that responds to Member States’ concerns while preserving the objectives of resilience and privacy.

Drafting suggestions

PL Presidency in *blue*
DK Presidency in *green*

Article 31 - Switching of **provider of** digital euro payment ~~accounts~~ **services**

1. **At the request of digital euro users, P**payment service providers shall ~~without undue delay enable digital euro users at their request to switch their users’~~ **the provision of** digital euro payment ~~services~~ **accounts** to other payment service providers **without undue delay** ~~while maintaining the same account identifiers.~~

1a. When switching is carried out ~~digital euro payment accounts~~ in accordance with this Article, ~~it shall be ensured that~~ the digital euro ~~payment alias~~ access number shall be maintained.:

~~(a) the digital euro payment account number is maintained;~~

~~(b) all the relevant information for providing access to the switched digital euro payment account is transferred to the receiving payment service provider.~~

1b. In cases where the digital euro payment account is held jointly by two or more legal account holders, request for switching shall be made by ~~each~~ all of them.

1c. Without prejudice to Directive 2015/2366, the payment service provider to whom the ~~provision of~~ digital euro payment services are being switched shall, prior to the switching, make available to the digital euro user the list of digital euro payment services it offers beyond the basic services, ~~that the user is currently receiving and that are eligible can~~ to be switched in addition to the basic services. The digital euro user shall specifically select the services, other than the basic services, that they wish to switch and shall be informed in advance if any fees apply to services other than the basic services.

1d. Payment service providers shall only exchange the ~~necessary information to enable~~ ~~required for~~ the switching of the digital euro services.

2. ~~In exceptional circumstances w~~where a payment service provider is operationally not in a position to ~~switch provide~~ digital euro ~~payment accounts~~ switching services to digital euro users upon their request as ~~set out in the conditions established in paragraph 1 of this article for a prolonged period of time, or where it is likely that a payment service provider will not be in a position to offer this service for a prolonged period of time, or has lost the digital euro payment account-related data concerned,~~ the European Central Bank and ~~or~~ national central banks may authorise the switching of digital euro payment ~~services accounts~~ held with that payment service provider to another payment service provider designated by the digital euro user. ~~That switching shall enable~~ ~~Based on this authorisation, This shall enable~~ the ~~new receiving~~ payment service provider ~~shall to complete perform~~ the switching ~~upon digital euro user's request,~~ without ~~relying on the need to exchange information with~~ the unavailable payment service provider.

~~(3) For the purpose of ensuring switching in accordance with paragraph 2, the ECB may alone or jointly with national central banks establish a single access point.~~

3a. Upon the opening of a digital euro payment account to digital euro users, payment service providers shall request from digital euro users their authorisation to share, with other payment service providers or third parties as applicable, the information necessary to identify the direct liability in digital euro of the European Central Bank or of national central banks

towards the digital euro user in order to facilitate switching in the conditions established in paragraph 2 of this Article. Digital euro users may also give that authorisation or withdraw it at any time thereafter.

3b. The payment service providers shall inform digital euro users about the consequences of not authorising the sharing of the information necessary to identify the direct liability in digital euro of the European Central Bank or of national central banks towards the digital euro user in the conditions established in paragraph 2 of this Article.

3c. Any outsourcing arrangements or arrangements between PSPs and third parties for the storing of the relevant information as referred in paragraph 1(f) of Article 34 of this regulation should include adequate safeguards to ensure a high level of data protection, in accordance with Regulation (EU) 2016/679, and apply high-level cyber-security requirements in accordance with the Regulation (EU) 2022/2554.

~~(4) The Commission is empowered to adopt delegated acts in accordance with Article 38 in order to supplement this Regulation by specifying the prolonged period of time and identifying the circumstances under which the European Central Bank and national central banks may authorise the switching of digital euro payment accounts in accordance with paragraph 2, as well as the procedural requirements that must as a minimum be observed. When preparing those delegated acts, the Commission shall consult the European Central Bank.~~

Question 6 to Member States:

Q6: Do Member States agree with the Presidency's proposal to Article D and its accompanying recital?

2.2 Article 31 – Deadline for completion of switching

The Presidency recalls that several Member States suggested introducing a fixed deadline for completing the switching of digital euro services. The Presidency acknowledges the rationale behind these proposals, as a clear timeframe could provide greater certainty for users and ensure a level playing field among payment service providers.

The Presidency has explored the issue, including by considering parallels with the Payment Accounts Directive (PAD), which sets specific deadlines for switching. However, the Presidency considers that several challenges and differences arise in the context of the digital euro.

First, introducing a fixed deadline in the Regulation would require clear and legally certain definitions of the start and end points of the switching process. Such provisions would need

to be carefully justified and may risk reducing the flexibility and security required. For example, there could be cases where customer due diligence or know-your-customer checks take longer than usual, as the PSP may be under a legal obligation to obtain additional information or documentation from the user before completing the switching.

Second, the current drafting already requires switching to be carried out “without undue delay”. This establishes a binding obligation on PSPs to complete switching as soon as reasonably possible, while still allowing flexibility for exceptional cases. In addition, unlike the PAD framework, the digital euro will operate under a single scheme with a central operator, the ECB. This raises the question of whether more detailed provisions, such as maximum switching times or measures in cases of non-compliance, might be more appropriately elaborated in the scheme rulebook rather than directly in the Regulation.

Finally, some delegations suggested activating the emergency switching functionality if a PSP fails to meet the deadline for regular switching. The Presidency notes that this may pose technical difficulties, as the emergency switching mechanism is designed for cases where a PSP becomes entirely unavailable and at the request of Member States, and not for individual delays. This again suggests that measures for handling non-compliance with switching obligations may be better placed at scheme level.

In light of these considerations, **the Presidency has not proposed fixed deadlines at this stage.** However, the Presidency invites Member States to share their views on whether they see a need for such detailed provisions to be included directly in the Regulation.

Question 7 to Member States:

Q7. Do Member States find it necessary to include specific deadlines for when switching should be conducted in the Regulation?