Council of the European Union
General Secretariat

PUBLIC

**Interinstitutional files:**
**2023/0212 (COD)**

**Brussels, 10 October 2025**

**WK 13472/2025 INIT**

**LIMITE**

**EF**
**ECOFIN**
**UEM**
**CONSOM**
**CODEC**

*This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.*

**WORKING DOCUMENT**

| | |
|---|---|
| From: | Presidency |
| To: | Working Party on Financial Services and the Banking Union (Digital Euro Package)<br>Financial Services Attachés |
| Subject: | Digital euro - Working Party meeting on 17 October 2025 - Presidency Discussion Note on the compensation model |

Danish Presidency
Council of the European Union

PUBLIC

# Presidency discussion note on the compensation model

Working Party on Financial Services and the Banking Union

17 October 2025

**Regulation on the establishment of the digital euro**

Meeting on 17 October 2025

PUBLIC

# Introduction

The compensation model constitutes a key component in the regulatory framework of the digital euro. It plays a significant role in encouraging its uptake and usage, supporting its legal tender status, mitigating against excess charges for merchants, while ensuring a fair compensation for the PSPs.

The topic of compensation has been discussed under each of the previous Presidencies and significant progress has been made. **Member States have broadly agreed on a two-phased approach, implying a compensation model consisting of; a transitional phase and a final phase**. The Presidency recognises that there was also general support for the objectives of each phase. While the transitional phase should accommodate for the novelty of the digital euro, cost uncertainties and a lack of data, the final phase should seek to be cost-reflective in order to ensure a fair and transparent remuneration for all stakeholders. However, diverging views among Member States persisted regarding the choice of the preferred model for each of the phases. The Presidency furthermore notes that several Member States raised a preference for a simple framework that avoids unnecessary complexity and that could be easily explained to stakeholders.

In order to explore the potential for a compromise between the different compensation models proposed, and to address the concerns raised by the majority of Member States, the **Presidency has based its proposal on the objectives of the Regulation and the overarching principles for regulating charges and fees for digital euro payment services, as set out in Article 15(2).**

Building on these principles, the Presidency proposes a compensation model designed to be simple, justified, proportionate and sufficiently flexible to adapt to the future evolution of the use of the digital euro and the broader payments landscape.

This note also addresses a **number of outstanding issues related to the compensation model**, including the treatment of offline transactions, the question of open funding as well as the question of which mandatory services should be provided free of charge to users.

PUBLIC

**Outline of the proposed model**

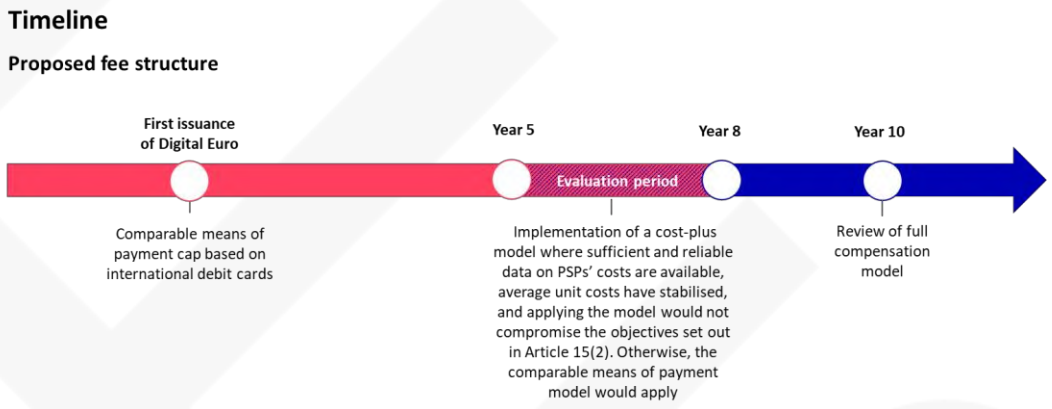
The Presidency's aim is to establish a model for regulating fees that, to the greatest extent possible, fulfil the requirements as set out in Article 15(2). Rather than prescribing a fixed model from the outset, the Presidency proposes a two-step approach that reflects the current uncertainty and allows for an assessment for gradual adjustments to fulfil the objectives in Article 15(2).

**First, during the initial period**– characterized by the lack of sufficient and reliable cost data and the absence of stabilised unit costs – both the Merchant Service Charge (MSC) and the inter-PSP fee would be regulated by EA uniform caps based on the average rates for consumer based international debit card transactions. This approach aims to prevent disproportionate fees, particularly for smaller merchants with limited negotiating power, while ensuring a reasonable compensation for PSPs.

**Second, after five years, the Commission would evaluate the compensation model**. Based on that evaluation, a cost-plus model already contained for by the Regulation would be activated by a Commission implementing act if the Commission considers that sufficient and reliable data on PSPs' costs are available, that average unit costs have stabilised, and that applying the cost-plus model would not compromise the objectives set out in Article 15(2). If the Commission determines that the conditions for implementing the cost-plus model are not met, it should identify the most suitable comparable means of payment for setting the fee caps. The Commission may postpone the evaluation by one year at a time, up to a maximum of three years, if the unit costs remain unstable.

**Third, after ten years, the Commission will conduct a comprehensive review of the overall compensation model.** This review would include, but would not be limited to, an assessment of whether the existing model remains the most appropriate for achieving the objectives set out in Article 15(2), or whether alternative models would better serve those objectives. The Commission would also examine whether the underlying justifications for compensation model continue to apply.

**Figure 1: Timeline for the proposed compensation model**



PUBLIC

# Chapter I

To explore possible compromises among the various compensation models proposed and to address the concerns raised by Member States, the Presidency has taken as a starting point the objectives of the Regulation, including the overarching principles for regulating charges and fees for digital euro payment services, as set out Article 15(2):

1. To ensure an effective use of the digital euro as legal tender,
2. To avoid excessive charges for merchants subject to the obligation to accept the digital euro, and
3. To provide compensation for relevant costs incurred by payment service providers for offering digital euro payments.

These principles have not been subject to disagreement and the Presidency thereby considers that they should serve as guiding principles for the design of the compensation model.

## 1.1 Initial fee cap structure of the digital euro

The Presidency recalls that the structure of the transitional compensation model was at latest discussed during the May 2025 Council Working Party (CWP) under the Polish Presidency. **Member States broadly** supported **a transitional compensation model based on caps linked to the fees of comparable means of payment during the initial five years** following the issuance of the digital euro. This reflects both limited availability of cost data and the need to ensure a simple and predictable framework in the early phase of the digital euro. The Presidency considers that there will be a need for a justification for this period of five years, on the basis of objective factors, in the recitals of the Regulation.

The Presidency notes that Member States have generally supported introducing a fee cap for the inter-PSP fee based on comparable means of payments. Previous CWP discussions examined whether the cap could accommodate national differences, but concerns were raised regarding the legal soundness and generating an unlevel playing field. Consequently, several **Member States supported a uniform inter-PSP cap referencing the average inter-PSP fee of comparable means of payments**, with the aim of reducing potential cross-subsidisation between digital euro and card-based means of payments.

The Presidency recalls that views were more divergent concerning the MSC cap. Several Member States supported safeguarding merchants both individually (through a No-Worse-Off clause) and collectively (through a uniform EA cap), while others preferred one of the two. Some **Member States raised concerns that individual merchant safeguards could**

PUBLIC

**create legal uncertainty and add regulatory complexity**. In this regard some Member States also noted that an individual MSC cap lower than the inter-PSP fee could prevent cost recovery for acquirers and thereby require further regulatory adjustments.

#### 1.1.1. Reference to international debit cards as comparable means of payment until the evaluation

Against this background, **the Presidency considers that, during the initial period, the caps for both the inter-PSP fee and the merchant service charge could be set on the basis of those applying to comparable means of payment**. This approach would aim at ensuring that fees for digital euro payment services remain aligned with market realities and proportionate to existing means of payment. Furthermore, from a practical perspective, the Presidency notes that the Regulation can only impose obligations on the competent authorities and payment service providers from the date of its entry into force. This implies that the collection and aggregation of data necessary for a comprehensive market assessment could only begin after that point. Conducting such an assessment before issuance could therefore potentially delay the establishment of fee caps.

**The Presidency thereby proposes that the average fees for consumer-based international debit cards could serve as the reference for comparable means of payment until the evaluation of the compensation model has been carried out.** These instruments represent the most widely used and comparable payment method applicable across the euro area and were also identified as such in the Spanish non-paper. If applied today, this approach would imply an MSC level of approximately 0.50% and an inter-PSP cap of 0.18% as discussed and referred to in the course of the discussion under the Polish Presidency. **Both caps would set the maximum permissible fee, allowing competition below these levels.**

To enhance practicability and reduce administrative burdens, the inter-PSP cap could serve as the applicable fee level, unless a lower fee is agreed between the distributing and acquiring payment service providers.

#### 1.1.2. Data collection and setting the caps

After the adoption of this Regulation, but before the issuance of the digital euro, and for the purpose of setting the relevant caps, the Commission – with the technical assistance of the ECB - should collect data on fee levels from a representative number of payment service providers. This data would serve as the basis for the Commission's calculation of uniform caps for both the MSC and the inter-PSP fee in accordance with the methodology. The collection should be updated annually to allow for adjustments.

The Presidency acknowledges potential downsides of such caps, including possible market effects in Member States with very low MSC levels and reduced flexibility for PSPs to reflect

PUBLIC

cost differences. However, given the uncertainty during the initial period and the absence of actual data on costs following the issuance of the digital euro, uniform caps based on international debit cards could, in line with Article 15(2), help ensuring adequate cost recovery for distributing and acquiring PSPs, particularly in the absence of scheme and processing fees, while also protecting merchants, especially smaller ones, from higher fees.

**Questions for Member States:**

***Q1.*** *Do Member States agree with a compensation model initially based on a uniform 'comparable means of payments' cap referencing international debit cards?*

## 1.2 Implementation of the cost-plus model

The Presidency recalls that discussions under the Polish Presidency confirmed **broad support among Member States for a cost-based model as the long-term framework** for regulating fees, reflecting the relevant costs of providing digital euro services plus a reasonable profit margin. However, several delegations underlined the importance of maintaining a safeguard, including avoiding possible cliff effects from a sudden switch between models.

Reflecting on these considerations and guided by the objectives set out in Article 15(2), the Presidency sees a way forward that offers predictability as to when a cost-plus model (which will be included in the Regulation from its adoption) could be activated, while ensuring that its activation takes place only when it is technically and economically justified.

Against this background, **the Presidency proposes that the Commission carry out an evaluation of the compensation model five years after the first issuance of the digital euro**. Based on this evaluation, a cost-plus model would be implemented if the Commission determines that sufficient and reliable data on PSPs' costs are available, that average unit costs have stabilised, and that applying the cost-plus model would not compromise the objectives set out in Article 15(2).

In contrary to earlier discussions where it has been suggested that the choice between a cost-plus model and a model based on comparable means of payment should depend on which of the two results in the lowest possible fees, the Presidency proposes that the principles in Article 15(2) form the basis for such an assessment which model that should be chosen. This approach reflects the uncertainty surrounding market developments, the uptake of the digital euro, and the related costs, which may lead to situations where the "lowest of the two models" would not necessarily align with the principles in Article 15(2).

The Presidency recognizes that the first years following the issuance of the digital euro may be characterized by limited transaction data and uncertainty regarding cost structures. To

PUBLIC

avoid premature conclusions that could affect market confidence or lead to inappropriate fee levels, the evaluation should therefore be based on stable and reliable information. In this context, **the Presidency proposes that the Commission, for duly justified reasons, may exceptionally postpone the evaluation by one year at a time, up to a maximum of three years**, if unit costs have not yet stabilised.

**If, following the evaluation, the cost-plus model have not been implemented, a clear reference framework will still be needed to maintain predictability and proportionality in the level of fees**. In that case, the Commission should assess whether consumer-based international debit cards should continue to serve as the reference for comparable means of payment, or whether other means of payment would be more appropriate for setting the fee caps. To this end, the Commission with the technical assistance of the ECB would need to identify the relevant comparable means of payment..

If the Commission considers that the conditions for implementing the cost-plus model are met, it should adopt **an implementing act (with the examination comitology procedure) that would activate the cost-based model** already described in the Regulation. If the Commission concludes that these conditions are not yet met, and that other comparable means of payment should complement or replace the reference to international debit cards based on the evaluation criteria, the same procedure should apply

Additionally, the Presidency proposes to introduce a review of the digital euro compensation model in Article 41, **including an assessment of the general feasibility of regulating fees for digital euro services.** The assessment shall evaluate market competition, reporting and enforcement burdens, and the alignment with the regulatory structure of other means of payment, while considering the objectives of Article 15(2).

**Questions 2-5 to Member States:**

***Q2.*** *Do Member States agree with the Presidency's proposal to set the evaluation of the compensation model five years after the first issuance of the digital euro, and in any case no later than eight years after issuance, if exceptionally subject to postponement?*

***Q3.*** *Do Member States agree with the Presidency's proposal to apply Article 15(2) as the basis for evaluating the compensation model? In particular, do Member States agree that, under this approach, it would no longer be the lower value of the cost-based model and the comparable-means-of-payment model that determines the applied cap?*

***Q4.*** *Do Member States agree with the Presidency's proposal that the evaluation, if it shows that the conditions for activating the cost-based model are met, should lead to the adoption of an implementing act, adopted in accordance with the examination procedure (comitology) referred to in Article 39?*

PUBLIC

***Q5.*** *Do Member States agree with the Presidency's proposal to introduce a review clause to assess the general feasibility of regulating fees for digital euro service?*

## 1.3 Methodology for calculating the caps

The Presidency recalls that several Member States have expressed support for establishing a detailed methodology for calculating the caps, developed by the Commission under a comitology procedure. Building on this broad support, the **Presidency proposes that the methodologies for both cost-based and comparable means of payments are to be adopted through a Commission implementing act**, in accordance with the examination procedure referred to in Article 39 (comitology).

This approach aims to ensure clarity and predictability regarding the guiding principles set out in the Regulation, while providing the technical flexibility needed to adapt to market developments and ensuring continued involvement of Member States in the process.

### 1.3.1 Methodology for a cost-based fee cap

The methodology for a cost-based fee cap was discussed under the Polish Presidency, where Member States broadly supported including the relevant parameters and guiding principles for its design in the Regulation. In particular, there was convergence that the calculation of relevant costs, including a reasonable profit margin for the provision of basic digital euro services, should be **based on data from a representative group of cost-efficient PSPs**.

Several Member States underlined the need **to further define how cost-efficient PSPs should be determined**. Some favored specifying a clear range in the legal text, while others preferred allowing flexibility to adapt to different market structures and the specificities of national payment systems.

The Presidency recognises this trade-off between ensuring clear, harmonised criteria ex-ante and maintaining flexibility to reflect evolving market and technological conditions. To balance these objectives, the Presidency proposes the following approach:

- The calculation of the relevant costs for providing digital euro payment services should be based on the costs incurred by a **statistically representative group of cost-efficient payment service providers designated by the national competent authorities**.
- Cost-efficiency should be measured by average costs per transaction, considering both the variable and fixed costs.
- The criteria for representativeness of cost-efficient PSPs should be harmonized and set out in the detailed methodology, while the NCAs should retain flexibility to select a group that adequately represents national payments markets.

PUBLIC

The aim of this approach is to ensure consistency across Member States while preserving the flexibility needed to account for differences in payment markets and uncertainties with respect to cost distribution. By referencing cost-efficient PSPs, the Presidency's proposal also seeks to mitigate the risk that the resulting fee caps could become systematically unprofitable for smaller PSPs, given their more limited ability to spread fixed costs over large transaction volumes.

***Accounting, reporting and data collection for the implementation of the cost-plus model***

Member States have supported the establishment of harmonised standards and guidelines for a transparent and reliable accounting and reporting the costs incurred by PSPs when providing basic digital euro payment services, including the applied profit margins.

Building on the proposal made under the Polish Presidency, **the Presidency proposes that these accounting and reporting requirements are to be set out in the detailed methodology adopted by the Commission through an implementing act** in accordance with Article 39. This should include:

- the specification of the information to be reported,
- the accounting methods ensuring transparent and reliable data,
- the cost categories to be considered, and
- the format and frequency of reporting.

Only costs that are relevant and directly attributable to the provision of mandatory digital euro payment services for natural persons, referred to in Annex II and costs directly attributable to the provision of mandatory acquiring services subject to the MSC cap in Annex IIa, should be included in the calculation.

To ensure that the regulation of fees accurately reflects underlying cost structures, the Presidency considers that the **ECB could – as technical support - collect and aggregate the relevant unit cost data and profit margins from the statistically representative sample of cost-efficient PSPs** designated by national competent authorities. The aggregated data should then be shared with the Commission for the purpose of the evaluation and for calculating the fee caps.

**Questions 6 to Member States:**

***Q6****. Do delegations support the Presidency's proposed approach for establishing the methodology under the cost-plus model?*

PUBLIC

### 1.3.2 Methodology for a 'comparable means of payment' cap

As outlined in Section 1.2, if the Commission concludes that the conditions for implementing the cost-plus model are not yet met, the Commission should identify the most suitable comparable means of payment and set the fees based on that. During the discussions under the Polish Presidency, **Member States expressed diverging views regarding the appropriate methodology for determining a cap based on comparable means of payment.** Some Member States supported a simple approach referencing a single comparable means of payment (such as international debit cards), whereas other Member States favored a more flexible approach referencing a basket of comparable means of payments to reflect future developments in the payments landscape.

The Presidency notes that linking the cap to a single reference instrument may create perverse incentives for PSPs to influence fees for that instrument. However, the flexible approach could increase complexity and administrative burdens for PSPs and NCAs without necessarily significantly improving the outcome.

Several delegations also raised concerns about including domestic card schemes as comparable means of payments, noting that benchmarking against highly cost-efficient payment methods could result in remuneration levels insufficient to cover the actual costs of distributing and acquiring PSPs. The Presidency acknowledges these concerns but underlines that any reference to a comparable means of payment that does not ensure adequate compensation for the relevant costs incurred by PSPs would be inconsistent with the objectives set out in Article 15(2).

Against this background, the Presidency proposes **to retain the proposed definition of comparable means of payments from the Belgian legacy text. The definition states, that comparable means of payments are initiated at the point of interaction and debited immediately from the payer's account.** Based on this definition, debit cards and instant credit transfers would be included as comparable means of payments, thereby neither prescribing that domestic card schemes and instant credit transfers shall be included in the benchmark after the Commission's evaluation, nor excluding them. However, instruments such as credit cards, non-instant credit transfers and direct debits would be excluded. This approach aims at ensuring that the long-term framework for the comparable means of payment cap remains fit for purpose, while providing safeguards against the application of instruments that could undermine the objectives set out in Article 15(2).

***Reporting and data collection for the implementation of the comparable means model***

The Presidency considers that the European Central Bank could, as part of its technical support, should collect and aggregate relevant fee data from **a statistically representative**

PUBLIC

**sample of PSPs** offering services for the comparable means of payment. The ECB should also be able to validate this data with merchants receiving such services.

The Presidency suggest that the data collection could take place on an annual basis to enable regular recalibration of the fee caps. The ECB should furthermore publish aggregated data on the fee levels on an annual basis to promote market transparency and support well-functioning market conditions.

For the purpose of calculating the comparable means of payment cap, the criteria for representativeness of PSPs should be harmonised and specified in the methodology. However, NCAs should retain flexibility to select a sample that adequately reflects national payments markets.

**Question 7 to Member States:**

***Q7****. Do Member States support the Presidency's proposed approach for establishing the methodology under the comparable means of payment cap? If not, which alternative model for the comparable means of payment do Member States prefer?*

PUBLIC

# Chapter II

## 2.1 Compensation for offline digital euro transactions

The Presidency recalls that for offline digital euro payments, the identity of the payer's PSP is unknown to the acquiring PSP. Consequently, **the inter-PSP fee in case of an offline digital euro transaction cannot be transferred directly from the acquiring PSP to the payer's PSP**. Due to this, it is necessary to apply a distinct calculation method for the offline inter-PSP fee.

Under the Polish Presidency, there was broad agreement among Member States that **the inter-PSP fee cap for offline digital euro should be the same as for online digital euro**. This implies that fee caps proposed by the Presidency for the online digital euro would also apply for the offline digital euro payment transactions. The Presidency considers maintaining this alignment is important to reduce complexity and additional burdens for PSP. as the inter-PSP fee level should not depend on business decision of the acquiring PSP (i.e. the level of the MSC) as stressed by several Member States.The Polish Presidency presented a model whereby PSPs offering acquiring services, in the absence on information on the underlying distributing PSP, would transfer 50% of the total MSC received for offline transactions to a common inter-PSP fee pool operated by the Eurosystem. The distributing PSPs would be compensated from this pool according to an allocation key calculated by the Eurosystem that reflects the distributing PSPs' relative share in the total amount of offline funding by digital euro users. This model gained overall support from Member States and the **Presidency thereby proposes to maintain the proposal presented by the Polish Presidency.**

**Questions 8 to Member States:**

***Q8****. Do Member States agree with the Presidency's proposal to maintain the offline compensation model discussed proposed under the Polish Presidency?*

PUBLIC

# Chapter III

## 3.1 Open funding reverse waterfall

The Presidency recalls that Member States previously have discussed the question of open funding reverse waterfall and the need for considering this feature in the context of the compensation model. This concerns in particular situations where the user funds its digital euro payment account via a non-digital euro account provided by a different PSP ("the funding PSP"), than the one providing the digital euro payment account ("the distributing PSP").

**While some Member States argued in favour of a prescriptive model, including a mandatory pass-through of fees between PSPs, a majority of Member States considered such an approach too restrictive and complex at this stage.** Furthermore, several delegations underlined the uncertainty regarding the actual demand for open funding services and the need to avoid distorting market developments prematurely. Finally, some Member States further argued that open funding is an essential part of ensuring usability of the digital euro for users, due to the presence of holding limits, and argued that similar existing functionalities are rarely subject to fees.

Against this background, the Presidency proposes that **open funding reverse waterfall services between two different PSPs (funding PSP and distributing PSP) should not be a mandatory service to be provided by PSPs to natural persons. Instead, PSPs may choose to make such services available on the basis of contractual arrangements.** The terms and conditions of these arrangements, including any compensation, would be determined by the contracting parties. This approach would aim at avoiding the introduction of introducing detailed regulation at the outset and leaves flexibility for market participants to develop such solutions, if such solutions are demanded.

**With regards to natural persons, the Presidency proposes that such services, if they are to be provided, still should be offered free of charge.** In addition to this, the Presidency suggest that **the Commission, five years after issuance of the digital euro, should evaluate the availability and functioning of open funding reverse waterfall services.** This evaluation should focus in particular on the implications for competition, consumer protection and the objectives of the compensation model set out in Article 15(2). Where appropriate, the evaluation could be accompanied by a legislative proposal.

The Presidency recalls that some **Member States have raised whether *other* open funding and defunding services, beyond the reverse waterfall, should also be non-mandatory and provided on a contractual basis between PSPs**.

PUBLIC

The Presidency notes that such an approach could have a number of implications. For consumers, the absence of access to free scheduled and manual funding across PSPs could create frictions limiting access to digital euro payment services to a single provider – namely their current PSP - unless they are willing to change PSP. This could, in turn, weaken competition. For merchants, non-mandatory open funding and defunding could risk uneven acceptances, as many merchants rely on different PSPs for acquiring services and for their settlement accounts.

Against this background, **the Presidency proposes to limit the voluntary, contract-based approach to the reverse waterfall service for natural persons only**. Implying that open funding, including both scheduled (automated) and manual funding with a different distributing PSP, should remain mandatory and be provided free of charge to users. Finally, merchant open funding and defunding, where necessary to enable acceptance, is proposed to also remain mandatory to ensure consistency with the existing acceptance framework.

**Question 9-10 to Member States:**

***Q9.*** *Do Member States agree with the Presidency's proposed way forward on open funding reverse waterfall for natural persons?*

***Q10.*** *Do Member States agree with the Presidency's proposed way forward that other funding and defunding services across PSPs should always be available for free for natural persons in order to preserve competition ?*

## 4. Digital euro payments provided free of charge

During the CWP meeting in September, delegations discussed the need to differentiate between digital euro payment services that should be mandatorily offered and those that should be provided to users free of charge. In its Presidency discussion note on distribution for the CWP meeting on 17 October, the Danish Presidency proposed a list of mandatory digital euro services in Annex II and mandatory acquiring services in Annex IIa. Building on this proposal, it should be clarified which of these services are to be provided free of charge and which may be subject to fees.

Furthermore, the Presidency recalls from its proposal that the services related to **open funding reverse waterfal**l should be free of charge for the digital euro user if provided by the PSP, but not mandatory given the proposal of letting such services be subject to contractual arrangements. In addition, **other open funding services** (waterfall and manual and automated funding/defunding) is proposed to be mandatory and free of charge.

PUBLIC

**The Presidency proposes the following for the mandatory digital euro payment services in Annex II:**

| **To be offered mandatorily under Annex II** | **To be offered for free** |
|---|---|
| **(a)** opening, holding, managing and closing of one digital euro payment account per digital euro user, including consulting balances and transaction records; | **Yes**, but PSPs can charge for a second digital euro payment accounts |
| **(ab)** enabling the storage of offline digital euros in one local storage device per payment service provider; | **Yes** |
| **(ba)** switching digital euro payment accounts as referred to in Article 31; | **Yes** |
| **(c)** manual and automated funding and defunding from or into a non-digital euro payment accounts, including funding and defunding operations referred to in Article 13(4), except funding operations referred to in Article 13(4b), if the digital euro payment account and the non-digital euro payment account are provided by different PSPs; | **Yes** |
| **(d)** manual funding and defunding from or to euro banknotes and coins through the same technical means in which the distributing PSP provides such cash services for non-digital euro payment accounts; | **No** |
| **(e)** enabling the initiation and reception of online and offline digital euro payment transactions by means of an electronic | **Yes** |

PUBLIC

| | |
|---|---|
| payment instrument, including standing orders; | |
| **(g)** providing one electronic payment instrument for the execution of online digital euro payment transactions and one electronic payment instrument for the execution of offline digital euro payment transactions, such as referred to in letter (e); | **Yes**, but the PSP could charge for an additional payment instrument requested by the user. |
| **(h)** providing pre-dispute and dispute services | **Yes** |

**The Presidency proposes the following for the mandatory digital euro payment services in Annex IIa:**

| **DER Annex IIa** | **To be offered for free** |
|---|---|
| **(a)** opening, holding, managing and closing of digital euro payment accounts, including consulting balances and transactions; | **Yes** |
| **(b)** funding and defunding operations referred to in Article 13(4); | **Yes** |
| **(c)** enabling the reception and initiation of online and offline digital euro payment transactions, including refunds, by means of an electronic payment instrument; | **Yes** |
| **(e)** pre-dispute services | **Yes** (the Presidency proposed that pre-dispute services should not be charged separately from MSC, as PSPs may choose to play a passive role at this stage, allowing end-users to resolve the matter directly between themselves) |

PUBLIC

| | |
|---|---|
| **(f)** dispute services | **No** (dispute management is a significant cost item for PSPs. The Presidency proposes that these should be free charged) |

**Question 11-12 to Member States:**

***Q11.*** *Do Member States agree with the Presidency's proposal regarding which services in the list of mandatory digital euro payment services (Annex II) should be provided free of charge?*

***Q12.*** *Do Member States agree with the Presidency's proposal regarding which services in the list of mandatory acquiring services (Annex IIa) should be provided free of charge?*