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General Secretariat

Brussels, 04 November 2025

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

WK 14026/2025 INIT

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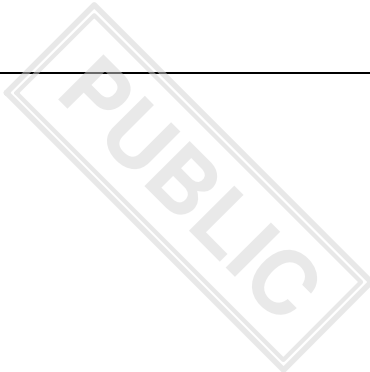
From:	Presidency
To:	Working Party on Financial Services and the Banking Union (Digital Euro Package) Financial Services Attachés
N° Cion doc.:	ST 11605 2023 ADD 1 + ST 11605 2023 ADD 2 + ST 11605 2023 ADD 3 + ST 11605 2023 ADD 4 + ST 11605 2023 INIT
Subject:	Digital Euro Regulation 4CT - Replies by 10 MS

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Commission proposal	Drafting Suggestions	Explanations on Presidency's suggestions	MS comments
<p>2023/0212 (COD) Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the establishment of the digital euro</p>	<p>Text in red = ES PCY drafting suggestions (and light red shading -text moved from Article 13 to new Article 12a)</p> <p>Text in bold black = BE PCYdrafting suggestions</p> <p>Text in light blue = PL PCY drafting suggestion</p>	<p><i>(Public watermark)</i></p>	<p>NL (MS comments):</p> <p>NL general comment:</p> <ul style="list-style-type: none"> We thank the Polish presidency for the drafting suggestions. We've made great progress under their presidency, especially on the compensation model, and are looking forward to continue the work under the Danish presidency. We believe the key remaining issues, in no particular order, are: The compensation model, specifically an in-depth assessment of the selection of 'comparable means' of payment and their implications for the compensation model in the short term and, potentially, in the final model. We are concerned that far-reaching decisions on the compensation model are made without knowing the impact in a fragmented European landscape,

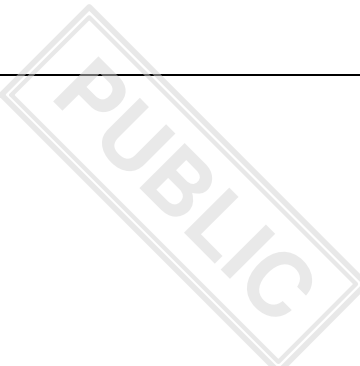
			<p>potentially hurting the competitiveness of merchants or PSPs in the short and long term.</p> <ul style="list-style-type: none"> • Concrete drafting suggestions on article 16 on limits to the use of the digital euro as a store of value, following discussions in the Eurogroup in early July. • The demarcation of FRAND-terms for offline functionalities of the digital euro, potentially including an assessment by the ECB or the Commission of (cost) implications for PSP's.
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,			
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 133 thereof,			
Having regard to the proposal from the European Commission,			

After transmission of the draft legislative act to the national parliaments,			
Having regard to the opinion of the European Central Bank ¹ ,			
Having regard to the opinion of the European Economic and Social Committee ² ,			
Acting in accordance with the ordinary legislative procedure,			
Whereas:			
(1) The Commission emphasised in the Digital Finance and Retail Payment Strategies ³ of September 2020 that a digital euro, as a retail central bank digital currency, would act as a catalyst for innovation in payments,			

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

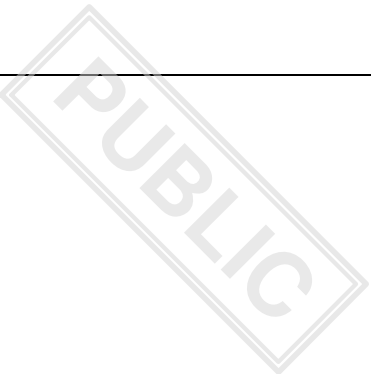
³ Communication from the Commission to the European Parliament, the Council and the Committee of the Regions on a Digital Finance Strategy for the EU (COM/2020/591 final)

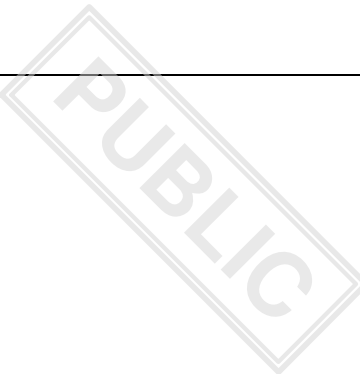
<p>finance and commerce in the context of ongoing efforts to reduce the fragmentation of the Union retail payments market. The Eurosummit of March 2021 called for a stronger and more innovative digital finance sector and more efficient and resilient payment systems. The Eurogroup also acknowledged, in its statement of 25 February, the potential of a digital euro to foster innovation in the financial system. In that context, both the European Parliament⁴ and ECOFIN Council⁵ welcomed in February and March 2022 the European Central Bank’s decision to launch a two-year investigation phase of a digital euro project, starting from October 2021.</p>			
<p>(2) On 2 October 2020, the European Central Bank published its “Report on a digital euro”⁶. The report formed the basis for seeking views on the benefits and challenges of issuing a digital euro and on its possible design.</p>			

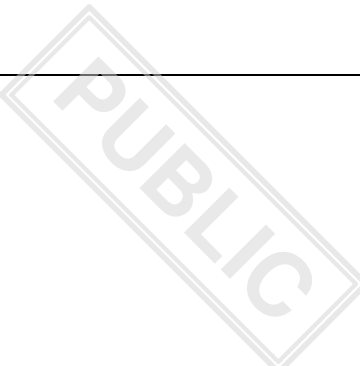
⁴ European Parliament’s resolution of 16 February 2022 on the European Central Bank – annual report 20212021/2063(INI)

⁵ <https://data.consilium.europa.eu/doc/document/ST-6301-2022-INIT/en/pdf>

⁶ European Central Bank, [Report on a digital euro](#), October 2020.

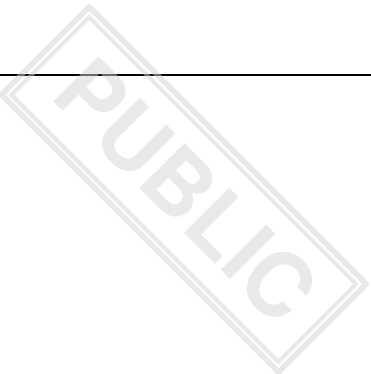
<p>(3) Central bank money in the form of banknotes and coins cannot be used for online payments. Today, online payments rely entirely on commercial bank money. The acceptability and fungibility of commercial bank money rely on its convertibility on a one-to-one basis to central bank money with legal tender, which serves as a monetary anchor. That monetary anchor is at the core of the functioning of monetary and financial systems. It underpins users' confidence in commercial bank money and in the euro as a currency and is therefore essential to safeguard the stability of the monetary system in a digitalised economy and society. As central bank money in physical form alone cannot address the needs of a rapidly digitalising economy, this could gradually remove the monetary anchor for commercial bank money. It is therefore necessary to introduce a new form of official currency with legal tender which is risk free and helps visualise the convertibility at par of the money issued by various commercial banks.</p>			
<p>(4) To address the need of a rapidly digitalising economy, the digital euro should support a variety of use</p>			

<p>cases of retail payments. Those use case include person to person, person to business, person to government, business to person, business to business, business to government, government to person, government to business, and government to government payments. In addition, the digital euro should also be able to fulfil future payments needs, and in particular machine to machine payment in the context of Industry 4.0 and payments in the decentralised internet (web3). The digital euro should not cater for payments between financial intermediaries, payment service providers and other market participants (that is to say wholesale payments), for which settlement systems in central bank money exist and where the use of different technologies is being further investigated by the Eurosystem.</p>			
<p>(5) In a context where cash alone cannot answer the needs of a digitalised economy, it is essential to support financial inclusion by ensuring universal, affordable and easy access to the digital euro to individuals in the euro area, as well as its wide acceptance in payments. Financial exclusion in the digitalised economy may increase as private digital means of payments may</p>			

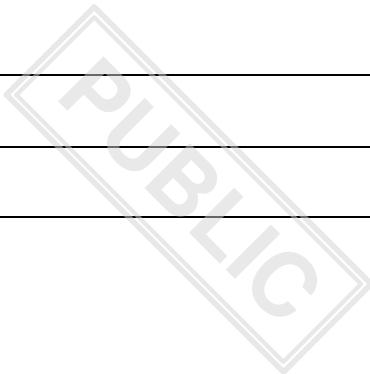
<p>not specifically cater for vulnerable groups of the society or may not be suitable in some rural or remote areas without a (stable) communication network. According to the World Bank and the Bank for International Settlements, “efficient, accessible and safe retail payment systems and services are critical for greater financial inclusion”.⁷ That finding was further substantiated by the study on new Digital Payment Methods commissioned by the European Central Bank, which concluded that for the unbanked/underbanked/offline population, the most important features of a new payment method are easiness of use, not requiring technological skills, and to be secure and free of charge.⁸ A digital euro would offer a public alternative to private digital means of payments and support financial inclusion as it would be designed along these objectives, thus catering for free access, easiness of use and wide accessibility and acceptance.</p>			

⁷ <https://documents1.worldbank.org/curated/en/806481470154477031/pdf/Payment-Aspects-of-Financial-Inclusion.pdf>

⁸ Study on New Digital Payment Methods (europa.eu), March 2022. According to the World Bank, financial inclusion means that individuals have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance”.

<p>(6) The digital euro should complement euro banknotes and coins and should not replace the physical forms of the single currency. As legal tender instruments, both cash and digital euro are equally important. Regulation (EU) <i>[please insert reference – proposal for a Regulation on the legal tender of euro banknotes and coins - COM/2023/364]</i> would harmonise legal tender for cash and ensure that cash is widely distributed and effectively used.</p>			
<p>(7) Future developments in digital payments may affect the role of the euro in retail payment markets both in the European Union and internationally. Many central banks around the world are currently exploring the issuance of central bank digital currencies (‘CBDCs’) and some countries have already issued a CBDC. In addition, so-called third country stablecoins not denominated in euro, could, if widely used for payments, displace euro denominated payments in the Union’s economy by satisfying demand for programmable payments (which are referred as conditional payments in the context of this Regulation), including in e-commerce, capital markets or industry 4.0. A digital euro would therefore be</p>			

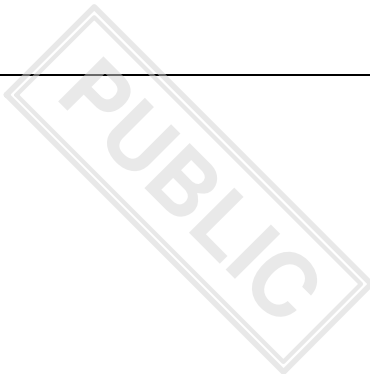
<p>important to maintain the role of the euro in the digital age.</p>			
<p>(8) It is therefore necessary to lay down a legal framework for establishing a digital form of the euro with the status of legal tender, for use by people, businesses and public authorities in the euro area. As a new form of the euro available to the general public, the digital euro should have important societal and economic consequences. It is therefore necessary to establish the digital euro and to regulate its main characteristics, as a measure of monetary law. The European Central Bank is competent to issue and to authorise the issuance of the digital euro by national central banks of the Member States whose currency is the euro, exercising its powers under the Treaties. On the basis of those powers and in accordance with the legal framework set out in this Regulation, the European Central Bank should thus be able to decide whether to issue the digital euro, at which times and in what amounts, and other particular measures that are intrinsically connected to its issuance, in addition to banknotes and coins.</p>			



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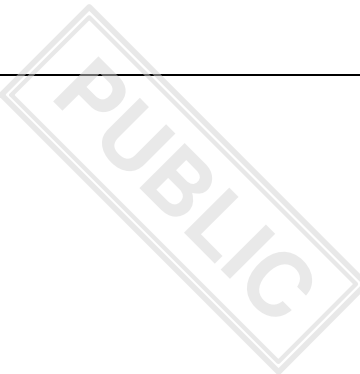
<p>(9) Like euro banknotes and coins, the digital euro should be a direct liability of the European Central Bank or of the national central banks of the Member States whose currency is the euro towards digital euro users. The digital euro should be issued for an amount equal to the face value of the corresponding liability on the consolidated balance sheet of the European Central Bank and the national central banks of the Member States whose currency is the euro, in particular by converting payment service providers' central bank reserves into digital euro holdings, to satisfy demand from digital euro users. To hold and use digital euros, digital euro users should only need to establish a contractual relationship with payment service providers distributing the digital euro to open digital euro payment accounts. No account or other contractual relationship would be established between the digital euro user and the European Central Bank or the national central banks. Payment service providers should manage the digital euro accounts of digital euro users on their behalf and provide them with digital euro payment services. Since payment service providers are not a party to the direct liability held by digital euro users</p>	<p>(9) Like euro banknotes and coins, the digital euro should be a direct liability item on the balance sheet of the European Central Bank or of the national central banks of the Member States whose currency is the euro towards digital euro users. The digital euro should be issued for an amount equal to the face value of the corresponding liability on the consolidated balance sheet of the European Central Bank and the national central banks of the Member States whose currency is the euro, in particular by converting payment service providers' central bank reserves into digital euro holdings, to satisfy demand from digital euro users. To hold and use digital euros, digital euro users should only need to establish a contractual relationship with payment service providers distributing the digital euro to open digital euro payment accounts. No account or other contractual relationship would be established between the digital euro user and the European Central Bank or the national central banks. Payment service providers should manage the digital euro accounts of digital euro users on their behalf and provide them with digital euro payment services. Since payment service providers are not a party to the direct liability held by digital euro users towards the European Central Bank and the national central banks of the Member States whose currency is the euro, and are acting on behalf of digital euro users, the insolvency of payment service providers would not affect digital euro users. The digital euro</p>	<p>IT (MS comments):</p> <p>As stated many times in the past, we believe that the digital euro regulation should be technology-neutral and jurisdiction-neutral. Tech-neutral because it should contain a set of future-proof rules that can work regardless of the type/s of technologies that will be used for the digital euro. Jurisdiction-neutral because the regulation should be applicable - ensuring good functioning and reliability of payments with digital euro - in all European jurisdictions regardless of their national private law rules and possibly without conflicting with such rules.</p> <p>Thus, as it has always been done in the previous European financial legislations (e.g. MiFID, PSD1 and 2, etc.), the digital euro regulation should try to overcome the current division among national private law systems by adopting a practical and functional approach.</p> <p>This practical and functional approach seems coherent with the EU competence in private law and would also be in line with what envisaged by the “Principles on Digital Assets and Private Law”, adopted by Unidroit at</p>
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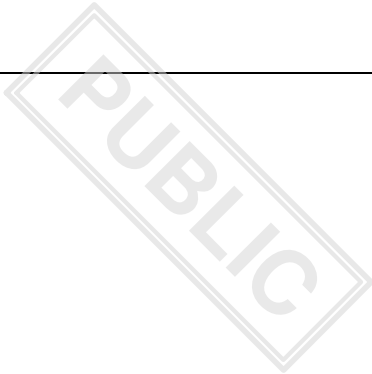


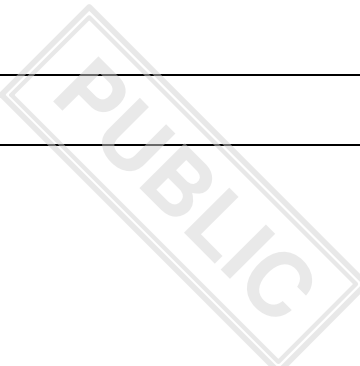
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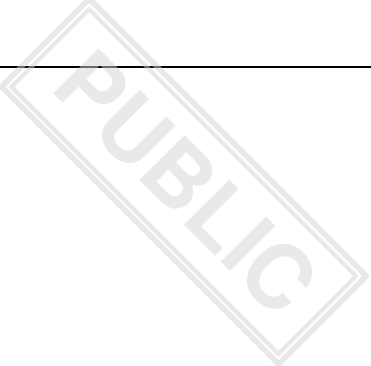
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<p>towards the European Central Bank and the national central banks of the Member States whose currency is the euro, and are acting on behalf of digital euro users, the insolvency of payment service providers would not affect digital euro users.</p>	<p>should be considered a non-physical in rem asset in the context of national private laws.</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-15deg); border: 1px solid gray; padding: 10px;">PUBLIC</p>	<p>the international level (that are also supposed to be applicable to CBDCs). Accordingly, the regulation has to provide legal clarity and ensure legal protection to all parties involved in the use of digital euro, but this should be reached without forcing changes to national private law systems and without any attempt to prescribe a specific classification of CBDC. We believe that statements in the regulation dictating the legal nature of the digital euro would increase the risk that some MS need to change their private law systems. In our opinion the Regulation may reach a sufficient level of legal clarity just focusing on practical challenges and legal solutions; by way of example, what happens in case of an unlawful transfer of digital euro or of an insolvency proceeding of a PSP can be stated in the Regulation with no need to have a provision on the legal nature of the digital euro.</p> <p>On top of this, we should consider that the EU legislator has not specified so far the legal nature of cash (notwithstanding the current proposed regulation on legal tender of the euro). Therefore, on amendment of Recital 9, stating that the nature of the digital euro shall be that of a non-physical in rem asset, we preliminarily refer to the</p>
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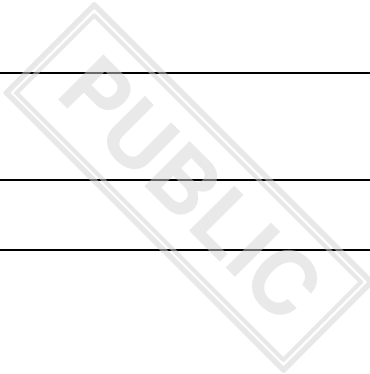
			<p>above-mentioned comments on our preferred approach to the regulation and to the related private law matters. Moreover, we believe that reference to the concept of “non-physical in rem asset” would imply a common understanding that could hardly be met among the MS.</p> <p>Consequently, we ask the PCY to delete this reference and keep the text as proposed by the Commission.</p> <p>NL (MS comments):</p> <p>NL: We very much support the ES PCY drafting proposals for recital 9, because it provides guidance as to the legal nature and treatment of a digital euro under the national civil law systems. With a view to its legal tender status, mandatory acceptance and other far-reaching consequences, it is necessary to provide clarity about many legal aspects of a digital euro in the text of this regulation. We fully appreciate that with MS’ different private law systems, it should not be this proposal’s goal to harmonize MS’ private law. However, there are typical questions that likely arise under most private law systems where MS should have a common understanding of what</p>
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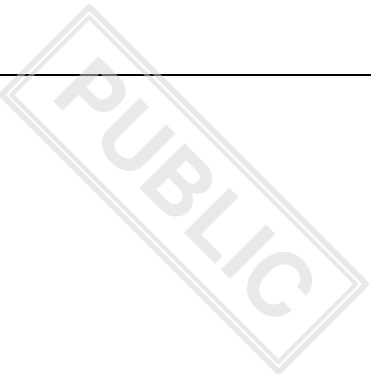
			<p>we are trying to achieve for the end users in their practical use of the digital euro.</p> <p>Please also refer to the joint FR/DE/NL-comment submitted on 31 October 2023 (following the 24 October CWP) and to our comments under Article 2 and 4 below.</p> <p>In order to provide further context to the addition of article 4.3 by the ES PCY, we suggest to include in recital 9 further language to explain where the digital euro's are actually held (in line with the definition of 'digital euro payment account') and to avoid questions on the need for (national) provisions on asset segregation. For example:</p> <p>"[...] the insolvency of payment service providers would not affect digital euro users. <i>The digital euro's that digital euro users hold via their payment service providers are not on the balance sheet of these payment service providers. They are held either by record in the digital euro settlement infrastructure or in a local storage device.</i> The digital euro should be considered a non-physical in rem asset in the context of national private laws."</p>
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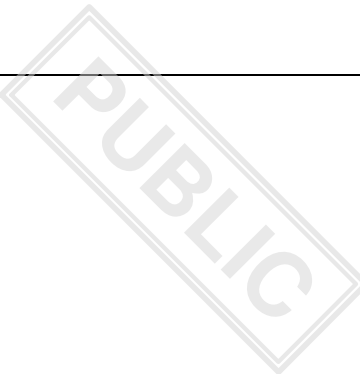
<p>(10) The digital euro should be governed by the provisions of this Regulation. They may be supplemented by the delegated acts that the Commission is empowered to adopt pursuant to Articles 11, 34, 35, 36 and 38, and by the implementing acts that the Commission is empowered to adopt pursuant to Article 37. In addition, within the framework of this Regulation and its delegated acts, the European Central Bank may adopt detailed measures, rules and standards pursuant to its own competences. Where such measures, rules and standards have an impact on the protection of individual's rights and freedoms with regard to the processing of personal data, the European Central Bank should consult the European Data Protection Supervisor. To ensure legal certainty, the Regulation also clarifies that the digital euro is subject to Directive (EU) 2015/849 of the European Parliament and of the Council, of 20 May 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and to Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information</p>			

<p>accompanying transfers of funds, without prejudice to the adjusted anti-money laundering and counter terrorist financing framework laid down in this regulation for offline digital euro payment transactions. Digital euro payment transactions and the related payment services are also subject to Directive (EU) 2015/2366 of the European Parliament and of the Council, of 25 November 2015, on payment services in the internal market, as amended by Directive [<i>please insert reference - proposal for a Directive of the European Parliament and of the Council on payment services and electronic money services in the internal market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC - COM(2023) 366 final</i>] which has provided that ‘funds’ include central bank money issued for retail use (i.e. banknotes, coins and central bank digital currencies), and to Regulation (EU) 2021/1230 on cross border payments.</p>			
<p>(11) To ensure the effective protection of the legal tender status of the digital euro as a single currency throughout the euro area, and the acceptance of payments in digital euro,</p>			

<p>rules on sanctions for infringements should be introduced and applied in the Member States.</p>			
<p>(12) The relevant provisions of Directive (EU) 2015/2366 as replaced by Directive (EU) <i>[please insert reference – proposal for a Directive on payment services and electronic money services in the internal market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC - COM(2023) 366 final]</i>, Directive (EU) 2015/849 as replaced by Directive (EU) <i>[please insert reference – proposal for Anti-Money Laundering Directive - COM/2021/423 final]</i> and Regulation (EU) 2016/679 should govern the supervision by competent authorities and the sanctions regime and supervisory arrangements between the competent authorities of the home Member States and of the host Member States, concerning the activities of Payment Services Providers established in Member States whose currency is not the euro. To ensure an efficient supervision of payment services providers distributing the digital euro, the competent authorities responsible under Directive (EU) 2015/2366 for supervising the provision of payment</p>			



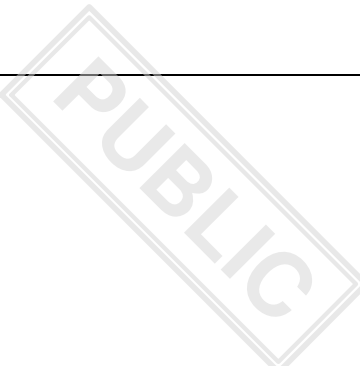
<p>services should also cooperate with the European Central Bank for the purposes of supervising the application of payment-related obligations laid down in Regulation (EU) No XXX on the establishment of the digital euro. Any personal data processing under the present Regulation must comply with Regulation (EU) 2016/679 and Regulation (EU) 2017/1725 insofar as they fall within their respective scope of application. Therefore, the supervisory authorities under Regulation (EU) 2016/679 and Regulation (EU) 2018/1725 are responsible for the supervision of processing of personal data carried out in the context of this Regulation.</p>			
<p>(13) Member States, their relevant authorities and payment service providers should deploy information and educational measures to ensure the necessary level of awareness and knowledge of the different aspects of the digital euro.</p>			
<p>(14) According to the case-law of the Court of Justice of the European</p>			

<p>Union⁹, the concept of ‘legal tender’ of a means of payment denominated in a currency unit signifies, in its ordinary sense, that that means of payment cannot generally be refused in settlement of a debt denominated in the same currency unit, at its full-face value, with the effect of discharging the debt.</p>			
<p>(15) Legal tender status is a defining characteristic of central bank money. In the euro area, until now euro banknotes and coins are the only means of payment that have the status of legal tender, pursuant to Article 128(1) of the Treaty on the Functioning of the European Union (‘TFEU’) and Article 10 and 11 of Council Regulation (EC) No 974/98¹⁰ on the introduction of the euro¹¹.</p>			
<p>(16) The digital euro, as a digital currency with the status of legal tender denominated in euro issued by the European Central Bank and national central banks of the Member States</p>			

⁹ See judgment of 26 January 2021 in Joined Cases C-422/19 and C-423/19, *Hessischer Rundfunk*, EU:C:2021:63 point 46.

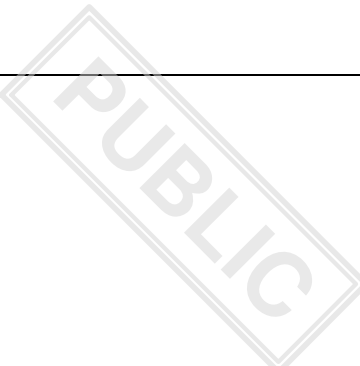
¹⁰ Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (OJ L 139, 11.5.1998, p. 1).

¹¹ OJ L139, 11.5.1998, p.1.

<p>whose currency is the euro, as part of the Eurosystem, should be widely accessible, usable and accepted as a means of payment. Granting legal tender status to the digital euro should support its usability in payments across the euro area and thus also support the efforts to ensure the continued availability and accessibility of central bank money in its role of monetary anchor, as cash alone cannot address the needs of a rapidly digitalising economy. In addition, the mandatory acceptance of payments in digital euro as one of the main conditions of the legal tender status ensures that people and businesses benefit from a wide acceptance and have a real choice to pay with central bank money in a digital way and in a uniform manner throughout the euro area.</p>			
<p>(17) The digital euro should have legal tender status for offline digital euro payment transactions occurring within in the euro area, similarly to euro banknotes and coins which have legal tender status in the euro area. The digital euro should also have legal tender status for online digital euro payment transactions made to a payee residing or established in the euro area,</p>	<p>(17) The digital euro should have the status of legal tender status for offline digital euro payment transactions occurring within in the euro area, similarly to euro banknotes and coins which have legal tender status in the euro area. As offline digital euro payments can only be made in physical proximity when the payer’s payment instrument and the payee’s point of interaction can exchange data, in situations where there is no such physical proximity, it is</p>	<p>This amendment was presented in the January CWP meeting, with the purpose of clarifying the proximity nature of offline digital euro in the context of the territoriality of legal tender.</p>	<p>NL (MS comments): NL comment: We support this amendment.</p> <p>PT (MS comments): First, we do not oppose adjusting “<i>legal tender status</i>” to “<i>the status of legal</i></p>

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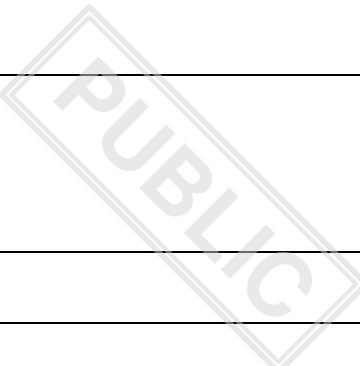
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<p>where the payer is also residing or established in the euro area. Similarly, the digital euro should have legal tender status for online digital euro payment transactions made to a payee residing or established in the euro area, where the payer is not residing or established in the euro area.</p>	<p>not justified that offline payments have to be accepted by payees operating remotely. The digital euro should also have legal tender status for online digital euro payment transactions made to a payee residing or established in the euro area, where the payer is also residing or established in the euro area, in both situations of proximity and remote payments. Similarly, the digital euro should have the status of legal tender status for online digital euro payment transactions made to a payee residing or established in the euro area, where the payer is not residing or established in the euro area</p>		<p>tender”, since it aligns with the wording of Article 128(1) of TFUE. Second, while we agree with the proposed clarification regarding offline digital euro payments, we propose a minor adjustment, since, in our view, this is not a matter of “<i>being justified or not</i>” but a matter of not being possible for merchants to accept such remote offline digital euro payments.</p> <p><u>Draft suggestions (in green):</u></p> <p>(17) The digital euro should have the status of legal tender status for offline digital euro payment transactions occurring within in the euro area, similarly to euro banknotes and coins which have legal tender status in the euro area. As offline digital euro payments can only be made in physical proximity when the payer’s payment instrument and the payee’s point of interaction can exchange data, in situations where there is no such physical proximity, it is not appropriate to require payees to accept such payments in situations where this condition is not met. justified that offline payments have to be accepted by payees operating remotely. The digital euro should also have legal tender status for online digital euro payment transactions made to a payee residing or established in the</p>
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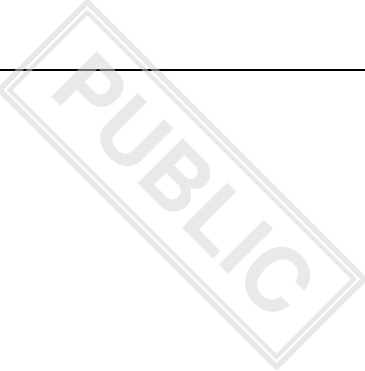
		<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-15deg); border: 1px solid gray; padding: 10px;">PUBLIC</p>	<p>euro area, where the payer is also residing or established in the euro area, in both situations of proximity and remote payments. Similarly, the digital euro should have the status of legal tender status for online digital euro payment transactions made to a payee residing or established in the euro area, where the payer is not residing or established in the euro area.</p> <p>AT (MS comments):</p> <p>The legal qualification as legal tender should not depend on the payment modality chosen. In our view, the proposed amendments are not necessary.</p> <p>CY (MS comments):</p> <p>Cyprus supports this addition clarifying the proximity parameter in offline digital euro payments, reflecting the territorial nature of legal tender use.</p> <p>ES (MS comments):</p> <p>OK</p>
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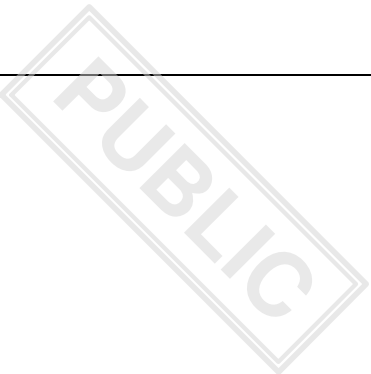
			<p>IE (MS comments): IE welcomes the drafting changes to recital 17.</p>
<p>(18) Since the digital euro requires the capacity to accept digital means of payment, imposing an obligation of mandatory acceptance of payments in digital euro on all payees could be disproportionate. To this end, exceptions to the mandatory acceptance of payments in digital euro should be provided for natural persons acting in the course of a purely personal or household activity. Exceptions to mandatory acceptance should also be provided for microenterprises, which are particularly important in the euro area for the development of entrepreneurship job creation and innovation, playing a vital role in shaping the economy. Union policies and actions should reduce regulatory burdens for enterprises of this size. Exceptions to mandatory acceptance should also be provided for non-profit legal entities which promote the public interest and serve the public good performing a variety of goals of societal interest, including equity, education, health,</p>	<p>(18) Since the digital euro requires the capacity to accept digital means of payment, imposing an obligation of mandatory acceptance of payments in digital euro on all payees could be disproportionate. To this end, exceptions to the mandatory acceptance of payments in digital euro should be provided for natural persons acting in the course of a purely personal or household activity. Exceptions to mandatory acceptance should also be provided for microenterprises and self-employed persons, which are particularly important in the euro area for the development of entrepreneurship job creation and innovation, playing a vital role in shaping the economy. Union policies and actions should reduce regulatory burdens for enterprises of this size. Exceptions to mandatory acceptance should also be provided for non-profit legal entities which promote the public interest and serve the public good performing a variety of goals of societal interest, including equity, education, health, environmental protection and human rights. For microenterprises, non-profit legal entities and self-employed persons, the acquisition of the required infrastructure and the acceptance costs would be disproportionate. They should therefore</p>		<p>NL (MS comments): NL: We support this amendment.</p> <p>EL (MS comments): <u>EL:</u> We support this amendment but note that there is a discrepancy between recital 18, which still refers to “microenterprises” and the newly proposed Article 9(a), which applies to all enterprises that only accept non-POI payments and/or cash. In this respect, see our comments in Article 9(a).</p>

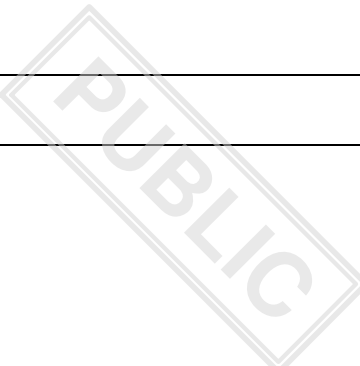
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<p>environmental protection and human rights. For microenterprises and non-profit legal entities, the acquisition of the required infrastructure and the acceptance costs would be disproportionate. They should therefore be exempted from the obligation to accept payments in digital euro. In such cases, other means for the settlement of monetary debts should remain available. Nevertheless, microenterprises and non-profit legal entities that accept comparable digital means of payment from payers should be subject to the mandatory acceptance of payments in digital euro. Comparable digital means of payment should include debit card payment or instant payment or other future technological solutions used at the point of interaction, but should exclude credit transfer and direct debit that are not initiated at the point of interaction. Microenterprises and non-profit legal entities that do not accept comparable digital means of payment from their payers in settlement of a debt (e.g. they only accept euro banknotes and coins), but may use digital payments in settlement of a debt to their payees (e.g. they pay with credit transfers), should not be subject to the mandatory acceptance of payments in digital euro. Finally, a payee may also</p>	<p>be exempted from the obligation to accept payments in digital euro. In such cases, other means for the settlement of monetary debts should remain available. Nevertheless, microenterprises, non-profit legal entities and self-employed persons that accept comparable digital means of payment from payers should be subject to the mandatory acceptance of payments in digital euro. Comparable digital means of payment, for this purpose, refers to digital payments initiated at the point of interaction. This should include direct debits, credit transfers (also instant) initiated at the point of interaction, debit card payments and credit card payments should include debit card payment or instant payment or other future technological solutions used at the point of interaction, but should exclude credit transfers and direct debits that are not initiated at the point of interaction. Microenterprises, non-profit legal entities and self-employed persons that do not accept comparable digital means of payment from their payers in settlement of a debt (e.g. they only accept euro banknotes and coins), but may use digital payments in settlement of a debt to their payees (e.g. they pay with credit transfers), should not be subject to the mandatory acceptance of payments in digital euro. Finally, a payee may also refuse a payment in digital euro if the refusal is made in good faith and if the payee justifies the refusal on legitimate and temporary grounds, proportionate to concrete circumstances beyond its control, leading to an impossibility to</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-15deg);">PUBLIC</p>	<p>ES (MS comments):</p> <p>In this recital it could be explained that a natural person receiving salaries should be considered as a natural person acting in the course of a purely personal or household activity</p> <p>In the scope of discussions on the compensation model, we believe that the mandatory acceptance should be limited to payments in the point of interaction, regardless of the size of the enterprise. We support the drafting suggestions presented by the PL PCY during the may CWP</p> <p>HR (MS comments):</p> <p>We find that this Recital (18) should be aligned with new wording of Article 9 (a).</p>
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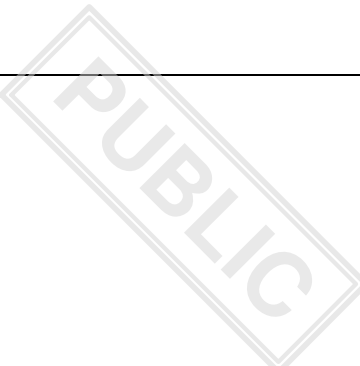
<p>refuse a payment in digital euro if the refusal is made in good faith and if the payee justifies the refusal on legitimate and temporary grounds, proportionate to concrete circumstances beyond its control, leading to an impossibility to accept payments in digital euro at the relevant time of the transaction, such as a power outage in the case of online digital euro payment transactions, or a defective device in the case of offline or online digital euro payment transactions.</p>	<p>accept payments in digital euro at the relevant time of the transaction, such as a power outage in the case of online digital euro payment transactions, or a defective device in the case of offline or online digital euro payment transactions.</p>		
<p>(19) In order to ensure that additional exceptions to the mandatory acceptance of the digital euro may be introduced at a later stage if they are required, for example due to technical specificities that may appear in the future, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the introduction of additional exceptions of a monetary law nature to the obligation to accept digital euro payment transactions, which would apply in a harmonised way across the euro area, taking into account any proposals from Member States to this end. The Commission may only adopt such</p>			

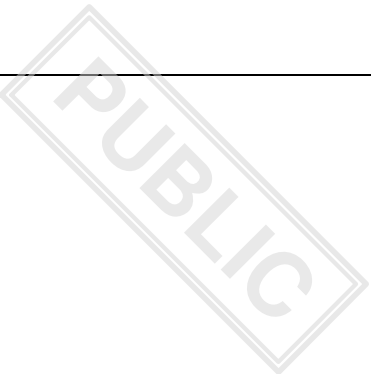
<p>exceptions if they are necessary, justified on grounds of general interest, proportionate, and preserve the effectiveness of the legal tender status of the digital euro. The power of the Commission to adopt delegated acts for the introduction of additional exceptions to the obligation to accept digital euro payment transactions should be without prejudice to the possibility for Member States, pursuant to their own powers in areas of shared competence, to adopt national legislation introducing exceptions to the mandatory acceptance deriving from the legal tender status in accordance with the conditions laid down by the Court of Justice of the European Union in its judgment in Joined Cases C-422/19 and C-423/19.</p>			
<p>(20) In order to ensure that people and businesses benefit from a wide acceptance network and are able to effectively use the digital euro in their day-to-day payments, payees who are subject to the mandatory acceptance of payments in digital euro should not unilaterally exclude payments in digital euro through contractual terms that have not been individually negotiated or commercial practices.</p>			

<p>(21) The main objective of the establishment of the digital euro is its use as a form of the single currency with legal tender in the euro area. For this purpose and in line with the Agreement on the European Economic Area, digital euro users residing or established in the euro area, including consumers with no fixed address, asylum seekers and consumers who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons, may be provided digital euro payment services by PSPs established in the European Economic Area. Natural and legal persons who were already receiving digital euro payment services, because they opened a digital euro payment account at the time they resided or were established in a Member State whose currency is the euro, but no longer reside or are established in such Member State, may still receive digital euro payment services by payment service providers established in the European Economic Area, in line with the Agreement on the European Economic Area, subject to possible time limitations in relation to the status of residence or establishment of these</p>	<p>(21) The main objective of the establishment of the digital euro is its use as a form of the single currency with legal tender in the euro area. For this purpose and in line with the Agreement on the European Economic Area, digital euro users natural and legal persons residing or established in the euro area, including consumers natural persons with no fixed address, asylum seekers and consumers natural persons who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons, may be provided digital euro payment services by PSPs payment service providers established in the European Economic Area. Citizens of the Union who reside in a Member State whose currency is not the euro or in a third country, should also be allowed to receive digital euro payment services while they exercise their rights of free movement in a Member State whose currency is the euro. This would, among others, cover citizens who have a right to work, study or provide services in a Member State whose currency is the euro, even though they do not reside there. Furthermore, Nnatural and legal persons who were already receiving digital euro payment services, because they and opened a digital euro payment account at the time they resided or were established in a Member State whose currency is the euro, but no longer reside or are established in such Member State, may still continue to</p>		<p>NL (MS comments): NL: We generally support these amendments, but please also refer to our comment on ‘visitors’ to article 12a below.</p> <p>IE (MS comments): IE proposes the following “...Natural persons who reside in a Member State whose currency is not the euro or in a third country, should also be allowed to received digital euro payments services while they exercise their rights of free movement in a Member State whose currency is the euro. This would, among others, cover natural persons who have a right to work, study or provide services in a Member State whose currency is the euro, even though they do not reside there...”</p>

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<p>persons that the European Central Bank may define.</p>	<p>receive digital euro payment services by payment service providers established in the European Economic Area, in line with the Agreement on the European Economic Area. Finally, visitors to a Member State whose currency is the euro should also be allowed to receive digital euro payment services while they are visiting. subject to possible time limitations in relation to the status of residence or establishment of these persons that €The European Central Bank may should be able to define and impose restrictions on the access to digital euro payment services for visitors and former residents of a Member state whose currency is the euro. Such restrictions should take account of monetary policy considerations, the stability of the financial system and the monetary sovereignty of Member States whose currency is not the euro. It should, however, be ensured that visitors and former residents can at all time defund their digital euro payment accounts and local storage devices.</p>		
<p>(22) In accordance with Directive 2015/2366 of the European Parliament and the Council, the notion of ‘funds’ means banknotes and coins, scriptural money or electronic money. As a new form of central bank money with legal tender, the digital euro should be considered as funds under Directive 2015/2366. It should be ensured that</p>			

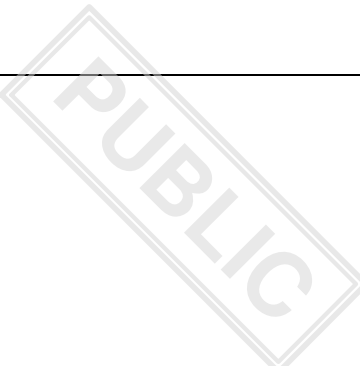
<p>payment service providers distributing the digital euro should be subject to the requirements laid down in this Directive as transposed by Member States and supervised for this purpose by the competent authorities referred to in this Directive as well. When issuing the digital euro, the European Central Bank and national central banks of the Member States whose currency is the euro, as part of the Eurosystem, would be acting in their capacity as monetary authority and should therefore not be subject to Directive 2015/2366 in accordance with Article 1(e) of that Directive.</p>			
<p>(23) Digital euro payment accounts are a category of payment accounts denominated in euro through which digital euro users are able to carry out inter alia the following transactions: place funds, withdraw cash and execute and receive payment transactions to and from third parties, irrespective of the technology used and the structure of the ledger or of the data (e.g. whether digital euros are recorded as holding balances or units of value). Where these activities require processing of personal data, the payment service providers should be controllers.</p>			<p>ES (MS comments): We would not oppose to using a different name to refer to digital euro payment accounts e.g. digital euro vault</p>

<p>(24) Account servicing payment service providers under Directive 2015/2366 should provide funding and defunding services to their clients, regardless of their ability to provide the liquidity source for those funds in central bank money. At the request of their clients, in view of successfully carrying out funding and defunding services, account servicing payment service providers that are allowed to have an account at the central bank should provide account servicing payment service providers that are not allowed to have an account at the central bank with access to payment systems, and similarly should pass through the settlement infrastructure the transfer orders of the account servicing payment service providers that are not allowed to have an account at the central bank, in an objective, proportionate and non-discriminatory manner.</p>	<p>(24) Account servicing payment service providers under Directive 2015/2366 should provide funding and defunding services to their clients - which includes the case where the client is the digital euro user or the e-money / payment institution with which the digital euro user holds an account, regardless of their ability to provide the liquidity source for those funds in central bank money. At the request of their clients, in view of successfully carrying out funding and defunding services, account servicing payment service providers that are allowed to have hold an account at the central bank should provide account servicing payment service providers that are not allowed to have_hold an account at the central bank with access to payment systems, and similarly should pass through the settlement infrastructure the transfer orders of the account servicing payment service providers that are not allowed to have an account at the central bank, in an objective, proportionate and non-discriminatory manner.</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-45deg);">PUBLIC</p>	<p>NL (MS comments): NL: We agree with the proposed drafting suggestions.</p> <p>CY (MS comments): Regarding the phrase “ which includes the case where the client is the digital euro user or the e-money / payment institution with which the digital euro user holds an account”, Cyprus suggests reconsidering this as the proposed addition adds complexity.</p>
<p>(25) For the purpose of properly enforcing any holding limits on the use of the digital euro decided upon by the European Central Bank, when on-boarding digital euro users, or during ex-post checks where appropriate,</p>	<p>(25) — For the purpose of properly enforcing any holding limits on the use of the digital euro decided upon by the European Central Bank, when on-boarding digital euro users, or during ex post checks where appropriate, payment service providers in charge of</p>		<p>NL (MS comments): NL: We support rearranging this recital to recital 32a and removing the last sentences since they are subject of</p>

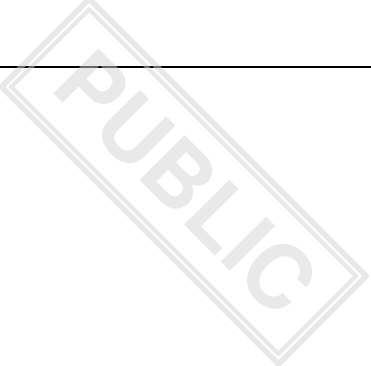
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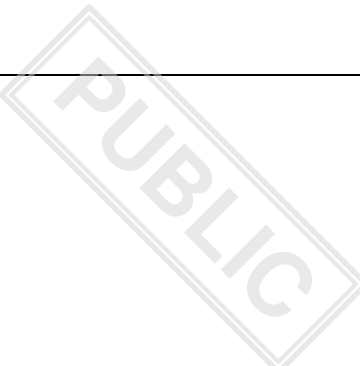
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<p>payment service providers in charge of distributing the digital euro should verify whether their prospective or existing customer already has digital euro payment accounts. The European Central Bank may support payment service providers in performing the task of enforcing any holding limits, including by establishing alone or jointly with national central banks a single access point of digital euro user identifiers and the related digital euro holding limits. The European Central Bank should implement appropriate technical and organisational measures, including state-of-the-art security and privacy-preserving measures, to ensure that the identity of individual digital euro users cannot be linked with the information in the single access point by entities other than payment service providers whose client or potential customer is the digital euro user. The European Central Bank should be controller to the extent that these activities require processing of personal data. When the European Central Bank establishes the single access point together with the national central banks, they should be joint controllers.</p>	<p>distributing the digital euro should verify whether their prospective or existing customer already has digital euro payment accounts. The European Central Bank may support payment service providers in performing the task of enforcing any holding limits, including by establishing alone or jointly with national central banks a single access point of digital euro user identifiers and the related digital euro holding limits. The European Central Bank should implement appropriate technical and organisational measures, including state-of-the-art security and privacy-preserving measures, to ensure that the identity of individual digital euro users cannot be linked with the information in the single access point by entities other than payment service providers whose client or potential customer is the digital euro user. The European Central Bank should be controller to the extent that these activities require processing of personal data. When the European Central Bank establishes the single access point together with the national central banks, they should be joint controllers.</p>	<p>PUBLIC</p>	<p>Recitals on privacy (notably recital 77). ES (MS comments): OK: transferred to new recital 32a and deletion of last sentences because they are already contained in recital 77 on privacy</p>

<p>(26) To support universal access to the digital euro by the general public in the euro area, and to foster innovation and a high level of competition in the retail payment market, all the relevant intermediaries should be able to distribute the digital euro. All account servicing payment service providers under Directive 2015/2366, including credit institutions, electronic money institutions, payment institutions, post office giro institutions which are entitled under national law to provide payment services, the European Central Bank and national central banks of Member States whose currency is the euro, as part of the Eurosystem, when not acting in their capacity as monetary authority or other public authorities, and Member States or their regional or local authorities when not acting in their capacity as public authorities should be able to provide digital euro payment accounts and the related digital euro payment services, regardless of their location in the European Economic Area. Crypto asset services providers regulated under Regulation 2023/1114 of the European Parliament and of the Council¹² that are</p>			
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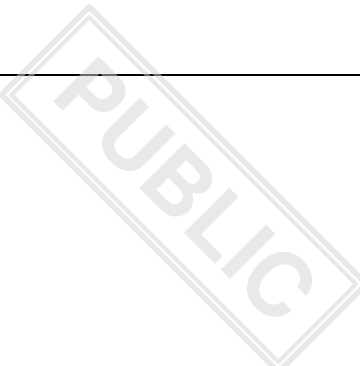
¹² Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, OJ L150, 9.6.2023, p. 40

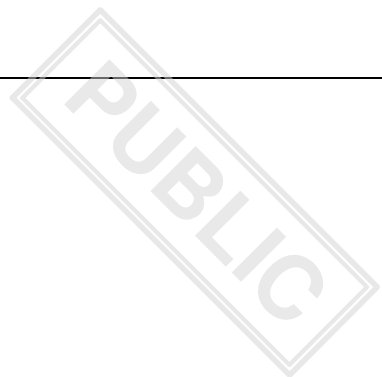
<p>account servicing payment service providers under Directive 2015/2366 should also be allowed to distribute the digital euro. In accordance with Directive 2015/2366, account servicing payment service providers should be obliged to provide access to data on payment accounts to payment initiation and account information service providers based on Application Programming Interfaces (APIs), to allow them to develop and provide innovative additional services.</p>			
<p>(27) In case the availability of the digital euro were contingent upon free business decisions by all payment service providers, the digital euro could be marginalised or even excluded by the payment service providers. That could prevent users from paying and receiving payments in a form of currency endowed with the status of legal tender. In that case, the singleness in the use of the digital euro throughout the euro area required by Article 133 TFEU, would not be guaranteed. It is therefore essential that designated payment service providers be required to distribute digital euro basic services.</p>			

<p>(28) A requirement to distribute the digital euro should be proportionate to the objective of ensuring an effective use of the digital euro as a legal tender means of payment. Restricting that obligation to credit institutions that are already active in retail business services would ensure the effectiveness of legal tender status, while avoiding putting a disproportionate burden on payment service providers with specialised, non-consumer oriented business models. The obligation to distribute the digital euro is therefore limited to credit institutions providing payment account services at the request of their clients. This is without prejudice to the application of Chapter IV of the Payment Account Directive on access to payment account with basic features to the access to digital euro account with basic features to consumers which are not client of a credit institution.</p>			
<p>(29) To ensure a wide usage of the digital euro, including for people who do not have a non-digital euro payment account, do not wish to open a digital euro payment account at a credit institution or at another payment service providers that may distribute the digital euro, or persons with disabilities,</p>			<p>NL (MS comments): NL: We propose changing this article and broadening the scope of this article from public entities to all categories of PSPs as defined in the</p>

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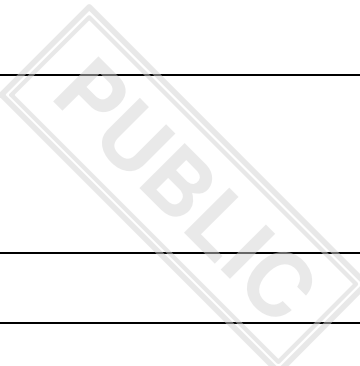
<p>functional limitations or limited digital skills, and elderly persons, it is essential that public entities, including local or regional authorities, or postal offices, distribute the digital euro. For that purpose, Member States should designate entities that should carry out that task within their territory. Such entities, as payment services providers under Directive (EU) 2015/2366, should comply with the provisions of this Regulation, including Directive (EU) 2015/2366 and Directive (EU) 2015/849.</p>			<p>PSD2, except for the ECB and National Central Banks.</p> <p>Drafting proposal: “(29) To ensure a wide usage of the digital euro, including for people who do not have a non-digital euro payment account, do not wish to open a digital euro payment account at a credit institution or at another payment service providers that may distribute the digital euro, or persons with disabilities, functional limitations or limited digital skills, and elderly persons, it is essential that designated public entities, including local or regional authorities, or postal offices, distribute the digital euro. For that purpose, Member States should designate entities that should carry out that task within their territory. Such entities, as payment services providers under Directive (EU) 2015/2366, should comply with the provisions of this Regulation, including Directive (EU) 2015/2366 and Directive (EU) 2015/849.</p>
<p>(30) To enable a wide usage of the digital euro and keep pace with innovation in digital payments, digital euro payment services should include</p>			



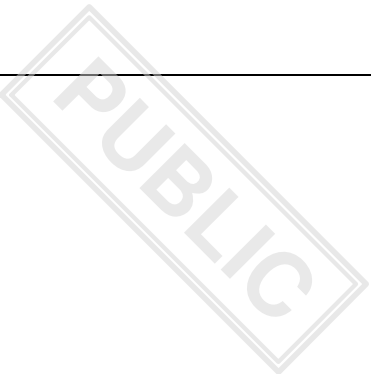
<p>basic and additional digital euro payment services. Basic digital euro payment services are payment, account or support services that are considered essential for the use of the digital euro by natural persons. This includes inter alia the provision of at least one payment instrument to natural persons. Only account servicing payment service providers under Directive 2015/2366 should provide the entire set of basic digital euro services. In addition to these basic digital euro payment services, account servicing payment service providers and other payment service providers under Directive 2015/2366 may develop and provide additional digital euro payment services. Additional digital euro payment services include for instance conditional digital euro payment transactions like pay-per-use or payment initiation services. The digital euro infrastructure should facilitate the deployment of such optional services.</p>			
<p>(31) Pursuant to its powers under the Treaties and in line with the provisions of this Regulation, the European Central Bank should be able to set limits on the use of the digital euro as a store of value. The effective</p>	<p>(31) Pursuant to its powers under the Treaties and in line with the provisions of this Regulation, the European Central Bank should be able to develop instruments that set limits on the use of the digital euro as a store of value. The effective use of the digital euro as a legal</p>		<p>NL (MS comments): NL: Please refer to our comment to Article 16. We reserve our right to comment on the establishment of</p>

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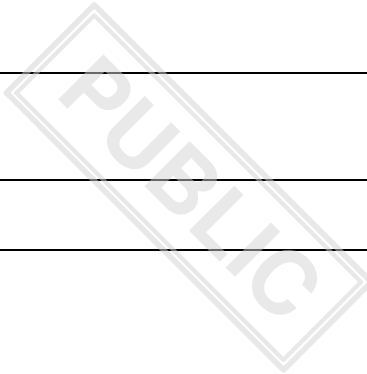
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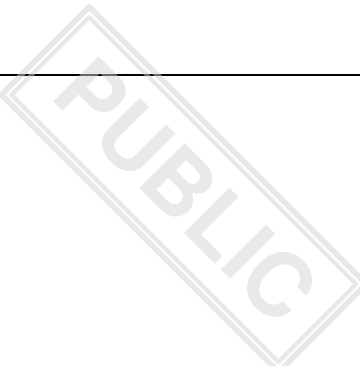
<p>use of the digital euro as a legal tender means of payment should be preserved through limits on inter-PSP or merchant fees.</p>	<p>tender means of payment should be preserved through limits inter-PSP or merchant fees.</p>		<p>holding limits (or limits to the digital euro as a store of value) after having reviewed drafting suggestions following the recent Eurogroup discussion on article 16.</p>
	<p>(31a) Furthermore, in order to counter any negative effects for merchants of the mandatory acceptance of the digital euro as a legal tender means of payment, as well as to preserve the stability of the financial system and the effective implementation of monetary policy, limits should be imposed on the amount of inter-PSP fees or merchant service charges.</p>		<p>NL (MS comments): NL: We propose specifying that these negative effects can be felt by merchants as well as PSP’s.</p> <p>Drafting: “Furthermore, in order to counter any negative effects for merchants and PSPs of the mandatory acceptance and distribution of the digital euro as a legal tender means of payment, as well as to preserve the stability of the financial system and the effective implementation of monetary policy, limits should be imposed on the amount of inter-PSP fees or merchant service charges.”</p> <p>ES (MS comments): We would place this in recital 42, when talking about the compensation model, in particular, about the need not to establish excessive fees. Articles 31 to 39 refer to the limits of</p>

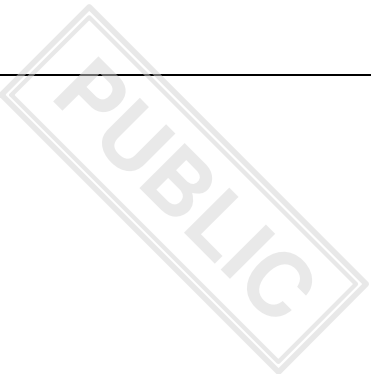
			the D€ as store of value, so this content does not seem so suited here.
<p>(32) An unrestricted use of digital euro as a store of value could endanger financial stability in the euro area, with adverse effects on credit provision to the economy by credit institutions. This may require that the European Central Bank, with a view to ensuring the stability of the financial system, and in line with the principle of proportionality, introduce limits on the digital euro's use as a store of value. The policy tools that could be used for this purpose include, but would not be restricted to, quantitative limits to individual digital euro holdings and limits to conversion of other categories of funds to digital euro in a specified timeframe. When deciding on the parameters and use of the instruments referred to in paragraph 1, the European Central Bank should respect the principle of an open market economy with free competition, in accordance with Article 127(1) TFEU.</p>	<p>(32) An unrestricted use of digital euro as a store of value could endanger financial stability in the euro area, with adverse effects on credit provision to the economy by credit institutions. This may requires that the European Central Bank, with a view to ensuring the stability of the financial system and the effective implementation of monetary policy, and in line with the principle of proportionality, introduces instruments that limits on the digital euro's use as a store of value. The policy tools that could be used for this purpose should include, but would not be restricted to, quantitative limits to individual digital euro holdings and limits to the conversion of other categories of funds to digital euro in a specified timeframe. When deciding on these instruments and their parametersand use of the instruments referred to in paragraph 1, the European Central Bank should respect the framework defined in this Regulation, such as the principle of proportionality. It should also respect the principle of an open market economy with free competition, in accordance with Article 127(1).</p>		<p>NL (MS comments): NL: Please refer to our comment to Article 16. We reserve our right to comment on the establishment of holding limits (or limits to the digital euro as a store of value) after having reviewed drafting suggestions following the recent Eurogroup discussion on article 16.</p> <p>ES (MS comments): We would make an explicit reference to the mechanism to fixHL and the role of the Council by fixing the ceiling (once the procedure has been approved)</p>
	<p>(32a) For the purpose of enforcing any limits on the use of the digital euro as a store</p>		NL

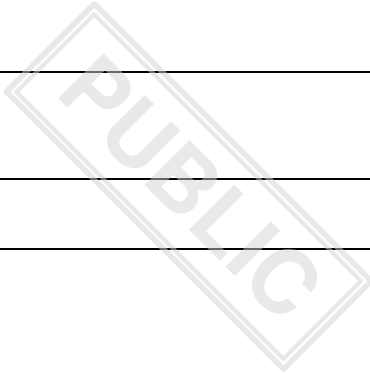
	<p>of value, payment service providers distributing the digital euro should verify, when on-boarding digital euro users or during ex-post checks where appropriate, whether their prospective or existing digital euro customers already hold digital euro payment accounts. Since digital euro users may hold digital euro payment accounts in different Member States and in view of the need to ensure the efficient functioning of the digital euro across the euro area, the Eurosystem may support payment service providers in performing the task of enforcing these limits, including by establishing a single access point of digital euro user identifiers and the related digital euro holding limits.</p>		<p>(MS comments): NL: We support this amendment.</p>
<p>(33) Limits should not be used to substitute for early intervention or other supervisory measures. Neither should such limits be imposed to address situations of individual credit institutions which competent resolution authorities or other relevant authorities would normally deal with by using tools and powers at their disposal, including suspensions of payment, moratoria, measures available under Directive 2013/36/EU, Directive 2014/59/EU or Regulation (EU) No 806/2014, or other similar measures which are aimed at restoring the viability, resolving the</p>			

<p>institution concerned or otherwise remedying the situation of financial distress.</p>			
<p>(34) Digital euro users should have the choice to use the digital euro either online or offline, or both, subject to the limits set respectively by the European Central Bank and by a Commission implementing act. The payment service providers should register and de-register the local storage devices for offline digital euro payment transactions of their customers. The payment service providers should only store the identifier of the local storage device used for offline digital euro for the duration of facilitating the provision of offline digital euro to their customers. The payment service providers should implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the identifier of the device of individual digital euro users cannot be used for other purposes other than for the purpose of the provision of offline digital euro.</p>			



<p>(35) The payment service providers should register and re-register the local storage devices for offline digital euro payment transactions of their customers. The payment service providers should only store the identifier of the local storage device used for offline digital euro for the duration of facilitating the provision of offline digital euro to their customers. The payment service providers should implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the identifier of the device of individual digital euro users cannot be compared with the information about the digital euro user in order to identify the data subject, except for the purpose of Article 37.</p>			
<p>(36) The digital euro should allow for a smooth payment experience. Any instruments that the European Central Bank might employ to limit the digital euro's store of value function should take this objective into account. Automated mechanisms that link a digital euro payment account with a non-digital euro payment account should allow for an uninhibited payment functionality of the digital euro, by</p>			

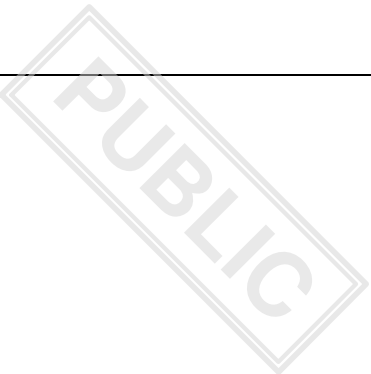
<p>ensuring that transactions are successfully executed in the presence of individual digital euro holding limits that may become binding on the payer’s or payee’s side. In particular, digital euro users should be able to initiate a digital euro payment transaction even though the amount of their digital euro holdings is inferior to the amount of the transaction, by automatically mobilising funds from a non-digital euro payment account to complement the transaction amount (‘reverse waterfall functionality’). Conversely, digital euro users should be able to receive digital euro payment transactions even though the amount of the transaction exceeds the limit set on their digital euro holdings, by automatically transferring funds in excess of the limit to a non-digital euro payment account (‘waterfall functionality’). Such payment functionalities should be expressly authorized by digital euro users. Where digital euro payment account held by one payment service provider is linked with non-digital euro payment account held by another payment service provider, they should enter into an arrangement specifying their respective roles and responsibilities under data protection rules, as well as agree on the security measures necessary to ensure</p>			
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<p>secure transmission of personal data between the two payment service providers.</p>			
<p>(37) While instruments employed by the European Central Bank to limit an excessive use of the digital euro as a store of value aim at safeguarding financial stability and financial intermediation, they may nonetheless impact on and interact with the European Central Bank’s monetary policy stance. Such instruments would therefore need to be applied uniformly across the euro area in order to ensure the use of the digital euro as a single currency and the singleness of the monetary policy. Furthermore, a uniform application would be necessary to ensure a level playing field for payment service providers in the European single market or avoid an overly complex enforcement of any instrument through payment service providers on the basis of digital euro users’ residency. Within the framework of this Regulation, the digital euro should not bear interest for the purposes of primarily using the digital euro as a means of payment while limiting its use as a store of value.</p>	<p>(37) While instruments employed by the European Central Bank to limit an excessive use of the digital euro as a store of value aim at safeguarding financial stability and financial intermediation, they may nonetheless impact on and interact with the European Central Bank’s monetary policy stance. Such instruments would therefore need to be applied uniformly across the euro area in order to ensure the use of the digital euro as a single currency and the singleness of the monetary policy. Furthermore, a uniform application would be necessary to ensure a level playing field for payment service providers in the European single market or avoid an overly complex enforcement of any instrument through payment service providers on the basis of digital euro users’ residency. Within the framework of this Regulation, Tthe digital euro should shall should not bear interest for the purposes of primarily using the digital euro as a means of payment while limiting its use as a store of value. This should be interpreted in the sense that the issuer of digital euros shall should not pay or charge interest to a digital euro user for the fact of holding digital euros. However, monetary obligations between digital euro users that are settled in digital euros could</p>		<p>NL (MS comments): NL: We support this amendment.</p>

	yield an interest rate as part of a contract between the two parties.		
(38) Limits to the use of the digital euro for digital euro users residing or established outside the euro area should not be more favourable than for digital euro users residing or established in the euro area, also to cater for monetary sovereignty and financial stability concerns both within and outside the euro area.			
(39) Any limits to the store of value function that the European Central Bank decided on should be binding on and implemented by the payment service providers distributing the digital euro. While natural or legal persons may have one or more digital euro payment accounts at the same payment service provider or at different payment service providers, they should be subject to an individual holding limit that a digital euro user may allocate across different payment services providers. Payment service providers may offer digital euro users the possibility to legally have a joint digital euro payment account. In this case, any holding limit applied to the joint digital euro payment account	(39) Any limits to the store of value function that the European Central Bank decided on should be binding on and implemented by the payment service providers distributing the digital euro. While natural or legal persons may have one or more digital euro payment accounts at the same payment service provider or at different payment service providers, they should be subject to an individual holding limit that a digital euro user may allocate across different payment services providers. Payment service providers may offer digital euro users the possibility to legally have a jointly hold a digital euro payment account. In this case, any holding limit applied to the joint digital euro payment account should be equal to the sum of the holding limits that each of the joint account holders digital euro users allocates to it . Where a digital		NL (MS comments): NL: We support this amendment, except for the first sentence, for which we reserve our comments until drafting suggestions have been proposed in line with the recent Eurogroup discussion on holding limits. Please also refer to our comment to Article 16(1).

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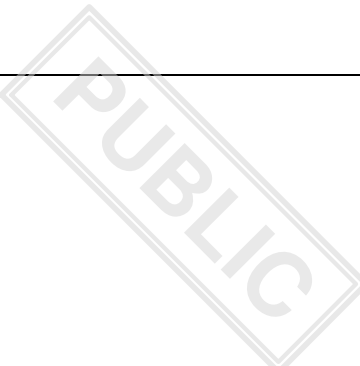
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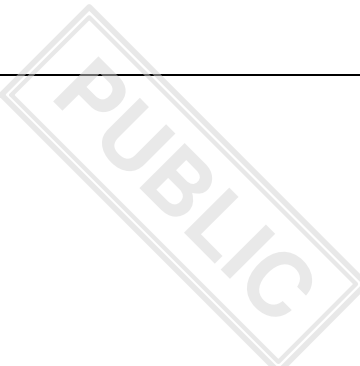
<p>should be equal to the sum of the allocated holding limits of the digital euro users. Where a digital euro payment account is legally held by only one digital euro user, but can be technically accessed to and used by several persons, upon de facto or legal mandate given by the digital euro user, any holding limit applied to the digital euro payment account should remain equal to the holding limit defined for a digital euro payment account held by a single digital euro user, to avoid any circumvention of the holding limits.</p>	<p>euro payment account is legally held by only one digital euro user, but can be technically accessed to and used by several other persons, upon de facto or legal mandate given by the digital euro user, any holding limit applied to that digital euro payment account should remain equal to not exceed the individual holding limit defined for a digital euro payment account held by a allocated by that single digital euro user, to avoid any circumvention of the holding limits.</p>		
<p>(40) To ensure wide access to and use of the digital euro, consistent with its status of legal tender, and to support its role as monetary anchor in the euro area, natural persons residing in the euro area, natural persons who opened a digital euro account at the time they resided in the euro area, but no longer reside there, as well as visitors, should not be charged for basic digital euro payment services. That means that such digital euro users should not bear any direct fees for their basic access to and basic use of the digital euro, including not being charged transaction fees or any other fees that are directly associated with the provision of services</p>	<p>(40) To ensure wide access to and use of the digital euro, consistent with its status of legal tender, and to support its role as monetary anchor in the euro area, natural persons residing in the euro area, Union citizens who do not reside in the euro area but who exercise their free movement rights, natural persons who opened a digital euro account at the time they resided in the euro area, but no longer reside there, as well as visitors, should not be charged for basic digital euro payment services when they act as consumers. That means that such digital euro users should not bear pay any direct fees for their basic access to and the provision of basic use of the digital euro payment services, including not being charged transaction fees or any other fees that are directly associated with</p>		<p>NL (MS comments): NL: Regarding the cash infrastructure not being part of free of charge services, we <u>strongly support</u> the drafting suggestions. Please note that in our opinion, it is appropriate for digital euro consumers to pay a reasonable package for the services provided by their PSPs. Moreover, it would be valuable to have an integral discussion on the basic services which should be provided by PSPs free of charge, as this annex has been partially updated or altered in in several CWP's.</p>

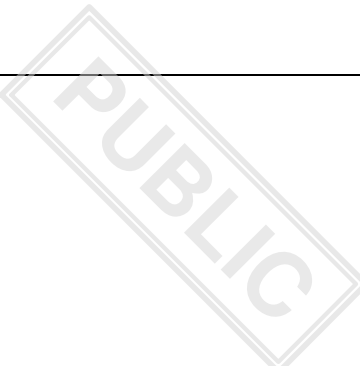
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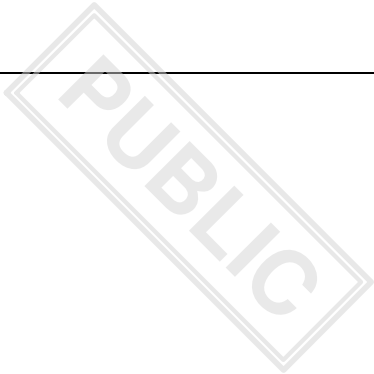
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<p>related to the basic use of the digital euro. Digital euro users should not be required to have or open a non-digital euro payment account or to accept other non-digital euro products. Where the digital euro user agrees to a package of services comprising non-digital euro services and basic digital euro payment services, the payment service provider should be able to charge that package of services at its discretion. In that case, there should not be a differentiated charge for the non-digital euro services when they are offered separately or as part of a package including basic digital euro payment services. Where the digital euro user asks to receive only basic digital euro payment services with a payment service provider, those services should not be charged, including for waterfall and reverse waterfall functionalities where the digital euro user also has a non-digital euro payment account with another payment service provider. Payment service providers should be able to charge digital euro users for additional digital euro payment services beyond the basic digital euro payment services.</p>	<p>the provision of services related to the basic use of the digital euro payment services. This should not prevent charging fees to those digital euro users for the provision of services in addition to basic digital euro payment services, such as fees for the conversion of non-euro holdings in digital euro. The provision of services to convert digital euro into cash or cash into digital euro (funding and defunding of digital euro in relation to cash) should not be covered by the obligation to provide basic digital euro payment services free of charge since the handling of cash and the operation between cash and digital euro involves particular costs for payment service providers. However, payment service providers should not charge more to the same customers when they fund and defund digital euro from and into cash, than what they charge for cash services in relation to non-digital euro payment accounts. Digital euro users should not be required to have or open a non-digital euro payment account or to accept other non-digital euro products. Where the digital euro user agrees to a package of services comprising both non-digital euro services and basic digital euro payment services, the payment service provider should be able to charge that package of services at its discretion. In that case, there should not be a differentiated charge for the non-digital euro services when they are offered separately or as part of a package including basic digital euro payment services. Where the a</p>	<p style="text-align: center; font-size: 2em; opacity: 0.2; transform: rotate(-45deg); border: 1px solid gray; padding: 10px;">PUBLIC</p> <p>ES (MS comments):</p> <p>The wording visitors “when they act as consumers” works due to the definition of consumers provided in Article 2.</p> <p>This recital deals with basic services. We believe there was wide consensus to also include basic acquiring services, compulsory for acquirer PSPs and subject to the caps for merchants.</p>
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	<p>digital euro user asks to receive only basic digital euro payment services with from a payment service provider, those services should not be charged, including for waterfall and reverse waterfall functionalities that are linked to where the digital euro user also has a non-digital euro payment account held with another payment service provider. Payment service providers should be able to charge digital euro users for the provision of additional digital euro payment services beyond the basic digital euro payment services.</p>		
	<p>(40a) Since payment services providers distributing the digital euro would not be able to charge fees to consumers for basic digital euro payment services, an inter-PSP fee may be charged to compensate for the distribution costs of those payment service providers. The inter-PSP fee should provide sufficient compensation for the distribution costs of both the distributing and acquiring payment service providers, including a reasonable margin of profit.</p>		<p>IT (MS comments): We would suggest deleting the second sentence, as it may raise doubts rather than providing clarity (for example, how exactly should the inter-PSP fee guarantee that the acquiring costs are covered? How could a reasonable margin of profit be defined?).</p> <p>(40a) Since payment services providers distributing the digital euro would not be able to charge fees to consumers for basic digital euro payment services, an inter-PSP fee may be charged to compensate for the distribution costs of those payment service providers. The</p>

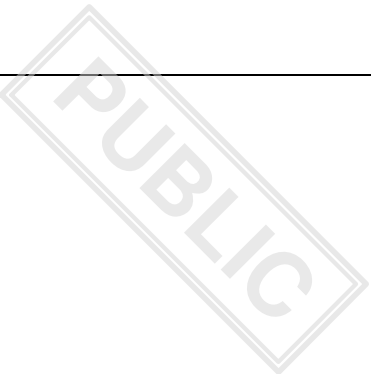
			<p>inter PSP fee should provide sufficient compensation for the distribution costs of both the distributing and acquiring payment service providers, including a reasonable margin of profit.</p> <p>NL (MS comments): NL: We support the proposed drafting suggestions.</p> <p>ES (MS comments): This recital assumes that the final model is cost based.</p>
<p>(41) The European Central Bank or the Eurosystem do not charge payment service providers for the costs it bears to support their provision of digital euro services to digital euro users.</p>	<p>(41) The European Central Bank and the national central banks of the Eurosystem should do not charge digital euro users and payment service providers for the tasks they perform through the digital euro settlement infrastructure, nor for the provision of support services to payment service providers costs it bears to support their provision of digital euro services to digital euro users. Since the Eurosystem central banks should not charge settlement and scheme fees to payment service providers, the fees charged by payment service providers to digital euro users or to other payment service providers should not include costs of activities for which</p>		<p>NL (MS comments): NL: We agree with this amendment. We do note that – among others – Germany and NL asked for the impact of this choice on the central banks’ profits, which was responded with a rather minimal answer. It would be appreciated to receive a more substantial answer to the possible impact this regulation could have on seigniorage income and central banks’ profits, which influences the budgets of the MSs.</p>

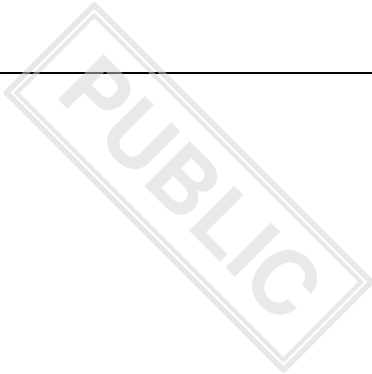
	<p>the Eurosystem bears the costs (including settlement and scheme activities).</p>		<p>ES (MS comments): Proposal to make clearer hat the ECB will not charge for the settelement infrastructure: “Since the Eurosystem central banks should will not charge settlement and scheme fees to payment service providers, the fees charged by...”</p>
<p>(42) As the digital euro is a form of the single currency having legal tender status, digital euro payment transactions should not be subject to excessive fees by payment service providers. In particular, granting the digital euro legal tender status, with the corollary of mandatory acceptance, means that merchants would have no choice but to accept digital euro payment transactions. Furthermore, any charge or fee per transaction or period erodes, directly or indirectly, the face value of payments received, which is an essential component of the legal tender status. It is therefore essential that a fee or a charge, as a restriction of the face value of the digital euro, be objectively justified and proportionate to the objective of ensuring an effective use of</p>	<p>(42) As the digital euro is a form of the single currency having legal tender status, payment service providers digital euro payment transactions should not charge be subject to excessive fees by for the provision of online and offline digital euro payment services providers. In particular, granting the digital euro legal tender status, with the corollary of mandatory acceptance, means that merchants would have no choice but to accept digital euro payments transactions. Furthermore, any charge or fee per transaction or period erodes, directly or indirectly, the face value of payments received, which is an essential component of the legal tender status. It is therefore essential that any fee or a charge, as a restriction of the face value of the digital euro, be objectively justified and proportionate to the objective of ensuring an effective use of the digital euro as a legal tender means of payment.</p>		<p>NL (MS comments): NL: We agree with the proposed amendment.</p> <p>ES (MS comments): Not all merchants will be obliged to accept. Also not only merchants but also other payees are affected by yhe mandatory acceptance. Instead of referring to “merchants” we would refer to “payees that do not benefit from an exception under Article 9”</p> <p>(Recital 42b) In the non paper ES presented on february, the ES delegation suggested the introduction of a transitory compensation model,</p>

<p>the digital euro as a legal tender means of payment.</p>			<p>described in a new recital 42b. There seemed to be consensus on the need to introduce a transitional model based on comparable means of payment, possibly with a no worse off clause. The duration of the transitional model is still to be agreed upon MSs. The procedure to implement the no worse off clause is still to be determined.</p>
<p>(43) To ensure that fees and charges are uniform across the euro area and proportionate, the European Central Bank should regularly monitor their level and, on this basis, publish the corresponding amounts together with an explanatory report. A maximum fee or charge should allow for free competition between intermediaries below that level. Fees or charges should not exceed the relevant costs incurred by payment service providers for the provision of digital euro payment services in relation to digital euro payment transactions, which are objective elements, and may include a reasonable margin of profit. For that purpose, the European Central Bank should use an estimate of the representative average cost incurred by payment service providers across the euro area and should therefore be in a position to collect relevant data from</p>	<p>(43) To ensure that fees and charged to merchants and public sector entities are justified, non-excessive uniform across the euro area and proportionate, any such fees should be limited in a uniform manner throughout the euro area. €The Commission, with the technical support of the European Central Bank, should regularly monitor their level and ,on this basis, be empowered to adopt, by means of delegated acts, the methodology for the calculation of maximum fees or charges publish the corresponding amounts together with an explanatory report. A maximum fee or charge should allow for free competition between intermediaries below that level. The fees or charges actually charged, while complying with the maximum fees and charges as determined in a Commission implementing act, may vary depending on the payment service provider, the Member State of their establishment, the relevant payment</p>		<p>NL (MS comments): NL: We believe this recital is no longer in line with the compensation model discussed and requires redrafting. We propose redrafting this recital once a general direction for the compensation model has been established. Currently, this would mean that the uniformity of maximum fees would not apply at first, during a transitory phase, after which the final compensation model kicks in and prices do become uniform across the euro area.</p> <p>ES (MS comments): If in the end the no worse off clause is maintained in the long term, it should be stated that the uniform cap could be</p>

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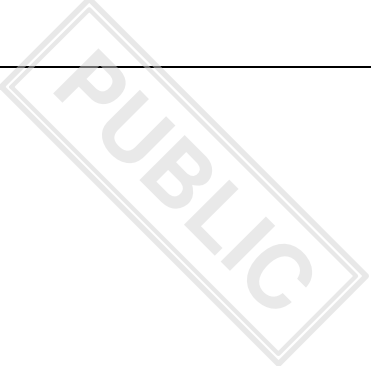
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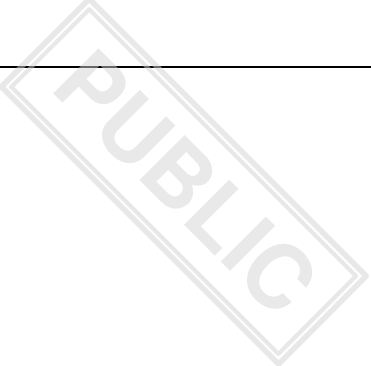
<p>payment service providers. The relevant costs for providing digital euro payment services in relation to digital euro payment transactions should be based on the costs incurred by a representative group of the most efficient payment service providers in a given year. Competent authorities designated by Member States should be responsible for ensuring compliance by payment service providers with these maximum fees or charges.</p>	<p>use cases and the type of payees, such as merchants and public sector entities. Fees or charges should not exceed the relevant costs incurred by payment service providers for the provision of digital euro payment services in relation to digital euro payment transactions, which are objective elements, and may include a reasonable margin of profit. For that purpose, the Commission, with the technical support of the European Central Bank, should use an estimate of the representative average cost incurred by payment service providers across the euro area and should therefore be in a position to collect relevant data from payment service providers. The relevant costs for providing digital euro payment services in relation to digital euro payment transactions should be based on the costs incurred by a representative group of the most efficient payment service providers in a given year. Competent authorities designated by Member States should be responsible for ensuring compliance by payment service providers with these maximum fees or charges.</p>		<p>complemented by non uniform caps. If it is just maintained for the transitional period, it should be stated that during that period caps would not be uniform.</p>
	<p>(43a) The calculation of the maximum fees should involve a cost-based analysis and a comparison with fees charged for the provision of payment services with regard to comparable digital means of payment. The</p>		<p>IT (MS comments): We would suggest, for a transitory period, to use the cost-based analysis as a monitoring tool (for further</p>

	<p>maximum fee or charge should be the lower of the two.</p>		<p>references on this position please see also article 17). Accordingly, the calculation of the maximum fee or charge should involve only comparable digital means of payment, in an intitial phase.</p> <p>NL (MS comments):</p> <p>NL: We believe this recital is no longer in line with the compensation model discussed and requires redrafting. We propose redrafting this recital once a general direction for the compensation model has been established.</p> <p>ES (MS comments):</p> <p>Needs further discussion</p>
	<p>(43b) For the purpose of the cost-based methodology, fees or charges should not exceed the relevant costs incurred by payment service providers for the provision of digital euro payment services, which are objective elements, and may include a reasonable margin of profit. To ensure its proportionality, payment service providers should orient their margin of profit towards an industry conform rate of return on capital, that payment service providers make on investments in payment</p>		<p>IT (MS comments):</p> <p>While we are in favour of the principle of using cost-based methodologies to monitor efficiency, we would advise caution against assuming that costs are "objective elements" and that data are easily measurable. In practice, identifying and allocating relevant costs is a complex process, even for</p>

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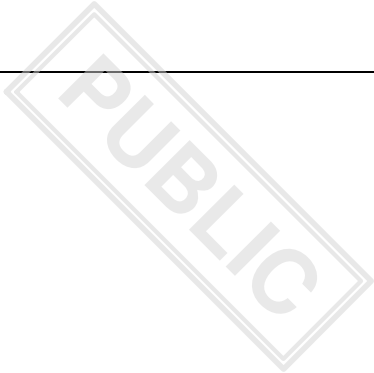
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	<p>services with a similar risk profile. For calculating the costs, the Commission, with the technical support of the European Central Bank, should use an estimate of the average relevant costs incurred by payment service providers across the euro area and should therefore be in a position to collect relevant data from payment service providers. The calculation of the relevant costs for providing digital euro payment services in relation to digital euro payment transactions should be based on the costs incurred by at least a statistically representative group of the most cost-efficient payment service providers. This group should be representative, at least of the different national payment markets, and of payment service providers' turnovers in digital euro. Cost efficiency should be measured in terms of the average costs, including both relevant variable and fixed costs, for a given payment service provider providing basic digital euro payment services, assessed at the level of the national entity or subsidiary in case of payment service providers operating in several Member States. Only the costs directly attributable to the provision of basic digital euro payment services should be considered. When reporting, payment service providers should justify the inclusion of costs categories, their measurement and allocation, and split the costs between variable and fixed costs.</p>		<p>well-established payment instruments such as credit and debit cards. These challenges are thoroughly outlined in the relevant literature. The ECB's 2022 overview of national studies on the costs of retail payments highlights significant methodological differences across countries. As stated in the 2012 ECB study on the social and private costs of retail payments, reliable cost data is scarce, and it is difficult to apply consistent methodologies across different jurisdictions. Activity-Based Costing (ABC) has been proposed as a suitable approach for allocating costs to payment instruments, but its practical implementation is hindered by the limited granularity of internal accounting systems for many PSPs, often resulting in inconsistencies even within the same country (see ECB 2022). In the absence of clear, harmonised, and operationally feasible guidelines for cost reporting, there is a significant risk of heterogeneity in cost estimations, especially if the responsibility for cost reporting is placed on PSPs, as suggested in the last sentence. This could compromise the comparability and fairness of the resulting fee caps. We therefore</p>
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			<p>recommend that the Commission and the ECB provide a detailed and standardised framework for cost identification, allocation, and reporting. It is also vital that this framework takes into account the practical limitations of data availability and the need to balance precision with administrative burden.</p> <p>NL (MS comments):</p> <p>NL: We support this recital, but believe that it should be revisited once a general approach/direction of travel has been determined for the compensation model of the digital euro.</p> <p>ES (MS comments):</p> <p>Needs further discussion</p>
<p>(44) Furthermore, to ensure an effective use of the digital euro, it is important that fees or charges are not higher than those requested for comparable private digital means of payment. International card schemes regulated under Regulation (EU) 2015/751 of the European Parliament</p>	<p>(44) Furthermore, to ensure an effective use of the digital euro, that the legal tender status of the digital euro does not result in an increase in the fees for merchants and public sector entities as regards the acceptance of payments, and that a level playing field with other comparable digital means of payment is maintained, it is important that fees or charges</p>		<p>NL (MS comments):</p> <p>NL: We believe this recital is no longer in line with the compensation model discussed and requires redrafting. We propose redrafting this recital once a general direction for the</p>

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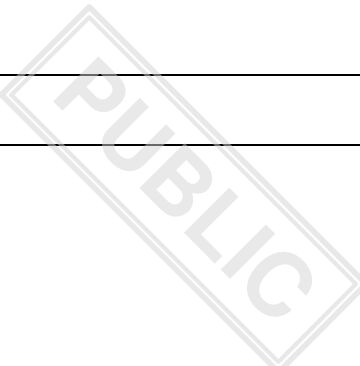
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<p>and the Council¹³, national card schemes, and instant payments at the point of interaction provided by payment service providers should be considered comparable means of payments.</p>	<p>for basic digital euro payment services are not higher than those requested for payment services for comparable private digital means of payment. Debit card transactions under international card schemes and national card schemes regulated under Regulation (EU) 2015/751 of the European Parliament and the Council¹⁴, national card schemes direct debits, and credit transfers, including instant payments, initiated at the point of interaction provided by payment service providers should be considered comparable means of payments. Credit card payments, as well as credit transfers and direct debits that are not initiated at the point of interaction should not be considered as comparable means of payment for this purpose, taking into account that digital euro payments are debited immediately and that other means of payment are only comparable if initiated at the point of interaction. The representativeness of the sample should at least consider the specificities of the national payment markets, and the volume of transactions in comparable payment means.</p>		<p>compensation model has been established. Moreover, we welcome a discussion on the relevant comparable means of payment and implications of this selection for fees and caps of the digital euro.</p> <p>ES (MS comments): Needs further discussion</p>

¹³ Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions (OJ L 123, 19.5.2015, p. 1).

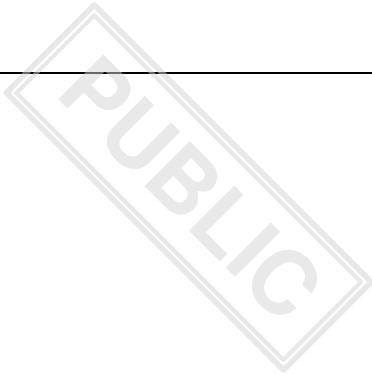
¹⁴ Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions (OJ L 123, 19.5.2015, p. 1).

	(44a) Competent authorities designated by Member States should be responsible for ensuring compliance by payment service providers with these maximum fees or charges.		NL (MS comments): NL: We support this amendment.
(45) As payment services providers distributing the digital euro would not be in a position to charge fees to natural persons for basic digital euro payment services, an inter-PSP fee may be needed to provide compensation to those payment service providers for the distribution costs. The inter-PSP fee should provide sufficient compensation for the distribution costs of both the distributing and acquiring payment service providers, including a reasonable margin of profit.	(45) — As payment services providers distributing the digital euro would not be in a position to charge fees to natural persons for basic digital euro payment services, an inter-PSP fee may be needed to provide compensation to those payment service providers for the distribution costs. The inter-PSP fee should provide sufficient compensation for the distribution costs of both the distributing and acquiring payment service providers, including a reasonable margin of profit.		
(46) The distribution of the digital euro by natural or legal persons residing or established outside the euro area would contribute to foster the international use of the euro. This would also bring benefits to the euro area and other economies by facilitating cross-border payments for the purpose of trade or remittances, in line with the G20 agenda.			

<p>(47) An excessive distribution of the digital euro outside the euro area could have an unwanted impact on the size and composition of the consolidated balance sheet of the European Central Bank and national central banks. Impacts on monetary sovereignty and financial stability of non-euro area countries may also differ depending on the use of the digital euro outside the euro area. Those impacts could be harmful in case the digital euro replaces the local currency in a high number of domestic transactions. In particular, a situation in which the digital euro becomes dominant in a Member State whose currency is not the euro, thus de facto replacing the national currency, could interfere with the euro area adoption criteria and process set out in Article 140 TFEU. To avoid undesirable effects and prevent monetary sovereignty and financial stability risks, both within and outside the euro area, it is necessary to provide for the possibility for the Union to conclude agreements with third countries, and for the European Central Bank to conclude arrangements with the national central banks of Member States whose currency is not the euro and with the national</p>	<p>(47) An excessive distribution of the digital euro to natural or legal persons residing or established outside the euro area could have an unwanted impact on the size and composition of the consolidated balance sheet of the European Central Bank and the national central banks of the Eurosystem. Impacts on monetary sovereignty and financial stability of non-euro area countries may also differ depending on the use of the digital euro outside the euro area. Those impacts could be harmful in case the digital euro replaces the local currency in a high number of domestic transactions. In particular, a situation in which the digital euro becomes dominant in a Member State whose currency is not the euro, thus de facto replacing the national currency, could interfere with the euro area adoption criteria and process set out in Article 140 TFEU. To avoid undesirable effects and prevent monetary sovereignty and financial stability risks, both within and outside the euro area, it is necessary to provide for the possibility for the Union to conclude international agreements with third countries, and for the European Central Bank to conclude arrangements, which may include legally binding measures, with the national central banks of Member States whose currency is not the euro and with the national central banks of third countries, to specify the conditions for the regular provision of digital euro payment</p>		<p>NL (MS comments): NL: We support this amendment.</p> <p>ES (MS comments): The agreements should also not cover former residents of the EA</p>

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<p>central banks of third countries, to specify the conditions for the regular provision of digital euro payment services to digital euro users residing or established outside the euro area. Such agreements and arrangements should not cover visitors to the euro area, to whom payment service providers established in the European Economic Area¹⁵, in line with the Agreement on the European Economic Area, may directly provide digital euro payment services.</p>	<p>services to digital euro users residing or established outside the euro area. Such agreements and arrangements should not cover visitors to the euro area, to whom payment service providers established in the European Economic Area¹⁶, in line with the Agreement on the European Economic Area, may directly provide digital euro payment services, nor Union citizens who reside in a Member State whose currency is not the euro or in a third country while they exercise their free movement rights in a Member State whose currency is the euro (such as as workers, self-employed persons or by providing services).</p>		
<p>(48) The provision of digital euro payment services to digital euro users residing or established in a Member State whose currency is not the euro should be subject to a prior arrangement between the European Central Bank and the national central bank of the Member State whose currency is not the euro, following a request from the Member State whose currency is not the euro. In line with the Agreement on the European Economic Area, digital euro users residing or established in non-euro area Member States may be provided</p>	<p>(48) The provision of digital euro payment services to digital euro users residing or established in a Member State whose currency is not the euro should be subject to a prior arrangement between the European Central Bank and the national central bank of the Member State whose currency is not the euro, following a request decision from the Member State whose currency is not the euro. The arrangement should specify the necessary implementing measures and procedures, and the cases under which the arrangement may be restricted, suspended, or terminated. The arrangement should include, among others, main rights and</p>	<p>The proposal presented at the January CWP. As a follow-up to the Council Working Party meeting of 25 September 2024, several non-euro area Member States provided the Hungarian Presidency with a joint proposal regarding Article 18 and a related recital 48. Based on this proposal, the amendments aim to remove the sentence that was added to the recital 48 during the Belgian Presidency as:</p>	<p>NL (MS comments): NL: We agree with the amendments.</p> <p>CY (MS comments): Cyprus has no objections on the suggested drafting as this amendment ensures arrangements with non-euro area Member States are clearly defined, do not affect their monetary sovereignty.</p> <p>ES</p>

¹⁵ Agreement on the European Economic Area (OJ L 1, 3.1.1994, p. 3).

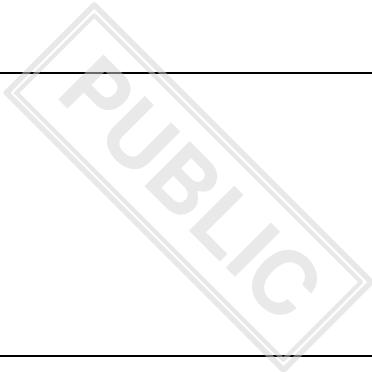
¹⁶ Agreement on the European Economic Area (OJ L 1, 3.1.1994, p. 3).

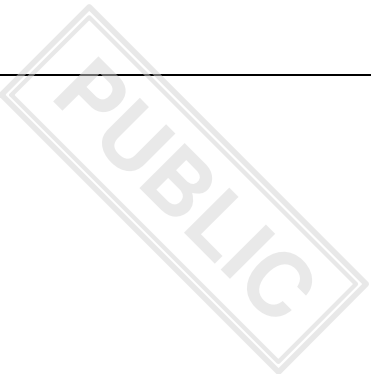
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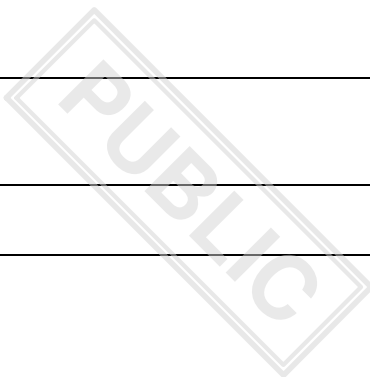
<p>digital euro payment services by payment service providers established in the European Economic Area.</p>	<p>obligations of the contracting parties, clauses regarding cooperation and exchange of information, and the date of entry into force. The arrangement should not endanger the monetary sovereignty of non-euro area Member States. Therefore, the arrangement should not require non-euro Member States to adopt legal provisions that could harm monetary sovereignty, such as Article 7 regarding legal tender status and Article 14 regarding the obligation for credit institutions to provide digital euro services. Member States, when considering this decision, and the European Central Bank, when finalising the arrangements with the national central banks of those Member States, should give due regard to the interests of natural and legal persons residing or established in Member States whose currency is not the euro, such as the interests of legal persons to be able to accept payments in digital euro when they sell goods or provide services to natural or legal persons who reside or are established in the euro area. In line with the Agreement on the European Economic Area, digital euro users residing or established in non-euro area Member States may be provided digital euro payment services by payment service providers established in the European Economic Area.</p>	<p>1) it may otherwise create the impression that acceptance of payments in digital euro by legal persons established in Member States outside the Eurozone is also subject to the arrangement between the ECB and NCBs; 2) there is a risk of the regulation laying down requirements by obliging the central bank to pay attention to specific interests which may challenge the central bank’s key mandate and ultimately potentially challenging central bank independence. Moreover, the proposal aims to clarify what the arrangement between the ECB and non-euro area NCB may consist of and it is further explained which provisions are considered relevant requirements in order to enter an arrangement pursuant to Article 18.</p>	<p>(MS comments): Agree. In any case, some of the elements of the explanation are contained in different recitals</p>

	<p>(48a) Allowing merchants established outside of the euro area to receive digital euro payments made by digital euro users, without being able to hold digital euro, would promote the free movement of payment services across the European Union. At the same time, the effects of this possibility on the consolidated balance sheet of the European Central Bank and national central banks of the Member States whose currency is the euro, on the monetary sovereignty and financial stability of Member States whose currency is not the euro and of third countries, as well as on the fulfilment of euro area accession criteria and the process set out in Article 140 TFEU for Member States whose currency is not the euro would be negligible. Merchants outside the euro area would be able to hold digital euros only subject to the conditions laid down in Articles 18, 19 or 20. This is why merchants in Member States whose currency is not the euro, and merchants in third countries, should be able to receive digital euro payment transactions from digital euro users that have access to the digital euro pursuant to Article 12a, without being subject to the conditions laid down in Articles 18, 19 or 20. This should be without prejudice to Articles 18, 19, and 20 and provided that national legislation of the Member State whose currency is not the euro, or of the relevant third country, does not prohibit such use.</p>	<p>The proposal presented at the January CWP and further clarified at the April CWP.</p> <p>Member States generally agreed with the approach and the proposed drafting suggestions regarding the extension of the approach in which PSPs are allowed to provide digital euro payment services, solely for the purpose of accepting payments from merchants in non-EA Member States in the absence of an agreement as per Articles 18, and to merchants in third countries in the absence of an agreement as per 19 and 20.</p>	<p>NL (MS comments):</p> <p>NL: We agree with the proposed amendments in this section.</p> <p>CY (MS comments):</p> <p>Cyprus agrees with the drafting suggestions to extend the option to accept digital euro payments to merchants in non-euro area Member States, while clarifying that these merchants can only accept but not hold digital euro.</p> <p>ES (MS comments):</p> <p>Agree with the idea. However, we have two comments:</p> <p>(i) We do not like the following wording: Merchants outside the EA would be able to hold D€ only subject to the conditions laid down in articles 18, 19 or 20. This wording gives the impression that merchants can have holdings. We want to make clearer in the regulation that merchants will not be allowed to have holdings (unless it is something temporary until there is a waterfall at the end of the day).</p> <p>(ii) we think it might be confusing that the 1st paragraph refers to</p>
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			<p>merchants established in NEAMS and to the free movement of payment services across the EU, but the refers to all merchants (also in 3rd countries) being able to receive D€ payments. Maybe it could be better to separate the sentences or make two different paragraphs for this.</p>
<p>(49) The provision of digital euro payment services to digital euro users residing or established in third countries, with the exclusion of third countries or territories that are under a monetary agreement with the Union, should be subject to a prior agreement between the Union and such third country. This should also apply in the case of States that are a party to the Agreement on the European Economic Area or the Convention establishing the European Free Trade Association. Such agreement should be complemented by an arrangement between the European Central Bank and the national central bank of the third country. Intermediaries established in the same country of residence or establishment than digital euro users and payment service providers established in the European Economic Area may provide digital euro payment services to digital euro users residing or established in third countries. Intermediaries providing</p>	<p>(49) The provision of digital euro payment services to digital euro users residing or established in third countries, with the exclusion of third countries or territories that are under a monetary agreement with the Union, should be subject to a prior international agreement between the Union and such third country. This should also apply in the case of States that are a party to the Agreement on the European Economic Area or the Convention establishing the European Free Trade Association. Such agreement should be complemented by an arrangement between the European Central Bank and the national central bank of the third country. Intermediaries established in the same country of residence or establishment than digital euro users and payment service providers established in the European Economic Area may provide digital euro payment services to digital euro users residing or established in third countries. Intermediaries providing digital euro payment services in third countries should be subject to adequate regulatory and supervisory requirements, with the objectives to ensure that the digital euro, which is a central bank money, is</p>		<p>NL (MS comments): NL: We support these amendments.</p> <p>ES (MS comments): Maybe here we could include the possibility of merchants established in 3rd countries to receive D€ payments without the need of an agreement (for the sake of clarity)</p>

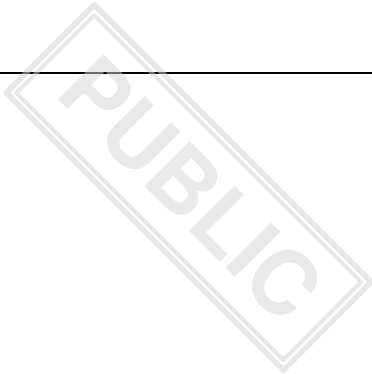
<p>digital euro payment services in third countries should be subject to adequate regulatory and supervisory requirements, with the objectives to ensure that the digital euro, which is a central bank money, is safely and adequately distributed, and is not misused. Regulatory and supervisory requirements should be determined as part of the conclusion of the international agreement, based on proportionate, objective and uniform criteria. Agreements and arrangements with high-risk third countries identified pursuant to Regulation <i>[please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final]</i> should be restricted, suspended, or terminated.</p>	<p>safely and adequately distributed, and is not misused. Regulatory and supervisory requirements should be determined as part of the conclusion of the international agreement, based on proportionate, objective and uniform criteria. Agreements and arrangements with high-risk third countries identified pursuant to Regulation (EU) 2024/1624 <i>[please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final]</i> should be restricted, suspended, or terminated.</p>		
<p>(50) The provision of digital euro payment services to digital euro users residing or established in third countries or territories, under a monetary agreement with the Union, should be governed by monetary agreements. Intermediaries established in the same country of residence or establishment than digital euro users and payment service providers established in the European Economic Area may provide digital euro payment services to digital</p>			

euro users residing or established in third countries or territories, under a monetary agreement with the Union.			
(51) The use of the digital euro in cross-currency payments would furthermore contribute to foster the international use of the euro. This would also bring benefits to the euro area and other economies by facilitating cross-border payments for the purpose of trade or remittances, in line with the G20 agenda.			
(52) Digital euro users, whether they reside or are established within the euro area or not, may also have the capacity to receive or initiate cross-currency payments between the digital euro and a local currency. Arrangements concluded between the European Central Bank and national central banks in Member States whose currency is not the euro and in third countries should specify the conditions for access to and use of interoperable payment systems for the purpose of cross-currency payments involving the digital euro.			

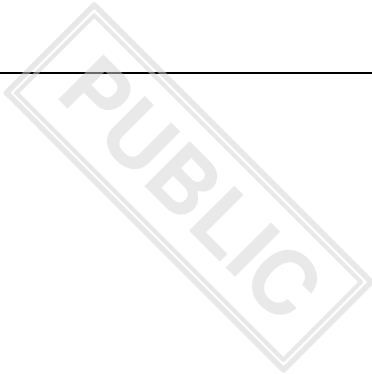


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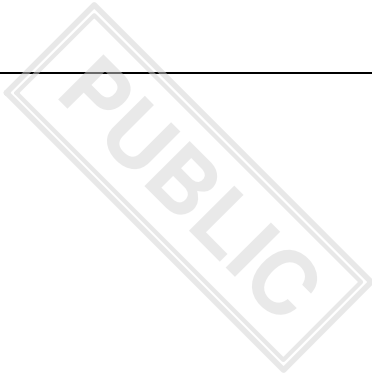
<p>(53) Agreements and arrangements related to the provision of digital euro payment services or cross-currency payments involving the digital euro should be concluded on a voluntary basis, in priority with non-euro area Member States. The European Central Bank should cooperate with national central banks of Member States whose currency is not the euro for the purpose of cross-currency payments involving the digital euro.</p>	<p>(53) Agreements and arrangements related to the provision of digital euro payment services or cross-currency payments involving the digital euro should be concluded on a voluntary basis, in priority with non-euro area Member States. The European Central Bank should cooperate with national central banks of Member States whose currency is not the euro for the purpose of enabling interoperable cross-currency payments involving the digital euro.</p>		<p>NL (MS comments): NL: We support these amendments</p>
<p>(54) The technical design of the digital euro should make it widely accessible to and usable by the general public. That design should, in particular, support access to financially excluded persons or persons at risk of financial exclusion, persons with disabilities by ensuring compliance with accessibility requirements laid down in Annex I of Directive (EU) 2019/882 of the European Parliament and the Council¹⁷ (European Accessibility Act), persons with functional limitations who would also benefit from accessibility, or persons with limited digital skills and</p>			

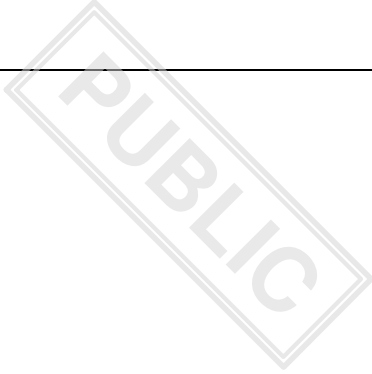
¹⁷ Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (OJ L 151, 7.6.2019, p. 70).

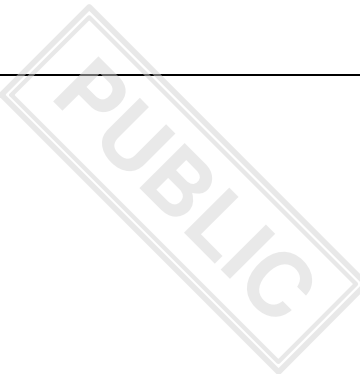
<p>elderly persons. For that purpose, the digital euro should have usage features that are simple and easy to handle, and should be sufficiently accessible through a wide range of hardware devices to cater for the needs of different groups of the population. Furthermore, payment service providers should provide digital euro users with digital euro payment services, regardless of those users holding non-digital euro payment accounts. In addition, those users should be allowed to have digital euro payment accounts with payment service providers that are different from the ones with which they have non-digital euro payment accounts.</p>			
	<p>(54a) Already today, payment services based on another alias than IBANs are provided in the EU. In addition to compulsory aliases, such as the digital euro payment alias number, payment service providers should therefore be able to provide a payment service that allows the execution of a digital euro payment by another alias when requested by the digital euro user. This should contribute to the uptake of the digital euro. Such other user aliases could include a phone number. The digital euro user would register these aliases with the digital euro payment service provider. Only the payment service provider</p>	<p>The proposal presented on the CWP on 01.04.2025 (Discussion note on privacy). The recital includes the justification on proxy alias infrastructure, following the technical seminar that took place on 06.03.2025.</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): The digital euro account number (DEAN) should not be considered an alias, since it refers to the account number to which aliases can be linked. We propose a minor adjustment to address this technical aspect.</p>

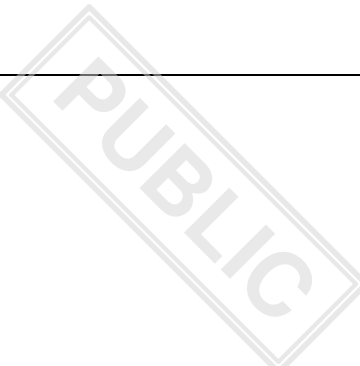
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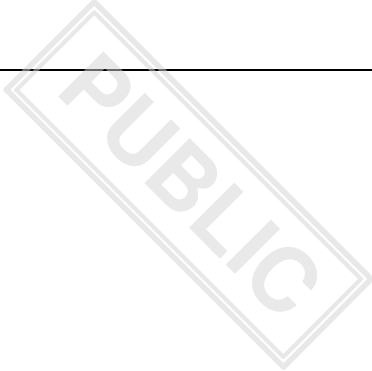
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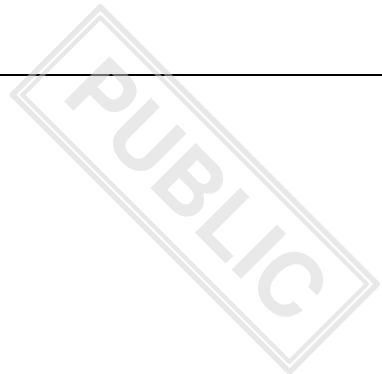
	<p>should be able to identify its users based on the additional aliases. To ensure an accurate and secure execution of the digital euro payment initiated by optional aliases, any payment service provider needs to be able to link the additional alias with the digital euro payment alias number. To ensure that any payment service provider can retrieve the digital euro payment alias number from any optional alias and reliably link the alias with the digital euro alias numbers across the Union, a single alias look-up service should be provided as part of the digital euro infrastructure. This service would ensure that the payee alias is not transmitted with the payment, in line with the data minimisation principle. A comparable service currently exists in payment service schemes. The information on optional aliases in the alias look-up component should be kept securely and separately from the digital euro payment account component and neither the European Central Bank, nor the national central banks should have access to it.</p>		<p>Draft suggestions (in green): (54a) Already today, payment services based on another alias than IBANs are provided in the EU. In addition to compulsory aliases, such as the digital euro payment alias number, payment service providers should therefore be able to provide a payment service that allows the execution of a digital euro payment by another alias when requested by the digital euro user. This should contribute to the uptake of the digital euro. Such other user aliases could include a phone number. The digital euro user would register these aliases with the digital euro payment service provider. Only the payment service provider should be able to identify its users based on the additional aliases. To ensure an accurate and secure execution of the digital euro payment initiated by optional aliases, any payment service provider needs to be able to link the additional alias with the digital euro account payment alias number. To ensure that any payment service provider can retrieve the digital euro payment alias account number from any optional alias and reliably link the alias with the digital euro alias account numbers across the Union, a</p>
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			<p>single alias look-up service should be provided as part of the digital euro infrastructure. This service would ensure that the payee alias is not transmitted with the payment, in line with the data minimisation principle. A comparable service currently exists in payment service schemes. The information on optional aliases in the alias look-up component should be kept securely and separately from the digital euro payment account component and neither the European Central Bank, nor the national central banks should have access to it.</p> <p>CY (MS comments): Cyprus supports the direction of enabling digital euro payments via additional user-friendly aliases while ensuring security, privacy, and proper linkage through a central look-up service.</p> <p>ES (MS comments): Agree</p> <p>HR (MS comments):</p>
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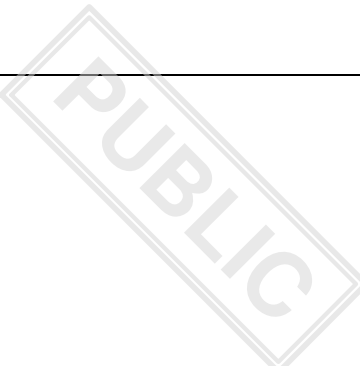
			<p>The proposal presented by the PL PRES on the CWP on 1.4.2025. reads differently:</p> <p>"xy) Already today, payment services based on another alias than IBANs are provided in the EU. In addition to compulsory aliases, such as the digital euro payment account number, payment service providers should therefore be able to provide a payment service that allows the execution of a digital euro payment by another alias when requested by the digital euro user. This should contribute to the uptake of the digital euro. Such other user aliases could include a phone number. The digital euro user would register these aliases with the digital euro payment service provider. Only the payment service provider should be able to identify their users based on the additional aliases.</p> <p>To ensure an accurate and secure execution of the digital euro payment initiated by optional aliases, any payment service provider needs to be able to link the additional alias with the digital euro payment account number.</p> <p>To ensure that any payment service provider can retrieve the digital euro payment account number from any optional alias and reliably link the alias</p>
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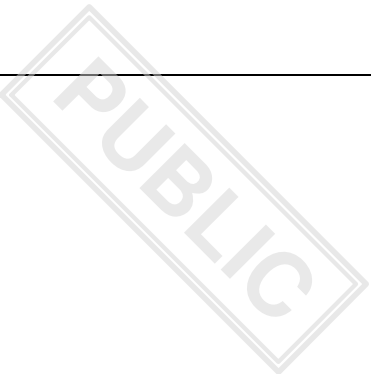
			<p>with the digital euro account numbers across the Union, a single alias look-up service should be provided as part of the digital euro infrastructure. This service would ensure that the payee alias is not transmitted with the payment, in line with the data minimisation principle. A comparable service currently exists in payment service schemes.</p> <p>The information on optional aliases in the alias look-up component should be kept securely and separately from the digital euro payment account component and neither the European Central Bank, nor the national central banks should have access to it.</p> <p>Also,during the same CWP meeting PL PRES proposed the following definition in Article 2(28): 28. ‘user alias’ means an account-specific unique pseudonymous identifier, created by the European Central Bank or and national central banks upon request of the payment service provider, used to protect the user’s identity when processing digital euro payment transactions that can only be attributable to an identifiable natural or legal person by the payment service</p>
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			<p>provider distributing the digital euro or by the digital euro user, including a compulsory alias (the digital euro payment account number) and, if requested by a digital euro user, additional proxy aliases that can also be linked to the account;</p> <p>We notice that PL PRES changed in the whole text of the Proposal and Annexes "the digital euro payment account number" into "the digital euro payment alias number" which was not presented in the PL PRES discussion note on privacy at the CWP on 1.4.2025.</p> <p>We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account. Also, PSD3/PSR will apply to these digital euro payment accounts.</p> <p>In the Article 2(5) of the Proposal the definition of the "digital euro payment <u>account</u>" is prescribed, but on the other hand in the Article 2(32) there is a new definition of the "digital euro payment <u>alias number</u>".</p>
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			<p>Does it mean that "digital euro payment <u>account</u> " do not have its number?</p> <p>What does the acronym DEAN than stand for:</p> <ul style="list-style-type: none"> - "Digital euro account number or - "Digital euro alias number"? <p>Also, during technical seminar that took place on 06.03.2025. Digital Euro Account Number (DEAN) was presented and it was stated that ECB operates DEAN Directory. It was also stated that the optional user data such as a <u>proxy alias (for example, mobile phone number)</u> would be processed by PoSS, separately from the settlement-critical data (DEAN, stored and operated by the Eurosystem).</p> <p>So, we believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p>
<p>(55) The digital euro should support the programming of conditional digital euro payment transactions by payment service providers. The digital euro</p>			

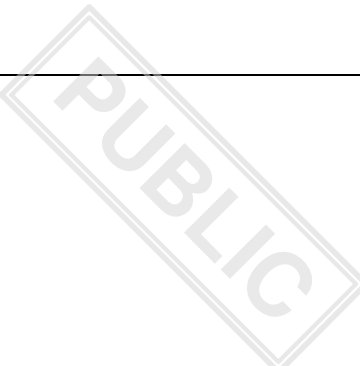
<p>should, however, not be “programmable money”, which means units that, due to intrinsically defined spending conditions, can only be used for buying specific types of goods or services, or are subject to time limits after which they are no longer usable. Conditional payment transactions are payments which are automatically triggered by software based on pre-defined and agreed conditions. Conditional payments should not have, as object or effect, the use of digital euro as programmable money. Payment service providers could develop different types of logic to offer a range of conditional payment transactions to digital euro users, including automated payment transactions for placing or withdrawing digital euros, payment standing orders that trigger automatic payments of a specific amount on a specific date, and payments between machines where those machines are programmed to automatically trigger payments for their own spare parts upon ordering them, for charging and paying electricity at most favourable market conditions, for paying insurance, and leasing and maintenance fees on a usage basis.</p>			

<p>(56) To facilitate the use of digital euro and the provision of innovative services, the Eurosystem should support the provision of conditional digital euro payment transactions. First, some types of conditional payment services could be supported through detailed measures, rules and standards that could help payment service providers to develop and operate interoperable applications that execute conditional logic. That could include a set of technical tools such as application programming interfaces. Second, the Eurosystem could provide additional functionalities in the digital euro settlement infrastructure, necessary for the provision of conditional payment services to digital euro users. That could facilitate the reservation of funds in the settlement infrastructure for future execution of some conditional payments. Payment service providers should adapt the business logic for conditional digital euro payment transactions in accordance with the standards and application programming interfaces which the Eurosystem may adopt to facilitate such transactions.</p>			
<p>(57) European Digital Identity Wallets could facilitate digital</p>	<p>(57) European Digital Identity Wallets could facilitate digital transactions by enabling</p>		<p>NL</p>

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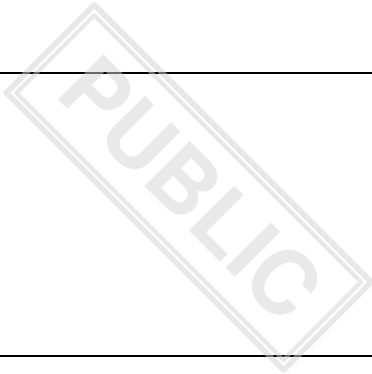
<p>transactions by enabling authentication, identification and the exchange of attributes including licenses and certificates. European Digital Identity Wallets should contribute to the effective universal access to and use of the digital euro. Member States should issue European Digital Identity Wallets based on common standards and practices set out in the implementing legislation. The European Digital Identity Wallet should have strong and specific safeguards to ensure data protection and privacy and high-level security certification. Front-end solutions to be developed by the European Central Bank should therefore duly consider the technical specifications governing the European Digital Identity Wallets. This would enable the relevant interoperability with the European Digital Identity Wallets that would allow to capitalise on these benefits. Based on user choice, interoperability with the European Digital Identity Wallet should also allow to discharge customer due diligence under Regulation (EU) <i>[please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final]</i>. Furthermore, to achieve a coherent customer experience, intermediaries might choose to fully</p>	<p>authentication, identification and the exchange of attributes including licenses and certificates. European Digital Identity Wallets should contribute to the effective universal access to and use of the digital euro. Member States should issue European Digital Identity Wallets based on commonly and publicly available standards and practices set out in the implementing legislation. The European Digital Identity Wallet should have strong and specific safeguards to ensure data protection and privacy and high-level security certification. Front-end solutions to be developed by payment service providers and the European Central Bank should therefore duly consider the technical specifications governing the European Digital Identity Wallets. This would enable the relevant interoperability with the European Digital Identity Wallets that would allow to capitalise on these benefits. Based on user choice, interoperability with the European Digital Identity Wallet should also allow to discharge customer due diligence under Regulation (EU) 2024/1624 <i>[please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final]</i>. Furthermore, to achieve a coherent customer experience, intermediaries might choose to fully integrate their digital euro front-end services solution into the specifications governing the European Digital Identity Wallets.</p>	<p style="text-align: center; font-size: 48px; opacity: 0.2; transform: rotate(-45deg); border: 1px solid gray; padding: 10px;">PUBLIC</p> <p>(MS comments):</p> <p>(57) European Digital Identity Wallets could, <u>at the request of users and next to other means of access or identification,</u> facilitate digital transactions by enabling authentication, identification and the exchange of attributes including licenses and certificates. European Digital Identity Wallets should contribute to the effective universal access to and use of the digital euro. Member States should issue European Digital Identity Wallets based on commonly and publicly available standards and practices set out in the implementing legislation. The European Digital Identity Wallet should have strong and specific safeguards to ensure data protection and privacy and high-level security certification. Front-end solutions to be developed by payment service providers and the European Central Bank should therefore duly consider the technical specifications governing the European Digital Identity Wallets. This would enable the relevant interoperability with the European Digital Identity Wallets that would allow to capitalise on these benefits. Based on a user's voluntary choice,</p>
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<p>integrate their digital euro front-end services into the specifications governing the European Digital Identity Wallets.</p>			<p>interoperability with the European Digital Identity Wallet could should also allow to discharge customer due diligence under Regulation (EU) 2024/1624 please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final. Furthermore, to achieve a coherent customer experience, intermediaries might choose to fully integrate their digital euro front-end services solution into the specifications governing the European Digital Identity Wallets.</p>
<p>(58) Users should be able, if they so wish, to onboard and authorise payments with the digital euro by using the European Digital Identity Wallets. Payment service providers should therefore be obliged to accept the European Digital Identity Wallets for the verification of both prospective and existing customers’ identities, in line with Regulation (EU) please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final. To facilitate the opening of digital euro accounts across the Union, payment service providers should also be able to rely on qualified attestations provided by the European</p>	<p>(58) By using the functionalities offered by the European Digital Identity Wallets, Users users should be able, if they so wish, to onboard digital euro users and authorise payments with the digital euro by using the European Digital Identity Wallets. Payment service providers should therefore be obliged to accept the European Digital Identity Wallets for the verification of both prospective and existing customers’ identities, in line with Regulation (EU) 2024/1624 please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/4201 final. To facilitate the opening of digital euro accounts across the Union, payment service providers should also be able to rely on qualified attestations provided by the European Digital</p>		<p>NL (MS comments): NL: We propose drafting for the first sentence to clarify further the voluntary nature of the EDIW for digital euro services. “ By using the functionalities offered by the European Digital Identity Wallets, users should be able, at their request and next to other means of access or identification, if they so wish, to onboard for digital euro users services and authorise payments with the digital euro by using the European Digital Identity Wallets.</p>

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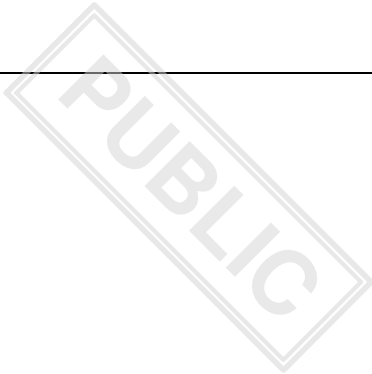
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<p>Digital Identity Wallets, including for the remote performance of customer due diligence. Payment service providers should also accept the use of European Digital Identity Wallets if the payer wishes to use the wallet for payment authorisation of digital euro payment transactions. Further, to facilitate proximity payments in digital euro, it should be possible to use the European Digital Identity Wallets for the storage of digital euros in the payment device.</p>	<p>Identity Wallets, including for the remote performance of customer due diligence. Payment service providers should also accept the use of European Digital Identity Wallets if the payer wishes to use the wallet for payment authorisation of digital euro payment transactions. Further, the European Digital Identity Wallets may be used to facilitate offline proximity payments in digital euro, it should be possible to use the European Digital Identity Wallets for the storage of digital euros in the payment device.</p>	<p style="text-align: center; font-size: 2em; opacity: 0.2; transform: rotate(-45deg); border: 1px solid gray; padding: 10px;">PUBLIC</p> <p>PT (MS comments): <u>Drafting suggestions (in green):</u></p> <p>(58) By using the functionalities offered by the European Digital Identity Wallets, Users should be able, if they so wish, to onboard digital euro users and authorise payments with the digital euro by using the European Digital Identity Wallets. Payment service providers should therefore be obliged to accept the European Digital Identity Wallets for the verification of both prospective and existing customers' identities, in line with Regulation (EU) 2024/1624 [please insert reference – proposal for a Regulation for Anti Money Laundering Regulation – COM/2021/4201 final]. To facilitate the opening of digital euro accounts across the Union, payment service providers should also be able to rely on qualified attestations provided by the European Digital Identity Wallets, including for the remote performance of customer due diligence. Payment service providers should also accept the use of European Digital Identity Wallets if the payer wishes to use the wallet for payment authorisation of</p>
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			<p>digital euro payment transactions. Further, the European Digital Identity Wallets may be used to facilitate offline proximity payments in digital euro, it should be possible to use the European Digital Identity Wallets for the storage of digital euros in the payment device.</p>
<p>(59) To facilitate a harmonised user experience, the digital euro rules, standards and processes that the European Central Bank may adopt pursuant to its own competences, should ensure that any digital euro user is able to carry out digital euro payment transactions with any other digital euro users across the euro area regardless of the payment service providers involved and the front-end services used. To reduce the fragmentation of the European retail payments market, and to support competition, efficiency and innovation in that market, and the development of payment instruments across the Union in keeping with the objective of the Commission’s retail payment strategy, the digital euro should be, to the extent possible, compatible with private digital payment solutions, building on functional and technical synergies. In particular, the</p>	<p>(59) To facilitate a harmonised user experience, the digital euro rules, standards and processes that the European Central Bank may adopt pursuant to its own competences, should ensure that any digital euro user is able to carry out digital euro payment transactions with any other digital euro users across the euro area regardless of the payment service providers involved and the front-end services solutions used. To reduce the fragmentation of the European retail payments market, and to support competition, efficiency and innovation in that market, and the development of payment instruments across the Union in keeping with the objective of the Commission’s retail payment strategy, the digital euro should be, to the extent possible, compatible with private digital payment solutions, building on functional and technical synergies. In particular, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions at the point of interaction, which includes point-of-sale, e-commerce, m-commerce, as well as</p>	<p>The proposal presented at the CPW on 31.03 (Discussion note on alignment of euro cash and digital euro legal tender provisions) that clarifies the term ‘point of interaction’ that is also defined in Article 2.</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): Our main concern with the proposed approach is that introducing a definition of “<i>point of interaction</i>” may lead to inconsistencies with existing payments legislation (e.g. SEPA Regulation and IFR) which refers to “<i>point of sale</i>” instead of “<i>point of interaction</i>”.</p> <p>CY (MS comments): Cyprus agrees with the addition of the definition under Article 2. Do not see the need of the addition in the recital.</p> <p>ES</p>

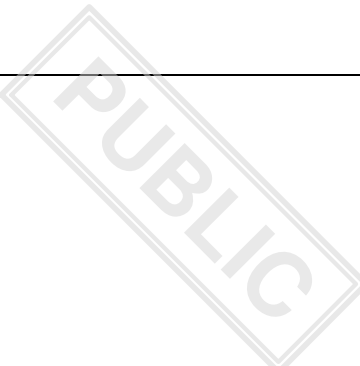
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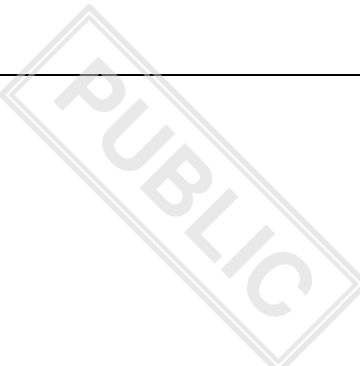
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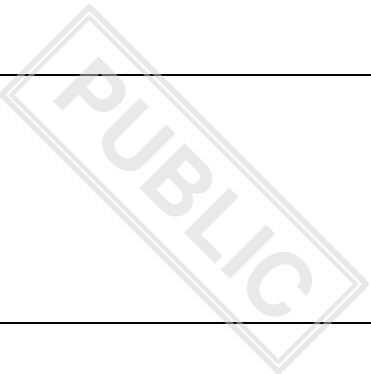
<p>European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions at the point of interaction, and in person-to-person payments, where the fragmentation of the Union retail payments market is currently significant. The use of open standards, common rules and processes, and possibly shared infrastructures could support such compatibility. While existing solutions may be leveraged where such solutions are deemed appropriate to ensure that compatibility, notably in view of minimising overall adaptation costs, such existing solutions should not create undue dependencies that could prevent adaptation of the digital euro to new technologies or would be incompatible with the digital euro features. In order to achieve these objectives, and without conferring any enforceable rights upon market operators, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions on a best-effort basis and where deemed appropriate.</p>	<p>payees' environments that may cater for developments of future retails payments, and in person-to-person payments, where the fragmentation of the Union retail payments market is currently significant. The use of open standards, common rules and processes, and possibly shared infrastructures could support such compatibility. While existing solutions may be leveraged where such solutions are deemed appropriate to ensure that compatibility, notably in view of minimising overall adaptation costs, such existing solutions should not create undue dependencies that could prevent adaptation of the digital euro to new technologies or would be incompatible with the digital euro features. In order to achieve these objectives, and without conferring any enforceable rights upon market operators, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions on a best-effort basis and where deemed appropriate.</p>		<p>(MS comments):</p> <p>Even if the ECB should seek to ensure comptability at the POI, this should not pre-empt the ECB from seeking compatibility in further elements of the payments chain. This could be stated in the recital.</p>
<p>(60) To facilitate dispute resolution, the European Central Bank should provide payment service providers and</p>	<p>(60) To facilitate dispute resolution protect consumers, maintain trust in the digital euro and contribute to its proper functioning, the</p>		<p>IT (MS comments):</p>

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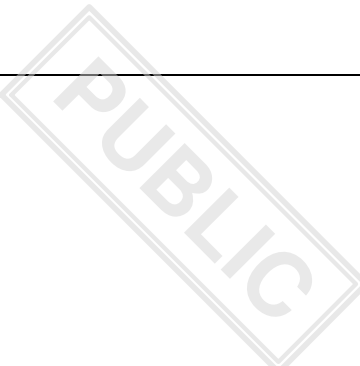
<p>digital euro users with technical and functional support for dispute resolution, related at least to technical and fraud (pre) disputes. Technical disputes include inter alia situations where the transaction amount differs, where there are duplicates, or where there is no authorization or pre-validation. Fraud disputes include inter alia situations of identity theft, merchant identity fraud, counterfeit goods.</p>	<p>European Central Bank should provide support to payment service providers and digital euro users with technical and functional support for to facilitate the resolution of disputes resolution related at least to online digital euro payment transactions technical and fraud (pre) disputes. The ECB and the national central banks may establish mechanisms of technical and functional support that facilitate the exchange of messages between payment service providers in view of the resolution of disputes, and make these mechanisms available to payment service providers. Such mechanisms should operate without prejudice to alternative dispute resolution procedures applicable pursuant to Directive (EU) 2015/2366. Disputes may arise in a number of situations which either concern the execution of a digital euro payment transaction, such as fraud or technical issues, or are strictly in the commercial sphere. Technical disputes include inter alia situations where the transaction amount differs, where there are duplicates, or where there is no an issue with authorization or pre-validation or with the switching of digital euro payment accounts. Fraud-related disputes include inter alia situations of identity theft, merchant identity fraud, impersonation and sale of counterfeit goods linked to fraud. Whereas the mechanisms established by the ECB and the national central banks should facilitate the resolution of disputes related to fraud or technical matters, these mechanisms are</p>		<p>We suggest that the wording "without prejudice to alternative dispute resolution procedures applicable pursuant to Directive (EU) 2015/2366" is amended to make reference also to the fact that such "mechanisms should operate without prejudice to alternative dispute resolution procedures applicable pursuant to Directive (EU) 2015/2366 and Directive (EU) 2013/11". This is coherent with the ongoing discussions on the drafting of the underlying rulebook. The same amendment should be made also to Article 27 concerning dispute resolution mechanisms.</p> <p>In addition, it could be useful to clarify what disputes arising from the "commercial sphere" are included in this recital/ in the overall regulation, keeping in mind that on this topic is pending a feasibility and legal assessment by the LEGCO concerning the drafting of the rulebook provisions on the dispute management and arbitration mechanisms. A definition with examples could be inserted here, as well as in Articles 5(3) and 27 below.</p> <p>Finally, it would be helpful to clarify whether commercial disputes would fall within the scope of the dispute</p>
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	<p>complementary to the mechanisms that may additionally be developed by payment service providers to facilitate the resolution of commercial disputes. Without prejudice to the functions of national central banks foreseen in other legislations or their involvement in alternative dispute resolution procedures, the ECB and the national central banks should not act as a party in any of those disputes. Comparable payment schemes, particularly those operating cross-border, have similar dispute resolution mechanisms in place and offer significant support to payment service providers in the resolution of disputes, including for commercial disputes.</p>		<p>management/arbitration system regulated under the ECB rulebook and if such mechanisms eventually provided by PSPs would still benefit from the technical infrastructure set up by the Eurosystem.</p> <p>NL (MS comments):</p> <p>NL: At first glance, we support these amendments and the direction of travel, since the option of a dispute mechanism required further justification and clarification. These drafting suggestions on liability could also be addressed in a CWP meeting on the relation between PSD/R framework and the digital euro infrastructure.</p>
	<p>(60a) Any liability of payment service providers towards digital euro users for the provision of digital euro payment services, should be governed by the provisions of Directive (EU) 2015/2366. Digital euro users should be able to seek compensation from payment service providers in accordance with that Directive, including for unauthorised digital euro payment transactions or for non-execution, defective or late execution of digital</p>		<p>NL (MS comments):</p> <p>NL: At first glance, we support these amendments and the direction of travel. These drafting suggestions on liability could also be addressed in a CWP meeting on the relation between PSD/R framework and the digital euro infrastructure.</p>

	<p>euro payment transactions. Payment service providers should be able to have a recourse to the European Central Bank for compensation when the breach is due to its actions or omissions, in accordance with its extra-contractual liability and any contractual terms governing the distribution of the digital euro.</p>		
<p>(61) To access and use the digital euro as part of digital euro payment services, digital euro users should be provided with front-end services. Those users should have the possibility to access and use digital euro payment services via the front-end services provided by payment service providers and by the European Central Bank. Payment service providers should be able to choose to rely on front-end services provided by other stakeholders, including the European Central Bank, notably in the case where the cost of developing and operating front-end services, including applications, are disproportionate. Where digital euro users can choose between different front-end services, the decision to select a given front-end service should ultimately rest in the hands of those users and should not be imposed by payment service providers or the European Central Bank. In this respect,</p>	<p>(61) To access and use the digital euro as part of digital euro payment services, d Digital euro users should be provided with a front-end services solution or interface that provides an easy, harmonised and inclusive access to the digital euro and to basic digital euro payment services. Those u Users should have the possibility to access and use digital euro payment services via the front-end services solutions provided by payment service providers and by the Eurosystem European Central Bank. Payment service providers should be able to choose to rely on a front-end services solution provided developed by other stakeholders, including the Eurosystem European Central Bank, notably in the case where the costs of developing and operating their own front-end servicesolutions, including applications, are disproportionate. Where digital euro users can choose between different front-end servicesolutions, the decision to select a given front-end service solution should ultimately rest in the hands of those users and should not be imposed by payment service providers or the</p>		<p>NL (MS comments): NL: We support this amendment.</p>

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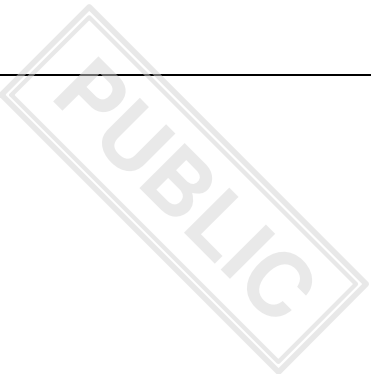
<p>payment service providers should have capacity to provide digital euro users with the possibility to access and use digital euro payment services via the front-end services provided by the European Central Bank. The European Central Bank and the payment service providers shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the identity of individual digital euro users cannot be accessed by the ECB via its front-end solution.</p>	<p>Eurosystem European Central Bank. In this respect, payment service providers should have capacity to provide digital euro users with the possibility to access and use digital euro payment services via the front-end services solution provided by the Eurosystem European Central Bank. The European Central Bank Eurosystem and the payment service providers shall should implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the Eurosystem cannot directly identify of individual digital euro users cannot be accessed by the ECB via its the front-end solution developed by the Eurosystem.</p>		
<p>(62) To avoid interfering in the payment service providers' customer relationships and their role in the digital euro distribution, the front-end solutions provided by the European Central bank should be limited to providing an interface between digital euro users and the payment infrastructures of payment service providers. In particular, the Eurosystem would not have a contractual relationship with digital euro users even if those users use the front-end services provided by the European Central Bank. The ECB and the payment service providers should implement appropriate technical and</p>	<p>(62) To avoid interfering in the payment service providers' customer relationships and their role in the digital euro distribution, the front-end solutions solution provided by the European Central bank Eurosystem should be limited to providing an interface between digital euro users and the payment infrastructures of payment service providers. In particular, the Eurosystem would not have a contractual relationship with digital euro users even if those users use the front-end services solution provided by the Eurosystem European Central Bank. The ECB and the payment service providers should implement appropriate technical and organisational measures including state-of-the-art security and</p>		<p>NL (MS comments): NL: We support this amendment.</p>

<p>organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the identity of individual digital euro users cannot be accessed by the ECB via its front-end solution.</p>	<p>privacy preserving measures to ensure that the identity of individual digital euro users cannot be accessed by the ECB via its front-end solution.</p>	<p>PUBLIC</p>	
<p>(63) To enable a smooth user experience, payment service providers that provide digital euro users with front-end services to access and use the digital euro should take care that digital euro users can quickly and easily access and use the digital euro. In particular, digital euro payment accounts should be clearly labelled by the use of the official digital euro logo. Digital euro payment accounts should be accessed via one the main pages of the Internet website or an application, or any other front-end services, on an equal footing with non-digital euro payment accounts.</p>	<p>(63) To enable a smooth user experience, payment service providers that provide digital euro users with front-end services solutions to access and use the digital euro should take care that digital euro users can quickly and easily access and use the digital euro. In particular, digital euro payment accounts should be clearly labelled by the use of the official digital euro logo. Digital euro payment accounts should be accessed via one the main pages of the Internet website or an application, or any other front-end services solutions, on an equal footing with non-digital euro payment accounts.</p>		<p>NL (MS comments): NL: We support this amendment.</p>
	<p>(63a) It is of critical importance that PSPs comply effectively with their obligations stemming from restrictive measures adopted by the Union in accordance with Article 215 TFEU in respect of a person, body or entity that is subject to an asset freeze or a prohibition on making funds or economic resources available to it, or for its benefit, either directly or indirectly (targeted financial restrictive measures). Union law, however,</p>	<p>The proposal presented at the CWP on 26.02.2025 (Discussion note on modalities of distribution).</p> <p>Taking into account that the Commission’s proposal did not include a recital to explain the obligations stemming from Article 29, recitals mirroring recitals 25 and 26 of the Instant Payments Regulation (IPR</p>	<p>NL (MS comments): NL: <u>Preliminarily</u>, we agree with the proposed recital. We however make a reservation for input by our dedicated sanctions and AML/CFT experts.</p> <p>CY (MS comments):</p>

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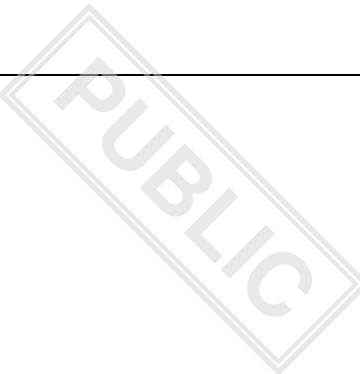
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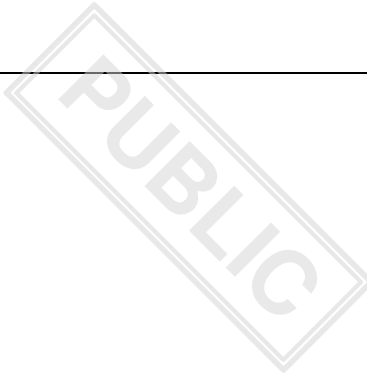
	<p>does not lay down rules on the procedure or tools to be used by PSPs to ensure their compliance with those obligations. PSPs thus apply various methods, based on their individual choice or on the guidance provided by the national authorities concerned. The practice of complying with obligations stemming from targeted financial restrictive measures by screening the payer and the payee involved in each credit transfer transaction, whether national or cross-border, leads to a very high number of payment transactions being flagged as potentially involving persons or entities subject to targeted financial restrictive measures. However, the large majority of such flagged transactions turn out, after verification, not to involve any of the persons or entities subject to targeted financial restrictive measures. Due to the nature of instant payment transactions, it is impossible for PSPs to verify, within the required short time limit, those flagged transactions and, as a result, they are rejected. That situation creates operational challenges for PSPs to offer the payment service of sending and receiving instant credit transfers to their PSUs across the Union in a reliable and predictable way. To provide for greater legal certainty, to increase the efficiency of PSPs' efforts to comply, in the context of instantly settled digital euro payment transactions, with their obligations stemming from targeted financial restrictive measures</p>	<p>– 2024/886), with the due adaptations were introduced.</p>	<p>Cyprus agrees with the direction, aiming to address challenges PSPs face with current transaction-by-transaction screening.</p> <p>EL (MS comments): EL: While we welcome the close alignment with the IPR in the text (Art 29), and we also find merit in introducing these recitals (63a and 63b), we would prefer some refinement towards a more simplified wording.</p> <p>ES (MS comments): Agree</p> <p>IE (MS comments): IE welcomes the inclusion of this recital</p>
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	<p>and to prevent unnecessary hindering of sending and receiving instantly settled digital euro payment transactions, PSPs should periodically, and at least daily, verify whether their PSUs are persons or entities subject to targeted financial restrictive measures, and should no longer apply transaction-based screening in that specific context. The obligation of PSPs to periodically verify their PSUs is related only to persons or entities subject to targeted financial restrictive measures. Other types of restrictive measures adopted in accordance with Article 215 TFEU or restrictive measures that are not adopted in accordance with Article 215 TFEU fall outside the scope of that obligation.</p>		
	<p>(63b) To prevent the initiation of instantly settled digital euro payment transactions from payment accounts belonging to persons or entities subject to targeted financial restrictive measures and to immediately freeze funds sent to such payment accounts, PSPs should carry out verifications of their PSUs immediately following the entry into force of a new targeted financial restrictive measure. That obligation should apply to all PSPs sending or receiving instantly settled digital euro payment transactions, thereby ensuring that all PSPs comply in an effective manner with their obligations stemming from targeted financial restrictive measures. In order to ensure consistency with Article 20 of the Regulation (EU) 2024/1624 (AMLR), which</p>	<p>As above.</p>	<p>NL (MS comments): NL: <u>Preliminarily</u>, we agree with the proposed recital. We however make a reservation for input by our dedicated sanctions and AML/CFT experts.</p> <p>CY (MS comments): Cyprus supports the direction as it ensures effective compliance with sanctions while maintaining the reliability of digital euro payments.</p> <p>ES (MS comments):</p>

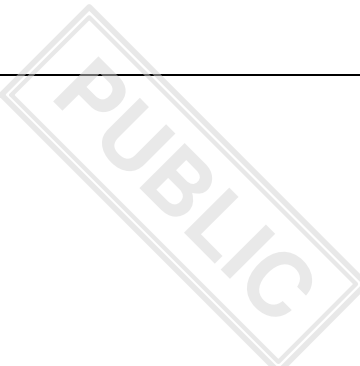
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	<p>requires the screening of ‘the customer or the beneficial owner(s) [...] and, in the case of a customer or party to a legal arrangement who is a legal entity, whether natural or legal persons subject to targeted financial sanctions control the legal entity or have more than 50% of the proprietary rights of an entity or majority interest in it, whether individually or collectively’, a digital euro user should be considered to be a ‘customer’ for the purpose of applying the AMLR. The obligation on PSPs to periodically verify whether their PSUs are persons or entities subject to targeted financial restrictive measures does not interfere with actions that PSPs should be able to take to comply with Union law on the prevention of money laundering and terrorist financing, in particular with its risk-based requirements, to comply with restrictive measures, other than an asset freeze or a prohibition on making funds or economic resources available, that are adopted in accordance with Article 215 TFEU, or to comply with restrictive measures that are not adopted in accordance with Article 215 TFEU.</p>		<p>Agree</p> <p>IE (MS comments):</p> <p>IE welcomes the inclusion of this recital</p>
<p>(64) To provide for instantaneous settlement, both online and offline digital euro transactions, including in the context of funding and defunding, and as waterfall and reverse waterfall functionalities, should be settled</p>			



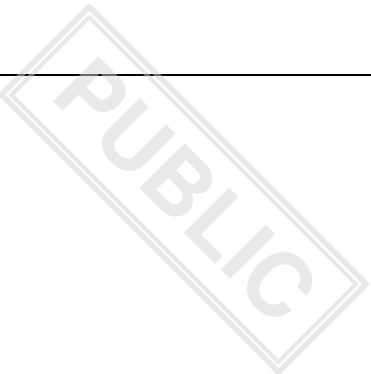
<p>instantaneously, in a few seconds only, in normal circumstances. The settlement of online digital euro payment transactions should be performed in the digital euro settlement infrastructure adopted by the Eurosystem. Online digital euro payment transactions should be settled in a matter of seconds as specified under the functional and technical requirements adopted by the European Central Bank. Final settlement of online digital euro payment transactions should be achieved at the moment of recording the digital euros concerned of the payer and the payee in the digital euro settlement infrastructure approved by the European Central Bank, irrespective of whether digital euros are recorded as holding balances or units of value, or of the technology used. The digital euro settlement infrastructure should seek to ensure adaptation to new technologies, including distributed ledger technology.</p>			
<p>(65) Due to the absence of network connectivity, the settlement of offline proximity payments in digital euros should be performed in the local storage of the payment device respectively of payers and payees. Offline proximity payments in digital euros should be</p>			

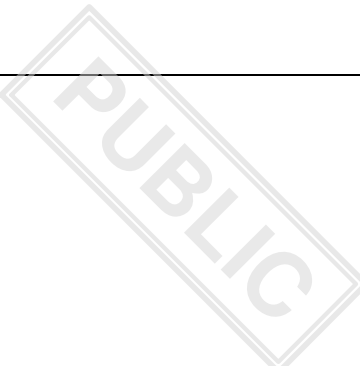
<p>settled in a matter of seconds as specified under the functional and technical requirements adopted by the European Central Bank. Final settlement should occur at the moment of updating the records of relevant digital euro holdings in the local storage devices of, respectively, the payer and the payee, irrespective of whether digital euros are recorded as holding balances or units of value, or of the technology used.</p>			
<p>(66) Since payment service providers are not party to a digital euro payment transaction between two digital euro users, digital euro payment transactions do not carry systemic risks and therefore do not warrant designation as a system as defined in Article 2, point (a), of Directive 98/26/EC of the European Parliament and of the Council¹⁸. Digital euro payment transactions should be settled in a matter of seconds and therefore no options to net should be allowed.</p>			
<p>(67) For reasons of contractual freedom and to ensure competition, digital euro users should have the</p>	<p>(67) For reasons of contractual freedom and to ensure competition, digital euro users should have the possibility to switch their digital euro</p>		<p>NL (MS comments):</p>

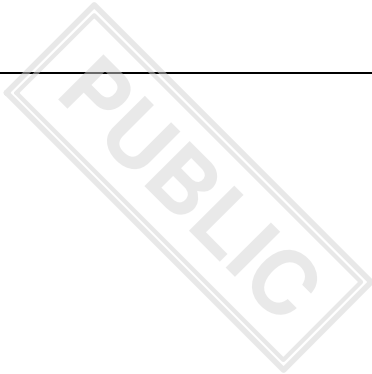
¹⁸ Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment a

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<p>possibility to switch their digital euro payment accounts to different payment service providers. At the request of the digital euro users, payment service providers should then enable the switching of the digital euro payment accounts, while maintaining the same account identifiers. In exceptional circumstances where a payment service provider is unable to perform this task, including due to having lost the relevant digital euro payment account-related data, the European Central Bank should be able to authorise the switching of digital euro payment accounts so that the new payment service provider designated by the digital euro user can retrieve the information about the digital euro holdings of the digital euro user and complete the switching without relying on the unavailable payment service provider. This process should allow a digital euro user to then continue accessing its digital euro holdings via the new designated payment service provider. The European Central Bank would not have any operational role in the switching on account both in both going concern situations and exceptional circumstances.</p>	<p>payment accounts to different payment service providers. At the request of the digital euro users, payment service providers should then enable the switching of the digital euro payment accounts, while maintaining the same digital euro payment alias account number account identifiers. In exceptional circumstances where a payment service provider is operationally unable to perform this task or will likely be operationally unable to perform this task, including due to having lost the relevant digital euro payment account related data, the European Central Bank should be able to authorise the switching of digital euro payment accounts so that the new payment service provider designated by the digital euro user can retrieve the information about the digital euro holdings of the digital euro user and complete the switching without relying on the unavailable payment service provider. This process should allow a digital euro user to then continue accessing its digital euro holdings via the newly designated payment service provider. The European Central Bank would not have any operational role in the switching on account both in both going concern situations and exceptional circumstances.</p>		<p>NL: We support this amendment.</p> <p>HR (MS comments):</p> <p>Please read our comment for new Recital 54(a) regarding alias and account.</p> <p>We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p>

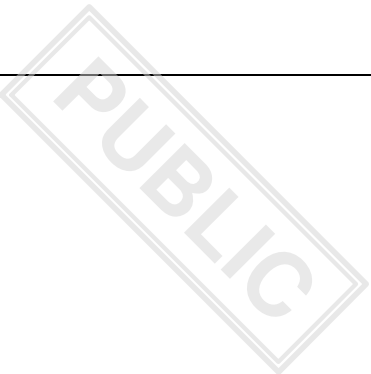
	<p>(67a) Where a payment service provider is operationally unable to perform switching for a prolonged period of time, or where it is likely that it will operationally be unable to perform switching for a prolonged period of time, including due to having lost the relevant data related to the digital euro payment account, the European Central Bank should be able to authorise the switching of the digital euro payment accounts concerned so that the receiving payment service provider is able to retrieve the information about the digital euro holdings of the digital euro user and perform the switching without the need to exchange information with the unavailable payment service provider. This process should allow a digital euro user to continue accessing its digital euro holdings via the receiving payment service provider. In this case, the switching does not extend to other digital euro payment services that were offered by the unavailable payment service provider, including conditional payments. The provision of those digital euro payment services will therefore have to be re-established, if appropriate, with the receiving payment service provider. The European Central Bank and the national central banks should not be operationally involved in the switching of digital euro payment accounts between unavailable and receiving payment service providers. To support receiving payment service providers in the process of switching</p>		<p>NL (MS comments): NL: We support this amendment.</p>
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	<p>digital euro payment accounts from unavailable payment service providers, the Eurosystem may establish a single access point. The Commission should be empowered to adopt delegated acts to supplement this Regulation by specifying what is understood under a prolonged period of time and by identifying the circumstances under which the Eurosystem may authorise switching of digital euro payment accounts, as well as the procedural requirements that should as a minimum be observed.</p>		
<p>(68) The prevention of fraud by payment service providers is essential for the protection of citizens making use of the digital euro, the integrity of the personal data processed in digital euro payments, and to ensure the smooth and efficient functioning of the digital euro. Fraud prevention plays an essential role in maintaining trust in the single currency. For this purpose, the European Central Bank may establish a general fraud detection and prevention mechanism to support fraud management activities performed by payment service providers on online digital euro payment transactions. A</p>	<p>(68) The prevention of fraud by payment service providers is essential for the protection of citizens making use of the digital euro, the integrity of the personal data processed in digital euro payments, and to ensure the smooth and efficient functioning of the digital euro. Fraud prevention plays an essential role in maintaining trust in the single currency. Appropriate measures should be in place to mitigate against the risk of fraud given that online digital euro transactions will be available for use across the Union and settled instantaneously. Instant payments feature higher rates of fraud than conventional credit transfers.¹⁹ In addition, fraud rates for cross-border payments are higher than that for</p>		<p>NL (MS comments): NL: We agree with the proposed amendments.</p>

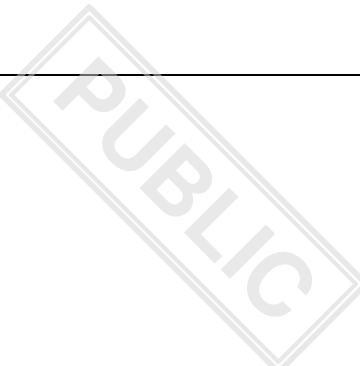
¹⁹ EBA Opinion on new types of payment fraud and possible mitigants (April 2024). [Opinion on new types of payment fraud and possible mitigations.pdf \(europa.eu\)](#)

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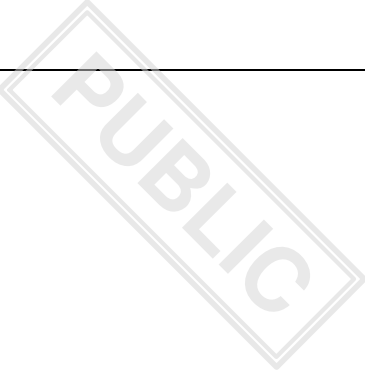
<p>general fraud detection and prevention mechanism delivers a range of essential functions to detect fraud patterns that a single payment service provider could not detect on its own. Often one payment service provider does not have the full picture about all elements that could lead to timely fraud detection. However, it can be made more effective with information on potentially fraudulent activity stemming from other payment service providers. This general fraud detection function exists in comparable payment schemes and is necessary to achieve demonstrably low fraud rates in order to keep the digital euro secure for both consumers and merchants. The transfer of information between PSPs and the fraud detection and prevention mechanism should be subject to state-of-the-art security and privacy-preserving measures to ensure that individual digital euro users are not identified by the central fraud detection and prevention mechanism.</p>	<p>purely domestic transfers.²⁰ In light of this, a general fraud detection and prevention mechanism is essential to ensure a high level of consumer protection to protect digital euro users from demonstrated levels of fraud risk. For this purpose, the European Central Bank may establish a general fraud detection and prevention mechanism to support fraud management activities performed by payment service providers on online digital euro payment transactions. A general fraud detection and prevention mechanism delivers a range of essential functions to detect fraud patterns that a single payment service provider could not detect on its own. Often one payment service provider does not have the full picture about all elements that could lead to timely fraud detection. However, it can be made more effective with information on potentially fraudulent activity stemming from other payment service providers. This general fraud detection function exists in comparable payment schemes and is necessary to achieve demonstrably low fraud rates in order to keep the digital euro secure for both consumers and merchants. This regulation provides appropriate safeguards to ensure that the processing of personal data in the context of the general fraud detection and prevention mechanism is compliant with the principle of proportionality and limited to what is strictly</p>		
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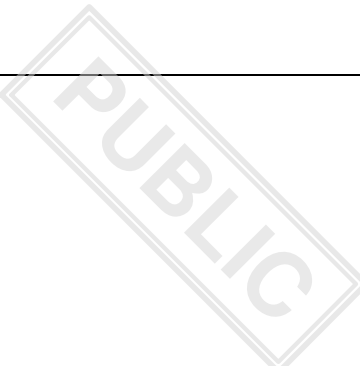
²⁰ [The combined rate for all types of fraud related to cross-border credit transfers is 20 times higher than that of purely domestic transfers. Impact assessment accompanying the proposal for a Regulation amending Regulations \(EU\) No 260/2012 and \(EU\) 2021/1230 as regards instant credit transfers in euro \(europa.eu\)](#)

	<p>necessary to prevent and detect fraudulent transactions. To ensure proportionality, the tasks performed in the context of the general fraud detection and prevention mechanism should be limited to online digital euro transactions and should not cover offline digital euro transactions. The processing of personal data for online digital euro transactions should be limited to the types of personal data laid out in Annex V. As per the EUDPR, the ECB should consult the European Data Protection Supervisor prior to developing details on the operational elements of the fraud detection and prevention mechanism to ensure the protection of fundamental rights. The transfer of information between PSPs payment service providers and the fraud detection and prevention mechanism should be subject to state-of-the-art security and privacy-preserving measures to ensure that individual digital euro users are not identified by the central fraud detection and prevention mechanism.</p>		
<p>(69) To process digital euro payments online or offline, it is essential that front end service providers for the digital euro and issuers of European Digital Identity Wallets obtain access to near field communication technology (NFC) on mobile devices. These components include, in particular but</p>	<p>(69) To process digital euro payments online or offline, it is essential that front-end servicesolution providers for the digital euro and issuers of European Digital Identity Wallets obtain access to near field communication technology (NFC) on mobile devices. These components include, in particular but not exclusively, NFC antennas and the so-called</p>		<p>NL (MS comments): NL: We agree with the proposed amendments.</p>

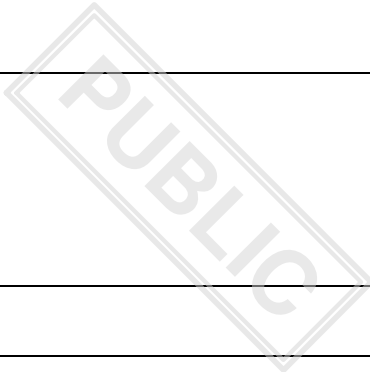
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<p>not exclusively, NFC antennas and the so-called secure elements of mobile devices (e.g.: Universal Integrated Circuit Card (UICC), embedded SE (eSE), and microSD etc). It is therefore necessary to ensure that whenever needed to provide digital euro services, original equipment manufacturers of mobile devices or providers of electronic communication services would not refuse access to NFC antennas and secure elements. Central bank money with legal tender should be widely accessible. To ensure this also in the digital economy, providers of front-end services for the digital euro and operators of European Digital Identity Wallets shall be entitled to store software on relevant mobile devices' hardware in order to make transactions with digital euro technically possible both online and offline. For this purpose, original equipment manufacturers of mobile devices and providers of electronic communication services should be obliged to provide access on fair, reasonable and non-discriminatory terms to all hardware and software components when needed for online and offline digital euro transactions. In all instances, such operators would be obliged to provide adequate capacity on relevant hardware</p>	<p>secure elements of mobile devices (e.g.: Universal Integrated Circuit Card (UICC), embedded SE (eSE), and microSD etc). It is therefore necessary to ensure that whenever needed to provide digital euro services, original equipment manufacturers of mobile devices or providers of electronic communication services would not refuse access to NFC antennas and secure elements. Central bank money with legal tender should be widely accessible. To ensure this also in the digital economy, providers of front-end services solutions for the digital euro and operators of European Digital Identity Wallets shall be entitled to store software on relevant mobile devices' hardware in order to make transactions with digital euro technically possible both online and offline. For this purpose, original equipment manufacturers of mobile devices and providers of electronic communication services should be obliged to provide access on fair, reasonable and non-discriminatory terms to all hardware and software components when needed for online and offline digital euro transactions. In all instances, such operators would be obliged to provide adequate capacity on relevant hardware and software features in mobile devices to process online digital euro payment transactions and for storing digital euros on mobile devices for offline digital euro payment transactions. This obligation should be without prejudice to Article 6 paragraph (7) of Regulation (EU) 2022/1925, which obliges gatekeepers to provide, free of</p>		
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<p>and software features in mobile devices to process online digital euro payment transactions and for storing digital euros on mobile devices for offline digital euro payment transactions. This obligation should be without prejudice to Article 6 paragraph (7) of Regulation (EU) 2022/1925, which obliges gatekeepers to provide, free of charge, effective interoperability with, and access for the purposes of interoperability to, the operating system, hardware or software features of mobile devices, which is applicable to existing and new digital means of payments, including the digital euro.</p>	<p>charge, effective interoperability with, and access for the purposes of interoperability to, the operating system, hardware or software features of mobile devices, which is applicable to existing and new digital means of payments, including the digital euro.</p>		
<p>(70) The rights to privacy and personal data protection are fundamental rights enshrined in Article 7 and 8 of the Charter of Fundamental Rights of the European Union. As stressed by the European Data Protection Board²¹, a high standard of privacy and data protection is crucial to ensure the trust of Europeans in the future digital euro. This is also in line with the G7 Public Policy Principles for Retail Central Bank Digital Currencies. The processing of personal data for</p>			

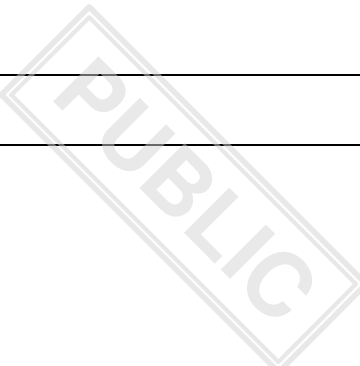
²¹ Statement on the design choices for a digital euro from the privacy and data protection perspective adopted on 10 October 2022.

<p>compliance and in the context of this Regulation would be carried out in accordance with Regulation (EU) 2016/679²² and Regulation (EU) 2018/1715²³, as well as, where applicable, Directive 2002/58/EC²⁴.</p>			
<p>(71) The digital euro should therefore be designed so as to minimise the processing of personal data by payment service providers and by the European Central Bank to what is necessary to ensure the proper functioning of the digital euro. The digital euro should be available offline, with a level of privacy vis a vis payment service providers which is comparable to withdrawals of banknotes at automatic teller machines. The settlement of digital euro transactions should be designed in such a way that neither the European Central Bank nor national central banks can attribute data to an identified or identifiable digital euro user.</p>	<p>(71) The digital euro should therefore be designed so as to minimise the processing of personal data by payment service providers and by the European Central Bank Eurosystem to what is necessary to ensure the proper functioning of the digital euro. The digital euro should be available offline, with a level of privacy vis a vis payment service providers which is comparable to withdrawals of banknotes at automatic teller machines. The settlement of digital euro transactions should be designed in such a way that neither the European Central Bank nor national central banks can attribute data to an identified or identifiable digital euro user.</p>		<p>NL (MS comments): NL: We support this amendment.</p>

²² Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), OJ L 119, 4.5.2016, p. 1–88.

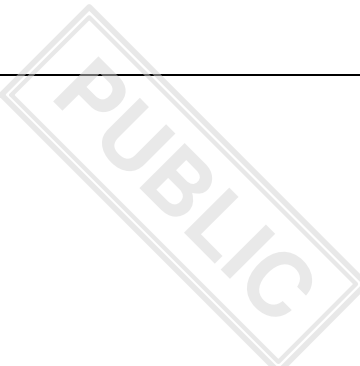
²³ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39–98.

²⁴ Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector, OJ L 201, 31.07.2002, p. 37.

			
<p>(72) Data protection by design and data protection by default should be embedded in all data processing systems developed and used within the framework of this Regulation. The processing of personal data should be subject to appropriate safeguards to protect the rights and freedoms of the data subject. Those safeguards should ensure that technical and organisational measures are in place in particular to ensure respect for the data protection principles laid down in Regulation (EU) 2016/679 and Regulation (EU) 2018/1715, including data minimisation and purpose limitation.</p>			
<p>(73) Payment service providers should be able to process personal data in so far as it is necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In line with Article 6(1)(c) of Regulation (EU) 2016/679, processing activities should be considered lawful as regards the digital euro if and to the extent that they are necessary for compliance with a legal obligation to which the controller is subject pursuant to this Regulation. In the framework of this regulation, the</p>	<p>(73) Payment service providers should be able to process personal data in so far as it is necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In line with Article 6(1)(c) of Regulation (EU) 2016/679, processing activities should be considered lawful as regards the digital euro if and to the extent that they are necessary for compliance with a legal obligation to which the controller is subject pursuant to this Regulation. In the framework of this Regulation, the processing of personal data for the purposes of the implementation and</p>		<p>NL (MS comments): NL: We support this amendment.</p>

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<p>processing of personal data for the purposes of the enforcement of holding limits, the initiation of the funding and de-funding of a user’s holdings, and the management of local storage devices for offline digital euro payments are tasks in the public interest that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. Payment service providers will be the controller of personal data as regards these tasks. In addition, payment service providers may process personal data to comply with existing tasks in the public interest or for compliance with a legal obligation established in Union law that apply to funds defined in Directive (EU) 2015/2366. These tasks apply to the provision of payment services and the prevention and detection of fraud in accordance with Directive (EU) 2015/2366, combatting money laundering and terrorist financing in accordance with Directive (EU) 2015/849, the fulfilment of obligations related to taxation and tax avoidance, and the management of operational and security risks in line with Regulation (EU) 2022/255.</p>	<p>enforcement of holding limits, the initiation of the funding and de-funding of a user’s holdings digital euro payment account, switching and the management of local storage devices for offline digital euro payments are tasks in the public interest-that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. Payment service providers will be the controller of personal data as regards these tasks. In addition, payment service providers may process personal data to comply with existing tasks in the public interest or for compliance with a legal obligations established in pursuant to Union law that apply to the digital euro funds defined in Directive (EU) 2015/2366. These tasks apply to Thus, payment service providers may among others process personal data for the provision of digital euro payment services and the prevention and detection of fraud in accordance with Directive (EU) 2015/2366, combatting money laundering and terrorist financing in accordance with Directive (EU) 2015/849, the fulfilment of obligations related to taxation and tax avoidance, and the management of operational and security risks in line with Regulation (EU) 2022/255. Where payment service providers provide additional digital euro payment services, processing of personal data may be allowed to the extent necessary for the performance of a contract to which digital euro users are a party or to the extent a digital euro user has given consent, in</p>		
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	accordance with Article 6(1)(a) or (b) of Regulation (EU) 2016/679.		
(74) Any processing of personal data to verify whether users are listed persons or entities pursuant to restrictive measures adopted in accordance with Article 215 TFEU should be in line with Regulation (EU) 2016/679 of the European Parliament and of the Council. Processing of the names and the payment account identifiers of natural persons is proportionate and necessary to ensure the compliance with restrictive measures adopted in accordance with Article 215 TFEU providing for asset freeze or prohibition of making funds or economic resources available.	(74) Any processing of personal data to verify whether users are listed persons or entities pursuant to restrictive measures adopted in accordance with Article 215 TFEU should be in line with Regulation (EU) 2016/679 of the European Parliament and of the Council. Processing of the names and the digital payment account numbers payment account identifiers of natural persons is proportionate and necessary to ensure the compliance with restrictive measures adopted in accordance with Article 215 TFEU providing for asset freeze or prohibition of making funds or economic resources available		NL (MS comments): NL: We propose changing ‘digital payment account numbers’ to ‘ digital payment alias numbers ’, in line with other drafting and to prevent from giving off the signal that people enter into a contractual relationship with the Eurosystem.
(75) Offline digital euro payment transactions are payments that occur in close physical proximity (“face-to-face”). They have similarities with transactions in cash and should be treated in a similar way in terms of privacy. Payment service providers should therefore not process personal data related to offline digital euro payment transactions, but only personal data related to depositing or	(75) Offline digital euro payment transactions are payments that occur in close physical proximity (“face-to-face”) and that do not require internet connectivity . They have similarities with transactions in cash and should be treated in a similar way in terms of privacy. Payment service providers should therefore not process personal data related to offline digital euro payment transactions, but only personal data related to depositing or withdrawing digital euros from digital euro payment accounts to load them		IT (MS comments):

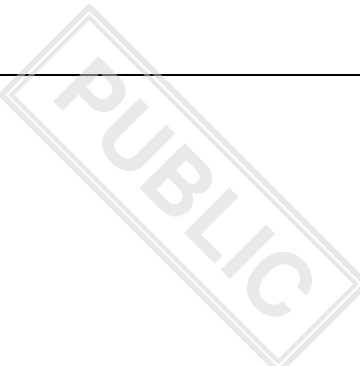
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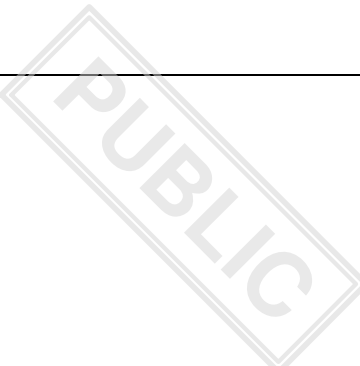
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<p>withdrawing digital euros from digital euro payment accounts to load them onto the local storage devices, or from the local storage devices into the digital euro payment accounts This includes the identifier of the local storage devices which payment service providers attribute to a digital euro user that holds offline digital euro. That level of privacy would be comparable to withdrawals of banknotes at automatic teller machines when payment service providers process personal data related to a user’s identity and data pertaining to how funding and defunding transactions have been carried out. That means that no transaction data monitoring should occur for offline digital euro payment transactions.</p>	<p>onto the local storage devices, or from the local storage devices into the digital euro payment accounts. This includes the identifier of the local storage devices which payment service providers attribute to a digital euro user that holds offline digital euro. That level of privacy would be comparable to withdrawals of banknotes at automatic teller machines, when payment service providers process personal data related to a user’s identity and data pertaining to how funding and defunding transactions have been carried out. That means that no transaction data monitoring should occur for offline digital euro payment transactions and that, as an exception to Article 40 of Directive (EU) 2015/849, no transaction data should be retained.</p>	<p style="text-align: center; font-size: 48px; opacity: 0.3; transform: rotate(-30deg);">PUBLIC</p>	<p>We stress the need to limit the exemption in the last sentence only to article 40.1(b) (or, more correctly, to article 77.1c AMLR) in order to waive only the obligations regarding transactions put in place by the customer and to safeguard the obligation to retain CDD information collected by the PSP at the funding/defunding stage.</p> <p>NL (MS comments): NL: We support this amendment.</p>
<p>(76) The European Central Bank and national central banks may process personal data in so far as it is necessary to fulfil tasks that are essential to the</p>	<p>(76) The European Central Bank and national central banks may process personal data in so far as it is necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In</p>		<p>NL (MS comments): NL: We support this amendment.</p>

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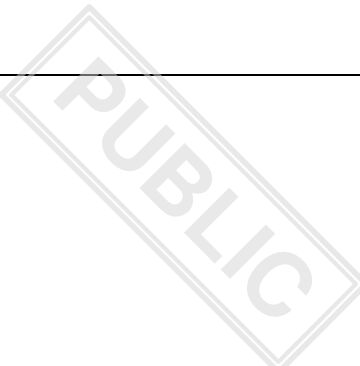
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<p>proper functioning of the digital euro. In the framework of this regulation, the processing of personal data for the purposes of the settlement of digital euro payment transactions and the management of the security and integrity of the digital euro infrastructure are tasks in the public interest that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. The task of maintaining the security and integrity of digital euro infrastructure includes activities related to ensuring the stability and operational resilience of the digital euro. The European Central Bank and national central banks would be the controller of personal data as regards these tasks. The European Central Bank and national central banks would process personal data for these tasks using state-of-the-art security and privacy-preserving measures, such as pseudonymisation or encryption, to ensure that data cannot be used to directly identify a specific digital euro user..</p>	<p>the framework of this regulation, the processing of personal data for the purposes of the settlement of digital euro payment transactions, and the management of the security and integrity of the digital euro settlement infrastructure, the protection of the digital euro against counterfeiting and the prevention of doublespending of digital euros are is a tasks in the public interest that are is essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. The task of maintaining the security and integrity of the digital euro infrastructure includes activities related to ensuring the stability and operational resilience of the digital euro. The European Central Bank and national central banks would be the controllers of personal data as regards these tasks. The European Central Bank and national central banks should process personal data for these tasks using state-of-the-art security and privacy-preserving measures, such as pseudonymisation or encryption, to ensure that data cannot be used to directly identify a specific digital euro user.</p>		
	<p>(76a) While processing personal data in the public interest, the European Central Bank and the national central banks should apply</p>		<p>NL (MS comments):</p>

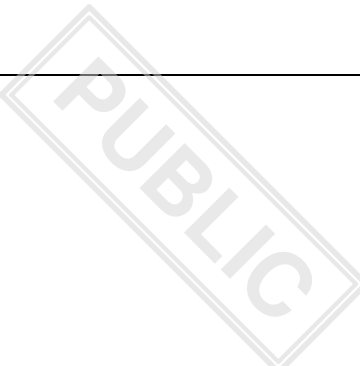
	<p>technical measures to ensure compliance with the principles of purpose limitation, data minimisation and storage limitation, as laid down in Regulation (EU) 2016/679, including technical limitations on the re-use of data and use of state-of-the-art security and privacy-preserving measures, including pseudonymisation, segregation or encryption. In this regard, the Eurosystem should consider applying organisational measures, including training on the processing of special categories of data, limiting access to special categories of data and recording such access. The Eurosystem should also consider establishing a data protection risk management, control and governance framework specifically targeted at monitoring compliance of the digital euro’s data protection operations, processing activities and procedures with the applicable rules on data protection. The ECB should report on the implementation of these safeguards and privacy-preserving measures prior to the issuance of the digital euro.</p>		<p>NL: We support the inclusion of another recital that emphasizes the importance of privacy-preserving measures by the Eurosystem. At first glance, this drafting seems to focus on governance measures whereas the most trust will probably be gained with solid technology. When revisiting the privacy and data sharing model, we can discuss this balance.</p>
	<p>(77a) To ensure an accurate and secure digital euro payment execution, each digital euro user should be associated to a digital euro payment alias number. To ensure that the digital euro payment is settled, this number should be created by the European Central Bank and allow the European Central Bank to identify</p>	<p>The proposal presented at the CWP on 01.04.2025 (Discussion note on privacy). The recital introduces a justification on digital euro payments account number infrastructure.</p>	<p>NL (MS comments): NL comment: We understand the introduction of the alias look-up as an additional obligation to the PSPs, which should be specified alongside</p>

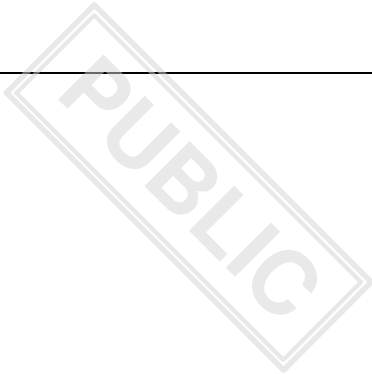
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	<p>the digital euro service provider providing this account. Only the digital euro payment service provider should be able to identify its users based on the digital euro payment alias number. The European Central Bank should keep the list of created digital euro payments alias numbers and the list of the digital payment service providers structurally and logically separated from the digital euro payment settlement component.</p>		<p>the other mandatory basic services in the relevant annex. If such mandatory servicing of the alias look-up can be accounted for in the RDG, this would have our preference. If not, then we would propose specifying this requirement to the PSP in Annex II (Basic digital euro payment services)</p> <p>PT (MS comments): <u>Drafting suggestions (in green):</u></p> <p>(77a) To ensure an accurate and secure digital euro payment execution, each digital euro user should be associated to a digital euro payment alias account number. To ensure that the digital euro payment is settled, this number should be created by the European Central Bank and allow the European Central Bank to identify the digital euro service provider providing this account. Only the digital euro payment service provider should be able to identify its users based on the digital euro payment alias account number. The European Central Bank should keep the list of created digital euro payments alias account numbers and the list of the digital payment service providers</p>
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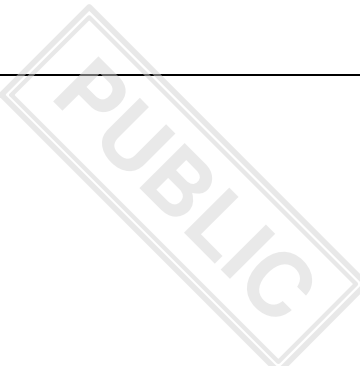
			<p>structurally and logically separated from the digital euro payment settlement component.</p> <p>CY (MS comments): Cyprus supports this approach but emphasize that privacy must be carefully considered and protected in the association and management of digital euro payment alias numbers.</p> <p>ES (MS comments): This clarification is very useful. We have a comment on the first sentence: The digital euro payment alias number (former DEAN) is not one per person, but one per “account”/ “vault” opened by the PSP. Saying that each user should be associated to a DEPAN seems to infer that there is only one per person, but a person with multiple accounts would have multiple accounts. This could be clarified, stating that the DEPAN is account - specific.</p> <p>HR (MS comments):</p>
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			<p>Please read our comment for new Recital 54(a) regarding alias and account.</p> <p>We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p> <p>PL PRES proposed different text during CWP meeting held on 1st April 2025.</p> <p>IE (MS comments):</p> <p>IE welcomes the inclusion of this recital.</p>
<p>(77) For the purpose of enforcing the holding limits and ensuring the exceptional switching of digital euro payment accounts in emergency situations upon the request of the digital euro user, a single access point of digital euro user identifiers and the related digital euro holding limits is necessary to ensure the efficient functioning of the digital euro across the entire euro area, as digital euro users may hold digital euro payment accounts in different Member States. When establishing the single access point, the European</p>	<p>(77) For the purpose of enforcing the holding limits and ensuring the exceptional switching of digital euro payment accounts in emergency situations upon the request of the digital euro user, a single access point of digital euro user identifiers and the related digital euro holding limits is necessary to ensure the efficient functioning of the digital euro across the entire euro area, as digital euro users may hold digital euro payment accounts in different Member States. When establishing the single access point, the European Central Bank and national central banks should ensure that the processing of personal data is</p>		<p>NL (MS comments):</p> <p>NL: We agree with the amendments, although we propose making the final sentence more ambitious:</p> <p>The European Central Bank and national central banks should consider strife for, where appropriate and to minimise the risk of data breaches, the use of decentralised data storage.</p>

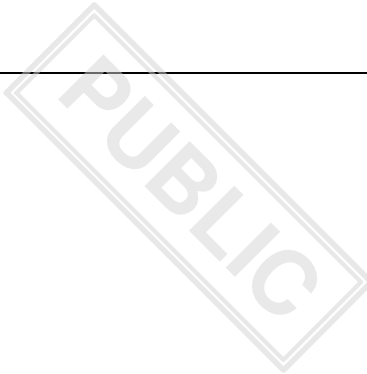
<p>Central Bank and national central banks should ensure that the processing of personal data is minimised to what is strictly necessary and that data protection by design and by default is embedded. The European Central Bank and national central banks should consider, where appropriate and to minimise the risk of data breaches, the use of decentralised data storage.</p>	<p>minimised to what is strictly necessary and that data protection by design and by default is embedded, and implement appropriate technical and organisational measures to ensure that the identity of individual digital euro users cannot be inferred from the information accessed via the single access point, except by relevant payment service providers. The European Central Bank and national central banks should consider, where appropriate and to minimise the risk of data breaches, the use of decentralised data storage.</p>		
<p>(78) With its package on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, adopted by the Commission on 21 July 2021²⁵, (‘AML-package’), the Commission has proposed to significantly strengthen anti-money laundering (‘AML’) rules across the Union. In keeping with that objective and to ensure an effective application of AML/CFT requirements to the digital euro, this Regulation should provide that online digital euro payment</p>			

²⁵ Proposal for a regulation on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (COM/2021/420 final); Proposal for a Directive establishing the mechanisms that Member States should put in place to prevent the use of the financial system for ML/TF purposes, and repealing Directive (EU) 2015/849 (COM/2021/423 final); Proposal for a Regulation creating an EU Authority for anti-money laundering and countering the financing of terrorism (‘AMLA’) (COM/2021/421 final); and Proposal for the recast of Regulation (EU) 2015/847 expanding traceability requirements to crypto-assets (COM/2021/422 final)

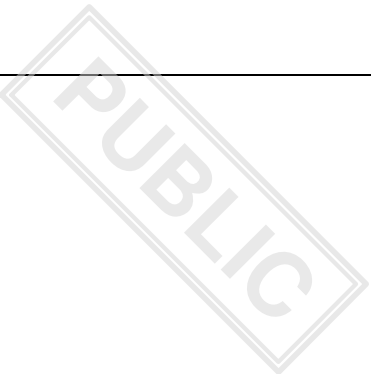
<p>transactions are subject to AML/CFT requirements laid down in Directive (EU) 2015/849.</p>			
<p>(79) To facilitate the widespread uptake of the digital euro, it is essential that prospective digital euro users can easily access digital euro payment services provided by payment services providers in a harmonised manner across the euro area. It is therefore appropriate, without any prejudice to the risk approach underpinning the AML-package, for the anti-money laundering authority of the Union ('AMLA') to address the opening of digital euro payment accounts in its Regulatory Technical Standards on customer due diligence. For low-risk transactions or business relationships, AMLA should identify relevant simplified due diligence measures that payment services providers should apply. AMLA should prioritise the development of these Regulatory Technical Standards.</p>			<p>NL (MS comments): NL: We agree with this recital, but propose to change a sentence mentioning 'accounts'. Drafting proposed: " It is therefore appropriate, without any prejudice to the risk approach underpinning the AML-package, for the anti-money laundering authority of the Union ('AMLA') to address the opening of digital euro payment accounts services in its Regulatory Technical Standards on customer due diligence.</p>
<p>(80) In contrast to offline digital euro payment transactions, online digital euro payment transactions are not limited to physical proximity transactions, and can be used to transfer</p>			<p>NL (MS comments): NL: We agree with this recital, but would propose to include that offline</p>

<p>funds at distance between digital euro users. For online digital euro payment transactions, central bank digital currencies could present greater AML/CFT risks than cash as they would be acting as an instrument whose liquidity is similar to that of cash but without the limitations on portability that are implicit in cash. It should therefore be laid down that an online digital euro payment transaction is to be subject to Directive (EU) 2015/849 of the European Parliament and of the Council, and Regulation (EU) 2015/847 of the European Parliament and of the Council²⁶.</p>			<p>functionalities of the digital euro are not without AML/CFT risk, especially if people are able to move phones or pre-paid cards across borders. We would welcome a recital which reflects this risk and the choices made to balance privacy, innovation in payments and AML/CFT risks.</p>
<p>(81) In order to ensure a consistent application of the legal tender requirements and keep pace with technological developments, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to supplement this Regulation by adopting delegated acts in respect of additional exceptions to mandatory acceptance and the types of personal data processed by payment</p>			

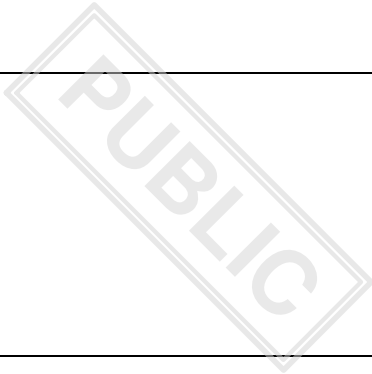
²⁶ Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 (OJ L 141, 5.6.2015, p. 1).



<p>services providers, the European Central Bank and the national central bank and providers of support services. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.</p>			
<p>(82) While offline digital euro payment transactions have similarities with transactions in cash and should be treated in a similar way in terms of privacy specific holding and transaction limits for offline proximity payments are essential to mitigate AML/CFT risks,</p>			<p>NL (MS comments): NL: We propose clarifying this recital. Drafting: “While offline digital euro payment transactions have similarities with transactions in cash and should be treated in a similar way in terms of privacy, specific holding and transaction limits for offline proximity payments are essential to mitigate AML/CFT risks.”</p>
<p>(83) In order to ensure uniform conditions for the application of holding and transaction limits for offline</p>			

<p>proximity payments, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁷. The examination procedure should be used for the adoption of the implementing acts specifying the transaction and holding limits of the offline digital euro, given that those acts contributes to the fight against money laundering and terrorist financing.</p>			
<p>(84) In accordance with the principle of proportionality, it is necessary and appropriate for the achievement of the basic objective of ensuring that the euro is used as a single currency in a digitalised economy to lay down rules concerning in particular its legal tender status, distribution, use and essential features. This Regulation does not go beyond what is necessary in order to achieve the objectives pursued, in accordance with Article 5(4) on the Treaty on European Union.</p>			

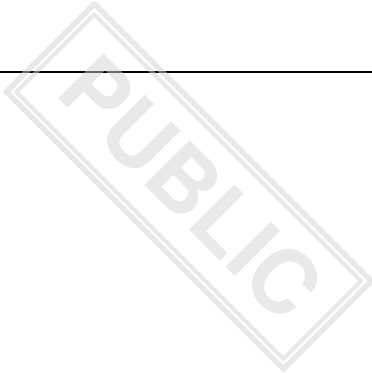
²⁷ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission’s exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

<p>(85) The European Data Protection Supervisor and the European Data Protection Board were consulted in accordance with Article 42 of Regulation (EU) 2018/1725 of the European Parliament and of the Council²⁸ and delivered a joint opinion on [XX XX 2023].</p>			
<p>HAVE ADOPTED THIS REGULATION:</p>			
<p>CHAPTER I SUBJECT MATTER AND DEFINITIONS</p>			
<p>Article 1 Subject matter</p>			
<p>With a view to adapting the euro to technological changes and to ensuring its use as a single currency, this Regulation establishes the digital euro and lays down rules concerning in particular its legal tender status,</p>	<p>With a view to adapting the euro to technological changes and to ensuring its use as a single currency, this Regulation establishes the digital euro as a form of central bank money issued for retail use and lays down rules concerning in</p>		<p>NL (MS comments): NL: We think the addition “<i>for retail use</i>” could lead to confusion about the possible other use cases for a digital</p>

²⁸ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

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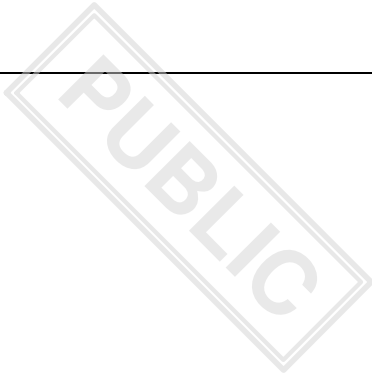
<p>distribution, use, and essential technical features.</p>	<p>particular its legal tender status, distribution, use, and essential technical features.</p>		<p>euro. The framework as such should allow several use cases for the future, as we believe the Commission confirmed several times in the Council Working Parties. We do not mind if the recitals emphasize the retail use case, but think it may be too restrictive to put it in the legal text here. Proposed drafting:</p> <p>“ With a view to adapting the euro to technological changes and to ensuring its use as a single currency, this Regulation establishes the digital euro as a form of central bank money issued for retail use and lays down rules concerning in particular its legal tender status, distribution, use, and essential technical features.</p>
<p>Article 2 Definitions</p>			
<p>For the purpose of this Regulation, the following definitions shall apply:</p>			
<p>1. ‘digital euro’ means the digital form of the single currency available to natural and legal persons;</p>	<p>1. ‘digital euro’ means the digital form of the single currency available to natural and legal persons, issued by the European Central Bank or the a national central banks, constituting a</p>		<p>NL (MS comments):</p>

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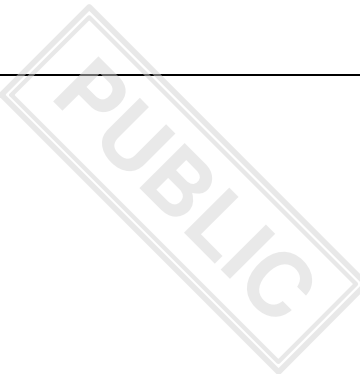
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	liability item on the balance sheet of these entities the issuer;		NL: We very much support these drafting suggestions from the ES PCY. Please also refer to our comment to recital 9.
2. ‘credit institution’ means a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council ²⁹ ;			
3. ‘digital euro payment transaction’ means an act, initiated by a payer or on his or her behalf, or by the payee, of placing, transferring or withdrawing digital euro, irrespective of any underlying obligations between the payer and the payee;			
4. ‘digital euro user’ means anyone making use of a digital euro payment service in the capacity of payer, payee, or both;	4. ‘digital euro user’ means anyone-a natural or legal person making use of a digital euro payment service in the capacity of payer, payee, or both;		NL (MS comments): NL: We support this amendment.
5. ‘digital euro payment account’ means an account held by one or more	5. ‘digital euro payment account’ means an account held by one or more digital euro users		NL

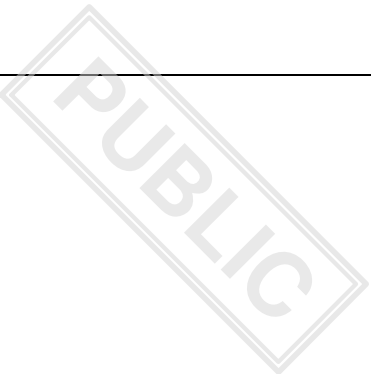
²⁹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

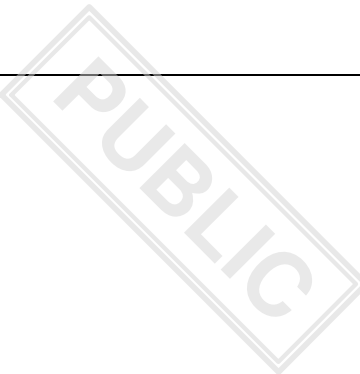
<p>digital euro users with a payment service provider to access digital euro recorded in the digital euro settlement infrastructure or in an offline digital euro device and to initiate or receive digital euro payment transactions, whether offline or online, and irrespective of technology and data structure;</p>	<p>with a payment service provider to access digital euro recorded in the digital euro settlement infrastructure or in an offline digital euro local storage device and to initiate or receive digital euro payment transactions, whether offline or online, and irrespective of technology and data structure;</p>		<p>(MS comments): NL: We support this amendment.</p>
<p>6. ‘European Digital Identity Wallets’ means the wallets set out in Article 6a of Regulation (EUDIWR) <i>[please insert reference – proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity – COM(2021) 281 final]</i>;</p>	<p>6. ‘European Digital Identity Wallets’ means the wallets set out in Article 65 65a of Regulation (EU) No 910/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (EUDIWR) <i>[please insert reference – proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity – COM(2021) 281 final]</i>;</p>		<p>NL (MS comments): NL: We support this amendment.</p>
<p>7. ‘payment service provider’ means a payment service provider as defined in Article 4, point (11) of Directive 2015/2366;</p>	<p>7. ‘payment service provider’ means a payment service provider as defined in Article 4, point (11) of Directive 2015/2366, who is incorporated in a Member State whose currency is the euro;</p>		

<p>8. 'digital euro payment service' means any of the business activities set out in Annex I;</p>			
	<p>8a. 'distribution of the digital euro' means provision of digital euro payment services, including basic and additional digital euro payment services, as well as services enabling to receive digital euro payment transactions;</p>	<p>A majority of Member States agreed to define the term 'distribution'. The Presidency put forward the following proposal at the CWP on 1 April.</p> <p>The Presidency notes that once this definition has been included in the Regulation, consequential amendments may be necessary throughout the text of the Regulation. This is because, in some cases, in addition to the reference to the 'distribution of the digital euro', there are also references to, for example, 'digital euro distribution'. Alternatively, the legal text could be harmonised to use the phrase "provision of/providing digital euro payment services" throughout the Regulation."</p>	<p>NL (MS comments): NL: We agree with the proposed amendment.</p> <p>PT (MS comments): We have reservations regarding the utility of introducing this definition. As acknowledged by the PL PCY, it may lead to inconsistencies. Therefore, we prefer its deletion.</p> <p><u>Drafting suggestions (in green):</u> (deleted)</p> <p>8a. 'distribution of the digital euro' means provision of digital euro payment services, including basic and additional digital euro payment services, as well as services enabling to receive digital euro payment transactions;</p> <p>AT</p>

			<p>(MS comments):</p> <p>We propose to delete the phrase “as well as services enabling to receive digital euro payment transactions” as this is already included in phrase “basic euro payment services”.</p> <p>CY</p> <p>(MS comments):</p> <p>Cyprus agrees with the definition re. distribution of digital euro.</p> <p>ES</p> <p>(MS comments):</p> <p>We question the utility of this definition and we think it can be misleading, if a PSP is allowing to receive D€ payments to a merchant and merchants have OHL, is the PSP distributing D€ to the merchant? Does the PSP need to offer basic + additional services to consider that it is distributing D€ services.</p> <p>IE</p> <p>(MS comments):</p> <p>IE welcomes the inclusion of this definition of "distribution of the digital euro".</p>
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9. 'payer' means anyone who has a digital euro payment account and allows a payment order from that digital euro payment account;			
10. 'payee' means anyone who is the intended recipient of funds which have been the subject of a digital euro payment transaction;			
	[10a. 'merchant' means a payee that contracts acquiring services with a view to receiving digital euro payments;]	The introduced definition was based on the discussion in the CWP, however it is left in the square brackets as it appears that some Member States may still have certain doubts on that definition.	<p>NL (MS comments): NL: we would propose mentioning in the definition that acquiring services are contracted to accept legal tender <i>in exchange for goods or services</i>.</p> <p>PT (MS comments): We are not convinced that it is necessary to define "merchant". For example, in the IFR, legislators opted not to include such definition. We consider that a similar approach could also be appropriate in this context.</p> <p><u>Drafting suggestions (in green):</u></p>

			<p>(deleted)</p> <p>{10a. ‘merchant’ means a payee that contracts acquiring services with a view to receiving digital euro payments;}</p> <p>CY (MS comments):</p> <p>Cyprus suggests reconsidering this definition as it lacks legal clarity to what contracts acquiring services mean.</p> <p>EL (MS comments):</p> <p>EL: On the definition of ‘merchant’, as a general comment, we could keep the definition more generic and less strict so as to be future proof. We should also not deviate from other definitions of ‘merchant’ to ensure a coherent approach.</p> <p>ES (MS comments):</p> <p>We think that a definition of merchant could help to avoid having to always refer to legal persons and self employed persons. This will however require to screen the entire text and</p>
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			<p>replace legal person and self employed person when appropriate. In the definition we would make reference to legal persons or self employed persons</p> <p>HR (MS comments):</p> <p>We find that acquiring services are not always required for receiving digital euro payments (e.g. through PIS providers) so we think that additional discussion regarding this definition is needed.</p> <p>IE (MS comments):</p> <p>The definition of “merchant” should be one that is used in other relevant EU legislation such as the Payment Services Directive, or the Interchange Fee Regulation. IE suggests seeking advice from the CLS on whether the definition is used in other legislative instruments or whether the definition itself is warranted, noting that the definition is not legally applicable to “merchants” outside the EU. CLS should consider whether the definition does not impact other legal requirements.</p>
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11. 'funding' means the process whereby a digital euro user acquires digital euros, in exchange for either cash or other funds, creating a direct liability of the European Central Bank or a national central bank towards that digital euro user;			
12. 'defunding' means the process whereby a digital euro user exchanges digital euro with cash or other funds;	12. 'defunding' means the process whereby a digital euro user exchanges digital euro with other funds, eliminating the liability item of the European Central Bank or national central bank.		NL (MS comments): NL: We support this amendment, but we suggest to include the word 'corresponding' (i.e. 'corresponding liability').
13. 'national central bank' means a national central bank of a Member State whose currency is the euro;			
14. 'online digital euro payment transaction' means a digital euro payment transaction where the settlement takes place in the digital euro settlement infrastructure;			

15. 'offline digital euro payment transaction' means a digital euro payment transaction, made in physical proximity, where authorisation and settlement take place in the local storage devices of both payer and payee;			
16. 'residence' means the place where a natural person is legally resident in the Union as defined in Article 2, point (2), of Directive 2014/92/EU of the European Parliament and of the Council ³⁰ ;			
17. 'conditional digital euro payment transaction' means a digital euro payment transaction which is instructed automatically upon fulfilment of pre-defined conditions agreed by the payer and by the payee;			
18. 'programmable money' means units of digital money with an intrinsic logic that limits each unit's full fungibility;			

³⁰ Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (OJ L 257, 28.8.2014, p. 214).

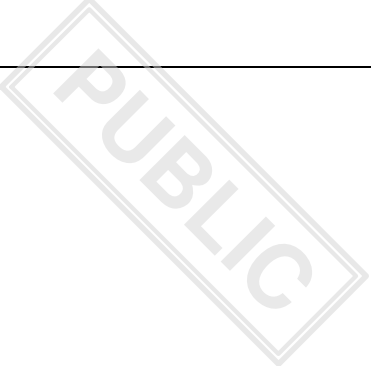
19. the ‘digital euro settlement infrastructure’ means the settlement infrastructure of the digital euro adopted by the Eurosystem;			
20. ‘front-end service’ means all components necessary to provide services to digital euro users that interact via defined interfaces with back-end solutions and other front-end services;	20. ‘front-end service solution means all components necessary to provide digital euro payment services to digital euro users that interact via defined interfaces with back-end solutions and other front-end services solutions ;		NL (MS comments): NL: we support this amendment.
21. ‘third country’ means a country that is not a member of the European Union;			
22. ‘visitor’ means a natural person who does not have its domicile or residence in a Member State whose currency is the euro, and who is travelling to and staying in one of those Member States, including for tourism, business or education and training purposes;			
23. ‘Member State whose currency is not the euro’ means a Member State in respect of which the Council has not decided that it fulfils the necessary			

conditions for the adoption of the euro in accordance with Article 140 TFEU;			
	23a. ‘inter-PSP fee’ means a fee paid for each transaction directly or indirectly (i.e. through a third party) between the distributing and acquiring payment service providers involved in a digital euro payment transaction. It includes the net compensation or other agreed remuneration;		NL (MS comments): NL: We agree with the proposed amendment.
	23b. ‘net compensation’ means the total net amount of payments, rebates or incentives received by a distributing payment service provider from the acquirer or any other intermediary in relation to digital euro payment transactions or related activities;		NL (MS comments): NL: We agree with the proposed amendment.
24. ‘merchant service charge’ means a fee paid by the payee to a payment service provider when acquiring a digital euro payment transaction;			
25. ‘comparable digital means of payment’ means digital means payment, including debit card payment and instant payment at the point of interaction but excluding credit transfer and direct debit	25. comparable digital means of payment’ means digital means payment, including debit card payment and instant payment at the point of interaction but excluding credit		NL (MS comments): NL: We support including the definition for this in the article itself. It

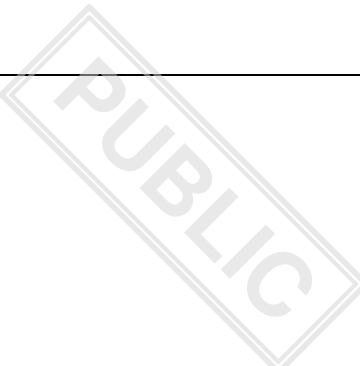
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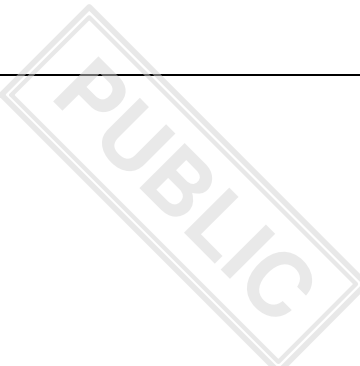
<p>that are not initiated at the point of interaction;</p>	<p>transfer and direct debit that are not initiated at the point of interaction;</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-15deg);">PUBLIC</p>	<p>would be valuable to have a dedicated discussion on the definition of this term and implications for different EU payment landscapes.</p> <p>EL (MS comments):</p> <p>EL: Our understanding is that the definition of “comparable digital means of payment” has been deleted, because this notion does no longer appear in the newly proposed version of Article 9(a); however, the notion for legal tender purposes still appears and is defined in recital 18. Therefore, we agree with this amendment.</p>
	<p>25a. ‘point of interaction’ means the payee’s physical or virtual environment where a payment transaction is initiated;</p>	<p>The proposal presented at the CWP on 31.03 (Discussion note on alignment of euro cash and digital euro legal tender provisions).</p> <p>The proposal was based on the outcome of the discussions at the CWP meeting in January, where the Presidency (next to the additional proposal for a new paragraph in Article 22 to clarify acceptance at POI in different environments) suggested a definition of POI in Article 2.</p>	<p>NL (MS comments):</p> <p>NL: We agree with the amendment</p> <p>PT (MS comments):</p> <p>As previously mentioned, our main concern with this approach is the possibility of creating inconsistencies with other European legislation in the field of payments. Moreover, considering the specifically proposed text, we question whether its is necessary to introduce, in the</p>

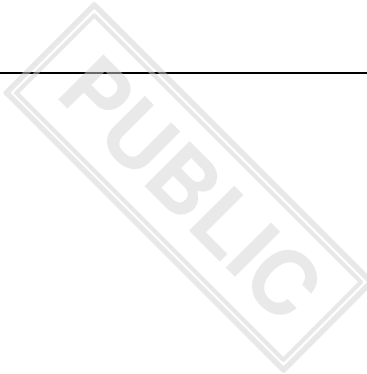
			<p>operative part of the text, a definition deliberately so generic and broad.</p> <p>SI (MS comments): We would appreciate more specific definition to ensure common understanding.</p> <p>CY (MS comments): Cyprus agrees with the definition re. point of interaction.</p> <p>ES (MS comments): We need to make sure that payments initiated with QRs or with instant payment solutions like Bizum are included in this definition. These payments are initiated in the app of the payer and not the payee.</p> <p>IE (MS comments): IE is not aware of any other regulation or directive that uses the definition of point of interaction and is unclear if there would be any implications for other regulations. IE would like clarification as to whether the CLS considered the definition and the</p>
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			possible implications for other legislative instruments.
	<p>25b. ‘communication technology’ means technology used for the transmission of data between the payer device and the point of interaction to initiate a payment transaction;</p>	<p>The proposal presented at the CWP on 31.03 (Discussion note on alignment of euro cash and digital euro legal tender provisions).</p> <p>Due to the changes introduced to other parts of the regulation (e.g. Art. 22 (7) and (8), the definition of “communication technology” has been introduced.</p>	<p>NL (MS comments): NL: We agree with the amendment</p> <p>PT (MS comments): To clarify that we are referring only to communication technologies within the scope of the digital euro, we propose a minor adjustment to the proposed definition.</p> <p><u>Drafting suggestions (in green):</u> 25b. ‘digital euro communication technology’ means technology used for the transmission of data between the payer device and the point of interaction to initiate a payment transaction;</p> <p>CY (MS comments): Cyprus agrees with the definition re. communication technology.</p> <p>ES</p>

			<p>(MS comments):</p> <p><u>Agree</u></p> <p>IE</p> <p>(MS comments):</p> <p>IE is not aware of any other regulation or directive that uses the definition of communication technology and is unclear if there are implications for other regulations. IE would like clarification as to whether the CLS considered the definition and the possible implications for other legislative instruments.</p> <p>It might be more appropriate to include the definition of “communication technology” in the Digital Euro Rulebook</p>
<p>26. ‘switching’ means, upon a digital euro user’s request, transferring from one payment service provider to another either the information about all or some digital euro payment services, including recurring payments, executed on a digital euro payment account, or the digital euro holdings from one digital euro payment account to the</p>	<p>26. ‘switching’ means, upon a digital euro user’s request, transferring digital euro payment accounts from one payment service provider to another in accordance with Article 31 either the information about all or some digital euro payment services, including recurring payments, executed on a digital euro payment account, or the digital euro holdings from one digital euro payment account to the other, or</p>		<p>NL</p> <p>(MS comments):</p> <p>NL: We support this amendment.</p>

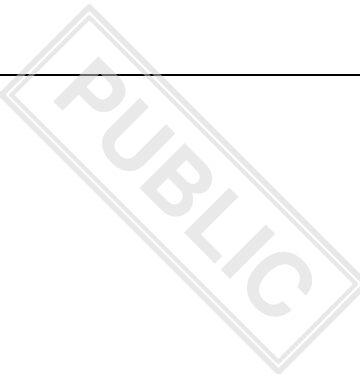
<p>other, or both, with or without closing the former digital euro payment account, while maintaining the same account identifier;</p>	<p>both, with or without closing the former digital euro payment account, while maintaining the same account identifier;</p>		
<p>27. ‘user identifier’ means a unique identifier created by a payment service provider distributing the digital euro that unambiguously differentiates, for online digital euro purposes, digital euro users but that is not attributable to an identifiable natural or legal person by the European Central Bank and the national central banks;</p>	<p>27. ‘user identifier’ means a unique identifier created by a payment service provider distributing the digital euro, that unambiguously differentiates, for online digital euro purposes, digital euro users but that is not attributable to an identifiable natural or legal person by the European Central Bank and the national central banks;</p>		<p>NL (MS comments): NL: we think it is better to make absolutely clear that the user identifier is under no circumstances directly attributable to an individual user and therefore also do not object to including this in the definition itself (in addition to the relevant articles, of course).</p>
<p>28. ‘user alias’ means a unique pseudonymous identifier used to protect user’s identity when processing digital euro payments that can only be attributable to an identifiable natural or legal person by the payment service provider distributing the digital euro or by the digital euro user;</p>	<p>28. ‘user alias’ means an account-specific unique pseudonymous identifier, created by the European Central Bank or and national central banks upon request of the payment service provider, used to protect the user’s identity when processing digital euro payment transactions that can only be attributable to an identifiable natural or legal person by the payment service provider distributing the digital euro or by the digital euro user, including a compulsory alias (the digital euro payment account alias number) and, if requested by a digital euro user, additional proxy aliases that can also be linked to the account;</p>	<p>The proposal presented at the CWP on 01.04.2025 (Discussion note on privacy).</p>	<p>NL (MS comments): NL: We support this amendment. PT (MS comments): In accordance with our previous comments and considering that the digital euro account number cannot be regarded as an “alias”, we prefer the wording initially proposed by the COM.</p>

			<p>SI (MS comments):</p> <p>We would like to underline that the term "<i>account-specific pseudonymous identifier</i>" remains part of a drafting suggestion and, as such, we do not see a justified reason to amend already well-established terms such as <i>digital euro payment account number</i>. This is particularly relevant given that the drafting suggestion was neither a formal proposal discussed at the Aprils CWP meeting, as inaccurately referenced by the Polish Presidency, nor has it been endorsed. Furthermore, we would like to stress that the replacement of "<i>or</i>" with "<i>and</i>" is not appropriate at this stage, as the entity responsible for issuing the digital euro account number has not yet been clearly determined, and it is important to maintain technical neutrality.</p> <p>ES (MS comments):</p> <p><u>OK</u></p> <p>HR (MS comments):</p> <p>Please read our comment for new Recital 54(a) regarding alias and account.</p>
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			<p>We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p> <p>In the Article 2(5) of the Proposal the definition of the "digital euro payment <u>account</u>" is prescribed, but on the other hand in the Article 2(32) there is a new definition of the "digital euro payment <u>alias number</u>".</p> <p>Does it mean that "digital euro payment <u>account</u> " do not have its number?</p> <p>What does the acronym DEAN than stand for:</p> <ul style="list-style-type: none"> - "Digital euro account number or - "Digital euro alias number"? <p>IE (MS comments): IE welcomes this inclusion</p>
<p>29. 'user authentication' means a unique piece of information created by the payment service provider distributing the digital euro that together with the user identifier allows a digital</p>			

euro user to prove ownership of the online digital euro holdings recorded in the digital euro settlement infrastructure;			
30. ‘providers of support services’ means one or more entities, appointed by the European Central Bank, that provide services to all payment service providers distributing the digital euro that are aimed at facilitating the smooth functioning of digital euro payment transactions;			
31. ‘mobile device’ means a device that enables digital euro users to authorise digital euro payment transactions online or offline including in particular smart phones, tablets, smart watches and wearables of all kind.			
	32. (new) ‘digital euro payment alias account number’ means a compulsory user alias, that does not contain the country or payment service provider code, and that allows the switching of digital euro payment accounts while maintaining the same digital euro payment alias account number;		<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): For the reasons already mentioned, we do not agree with this proposal and</p>

			<p>therefore prefer the deletion of this new definition.</p> <p>ES (MS comments):</p> <p>OK</p> <p>HR (MS comments):</p> <p>Please read our comment for new Recital 54(a) regarding alias and account. We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p> <p>In the Article 2(5) of the Proposal the definition of the "digital euro payment <u>account</u>" is prescribed, but on the other hand in the Article 2(32) there is a new definition of the "digital euro payment <u>alias_number</u>".</p> <p>Does it mean that "digital euro payment <u>account</u> " do not have its number?</p> <p>What does the acronym DEAN than stand for: - "Digital euro account number or</p>
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			- "Digital euro alias number"?
	<p>33. (new) ‘insolvency proceedings’ means any collective measure provided for in Union law or national law, either to wind up the payment service provider or to reorganise it, where such measure involves the suspending of, or imposing limitations on, transfers or payments, or any proceeding which entails the suspension or limitation of activities of a payment service provider with regard to digital euro payment services;</p>		<p>NL (MS comments): NL: We support this amendment.</p>
	<p>34. (new) ‘consumer’ means any natural person who is acting for purposes which are outside his trade, business, craft or profession;</p>		<p>NL (MS comments): NL: We support the inclusion of this definition, but suggest to align it with the definition in other regulation, e.g. the Consumer Credit Directive. For example: <i>‘consumer’ means a natural person who, in transactions covered by this Regulation, is acting for purposes which are outside his trade, business or profession;</i></p>
	<p>35. (new) ‘local storage device’ means a physical device with tamper resistant</p>		NL

	<p>hardware and software features, allowing for the secure electronic storage of information and digital euros and the secure execution of digital euro transactions;</p>		<p>(MS comments): NL: We support this amendment.</p>
	<p>36. (new) ‘targeted financial restrictive measure’ means an asset freeze imposed on a person, body or entity or a prohibition on making funds or economic resources available to a person, body or entity, or for its benefit, either directly or indirectly, pursuant to restrictive measures adopted in accordance with Article 215 TFEU;</p>		<p>NL (MS comments): NL: We support this amendment.</p>
			<p>PT (MS comments): Please see our comments inserted in Article 9(a). <u>Drafting suggestions (in green):</u> 37. (new) ‘enterprise’ means an enterprise as defined in Article 1 of the Annex to Recommendation 2003/361/EC; 38. (new) ‘non-profit legal entity’ means a non-profit legal entity as defined in point (18) of Article 2 of Regulation (EU) 2021/695 of the European Parliament and of the Council;</p>

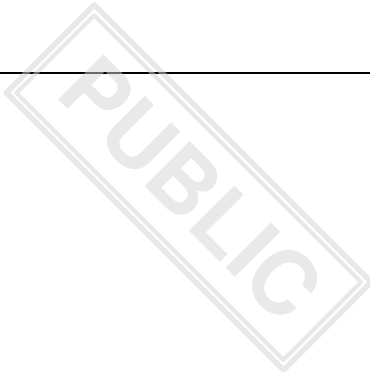
CHAPTER II ESTABLISHMENT AND ISSUANCE OF THE DIGITAL EURO			
Article 3 Establishment of the digital euro			
The digital euro is hereby established as the digital form of the single currency.			
Article 4 Issuance of the digital euro			
1. In accordance with the Treaties, the European Central Bank shall have the exclusive right to authorise the issue of the digital euro, and the European Central Bank and the national central banks may issue the digital euro.			
2. The digital euro shall be a direct liability of the European Central Bank or of national central banks towards digital euro users.	2. The digital euro shall be a direct liability item on the balance sheet of the European Central Bank or of national central banks towards digital euro users.		NL (MS comments): NL: We support these drafting suggestions from the ES PCY. Please also refer to our comment to recital 9.

	<p>3. The digital euro shall be the sole property of digital euro users and not of the payment services providers providing digital euro payment services or any other intermediary.</p>		<p>NL (MS comments): NL: We think this is a useful addition and support this amendment. Please also refer to our comment and drafting suggestion included under recital 9.</p>
Article 5 Applicable law			
<p>1. The digital euro shall be governed by the provisions of this Regulation, supplemented by the delegated acts that the Commission is empowered to adopt pursuant to Articles 11, 33, 34, 35 and 38, and by the implementing acts that the Commission is empowered to adopt pursuant to Article 37.</p>			
<p>2. Within the framework of this Regulation, the digital euro shall also be governed by the detailed measures, rules and standards that may be adopted by the European Central Bank pursuant to its own competences. Where these detailed measures, rules and standards</p>			

<p>have an impact on the protection of individuals' rights and freedom with regard to the processing of personal data, the European Central Bank shall consult the European Data Protection Supervisor prior to their adoption.</p>			
<p>3. In accordance with Article 4(25) of Directive (EU) 2015/2366 of the European Parliament and of the Council, of 25 November 2015, on payment services in the internal market, as replaced by Directive (EU) <i>[please insert reference – proposal for a Directive on payment services and electronic money services in the internal market - COM/2023/366 final]</i> and Regulation (EU) <i>[please insert reference – proposal for a Regulation on payment services in the internal market - COM/2023/367 final]</i> of the European Parliament and of the Council, of XX/XX/2023, the provisions of that Directive shall apply to digital euro payment transactions.</p>	<p>3. In accordance with Article 4(25) of Directive (EU) 2015/2366 of the European Parliament and of the Council, of 25 November 2015, on payment services in the internal market, as replaced by Directive (EU) <i>[please insert reference – proposal for a Directive on payment services and electronic money services in the internal market - COM/2023/366 final]</i> and Regulation (EU) <i>[please insert reference – proposal for a Regulation on payment services in the internal market - COM/2023/367 final]</i> of the European Parliament and of the Council, of XX/XX/2023, the provisions of that Directive (EU) 2015/2366 shall apply to digital euro payment transactions services. Without prejudice to the disputes concerning the lawfulness of the processing of personal data, disputes between digital euro users and payment service providers on the provision of digital euro payment services shall also be governed by that Directive.</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-30deg);">PUBLIC</p>	<p>IT (MS comments):</p> <p>We note that commercial disputes, that seem to be covered by the present regulation and by the rulebook (pending LEGCO's assessment), are not covered by PSD2. Hence, it could be useful to clarify which legal framework would apply and also amend this definition to include examples of commercial disputes (see also comment above under recital 60). More generally, we reiterate the need to have an updated discussion on the interplay of the proposed regulation with PSD2, and especially with the upcoming PSD3/PSR. This would be extremely important for the licensing activities, for the supervision of the competent Authorities, and also to inform the discussion of fraud prevention measures in the light of the new PSR.</p>

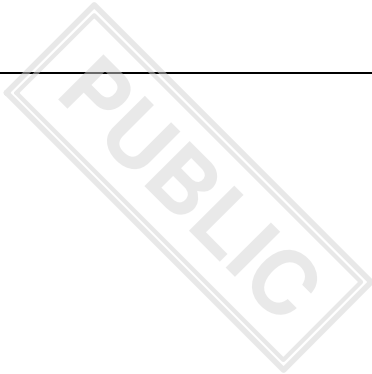
			NL (MS comments): NL: We support this amendment.
4. In accordance with Article 2(10) of Regulation (EU) 2021/1230 of the European Parliament and of the Council of 14 July 2021 on cross-border payments in the Union, as amended by Regulation (EU) [please insert reference – proposal for a Regulation on the provision of digital euro services by payment services providers incorporated in Member States whose currency is not the euro - COM/2023/368 final], the provisions of that Regulation shall apply to digital euro payment transactions.	4. In accordance with Article 2(10) of Regulation (EU) 2021/1230 of the European Parliament and of the Council of 14 July 2021 on cross-border payments in the Union, as amended by Regulation (EU) [please insert reference – proposal for a Regulation on the provision of digital euro services by payment services providers incorporated in Member States whose currency is not the euro - COM/2023/368 final], provisions of that Regulation (EU) 2021/1230 shall apply to digital euro payment transactions.		
5. Without prejudice to Articles 37 of this Regulation, Directive (EU) 2015/849 of the European Parliament and of the Council, of 20 May 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds shall	5. Without prejudice to Articles 37 of this Regulation, Directive (EU) 2015/849 of the European Parliament and of the Council, of 20 May 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and Regulation (EU) 2015/847 2023/1113 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds shall apply to digital euro payment transactions services .		NL (MS comments): NL: We support this amendment.

apply to digital euro payment transactions.			
	<p>6. Directive (EU) 2020/1828 shall apply to the representative actions brought against infringements of provisions of this Regulation that harm or may harm the collective interests of consumers.</p>		<p>NL (MS comments): NL: We support this amendment.</p>
Article 6 Competent authorities			
<p>1. The Member States shall designate one or more competent authorities to ensure compliance with Chapter III and Article 17 in their territory. They shall inform the Commission thereof, indicating any division of functions and duties.</p>	<p>1. The Member States whose currency is the euro shall designate one or more competent authorities to ensure compliance with Chapter III and Article 17 in their territory. They shall inform the Commission thereof, indicating any division of functions and duties.</p>		<p>NL (MS comments): NL: <u>Preliminarily</u>, we think this could work, because article 4 and 5 seem to cover this for PSPs incorporated in the non-euro area that provide digital euro services in the EU. A careful gap analysis needs to be done.</p> <p>AT (MS comments): A "may" provision is preferred. Initial investments and ongoing costs to ensure an effective sanction regime of the dEUR legal tender status appear disproportionate compared to expected gains. In our view, the widespread</p>

			<p>acceptance and usage of the dEUR will depend on other, much more relevant, aspects of the DER (distribution, fees, technical features) that cannot be compensated by a sanction regime.</p> <p>Drafting Suggestion: “Member States whose currency is the euro shall may designate [...]”</p>
<p>The Member States shall lay down the rules on penalties applicable to infringements of Chapter III and Article 17 and shall take all measures necessary to ensure that these rules are implemented, including the power of competent authorities to access the necessary data. The penalties provided for shall be effective, proportionate and dissuasive. Member States shall, without delay, notify the Commission of those rules and of those measures and shall notify it, without delay, of any subsequent amendment affecting them.</p>	<p>The Member States whose currency is the euro shall lay down the rules on penalties applicable to infringements of Chapter III and Article 17 and shall take all measures necessary to ensure that these rules are implemented, including the power of competent authorities to access the necessary data. The penalties provided for shall be effective, proportionate and dissuasive. Member States whose currency is the euro shall, without delay, notify the Commission of those rules and of those measures and shall notify it, without delay, of any subsequent amendment affecting them.</p>		<p>NL (MS comments): NL: <u>Preliminarily</u>, we think this could work, because article 4 and 5 seem to cover this for PSPs incorporated in the non-euro area that provide digital euro services in the EU. A careful gap analysis needs to be done.</p>
<p>2. Directive (EU) 2015/2366 of the European Parliament and of the Council, of 25 November 2015, on payment services in the internal market, as replaced by Directive (EU) <i>[please</i></p>	<p>2. Directive (EU) 2015/2366 of the European Parliament and of the Council, of 25 November 2015, on payment services in the internal market, as replaced by Directive (EU) <i>[please insert reference – proposal for a</i></p>		<p>IT (MS comments): The reference to the PSD2 supervision and sanctions regime does not seem</p>

From: IT, NL, PT, SI, AT, CY, EL, ES, HR, IE

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<p><i>insert reference – proposal for a Directive on payment services and electronic money services in the internal market - COM/2023/366 final</i>], shall govern the supervision by competent authorities, the sanctions regime and supervisory arrangements between the competent authorities of the home Member States and of the host Member States, concerning compliance by Payment Services Providers of their obligations pursuant to Chapters IV, V, VI and VII of this Regulation.</p>	<p><i>Directive on payment services and electronic money services in the internal market - COM/2023/366 final</i>], shall govern the supervision by competent authorities, the sanctions regime and supervisory arrangements between the competent authorities of the home Member States and of the host Member States, concerning compliance by Ppayment Sservices Pproviders of their obligations pursuant to Chapters IV, V, VI and VII of this Regulation.</p>		<p>adequate to ensure compliance by PSPs with the obligation to offer digital euro payment accounts with basic features. It is therefore suggested to extend the reference also to the relevant provisions of the PAD concerning the supervision by competent authorities and the sanction regime.</p> <p>NL (MS comments): NL: We support this amendment.</p>
<p>3. Directive (EU) 2015/849 as replaced by Directive (EU) [<i>please insert reference – proposal for Anti-Money Laundering Directive - COM/2021/423 final</i>] shall govern the supervision by competent authorities, the sanctions regime and supervisory arrangements between the competent authorities of the home Member States and of the host Member States, concerning the activities of Payment Services Providers in relation to the digital euro for the purpose of ensuring compliance with Chapter IX of Regulation (EU) No [x] on the establishment of the digital euro.</p>	<p>3. Directive (EU) 2015/849 as replaced by Directive (EU) [<i>please insert reference – proposal for Anti-Money Laundering Directive - COM/2021/423 final</i>] shall govern the supervision by competent authorities, the sanctions regime and supervisory arrangements between the competent authorities of the home Member States and of the host Member States, concerning the activities of Ppayment Sservices Pproviders in relation to the digital euro for the purpose of ensuring compliance with Chapter IX of this Regulation (EU) No [x] on the establishment of the digital euro</p>		<p>NL (MS comments): NL: We think it would be better to be consistent in the references to other regulations and directives. With the suggested changes to subparagraphs 1 and 2 of this article, the references are no longer consistent.</p>

<p>4. For the purposes of supervising compliance with Chapters IV, V and VII of this Regulation, the competent authorities referred to in paragraph 2 shall cooperate with the European Central Bank.</p>			
<p>5. Member States shall ensure that adequate measures are in place to raise awareness among the public about the availability and features of the digital euro and possibilities of access to the digital euro.</p>			
<p>CHAPTER III LEGAL TENDER</p>			
<p>Article 7 Legal tender status</p>			<p>NL (MS comments): NL: As stated before, the introduction of a digital euro will only be successful if it gains network effect and is widely accepted. The Netherlands supports its legal tender status and a prohibition of unilateral exclusion for digital euro. We also support to include article 8 on territorial scope for the digital euro.</p>

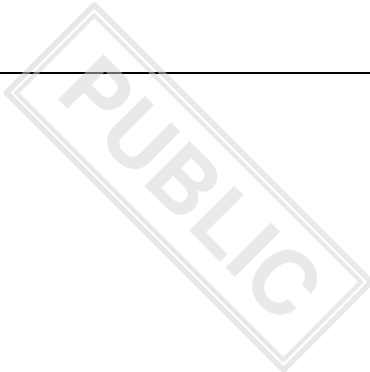
1. The digital euro shall have legal tender status.			
2. The legal tender status of the digital euro shall entail its mandatory acceptance, at full face value, with the power to discharge from a payment obligation.			
3. In accordance with the mandatory acceptance of the digital euro, the payee shall not refuse digital euro tendered in payment to comply with that obligation.			
4. In accordance with the acceptance at full face value of the digital euro, the monetary value of digital euro tendered in payment of a debt shall be equal to the value of the monetary debt. Surcharges on the payment of debt with the digital euro shall be prohibited.			
5. In accordance with the power of the digital euro to discharge from a payment obligation, a payer shall be			

able to discharge himself from a payment obligation by tendering digital euro to the payee.			
Article 8 Territorial scope of legal tender status	Article 8 Territorial sScope of legal tender status		
1. The digital euro shall have legal tender status for offline payments of a monetary debt denominated in euro that take place within the euro area.	1. The digital euro shall have the status of legal tender status for offline payments of a monetary debt denominated in euro that take place within the euro area.	The amendments based on the proposal presented at the CPW on 31.03 (discussion note on alignment of euro cash and digital euro legal tender provisions).	NL (MS comments): NL: We support this amendment. PT (MS comments): Please consider our comments inserted in Recital 17. ES (MS comments): OK HR (MS comments): The proposal at the CWP was: "The digital euro shall have the status of legal tender status for as regards offline payments...".
2. The digital euro shall have legal tender status for online payments	2. The digital euro shall have the status of legal tender status for online payments of a	The amendments based on the proposal presented at the CPW on	NL

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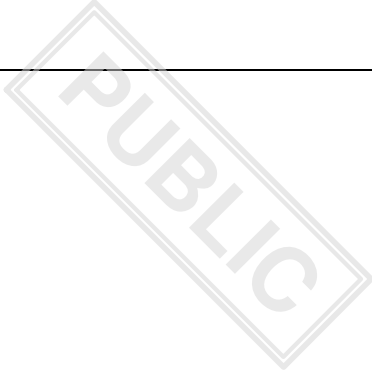
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<p>of a monetary debt denominated in euro to a payee residing or established in the euro area.</p>	<p>monetary debt denominated in euro to a payee residing or established in the euro area.</p>	<p>31.03 (discussion note on alignment of euro cash and digital euro legal tender provisions).</p>	<p>(MS comments): NL: We support this amendment. PT (MS comments): Please consider our comments inserted in Recital 17. ES (MS comments): Ok HR (MS comments): The proposal at the CWP was: "The digital euro shall have the status of legal tender status for as regards online payments...".</p>
	<p>3. In cases where the legal tender status of both online and offline digital euro payment transactions applies, the payer shall be entitled at all times to choose between an online or an offline digital euro payment transaction.</p>	<p>The proposal presented at the CPW on 31.03 (discussion note on alignment of euro cash and digital euro legal tender provisions). This paragraph aims to clarify that in cases where the legal tender status of both online and offline digital euro payment transactions applies, a payer has right to choose which modality he/she wants to use.</p>	<p>NL (MS comments): NL: We support this amendment. PT (MS comments): We do not oppose to the proposed clarification. AT (MS comments):</p>

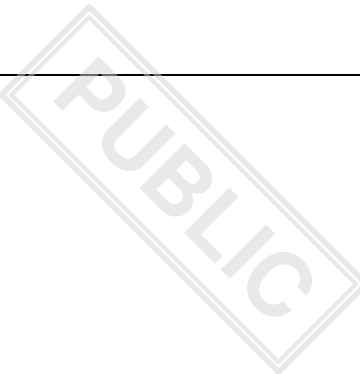
			<p>We strongly support the new wording.</p> <p>CY (MS comments):</p> <p>Cyprus supports this addition, clarifying that the uses is entitled to choose between online or offline digital euro payment transaction when both legal tender status applies.</p> <p>ES (MS comments):</p> <p>OK</p> <p>IE (MS comments):</p> <p>IE welcomes this proposal.</p>
<p>Article 9 Exceptions to the obligation to accept the digital euro</p>			<p>NL (MS comments):</p> <p>NL: In our view, a user should always be able to pay with an offline digital euro at any point-of-sale to which the obligation to accept is applicable, in order to create the resemblance with cash, a fall-back option and a higher level of privacy.</p>
<p>By way of derogation from Article 7(3) and Article 8, a payee shall be entitled</p>			

<p>to refuse digital euro in any of the following cases:</p>			
<p>(a) where the payee is an enterprise which employs fewer than 10 persons or whose annual turnover or annual balance sheet total does not exceed EUR 2 million, or is a non-profit legal entity as defined in in Article 2, point (18), of Regulation (EU) 2021/695 of the European Parliament and of the Council³¹, unless it accepts comparable digital means of payment;</p>	<p>(a) where the payee is an enterprise or a self-employed person or a non-profit legal entity as defined in Article 2, point (18), of Regulation (EU) 2021/695, which only accepts credit transfers not initiated at the point of interaction, direct debits not initiated at the point of interaction, and/or euro banknotes and coins which employs fewer than 10 persons or whose annual turnover or annual balance sheet total does not exceed EUR 2 million, or is a non-profit legal entity as defined in in Article 2, point (18), of Regulation (EU) 2021/695 of the European Parliament and of the Council, unless it accepts comparable digital means of payment initiated at the point of interaction;</p>	<p>The proposal presented at the CWP on 31.03 (Discussion note on alignment of euro cash and digital euro legal tender provisions) with further amendments based on the MSs' comments.</p>	<p>NL (MS comments): NL: We agree with the proposed amendment and value especially the exclusion of non-profit legal entities which do not accept similar types of payments at the point of interaction.</p> <p>PT (MS comments): We propose some adjustments to simplify the wording, proposing to move certain definitions to Article 2 (enterprise and non-profit legal entity).</p> <p>The definition of “<i>enterprise</i>” we propose makes the reference to “<i>self-employed person</i>” unnecessary.</p> <p><u>Drafting suggestions (in green):</u> (a) where the payee is an enterprise or a self-employed person or a</p>

³¹ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

			<p>non-profit legal entity as defined in Article 2, point (18), of Regulation (EU) 2021/695, which only accepts credit transfers not initiated at the point of interaction, direct debits not initiated at the point of interaction, and/or euro banknotes and coins.</p> <p>AT (MS comments):</p> <p>We strongly support the widened exception to the mandatory acceptance.</p> <p>Where a payee only operates within the SEPA environment, i.e. accepting payments not via PoS terminals), but only via direct debits/credit transfers, we do not see any dependency from services owned or controlled by third-countries. In addition, providing the necessary infrastructure for receiving dEUR payments, where the payee does not accept a payment initiated at the point of interaction so far, does not seem meaningful, regardless of size/turnover aspects. Therefore, proportionality aspects are not relevant for this exception.</p> <p>CY</p>
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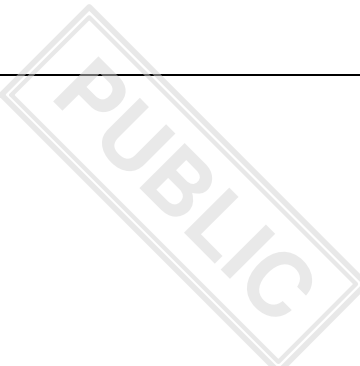
			<p>(MS comments):</p> <p>Cyprus suggests reconsidering this point as Cyprus supports the commission’s text and not the proposed text. The legal basis of such exceptions should be reviewed and make sure that they do not undermine the legal tender status of Digital Euro. Besides, that would be contradictory to the purpose of wide use (if acceptance is overly restricted).</p> <p>EL</p> <p>(MS comments):</p> <p><u>EL:</u>We note that the notion of “microenterprise” does not appear anymore in this paragraph – contrary to recital 18. Under the newly proposed wording the exception to the obligation to accept the digital euro applies to all enterprises that only accept non-POI payments and/or cash. We do not agree to this approach, which further limits the mandatory acceptance of the digital euro. In general, we disagree with further restrictions on mandatory acceptance, as this would undermine the legal tender status of the digital euro</p> <p>ES</p>
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			<p>(MS comments):</p> <p>Needs further discussion. We believe that the exceptions to mandatory acceptance should be extended to payments outside the POI, regardless of size. Since the term merchant has been included in the definitions, we would refer to it in this article</p> <p>HR</p> <p>(MS comments):</p> <p>We find that credit card payments should be added at the end of the sentence. After words "banknotes and coins" should be added "or credit card payments".</p> <p>This will be in line with the Discussion note on alignment of euro cash and digital euro legal tender provisions.</p> <p>Also, we find that Recital (18) should be aligned with the whole new wording of this Article 9 (a).</p>
<p>(b) where a refusal is made in good faith and where such refusal is based on legitimate and temporary grounds in line with the principle of proportionality in view of concrete</p>			

circumstances beyond the control of the payee;			
(c) where the payee is a natural person acting in the course of a purely personal or household activity;			
(d) where, prior to the payment, the payee has agreed with the payer on a different means of payment, subject to Article 10.			
For the purposes of point (b), the burden of proof to establish that legitimate and temporary grounds existed in a particular case and that the refusal was proportionate shall be on the payee.			
Article 10 Prohibition of the unilateral exclusion of payments in the digital euro			
Payees subject to the obligation to accept the digital euro shall not use contractual terms that have not been individually negotiated or commercial practices which have the object or the effect to exclude the use of the digital			<p>AT (MS comments): We agree for a possibility to unilaterally exclude payments in the dEUR based on terms and conditions</p>

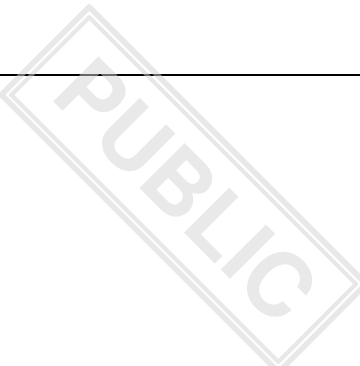
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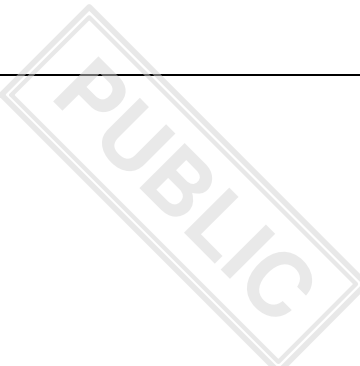
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<p>euro by the payers of monetary debts denominated in euro. Such contractual terms or commercial practices shall not be binding on the payer. A contractual term shall be regarded as not individually negotiated where it has been drafted in advance and where the payer has therefore not been able to influence the substance of the term, particularly in the context of a pre-formulated standard contract.</p>			<p>for B2B transactions in line with the scope of Art 4a LTRC.</p> <p>The main objectives, i.e. ensuring the wide usage of dEUR and addressing power imbalances between merchants and consumers, are met with a B2C-only provision in our perspective.</p> <p>Drafting suggestion:</p> <p>[...] Such contractual terms or commercial practices shall not be binding, where the payer is a consumer. [...]</p> <p>EL (MS comments):</p> <p>EL: We welcome the fact that Article 10 has been kept unchanged. Our preference remains to not exclude B2B payments from the scope of Article 10, as this would weaken the digital euro's legal tender status</p>
<p>Article 11 Additional exceptions of a monetary law nature</p>			
<p>The Commission is empowered to adopt delegated acts in accordance with</p>			<p>EL</p>

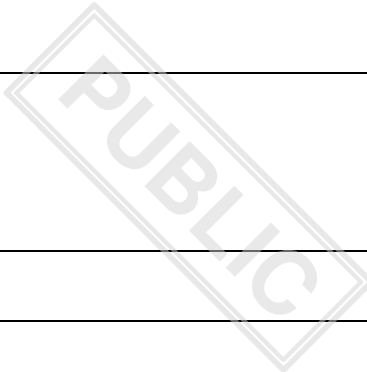
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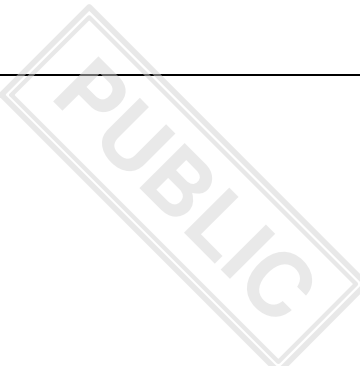
<p>Article 38 to supplement this Regulation by identifying additional exceptions of a monetary law nature to the principle of mandatory acceptance. Those exceptions shall be justified by an objective of public interest and proportionate to that aim, shall not undermine the effectiveness of the legal tender status of the digital euro, and shall only be permitted provided that other means for the payment of monetary debts are available. When preparing those delegated acts, the Commission shall consult the European Central Bank.</p>			<p>(MS comments):</p> <p>EL: We welcome the fact that Article 11 has been kept in DER (i.e. there was no alignment with LTCR where it has been deleted), due to the novel nature of the digital euro.</p>
<p>Article 12 Interaction between the digital euro and euro banknotes and coins</p>			
<p>1. The digital euro shall be convertible with euro banknotes and coins at par.</p>			<p>NL (MS comments):</p> <p>NL: This article is extremely important to create the same monetary anchor as cash currently is.</p>
<p>2. Payees of a monetary debt denominated in euro shall accept payments in digital euro according to</p>			

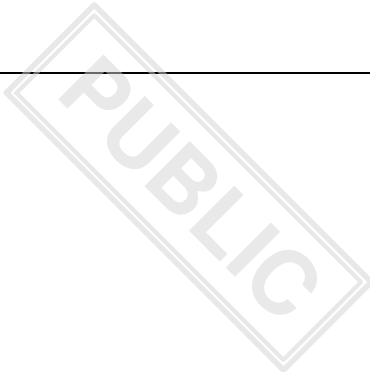
<p>the provisions of this Regulation, irrespective of whether they accept payments in euro banknotes and coins in accordance with Regulation (EU) [please insert reference – proposal on the legal tender status of euro banknotes and coins – COM (2023) 364 final]. Where the acceptance of euro banknotes and coins and of the digital euro is mandatory in accordance with the provisions of this Regulation and Regulation (XXX on the legal tender of euro banknotes and coins), the payer is entitled to choose the means of payment.</p>			
<p>CHAPTER IV DISTRIBUTION</p>			
	<p>Article 12a Digital euro users</p>		
	<p>1. Payment service providers may provide digital euro payment services to any of the following digital euro users:</p>		
	<p>(a) Natural and legal persons residing or established in the Member States whose currency is the euro;</p>		

	(b) Natural and legal persons who opened a digital euro payment account at the time they resided or were established in the Member States whose currency is the euro, but no longer reside or are established in such Member States;		
	(c) Visitors to Member States whose currency is the euro area ;		<p>NL (MS comments): NL: We support this amendment, but generally still have <u>difficulty understanding how access for visitors will work in practice</u>. They must either be existing clients of PSPs who provide the digital euro payment services under one of the two regulations, or need to be onboarded prior to their visit. And what do we expect from PSPs in terms of monitoring whether a visitor ended his/her visit without violating the privacy and creating loopholes? All this is not yet clear. We can imagine it will be easier for EU-citizens from non-euro member states to get access as a visitor, then for non-EU persons.</p>
	(d) Natural and legal persons residing or established in Member States whose currency is not the euro, subject to the conditions laid down in Article 18;		



	<p>(e) Natural and legal persons residing or established in third countries, including territories under a monetary agreement with the Union, subject to the conditions laid down in Articles 19 and 20;</p>		
	<p>(f) Citizens of the Union who (i) reside in a Member State whose currency is not the euro or in a third country and legal persons established in a Member State whose currency is not the euro where these citizens or legal persons, and (ii) exercise their free movement rights in a Member State whose currency is the euro as workers, self-employed persons or by providing services.</p>	<p>The wording is a result of discussions at the CWP on 01.04.2025 (Discussion Note on international use). The current wording reflects the comments of Member States. Although many Member States agreed with and supported the wording proposed by the Presidency at the January CWP meeting, some supported keeping the term ‘citizens of the Union’ instead of ‘natural persons’ (as proposed in January). Moreover, some Member States indicated that it would be beneficial to refer to free movement rights in general, without introducing any further qualification.</p>	<p>IT (MS comments): While we understand and support the need for legal persons established outside the Euro area to have proper access to digital euro, we note that according article 21 TFEU the free of movement right refers only to “ every citizen of the Union”, that are natural persons only. We fear that this wording might not be completely aligned with the Treaty. Perhaps, paragraph 4 of this article could be sufficient to ensure access to digital euro services for legal persons established outside the Euro area.</p> <p>NL (MS comments): NL: We support the amendments in this section as it could ensure a level playing field between merchants within and outside the euro area.</p>

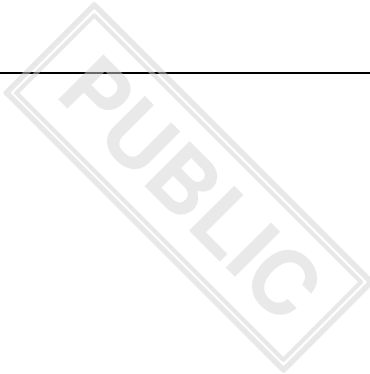
			<p>PT (MS comments): We are open to supporting the proposed approach.</p> <p>CY (MS comments): Cyprus agrees with the suggested text.</p> <p>ES (MS comments): To ensure tat self employed persons are taken into account we woner whether it would be preferrable to refer to merchants instead of to legal persons</p> <p>IE (MS comments): While acknowledging the views expressed by a limited number of Member States and the comments from the CLS, IE continues to support the retention of the term “natural persons” in this provision. This approach ensures greater consistency with the terminology used throughout the regulation, such as in Article 18 and 19.</p> <p>IE notes the amendments to Article 12a(f) following the January CWP but</p>
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			<p>has one suggestion, see below in bold underline.</p> <p>“...<u>Natural and legal</u> persons who reside in a Member State whose currency is not the euro or in a third country, and natural and legal persons established in a Member State whose country is not the euro <u>or in a third country</u>, where those citizens or legal persons exercise their free movement rights in a Member State whose currency is the euro...”</p>
	2. For the purpose of point (a), residents shall include both Union citizens and third country nationals who benefit from residence rights pursuant to Union law or national law.		
3. The European Central Bank may restrict the access to and use in time of the digital euro for the digital euro users referred to in points (b) and (c) subject to the conditions laid down in Article 16 (2). Those timeframes shall be determined in relation to the residence or visiting status of the digital euro users.	3. The European Central Bank may restrict the access to and use in time of the digital euro for the digital euro users referred to in points (b) and (c) subject to the conditions laid down in Article 16 (2). Those timeframes shall be determined in relation to the residence or visiting status of the digital euro users.		
	4. Within the framework of Directive 2015/2366, payment service providers may provide merchants residing or established in a	The proposal was presented at the January CWP (Discussion note on international use) and aims to ensure	NL (MS comments):

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	<p>Member State whose currency is not the euro or in a third country digital euro payment services allowing them to receive digital euro payment transactions from persons belonging to the categories set out in paragraph 1, even if the conditions referred to in Articles 18-20 have not been met, subject to the national legislation of that Member State or third country. Payment service providers should not enable these merchants to hold digital euro as long as the conditions referred to in Articles 18-20 have not been met.</p>	<p>that merchants residing or established in a Member State whose currency is not the euro or in a third country digital euro payment services are able receive digital euro payment transactions without the need to sign an arrangement or conclude an agreement. Moreover, the last sentece is added to address the position of some Mmber States that would like to specify that merchants would not hold digital euro.</p>	<p>NL: We agree with the proposed amendments.</p> <p>PT (MS comments): Although the wording could be improved from a technical perspective, including its placement with the text of the Regulation, we are generally supportive of this provision particularly the last sentence.</p> <p>CY (MS comments): Cyprus agrees with the drafting suggestions to extend the option to accept digital euro payments to merchants in non-euro area Member States, while clarifying that these merchants can only accept but not hold digital euro.</p> <p>ES (MS comments): Agree</p> <p>IE (MS comments): IE is agreeable to PSPs being allowed to provide digital euro payment services solely for the purpose of</p>
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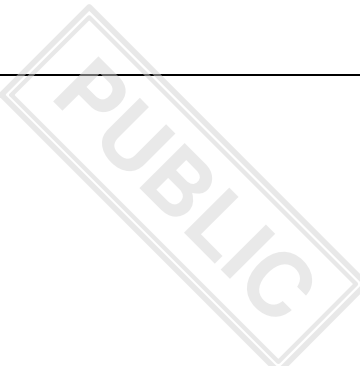
			acceptance of payments. Merchants in non-euro area Member States and/or third countries must have a zero holding limit and the contract for provision of a digital euro account must be with a PSP registered in the euro area.
Article 13 Payment service providers			
1. Within the framework of Directive 2015/2366, payment service providers may provide the digital euro payment services set out in Annex I to:	1. Within the framework of Directive 2015/2366, and without prejudice to Article 14(1) and (2) , payment service providers may provide the digital euro payment services set out in Annex I to the persons digital euro users referred to in Article 12a.		NL (MS comments): NL: We support the restructuring of this subparagraph and the inclusion of article 12a.
	Payment service providers entitled to provide some or all payment services under Directive 2015/2366 may provide digital euro payment services on the basis of the equivalences between payment services and digital euro payment services determined in Annex VI.		IT (MS comments): Please see our comment on article 5, par. 3, on the need to have an updated discussion on the interplay of the proposed regulation with PSD2, and especially with the upcoming PSD3/PSR. Additionally we deem it very important to have Annex VI that

			would facilitate both PSPs and NCAs in their respective role.
	In accordance with the previous subparagraph, those payment service providers wishing to provide equivalent digital euro payment services shall not be required to seek any additional authorization.		
(a) natural and legal persons residing or established in the Member States whose currency is the euro;	(a) — natural and legal persons residing or established in the Member States whose currency is the euro;		
(b) natural and legal persons who opened a digital euro account at the time they resided or were established in the Member States whose currency is the euro, but no longer reside or are established in such Member States;	(b) — natural and legal persons who opened a digital euro account at the time they resided or were established in the Member States whose currency is the euro, but no longer reside or are established in such Member States;		
(c) visitors;	(c) — visitors;		
(d) natural and legal persons residing or established in Member States whose currency is not the euro, subject to the conditions laid down in Article 18;	(d) — natural and legal persons residing or established in Member States whose currency is not the euro, subject to the conditions laid down in Article 18;		

(e) natural and legal persons residing or established in third countries, including territories under a monetary agreement with the Union, subject to the conditions laid down in Articles 19 and 20.	(e) — natural and legal persons residing or established in third countries, including territories under a monetary agreement with the Union, subject to the conditions laid down in Articles 19 and 20.		
The European Central Bank may restrict the access to and use in time of the digital euro for the digital euro users referred to in points (b) and (c) subject to the conditions laid down in Article 16 (2). Those timeframes shall be determined in relation to the residence or visiting status of the digital euro users.	The European Central Bank may restrict the access to and use in time of the digital euro for the digital euro users referred to in points (b) and (c) subject to the conditions laid down in Article 16 (2). Those timeframes shall be determined in relation to the residence or visiting status of the digital euro users.		
For the purpose of point (a), residents shall include both Union citizens and third country nationals who benefit from residence rights pursuant to Union law or national law.	For the purpose of point (a), residents shall include both Union citizens and third country nationals who benefit from residence rights pursuant to Union law or national law.		
2. Payment service providers that provide servicing payment services within the meaning of Directive 2015/2366 shall enable digital euro users to manually or automatically fund	2. Payment service providers that provide non-digital euro payment accounts and payment service providers that provide digital euro payment accounts servicing payment services within the meaning of Directive		NL (MS comments): NL: We support these amendments.

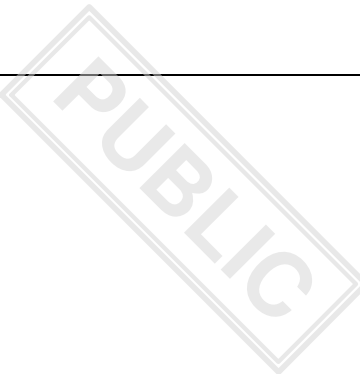
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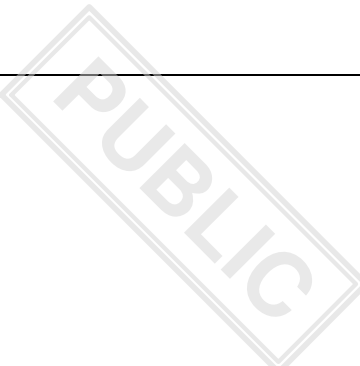
<p>or defund their digital euro payment accounts from or to non-digital euro payment accounts, or euro banknotes and coins when a payment services provider provides cash services, subject to any limitations that the European Central Bank may adopt in accordance with Article 16 of this Regulation.</p>	<p>2015/2366 shall enable their own clients digital euro users to manually or automatically fund or defund their digital euro payment accounts, whether held with the same or another payment service provider, from or to non-digital euro payment accounts, respectively, or euro banknotes and coins when a payment services provider provides cash services, subject to any limitations that the European Central Bank may adopt in accordance with Article 16 of this Regulation.</p>		<p>ES (MS comments): <u>Need to clarify distribution obligations</u></p>
	<p>For the purpose of the first subparagraph, payment service providers that provide account servicing payment services and have the right to hold an account at the European Central Bank or other national central bank shall provide access to digital euro funding and defunding services to payment service providers that provide account servicing payment services and do not hold an account at the European Central Bank or other national central bank, in an objective, non-discriminatory, transparent and proportionate manner.</p>		<p>NL (MS comments): NL: We support these amendments.</p>
<p>3. Payment service providers shall make available funding and defunding functionalities to digital euro users:</p>			

(a) at any point in time, on a continuous basis, where funding and defunding take place through non-digital euro payment accounts;			<p>AT (MS comments): We propose the following wording: “at any point in time, on a continuous basis, where funding and defunding take place directly through non-digital euro payment accounts.”</p>
(b) when a payment service provider provides cash services where funding and defunding take place through euro banknotes and coins.			
4. Payment service providers providing account servicing payment services within the meaning of Directive 2015/2366 shall enable digital euro users:	4. Payment service providers that provide non-digital euro payment accounts and payment service providers that provide digital euro payment accounts providing account servicing payment services within the meaning of Directive 2015/2366 shall enable their own clients-digital euro users :		<p>NL (MS comments): NL: We support this amendment.</p>
(a) to have their digital euros in excess of any limitations the European Central Bank may adopt in accordance with Article 16 automatically defunded to a non-digital euro payment account,			

where an online digital euro payment transaction is received;			
(b) to make an online digital euro payment transaction where the transaction amount exceeds their digital euro holdings.	(b) to initiate a digital euro payment transaction even though the amount of the payer's digital euro holdings is inferior to the amount of the transaction, by automatically mobilising funds from a non-digital euro payment account, provided that the excess amount of the transaction is available on the payer's non-digital euro payment account make an online digital euro payment transaction where the transaction amount exceeds their digital euro holdings.		NL (MS comments): NL: We support this amendment.
For the purpose of points (a) and (b), and upon prior approval by the digital euro users, payment service providers shall link each digital euro payment account to a single non-digital euro payment account designated by the digital euro users. Digital euro users shall be allowed to have that designated non-digital euro payment account with a different payment service provider than the one where a given digital euro payment account is held.	For the purpose of points (a) and (b), and upon prior approval by the digital euro users, payment service providers shall link each digital euro payment account to one or more a single non-digital euro payment accounts denominated in euro designated by the digital euro users. Digital euro users shall be allowed to have that designated non-digital euro payment account with a different payment service provider than the one where a given digital euro payment account is held.	Part of the proposal presented at the CWP on 15/16 May (Discussion note on open funding) that aims to allow linking to one or more non-digital euro payment accounts for merchants, and to allow that the linked non-digital euro payment would be non-euro denominated.	NL (MS comments): NL: We support this amendment, but we reiterate our views that we prefer wording different from 'accounts', e.g. digital euro services. ES (MS comments): We do not support allowing neither merchants nor natural persons to link the D€ account to more than one non D€ account. Merchants currently use only one account for receiving and making payments, making one net transaction

			<p>at the end of te day. It is valuable that all the payments go to the same account and that refunds are paid from the sam account where payments are received. Inking different non D€ ccunts is an overcomplication. We also see not clear added vlue in allowing natural persons to link different accounts for waterfall and reverse waterfall.</p> <p>HR (MS comments): Second sentence should read: "Digital euro users shall be allowed to have that these designated non-digital euro payment accounts with a different payment service provider than the one where a given digital euro payment account is held."</p> <p>IE (MS comments): IE welcomes this drafting proposal.</p>
	<p>4a. Account servicing payment service providers that are authorised to access the central bank settlement infrastructure shall pass through the settlement infrastructure the transfer orders of the account servicing payment service providers that are not allowed to access the central bank settlement</p>		<p>NL (MS comments): NL: We support this amendment.</p>

	infrastructure, in an objective, transparent, proportionate and non-discriminatory manner.		
5. The digital euro distributed by payment service providers shall be convertible at par with scriptural money and electronic money denominated in euro.			
6. For the purpose of digital euro payment services, digital euro users shall only enter into a contractual relationship with PSPs. Digital euro users shall not have any contractual relationship with the European Central Bank or the national central banks.	6. For the purpose of digital euro payment services, digital euro users shall only enter into a contractual relationship with payment service providers PSPs . Digital euro users shall not have any contractual relationship, for this purpose , with the European Central Bank or the national central banks.		NL (MS comments): NL: We support this amendment.
	6a. In case of the opening of insolvency proceedings against a payment service provider providing digital euro payment services, the digital euro holdings of digital euro users are beyond the reach of creditors of that payment service provider. Notwithstanding any contractual clauses to the contrary, and the digital euro user can switch the digital euro payment account to another payment service provider without relying on the insolvent payment service provider against which insolvency proceedings		NL (MS comments): NL: We welcome this new paragraph that provides more of the necessary certainty about the legal status of digital euro holdings in case of insolvency proceedings of the PSP. We generally agree with the wording proposed by the ES & BE PCYs, but think that two changes are necessary:

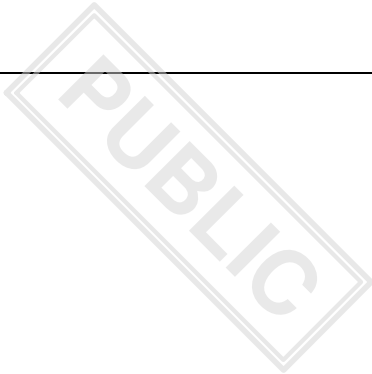
	<p>have been opened, in accordance with Article 31(2), or have their digital euros defunded to a non-digital euro payment account.</p>		<p>1) At the end of the first sentence it should be clarified that the digital euro holdings of digital euro users are not on the balance sheet of the PSP, e.g. along these lines: <i>“[...] the digital euro holdings of digital euro users are beyond the reach of creditors of that payment service provider, because these digital euro holdings are not part of that payment service provider’s assets.”</i></p> <p>We think it is necessary to explicitly include this in the legal text itself, to give full clarity that no further asset segregation is needed, because the assets are legally held by users <i>at</i> the Eurosystem and these users can exercise their rights in relation to these digital euro holdings <i>via</i> the PSPs. Please also refer to our joint FR/DE/NL-comment submitted in October 2023.</p> <p>The part <i>“Notwithstanding any contractual clauses to the contrary”</i> should be deleted, because it suggests that emergency switching can be</p>
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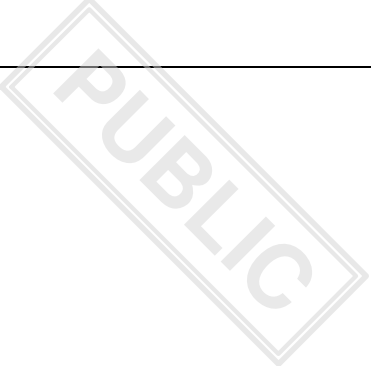
			excluded contractually or in general terms and conditions. This would <u>not</u> be desirable in our view.
7. Digital euro users may have one or several digital euro payment accounts with the same or different payment service providers.			<p>NL (MS comments): NL: We <u>agree</u> that this provision should not be amended and that multiple accounts are possible from the first issuance.</p> <p>AT (MS comments): A design with multiple digital euro payment accounts would entail technical difficulties, especially as regards the interplay of these accounts with the management of a consolidated holding limit. The digital euro should be limited to a single account [while merchants with a zero holding limit might however need more than one account as proposed in paragraph 4 above].</p>
8. Payment service providers shall make available to the public, free of charge, accessible information about the specific features of digital euro			

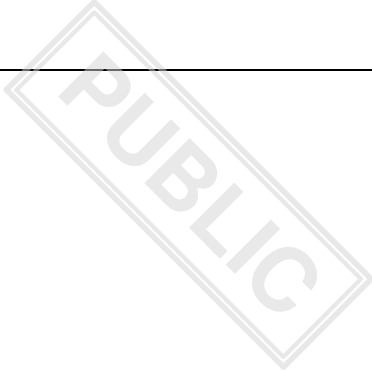
<p>payment services and the conditions of their distribution.</p>			
<p>Article 14 Access to the digital euro in Member States whose currency is the euro</p>			<p>NL (MS comments): NL: The distribution model is very closely linked to the compensation model. The Netherlands understands the choice for mandatory distribution by credit institutions, but it can only work if it comes with a proportional division of costs, preferably a cost based compensation model, including a reasonable margin of profit. We need to be careful with imposing more public tasks on credit institutions without leaving room for them to recover the costs somehow. This could lead to higher prices for regular/all payment products.</p>
<p>1. For the purpose of distributing the digital euro to natural persons referred to in Article 13(1)(a), credit institutions that provide payment services as referred to in points (1), (2) or (3) of Annex I to Directive (EU) 2015/2366 shall, upon request of their clients, provide those persons with all</p>	<p>1. For the purpose of distributing the digital euro to natural persons referred to in Article 13(1) 12a (a) where these persons are acting as consumers, credit institutions that provide payment services as referred to in points (1), (2) or (3) of Annex I to Directive (EU) 2015/2366 shall, upon request of their clients, for whom they already provide payment services on a contractual basis, provide those persons</p>		<p>IT (MS comments): We believe that the word “credit institutions” should be replaced by payment service providers in order to extend the distributing role to payment institutions and e-money institutions servicing a payment account.</p>

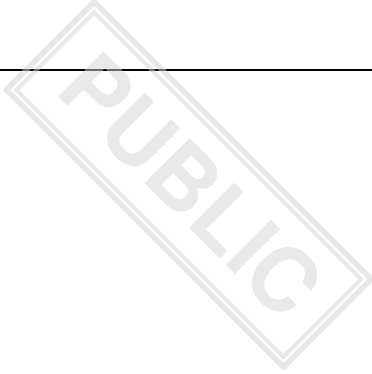
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<p>basic digital euro payment services as referred to in Annex II.</p>	<p>with all basic digital euro payment services as referred to in Annex II.</p>		<p>NL (MS comments): NL: We <u>very much support narrowing down the mandatory distribution to existing consumer clients only</u>, as suggested by the ES PCY, especially with a view to article 17.1 (on free basic services).</p>	
<p>2. For natural persons referred to in Article 13(1)(a) that do not hold a non-digital euro account, Chapter IV of Directive (EU) 2014/92 on access to payment account with basic features shall apply, with the exception of Articles 17 and 18, to the access to digital euro account with basic services by consumers.</p>	<p>2. For natural persons referred to in Article 13(1)-12a (a), who are acting as consumers, and who that do not hold a non-digital euro payment account, Chapter IV of Directive (EU) 2014/92 on access to payment account with basic features shall apply, as transposed into national law by the respective Member State, with the exception of Articles 17 and 18, to the provision of basic digital euro payment services as referred to in Annex II access to digital euro account with basic services by consumers.</p>			<p>NL (MS comments): NL: We support the suggestion to refer to the PAD <u>as transposed into national law</u>. We think that for sake of clarity/to avoid confusion it is better to rephrase it as follows: “...Chapter IV of Directive (EU) 2014/92, with the exception of Articles 17 and 18, as transposed into national law by the respective Member State, shall apply to the provision of...”.</p>
<p>3. Member States shall designate the authorities referred to in Article 1, point (f), of the Directive (EU) 2015/2366, or post office giro institutions referred to in Article 1, point (c), of the Directive (EU) 2015/2366 to:</p>	<p>3. Member States may shall designate the authorities referred to in Article 1, point (f), of the Directive (EU) 2015/2366, or post office giro institutions referred to in Article 1, point (c), of the Directive (EU) 2015/2366 to:</p>			<p>IT (MS comments): We believe that for inclusion purposes it is of utmost importance to have the public approach implemented in all MSs, granting equal accessibility to</p>

			<p>public money to the most vulnerable EU citizens. At the same time, we acknowledge that entities as per Article 1, point (c) and (f), of the Directive (EU) 2015/2366, may not be a feasible solution for all MSs. Hence, our proposal (in green) is to restate “shall” while expanding the range of eligible entities:</p> <p>“3. Member States may shall shall designate the authorities referred to in Article 1, point (f), of the Directive (EU) 2015/2366, or post office giro institutions referred to in Article 1, point (c), of the Directive (EU) 2015/2366, or, alternatively, another Payment service provider providing account servicing payment services within the meaning of Directive 2015/2366 to:”</p> <p>NL (MS comments):</p> <p>NL: We very much support broadening this amendment as discussed in a recent CWP, by referring to all defined PSPs except for the Eurosystem. As clarified before in interventions, the Netherlands does not have the mentioned categories of institutions and would therefore like to have as much flexibility as possible to</p>
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			<p>choose an alternative publicly designated distribution network for inclusivity / accessibility purposes.</p> <p>SI (MS comments):</p> <p>Under the Polish presidency, an agreement was reached to expand in Article 14(3) the scope of authorities or entities that can be designated by Member States to further include credit institutions and payment institutions (Discussion note on Strengthening resilience and preparedness of the European retail payment landscape by digital euro, CWP on 15-16 May). The agreement reached on 15-16 May should be appropriately reflected in the proposal.</p> <p>We therefore propose a re-draft of Article 14(3) as follows: '<i>...3. Member States may shall designate the authorities or other entities referred to in Article 1 (1) points (a) to (d), and (f) of the Directive (EU) 2015/2366, or post office giro institutions referred to in Article 1, point (e), of the Directive (EU) 2015/2366 to...</i>'</p> <p>This matter gains further significance in view of the newly proposed Article D concerning the distribution of the digital euro under exceptional</p>
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			<p>circumstances, as put forward by the Danish Presidency. Proposed Article D is expanding the range of entities to private actors. It would be advisable to align both provisions so that they consistently allow for the inclusion of private entities among those eligible for designation by MS. This Alignment would ensure legal coherence and avoid ambiguity in implementation.</p> <p>HR (MS comments):</p> <p>During CWP on 15-16 May 2025 (Presidency Note on strengthening resilience and preparedness..." PL PRES also proposed changes in this paragraph which are not mentioned in the second column:</p> <p>"3. Member States shall designate the authorities or other entities referred to in Article 1 (1) points (a) to (d), and (f) of the Directive (EU) 2015/2366, or post-office giro institutions referred to in Article 1, point (e), of the Directive (EU) 2015/2366 to"</p>
(a) provide basic digital euro payment services to natural persons	(a) provide basic digital euro payment services to natural persons referred to in Article		NL

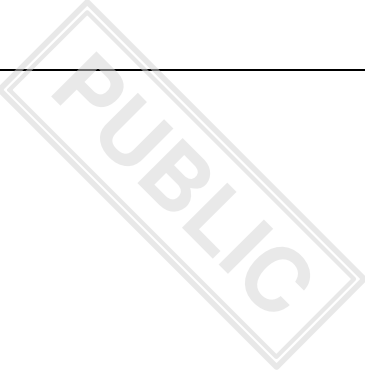
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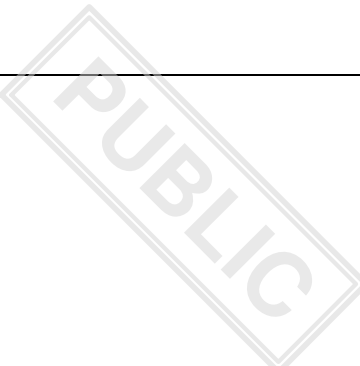
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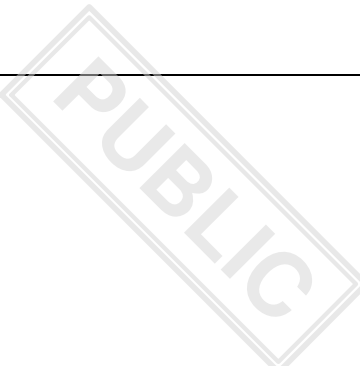
<p>referred to in Article 13(1)(a) that do not hold or do not wish to hold a non-digital euro payment account;</p>	<p>13(1) 12a (a), that do not hold or do not wish to hold a non-digital euro payment account;</p>	<p>(MS comments): NL: We support this amendment.</p>
<p>(b) provide basic digital payment services and provide digital inclusion support provided face-to-face in physical proximity to persons with disabilities, functional limitations or limited digital skills, and elderly people.</p>	<p>(b) provide basic digital payment services and provide digital inclusion support provided face-to-face in physical proximity to persons with disabilities, functional limitations or limited digital skills, and elderly people.</p>	<p>NL (MS comments): NL: We support this amendment.</p>
<p>4. Payment service providers referred to in paragraphs 1 to 3 shall provide digital inclusion support to persons with disabilities, functional limitations or limited digital skills, and elderly persons. Without prejudice to paragraph 3, point (b), digital inclusion support shall comprise a dedicated assistance for onboarding to a digital euro account and using all basic digital euro services.</p>	<p>4. Payment service providers referred to in paragraphs 1 to 3 shall provide digital inclusion support to persons with disabilities, functional limitations or limited digital skills, and elderly persons. Without prejudice to paragraph 3, point (b), dDigital inclusion support shall comprise, but not be restricted to, a dedicated assistance for onboarding to a digital euro payment account and using all basic digital euro payment services.</p>	<p>NL (MS comments): NL: We support this amendment.</p>
<p>5. The anti-money laundering authority of the Union ('AMLA') established under Regulation (EU) [please insert reference - proposal for a Regulation creating an EU Authority for anti-money laundering and countering the financing of terrorism ('AMLA') -</p>	<p>5. The Authority for aAnti-Mmoney Landering authority and Countering the Financing of Terrorism of the Union ('AMLA') established under Regulation (EU) [please insert reference - proposal for a Regulation creating an EU Authority for anti-money laundering and countering the financing</p>	<p>NL (MS comments): NL: We support this amendment.</p>

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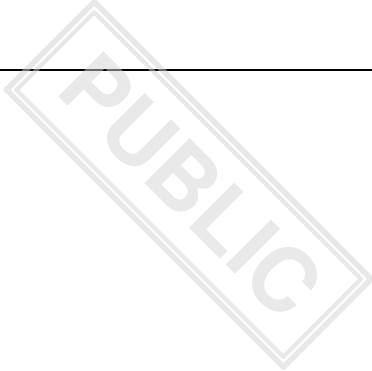
<p>COM/2021/421 final)] and the European Banking Authority shall jointly issue guidelines specifying the interaction between AML/CFT requirements and the provision of basic digital euro payment services with a particular focus on financial inclusion of vulnerable groups including asylum seekers or beneficiaries of international protection, individuals with no fixed address or third country nationals who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons.</p>	<p>of terrorism ('AMLA') – COM/2021/421 final) and the European Banking Authority shall jointly issue guidelines specifying the interaction between AML/CFT requirements and the provision of basic digital euro payment services with a particular focus on financial inclusion of vulnerable groups including asylum seekers or beneficiaries of international protection, individuals with no fixed address or third country nationals who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons.</p>		
<p>CHAPTER V USE OF THE DIGITAL EURO AS A STORE OF VALUE AND AS A MEANS OF PAYMENT</p>			
<p>Article 15 Principles</p>			<p>NL (MS comments): NL: We reserve our right to comment on article 15 and article 16 following the discussions in the Eurogroup meeting of July 2025. Specifically, we would welcome discussing concrete drafting proposals in line with the procedure to establish holding limits which was discussed on the 7th of July.</p>

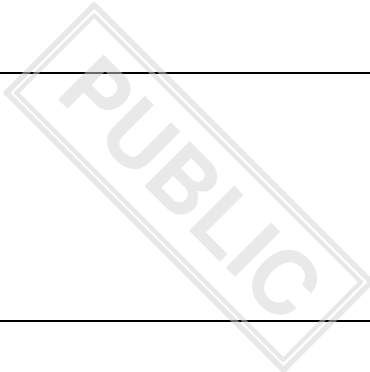
			<p>We are constructive in this matter and believe that a balance must be struck between involvement of Member States and expertise judgement (based on a rigorous methodology) by the Eurosystem.</p> <p>Also, we think it should again be emphasized what the envisaged role of the digital euro is (i.e. a legal tender means of payment), because in our view the ECB should not be able to independently change the role of the digital euro in the financial system by increasing the holding limit. We would welcome drafting suggestions which clearly stipulate that the digital euro is a means of payment first and foremost, and to a limited extent a store of value.</p>
<p>1. With a view to enabling natural and legal persons to access and use digital euro, to defining and implementing monetary policy and to contributing to the stability of the financial system, the use of the digital euro as a store of value may be subject to limits.</p>	<p>1. With a view to enabling natural and legal persons to access and use digital euro, to defining and implementing monetary policy and to contributing to the stability of the financial system, the use of the digital euro as a store of value may shall be subject to limits.</p>		

<p>2. With a view to ensuring an effective use of the digital euro as a legal tender means of payment, and to avoiding excessive charges for merchants subject to the obligation to accept the digital euro under Chapter II while providing compensation for the relevant costs incurred by payment services providers for the provision of digital euro payments, the level of charges or fees to be paid by natural persons or merchants to payment service providers, or between payment service providers, shall be subject to limits.</p>	<p>2. With a view to ensuring an effective use of the digital euro as a legal tender means of payment, and to avoiding excessive charges for merchants payees subject to the obligation to accept the digital euro under Chapter III while providing compensation for the relevant costs incurred by payment services providers for the provision of digital euro payments services, the level of charges or fees to be paid by natural persons or merchants digital euro users to payment service providers, or between payment service providers, shall be subject to limits.</p>		
<p>Article 16 Limits to the use of the digital euro as a store of value</p>			<p>IT (MS comments): Considering the state of the discussion, our priorities as regards the holding limits remain to: i) make clear in the regulation the obligation to set holding limits as of the first issuance of the digital euro; ii) secondly to strengthen the ECB accountability in setting holding limits towards the European Parliament and the Council. That should include regular reporting, and hearings by the European Parliament, and by the euro Group. Regarding the process to concretely set the holding limits, we support the</p>

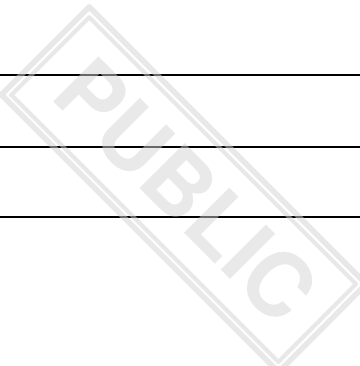
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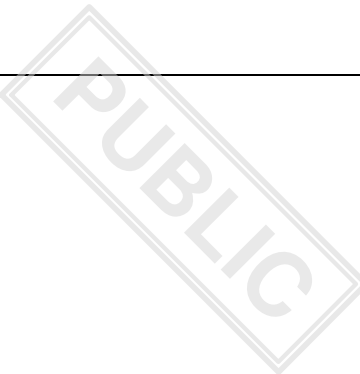
			<p>ongoing discussion within the Eurogroup and the effort in elaborating a sound proposal. We remain open to any compromise solutions that would take into account both political and economic implications of the holding limits, and is coherent with the distribution of competences set out in the European Treaties.</p> <p>NL (MS comments):</p> <p>NL: We reserve our right to comment on article 15 and article 16 following the discussions in the Eurogroup meeting of July 2025. Specifically, we would welcome discussing concrete drafting proposals in line with the procedure to establish holding limits which was discussed on the 7th of July. We are constructive in this matter and believe that a balance must be struck between involvement of Member States and expertise judgement (based on a rigorous methodology) by the Eurosystem.</p> <p>Also, we think it should again be emphasized what the envisaged role of the digital euro is (i.e. a legal tender means of payment), because in our view the ECB should not be able to independently change the role of the</p>
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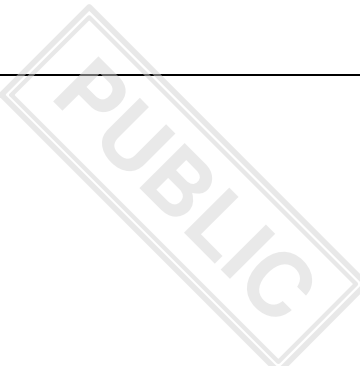
			digital euro in the financial system by increasing the holding limit. We would welcome drafting suggestions which clearly stipulate that the digital euro is a means of payment first and foremost, and to a limited extent a store of value.
1. For the purpose of Article 15(1), the European Central Bank shall develop instruments to limit the use of the digital euro as a store of value and shall decide on their parameters and use, in accordance with the framework set out in this Article. PSPs providing account servicing payment services within the meaning of Directive 2015/2366 to natural and legal persons referred to in Article 12(1) shall apply these limits to digital euro payment accounts.			
2. The parameters and use of the instruments referred to in paragraph 1 shall:			
(a) safeguard the objectives set out in Article 15(1), in particular financial stability;			NL (MS comments):

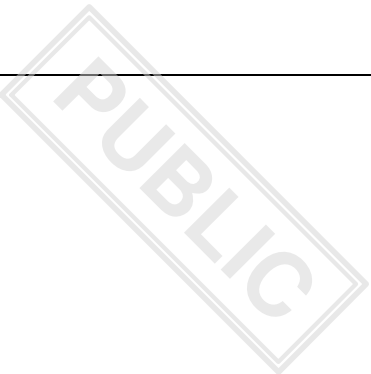
			NL: We strongly support the reference to financial stability made here in the Commission proposal.
(b) ensure the usability and acceptance of the digital euro as a legal tender instrument;			
(c) respect the principle of proportionality.			
3. The parameters and use of the instruments referred to in paragraph 1 shall be applied in a non-discriminatory manner and uniformly across the euro area.			
4. Any holding limits on digital euro payment accounts adopted pursuant to paragraph 1 shall apply to both offline and online holdings. Where a digital euro user uses both an offline and online digital euro, the limit that applies to online digital euro shall equal the overall limit determined by the European Central Bank minus the holding limit for offline digital euro set by digital euro users. A digital euro user may set its offline holding limit at any			

<p>amount between zero and the holding limit set in accordance with Article 37.</p>			
<p>5. Visitors to the euro area as referred to in Article 13(1), point (c), and natural and legal persons as referred to in Article 13(1), points (b), (d) and (e), shall be subject to limits as regards the use of the euro as a store of value that are not higher than the ones effectively implemented in the euro area for natural and legal persons residing or established in Member States whose currency is the euro. The parameters and use of the instruments shall be applied in a non-discriminatory manner and uniformly across Member States whose currency is not the euro. When deciding on the use of the instruments in those Member States and setting the parameters, the European Central Bank shall consult national central banks of Member States whose currency is not the euro.</p>	<p>5. Visitors to the euro area as referred to in Article 13 12a(1), point (c), and natural and legal persons as referred to in Article 13 12a(1), points (b), (d), and (e) and (f), shall be subject to limits as regards the use of the euro as a store of value that are not higher than the ones effectively implemented in the euro area for natural and legal persons residing or established in Member States whose currency is the euro. The parameters and use of the instruments shall be applied in a non-discriminatory manner and uniformly across Member States whose currency is not the euro. When deciding on the use of the instruments in those Member States and setting the parameters, the European Central Bank shall consult national central banks of Member States whose currency is not the euro.</p>		<p>NL (MS comments): NL: We support this amendment.</p>
<p>6. In case a digital euro user has multiple digital euro payment accounts, the digital euro user shall specify to the payment service providers with which the digital euro payment accounts are held how the individual holding limit is</p>	<p>6. In case a digital euro user has multiple digital euro payment accounts, the digital euro user shall specify to the payment service providers with which the digital euro payment accounts are held how the individual holding limit is to be allocated between the different</p>		<p>NL (MS comments): NL: We support this amendment. AT</p>

to be allocated between the different digital euro payment accounts.	digital euro payment accounts and local storage devices .		(MS comments):
7. Where a digital euro payment account is held by more than one digital euro user, any holding limit on the related digital euro payment account adopted pursuant to paragraph 1 shall amount to the sum of the individual holding limits allocated to its users.	7. Where a digital euro payment account is jointly held by more than one digital euro user, any holding limit on the related this digital euro payment account adopted pursuant to paragraph 1 shall amount be equal to the sum of the individual holding limits allocated to it by each of its users.		NL (MS comments): NL: We support this amendment.
	(7a) For the purpose of supporting the task of payment service providers to implement and enforce the instruments referred to in paragraph 1, the ECB may alone or jointly with national central banks establish a single access point.		NL (MS comments): NL: We support this amendment.
8. Within the framework of this Regulation, the digital euro shall not bear interest.	8. Within the framework of this Regulation, †The digital euro shall not bear interest.		NL (MS comments): NL: We strongly support this amendment for reasons previously shared.
Article 17 Fees on digital euro payment services			NL (MS comments):

			<p>NL: We reserve the right to comment on the compensation model for the digital euro, both online and offline. For us, this topic is of key importance.</p> <p>We believe progress has been made under previous Presidencies, but we are of the opinion that we are currently still not sufficiently aware of the potential impact on the European payments landscape to make responsible and informed decisions.</p> <p>We welcome any and all assessments of the impact of the currently envisaged compensation model, based on the data which are known or can be reasonably deduced. In general, we are of the opinion that:</p> <ul style="list-style-type: none">- There will be costs for the digital euro aside from those paid by the Eurosystem. All costs, including the Eurosystem costs, are eventually borne by consumers and the real economy. The question is how to proportionately distribute these costs without unduly imposing restrictions on free market functioning.- We can agree to a compensation model based
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			<p>on comparable means of payment for a transitory time frame, but want to focus on a cost-based model in the long term.</p> <ul style="list-style-type: none"> - The digital euro cannot build structurally on cross-subsidizing through other PSP income channels. <p>AT (MS comments):</p> <p>We understand that discussions on the cap model are still ongoing and therefore specific wording proposals by the PL PCY were not separately included in this document.</p>
<p>1. For the purpose of Article 15(2), without prejudice to any possible fees charged on other digital euro payment services, payment services providers shall not charge fees to natural persons as referred to in Article 13(1), points (a), (b) and (c), for the provision of the basic digital euro payment services referred to in Annex 2.</p>	<p>1. For the purpose of Article 15(2) ensuring an effective use of the digital euro as a legal tender means of payment, without prejudice to any possible fees charged on other digital euro payment services, payment services providers shall not charge fees to natural persons as referred to in Article 13 12a(1), points (a), (b), and (c) and (f), when such persons are acting as consumers, for the provision of the basic digital euro payment services referred to in Annex 2.</p>		<p>NL (MS comments):</p> <p>NL: We <u>strongly support narrowing down the scope of this provision to consumers only</u>.</p>

	<p>By derogation from the first subparagraph, payment service providers may charge a reasonable fee for funding and defunding digital euros from or into euro cash. This charge shall not exceed the lowest amount charged by the payment service provider to the respective consumer for funding and defunding a non-digital euro payment account from or to euro cash.</p>		
<p>2. For the purpose of Article 15(2), any merchant service charge or inter-PSP fee in relation to digital euro payment transactions shall comply with the principle of proportionality. Any merchant service charge or inter-PSP fee shall not exceed the lowest of the following two amounts:</p>			<p>IT (MS comments): In the initial phase, we suggest basing the cap on the fees or charges requested for comparable digital means of payment. We also suggest using a cost-based analysis as a monitoring tool, at least in a transitory period. A review clause may be introduced to modify the provision, if needed, after the transitory period, when the digital euro will have reached the expected level of cost efficiency.</p> <p>ES (MS comments): There was consensus for introducing a asitional compensation model based on comparable means ofpayment (since there will be no information on costs)</p>

(a) the relevant costs incurred by payment services providers for the provision of digital euro payments, including a reasonable margin of profit;	(a) the relevant costs incurred by payment services providers for the provision of digital euro payment services , including a reasonable margin of profit;		
(b) fees or charges requested for comparable digital means of payment.			<p>IT (MS comments): For inter-PSP fees, to simplify the process and ensure comparability, the existing default rate on debit card interchange fees under Article 3(1) of the IFR could be used as a benchmark or reference point (without references to national derogations).</p>
	<p>2a. The Commission is empowered to adopt delegated acts in accordance with Article 38 in order to supplement this Regulation by specifying the methodology for calculating the amounts referred to in paragraph 2. The methodology shall be based on the following parameters:</p>		<p>IT (MS comments): We welcome the inclusion of a delegated act to define the methodology for calculating the maximum fees. However, the current level of detail in Article 2a, in our view, is unnecessarily prescriptive and could limit the flexibility needed to adapt the methodology to evolving market conditions and data availability (see comments below).</p>

	<p>(a) the amount referred to in paragraph 2, point (a) shall be based on the relevant costs incurred for the provision of digital euro payment services of a statistically representative group of the most cost-efficient payment service providers providing digital euro payment services in the euro area and the margin of profit of a statistically representative group of the payment service providers charging the lowest margin for providing digital euro payment services in the euro area;</p>		<p>IT (MS comments):</p> <p>The requirement to base the calculation on a "statistically representative group of the most cost-efficient PSPs" and on "the lowest margin" may introduce significant complexity.</p> <p>We therefore recommend to address these issues at the Commission level; the Commission (also consulting the ECB) should develop a standardised, practical framework for cost reporting.</p>
	<p>(b) the amount referred to in paragraph 2, point (b) shall be based on the fees or charges for comparable digital means of payment of a statistically representative group of payment services providers providing comparable digital means of payment in the euro area;</p>		
	<p>(c) comparable digital means of payment mean all payment instruments that may be used in a digital environment where the initiation of the payment takes place at the point of interaction and where the payment</p>		<p>IT (MS comments):</p> <p>–This choice is crucial and we would advise evaluating the impact of</p>

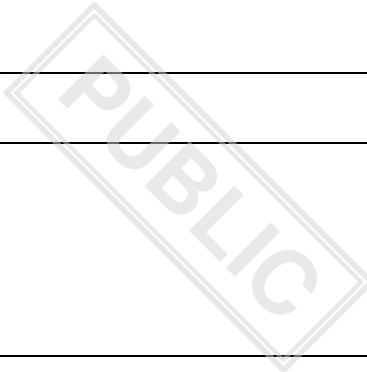
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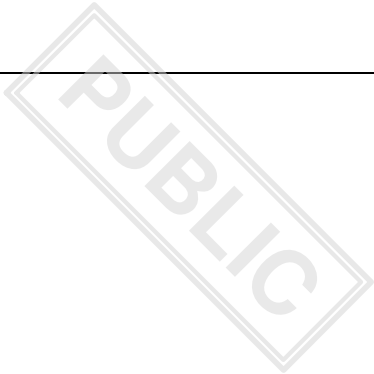
	order is immediately processed in view of debiting the payer’s payment account;		including some of these comparable means of payments (such as closed-loop solutions) on the level of the caps, since it would be difficult to justify fees levels near or equivalent to the ones applicable to international card schemes.
	(d) the amounts referred to in paragraph 2 shall be uniform and applied in a non-discriminatory manner across the euro area.		
	The Commission shall consult the European Central Bank for the purpose of developing the methodology under this paragraph.		
	2b. The Commission shall be empowered, by means of implementing acts, to determine and periodically review the amounts referred to in paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39.		
3. The European Central Bank shall regularly monitor the information that is relevant for the purposes of the amounts referred to in paragraph 2, and	3. The European Central Bank shall: regularly monitor the information that is relevant for the purposes of the amounts referred to in paragraph 2, and publish		

publish periodically the amounts resulting from that monitoring with an explanatory report.	periodically the amounts resulting from that monitoring with an explanatory report.		
	(a) regularly monitor the information that is relevant for the purposes of calculating the amounts referred to in paragraph 2;		
	(b) periodically provide the Commission with the data that are necessary for calculating the amounts referred to in paragraph 2; and		
	(c) provide technical assistance to the Commission when calculating the amounts referred to in paragraph 2.		
4. The European Central Bank may require payment service providers to provide all information necessary for the application of this Article and to verify compliance with it. Any information requested shall be sent by payment service providers within the time limit set by the European Central Bank. The European Central Bank may require that such information is certified by an independent auditor.	4. The European Central Bank may require p Payment service providers shall to provide to the European Central Bank all information necessary for the application of this Article and to verify compliance with it . Any information requested shall be sent by payment service providers within the time limit set by the European Central Bank. The European Central Bank may require that such information is certified by an independent auditor.		

5. The methodology to be developed by the European Central Bank for the monitoring and the calculations of the amounts referred to in paragraphs 2 and 3 shall be based on the following parameters:	5. The methodology to be developed by the European Central Bank for the monitoring and the calculations of the amounts referred to in paragraphs 2 and 3 shall be based on the following parameters:		
(a) the amount of inter-PSP fees and merchant service charges as referred to in paragraph 2(a) shall be based on the relevant costs incurred for providing digital euro payment services by the most cost-efficient payment service providers representing collectively one fourth of digital euro distributed across the euro area in a given year, as reported to the European Central Bank by payment service providers, including a reasonable margin of profit;	(a) the amount of inter-PSP fees and merchant service charges as referred to in paragraph 2(a) shall be based on the relevant costs incurred for providing digital euro payment services by the most cost-efficient payment service providers representing collectively one fourth of digital euro distributed across the euro area in a given year, as reported to the European Central Bank by payment service providers, including a reasonable margin of profit;		
(b) the reasonable margin of profit included in the maximum amount referred to in paragraph 2(a), shall be calculated on the basis of the margin of profit of the payment service providers charging the lowest margin of profit representing collectively one fourth of the digital euro distributed in the euro area in a given year, as reported to the	(b) the reasonable margin of profit included in the maximum amount referred to in paragraph 2(a), shall be calculated on the basis of the margin of profit of the payment service providers charging the lowest margin of profit representing collectively one fourth of the digital euro distributed in the euro area in a given year, as reported to the		



European Central Bank by payment service providers;			
(c) the amount of inter-PSPs fees and merchant service charges as referred to in paragraph 2(b) shall be based on a representative group of payment services providers providing comparable digital means of payment in the euro area;	(e) the amount of inter-PSPs fees and merchant service charges as referred to in paragraph 2(b) shall be based on a representative group of payment services providers providing comparable digital means of payment in the euro area;		
(d) the amounts referred to in paragraph 2 shall be uniform and applied in a non-discriminatory manner across the euro area.	(d) the amounts referred to in paragraph 2 shall be uniform and applied in a non-discriminatory manner across the euro area.		
6. The merchant service charge shall be the only charge per transaction that payment service providers may apply to merchants. Payment service providers shall not charge merchants for the funding and defunding of the digital euro, including digital euro payment transactions referred to in Article 13(4). Payment service providers shall include costs associated with funding and defunding in the relevant costs referred to in paragraph 2(a).			

<p>7. No inter-PSP fee shall apply to the funding and defunding of the digital euro, including digital euro payment transactions referred to in Article 13(4).</p>			<p>AT (MS comments): We understand that the topic of open funding/reverse waterfall is still subject to further discussions and therefore no concrete worded proposal was introduced here.</p>
<p>CHAPTER VI DISTRIBUTION OF THE DIGITAL EURO OUTSIDE THE EURO AREA</p>			<p>PT (MS comments): The proposed approach is consistent with our previous comments on this matter. Therefore, we support the current drafting of these provisions.</p>
<p>Article 18 Distribution of the digital euro to natural and legal persons residing or established in Member States whose currency is not the euro</p>		<p>Proposal of amendments were presented at the CWP on 1 April 2025, following the MS comments to the drafting proposal presented at the January CWP.</p> <p>Generally, following the discussions and positions of Member States, the entry into force (and not already the signing) of the arrangement between the European Central Bank</p>	<p>NL (MS comments): NL: We agree with the proposed amendments, however, we would welcome continuing the discussion on this topic at a CWP, following a proposal by the PCY or the European Commission for proportional treatment of non-Euro Area PSPs active in Euro Area Member States.</p>

		<p>and the non-euro area national central banks will be conditional on the adoption of relevant national legislation or compliance with requests, rules and standards by the European Central Bank. This would mean that the signing of the arrangement would be subject to the fulfilment of the conditions listed in Article 18 (2)(a) and (b), whereas the entry into force of the arrangement would be conditional on fulfilment of Article 18(2)(c) [now para. 2a].</p> <p>The proposal also aims to clarify what the arrangement between the ECB and non-euro area NCB may consist of (Art.18(3)).</p> <p>Moreover it is clarified what are considered 'relevant requirements' (Art. 18(2)(c)) as it was not entirely clear which provisions are considered relevant requirements in order to enter an arrangement pursuant to Article 18. It is also suggested that the word 'any' be removed from Article 18(2)(b)(i), as it does not seem proportionate for the national central banks to be bound by any rules, guidelines, and instructions, especially since these requirements will be outlined in the arrangement between the parties.</p>	<p>We believe it is important to find a balance between proportionality and the level playing field on our internal market.</p> <p>CY (MS comments): Cyprus does not have any objections in regards to the proposed.</p> <p>IE (MS comments): IE welcomes the proposals for Article 18.</p>
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1. Payment service providers may only distribute the digital euro to natural and legal persons residing or established in a Member State whose currency is not the euro if the European Central Bank and the national central bank of that Member State have signed an arrangement to that effect.	1. Payment service providers may only distribute the digital euro to natural and legal persons residing or established in a Member State whose currency is not the euro if the European Central Bank and the national central bank of that Member State have signed an arrangement to that effect and this arrangement has entered into force.		ES (MS comments): <u>Agree</u> IE (MS comments): IE welcomes this proposal.
2. The signing of the arrangement referred to in paragraph 1 shall be subject to all of the following conditions:	2. The signing and entry into force of the arrangement referred to in paragraph 1 shall be subject to all of the following conditions:		ES (MS comments): <u>Agree</u>
(a) the Member State whose currency is not the euro has notified to the other Member States, the Commission and the European Central Bank the request to provide access to and use of the digital euro to natural and legal persons residing or established in that Member State.	(a) the Member State whose currency is not the euro has notified to the other Member States Council , the Commission and the European Central Bank the request its decision provide access to and use of allow the provision of digital euro payment services to natural and legal persons residing or established in that Member State;-		NL (MS comments): NL: We support the amendment.
(b) in its request, the Member State whose currency is not the euro has undertaken:	(b) in its request , the arrangement with the ECB , the central bank of the Member State whose currency is not the euro has undertaken :		NL (MS comments): NL: We support the amendment.

(i) to ensure that its national central bank shall abide by any rules, guidelines, instructions or requests issued by the European Central Bank in relation to the digital euro;	(i) to ensure that its national central bank shall abide by the any rules, guidelines, instructions or requests issued by the European Central Bank in relation to the digital euro as outlined in the arrangement ;		NL (MS comments): NL: We support this amendment. ES (MS comments): Agree
(ii) to ensure that its national central bank shall provide all information on the access to and use of the digital euro in that Member State that the European Central Bank may require.	(ii) to ensure that its national central bank shall provide all information that the European Central Bank may require on the access to and the use of the digital euro as part of access to and use of the the provision and use of digital euro payment services, including digital euro holdings , in that Member State that the European Central Bank may require .		NL (MS comments): NL: We support this amendment. AT (MS comments): The separate reference to dEUR holdings seems ambiguous and we suggest to remove this term. ES (MS comments): Agree
(c) the Member State whose currency is not the euro has adopted all the national legislations necessary to ensure respect of the relevant requirements laid down in this	2a. The entry into force of the arrangement referred to in paragraph 1 shall be subject to the condition that (e) the Member State whose currency is not the euro has adopted all the national legal provisions legislations that are		NL (MS comments): NL: We support this amendment.

<p>Regulation or the rules and standards adopted pursuant to Article 5(2).</p>	<p>necessary to ensure respect, insofar as is relevant, of the provisions in this Regulation and of the relevant measures, rules and standards requirements laid down in this Regulation or the rules and standards adopted by the European Central Bank pursuant to Article 5(2).</p>	<p>PUBLIC</p>	<p>ES (MS comments): Agree</p>
<p>3. The agreement referred to in paragraph 1 shall specify the necessary implementing measures and procedures, and the cases under which the agreement may be restricted, suspended, or terminated.</p>	<p>3. The agreement arrangement referred to in paragraph 1 shall specify the main rights and obligations of the parties, including the necessary implementing measures and procedures, clauses regarding cooperation and exchange of information and the cases under which the agreement arrangement may be restricted, suspended, or terminated.</p>		<p>NL (MS comments): NL: We support this amendment. ES (MS comments): Agree</p>
<p>4. Payment service providers shall implement the limits set by the European Central Bank in accordance with Article 16(4) on the use of the digital euro by natural and legal persons residing or established in Member States whose currency is not the euro, which are applicable in those Member States.</p>			
	<p>5. This Article is without prejudice to the provision of digital euro payment services to natural and legal persons referred to in Article 12a(1), points (b), (c) and (f).</p>		

<p>Article 19 Distribution of the digital euro to natural and legal persons residing or established in third countries</p>		<p>The proposal of amendments to this Article was presented at the January CWP. In light of the proposed amendments to Article 18, the Presidency introduced the analogous amendments to Article 19 in order to ensure a certain level of consistency and alignment between these two articles.</p>	<p>NL (MS comments): NL: We agree with the amendments in Article 19. IE (MS comments): IE is agreeable to transposing the changes of Article 18 to Article 19 and the proposed amendment suggestions.</p>
<p>1. The digital euro may only be distributed to natural and legal persons residing or established in third countries if the Union and the third country concerned have signed a prior agreement to that effect.</p>	<p>1. The digital euro may only be distributed to natural and legal persons residing or established in third countries if the Union and the third country concerned have signed concluded a prior agreement to that effect.</p>		<p>NL (MS comments): NL: We support this amendment.</p>
<p>2. The Council, on a recommendation from the Commission and after having consulted the European Central Bank, shall decide on the arrangements for the negotiation and the conclusion of the agreement referred to in paragraph 1, provided that all of the following conditions have been met:</p>	<p>2. The Council, on a recommendation from the Commission and after having consulted ing the European Central Bank, shall decide on the arrangements for the negotiation and the conclusion of the agreement referred to in paragraph 1, provided that all of the following conditions have been met:</p>		<p>NL (MS comments): NL: We support this amendment.</p>

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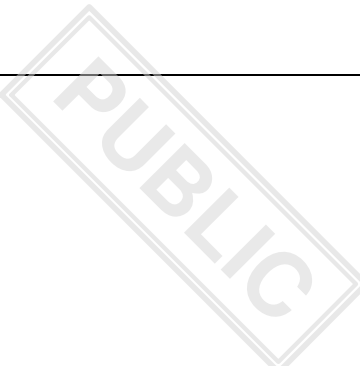
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(a) the third country ensures that:	(a) the third country ensures confirms that:		NL (MS comments): NL: We support the amendment.
(i) its national central bank and, where appropriate, its national competent authority shall abide by any rules, guidelines, instructions or requests issued by the European Central Bank in relation to the digital euro;	(i) its the third country's national central bank and, where appropriate, its national competent authorities shall have undertaken an obligation to abide by the any rules, guidelines, instructions or requests issued by the European Central Bank in relation to the digital euro as outlined in the agreement;		NL (MS comments): NL: We support the amendment. ES (MS comments): Agree
(ii) its national central bank and, where appropriate, its national competent authority shall provide all information on the use of digital euro in that third country that the European Central Bank may require;	(ii) its the third country's national central bank and, where appropriate, its national competent authorities shall have undertaken an obligation to provide all information that the European Central Bank may require on the access to and the use of the digital euro as part of the provision and use of digital euro payment services, including digital euro holdings, in that third country that the European Central Bank may require;		NL (MS comments): NL: We support the amendment. ES (MS comments): Agree
(b) the third country has adopted all the national legislations necessary to ensure respect of the rules and standards laid down in this Regulation or adopted pursuant to Article 5(2).	(b) the third country has adopted all the national legal provisions legislations necessary to ensure respect, insofar as relevant, of the provisions of this Regulation and the relevant measures, rules and standards laid down in this		NL (MS comments): NL: We support the amendment.

	Regulation or adopted by the European Central Bank pursuant to Article 5(2).		ES (MS comments): Agree
(c) the third country ensures that intermediaries established or operating in the third country that distribute the digital euro are subject to supervisory and regulatory requirements, that are at least equivalent to those applied to payment service providers established in the Union.			
3. The agreement between the Union and the third country shall specify the necessary implementing measures and procedures, and the cases under which the agreement may be restricted, suspended, or terminated, in particular where the third country has been identified as a third country with significant strategic deficiencies in its national anti-money laundering and combating the financing of terrorism regime as referred to in Article 23 of Regulation [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final] or as a third country with compliance weaknesses in its national anti-money	3. The agreement between the Union and the third country shall specify: the necessary implementing measures and procedures, and the cases under which the agreement may be restricted, suspended, or terminated, in particular where the third country has been identified as a third country with significant strategic deficiencies in its national anti-money laundering and combating the financing of terrorism regime as referred to in Article 23 of Regulation [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final] or as a third country with compliance weaknesses in its national anti-money laundering and combating the financing of terrorism regime as referred to in Article 24 of		NL (MS comments): NL: We support this amendment.

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<p>laundrying and combating the financing of terrorism regime as referred to in Article 24 of Regulation <i>[please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final]</i>. That agreement shall be complemented by an arrangement between the European Central Bank and the national central bank and, where appropriate, the national competent authority of the third country.</p>	<p>Regulation <i>[please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final]</i>. That agreement shall be complemented by an arrangement between the European Central Bank and the national central bank and, where appropriate, the national competent authorities of the third country.</p>		
	<p>(a) the main rights and obligations of the parties, including the necessary implementing measures and procedures and clauses regarding cooperation and exchange of information;</p>		<p>NL (MS comments): NL: We support the amendment. ES (MS comments): Agree</p>
	<p>(b) the cases under which the agreement may be restricted, suspended, or terminated, in particular where the third country has been identified as a third country with significant strategic deficiencies in its national anti-money laundering and combating the financing of terrorism regime as referred to in Article 29 of Regulation (EU) 2024/1624 on the prevention of the use of the financial system</p>	<p>Proposal presented at the CWP on 1 April, as one Member State suggested that, for the sake of completeness, a cross-reference should also be made to Article 31 of the AMLR, which refers to the third countries that have been identified, at European level, as posing a specific and serious threat to the Union’s financial system, as Article</p>	<p>NL (MS comments): NL: We support the cross-reference to Article 31 of the AMLR. ES (MS comments): Agree</p>

	<p>for the purposes of money laundering or terrorist financing or as a third country with compliance weaknesses in its national anti-money laundering and combating the financing of terrorism regime as referred to in Article 30 of Regulation (EU) 2024/1624 or as a third country posing a specific and serious threat to the Union’s financial system as referred to in Article 31 of Regulation (EU) 2024/1624. Where appropriate, the Council may consult the Authority for Anti-Money Laundering and Countering the Financing of Terrorism to this end.</p>	<p>19(3), point (b), currently refers only to the third countries covered by Articles 29 and 30 of the AMLR. MSs generally agreed on this addition.</p>	<p>IE (MS comments): IE welcomes the inclusion of the references to the AMLR.</p>
	<p>The agreement shall be complemented by an arrangement between the European Central Bank and the national central bank and, where appropriate, the national competent authorities of the third country.</p>		
<p>4. Negotiations with third countries may be suspended on the basis of the grounds referred to in paragraph 3.</p>	<p>4. Negotiations with third countries may be suspended on the basis of the grounds referred to in paragraph 3, first subparagraph, point (b).</p>		<p>NL (MS comments): NL: We support this amendment.</p>
<p>5. Intermediaries established or operating in the third country shall implement the limits set by the European Central Bank in accordance with Article 16(5) on the use of the</p>			

digital euro by natural and legal persons residing or established in the third country, which are applicable in that country.			
Article 20 Distribution of the digital euro to natural and legal persons residing or established in third countries or territories under a monetary agreement with the Union		p.m. As a conclusion from the January WP, this Article is left unchanged	NL (MS comments): NL: We support this.
1. Natural and legal persons residing or established in Andorra, Monaco, San Marino and the Vatican City State, the French overseas collectivities of Saint-Barthélemy, and Saint Pierre and Miquelon, or in any other third country or territory under a monetary agreement for the purpose of entitling the concerned third country or territory to use the euro as its official currency in accordance with Council Regulation (EC) No 1103/97 ³² and Council Regulation (EC) No 974/98 ³³ , may be distributed the digital euro, following an amendment of the respective monetary agreements to that effect.			

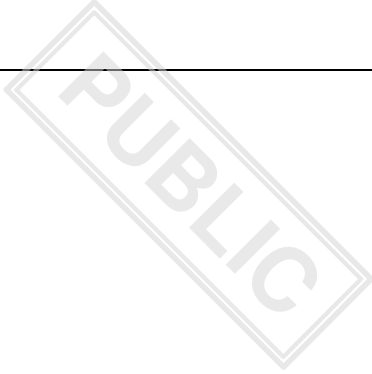
³² Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro (OJ L 162, 19.6.1997, p. 1).

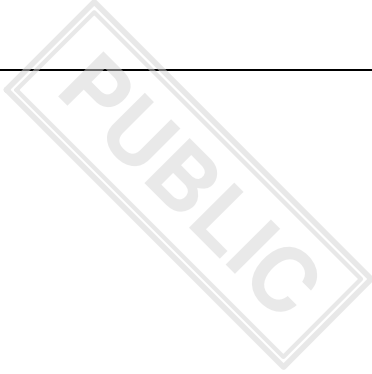
³³ Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (OJ L 139, 11.5.1998, p. 1).

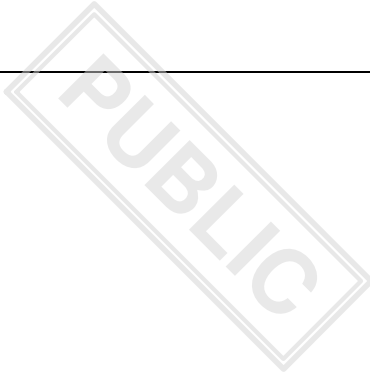
2. Subject to further conditions that may be agreed upon between the Union and the third country or territory concerned, the distribution of the digital euro to natural and legal persons residing or established in third countries or territories governed by the monetary agreement referred to in paragraph 1 shall meet the requirements laid down in this Regulation.			
Article 21 Cross-currency payments			
1. Cross-currency payments between the digital euro and other currencies shall be subject to prior agreements between, on the one hand, the European Central Bank and, on the other hand, the national central banks of the Member States whose currency is not the euro and the third countries.	1. Cross-currency payments between the digital euro and other currencies shall be subject to prior arrangements agreements between, on the one hand, the European Central Bank and, on the other hand, the national central banks of the Member States whose currency is not the euro and the or of third countries.		NL (MS comments): NL: We support this amendment.
2. The European Central Bank shall cooperate with national central banks of Member States whose currency is not the euro to enable interoperable	2. The European Central Bank may, shall in accordance with the Treaties , cooperate with national central banks of Member States whose currency is not the euro to enable interoperable		NL (MS comments): NL: We support this amendment.

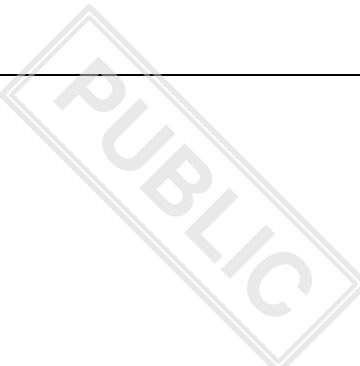
payments between the digital euro and other currencies.	payments between the digital euro and other currencies.		
CHAPTER VII TECHNICAL FEATURES			
Section 1 Digital euro functionalities			
Article 22 Accessibility and use			
1. The digital euro shall:			
(a) have usage and service features that are simple and easy to handle, including for persons with disabilities, functional limitations or limited digital skills, and older persons;			
(b) be accessible for persons with disabilities by complying with the accessibility requirements laid down in Annex I of Directive 2019/882.			

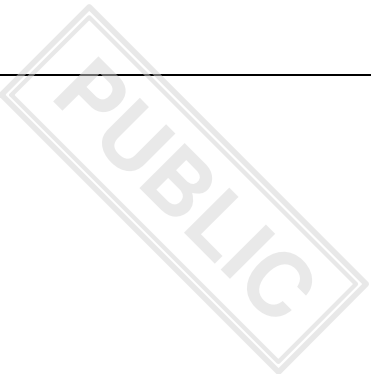
<p>2. In their relationships with their payment services providers for the provision of digital euro payment services, digital euro users shall not be required to have or open non-digital euro payment accounts or accept other non-digital euro products.</p>			
<p>3. Each digital euro payment account shall have a unique digital euro payment account number.</p>	<p>3. Each digital euro payment account shall have a unique digital euro payment alias account number created by the ECB.</p>	<p>The proposal presented at the CWP on 01.04.2025 (Discussion note on privacy).</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments):</p> <p><u>Drafting suggestions (in green):</u></p> <p>3. Each digital euro payment account shall have a unique digital euro payment alias account number created by the ECB.</p> <p>AT (MS comments): Article 22 (3) should define when exactly the DEAN is created by the ECB, e.g. “[...] digital euro payment alias account number created by the ECB upon request of the payment service provider”.</p>

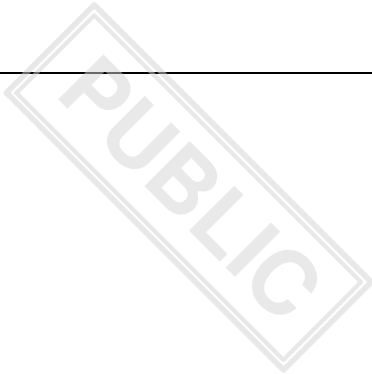
			<p>ES (MS comments):</p> <p>OK</p> <p>HR (MS comments):</p> <p>First, according to the Article 2(28) user alias is created by the ECB and national central banks and includes the digital euro payment alias number. We find that in this Article 22(3) it should be also stated, at the end of the sentence, "and national central banks".</p> <p>Second, please read our comment for new Recital 54(a) regarding alias and account. PL PRES proposal during CWP meeting held on 1st April 2025 reads differently.</p> <p>We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p> <p>In the Article 2(5) of the Proposal the definition of the "digital euro payment <u>account</u>" is prescribed, but on the other hand in the Article 2(32) there is</p>
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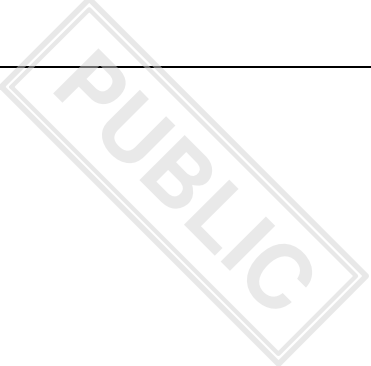
			<p>a new definition of the "digital euro payment <u>alias number</u>".</p> <p>Does it mean that "digital euro payment <u>account</u> " do not have its number?</p> <p>What does the acronym DEAN than stand for: - "Digital euro account number or - "Digital euro alias number"?</p>
	<p>3a. Payment service providers shall allow the use of additional proxy aliases upon request of the digital euro user, in addition to the digital euro payment alias number. The ECB may facilitate the use of proxy aliases together with the unique digital euro payment alias number. The ECB may confer the task of facilitating the use of proxy aliases onto a provider of support services.</p>	<p>The proposal presented at the CWP on 01.04.2025 (Discussion note on privacy).</p> <p>The Presidency included an additional paragraph (3a) to ensure that PSPs shall allow the use of proxy aliases by digital euro users. The Presidency also suggests providing clarity in Article 22(3) and Article 22(3a) on the implementation of these paragraphs.</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): <u>Drafting suggestions (in green):</u> 3a. Payment service providers shall allow the use of <u>additional</u> proxy aliases upon request of the digital euro user, in addition to the digital euro payment alias number. The ECB may facilitate the use of proxy aliases together with the unique digital euro payment <u>alias account</u> number. The ECB may confer the task of facilitating the use of proxy</p>

			<p>aliases onto a provider of support services.</p> <p>AT (MS comments):</p> <p>In our view, the new Art. 22 (3a) is not consistent with the proposed recitals (and the information from the ECB technical WS), which require that ECB or NCBs have no access to proxy aliases and a PoSS will be used instead. If the outsourcing of proxy aliases to a PoSS is only optional, pseudonymization could be torpedoed. We therefore recommend to amend the last sentence regarding the new provision on Article 22(3a): “[...] The ECB may confer shall delegate the task of facilitating the use of proxy aliases to a support service provider that prevents the ECB from accessing such user alias data.” This could imply a change of Art 36 (1) as well: “Where the European Central Bank shall confer tasks referred to in Article 22 or decides to confer tasks referred to</p>
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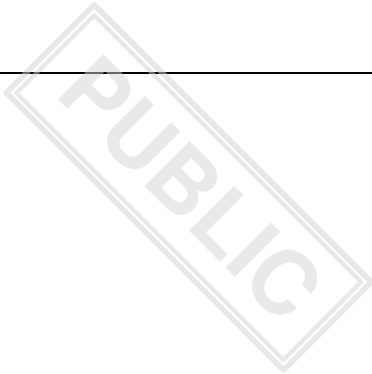
			<p>in Article 27 and 32 upon providers of support services [...]"</p> <p>CY (MS comments): Cyprus supports the direction of enabling digital euro payments via additional user-friendly aliases while ensuring security, privacy, and proper linkage through a central look-up service. This will enhance the usability of the Digital Euro, enabling it uptake.</p> <p>ES (MS comments): Agree</p> <p>HR (MS comments): Please read our comment for new Recital 54(a) regarding alias and account. We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p> <p>In the Article 2(5) of the Proposal the definition of the "digital euro payment <u>account</u>" is prescribed, but on the other hand in the Article 2(32) there is</p>
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			<p>a new definition of the "digital euro payment <u>alias number</u>".</p> <p>Does it mean that "digital euro payment <u>account</u> " do not have its number?</p> <p>What does the acronym DEAN than stand for:</p> <ul style="list-style-type: none"> - "Digital euro account number or - "Digital euro alias number"?
<p>4. Each digital euro payment account may be linked to one or more non-digital euro payment accounts that shall be designated by the digital euro user. For the purpose of Article 13(4), each digital euro payment account may only be linked to one non-digital payment account.</p>	<p>4. Each digital euro payment account may be linked to one or more non-digital euro payment accounts denominated in euro that shall be designated by the digital euro user. For the purpose of Article 13(4), each digital euro payment account may only be linked to one non-digital euro payment account denominated in euro.</p>	<p>The amendments based on the proposal presented at the CWP on 15/16 May (Discussion note on open funding) that aims to allow linking to one or more non-digital euro payment accounts for merchants, and to allow that the linked non-digital euro payment would be non-euro denominated.</p>	<p>CY (MS comments): Cyprus suggests reconsidering this direction. Cyprus opinion is that this adds complexity and it is not in line with the provision of basic digital euro services for free.</p> <p>ES (MS comments): We support allowing that the D€ is linked to an account denominated in a different currency but it should be made clear that the PSP can charge for conversion</p> <p>HR (MS comments):</p>

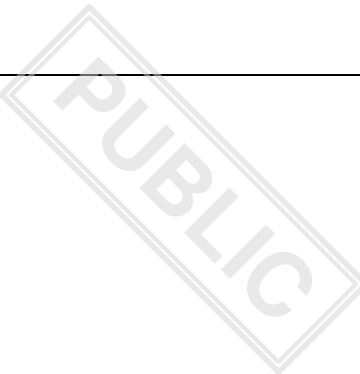
			<p>According to the changes proposed in the Article 13(4) (first sentence after letter b)), we find that also changes should be made in this Article 22(4) second sentence which should read:</p> <p>"For the purpose of Article 13(4), each digital euro payment account may only be linked to one or more non-digital euro payment accounts denominated in euro."</p>
5. Payment service providers shall allow the use of digital euro payment account by more than one digital euro users.			
	<p>6. Payees that only operate in a physical environment and payees that only accept digital payments at a physical point of interaction shall accept digital euro payments in the same manner. Payees that only operate in a virtual environment and accept digital payments at a point of interaction in that environment shall accept the digital euro in the same manner. Payees that operate in both environments shall accept digital euro payments in both manners, depending on the relevant environment.</p>	<p>The proposal presented at the CWP on 31.03 (Discussion note on alignment of euro cash and digital euro legal tender provisions). New paragraph 6 aims to clarify acceptance at POI in different environments. The proposal has been slightly amended in order to avoid potential confusion (addition of “payees that only” before “accept digital payments”).</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): Although we do not oppose the proposed clarification, we believe that the rationale behind this provision should be further explained, which could be done in a Recital. For example, if a merchant accepts non-digital euro payments via a terminal</p>

			<p>(i.e., a “communication technology”) using NFC, QR code, or contactless technology, is the merchant required to ensure the same technologies are available specifically for the digital euro, or is it sufficient that they accept digital euro payments through that terminal?</p> <p>While we understand that the first option is what is intended, we have concerns about its proportionality, particularly at an initial stage.</p> <p>We would therefore prefer a staggered approach.</p> <p>CY (MS comments): Cyprus agrees with the proposed additions; nevertheless Cyprus would prefer to see such detail on the form factors in the Rulebook and not in primary legislation text.</p> <p>ES (MS comments): Agree</p> <p>IE (MS comments): IE welcomes the inclusion of the new article 22(6).</p>

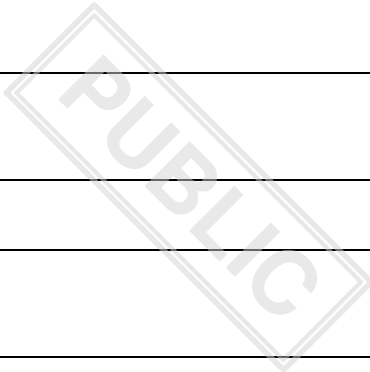
	<p>7. Payment service providers shall make available to all digital euro users mandatory payment instruments that allow them to make both online and offline digital euro payment transactions.</p>	<p>The proposal presented at the CWP on 31.03 (Discussion note on alignment of euro cash and digital euro legal tender provisions).</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): We consider that the articulation of this new provision with the Annex II on basic digital euro services should be clarified. Moreover, regarding the provision of payment instruments under the obligation of distributing digital euro basic services, we emphasize that only credit institutions are required to distribute such services to their clients when acting as consumers. Our main point is that this specification isn't needed, as if maintained would need to be redrafted.</p> <p><u>Drafting suggestions (in green):</u> (deleted)</p> <p>7. Payment service providers shall make available to all digital euro users mandatory payment instruments that allow them to make both online and offline digital euro payment transactions.</p> <p>(or)</p>
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			<p>7. Payment service providers Credit institutions shall make available to their clients when acting as consumers all digital euro users mandatory payment instruments that allow them to make both online and offline digital euro payment transactions.</p> <p>ES (MS comments): Agree</p>
	<p>8. Payment service providers that provide digital euro acceptance services shall enable their clients to accept digital euro payments via mandatory communication technologies. Payees subject to an acceptance obligation pursuant to Article 7 shall not refuse digital euro payment transactions initiated via such communication technologies.</p>	<p>The proposal presented at the CWP on 31.03 (Discussion note on alignment of euro cash and digital euro legal tender provisions).</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): Please see our comments to paragraph 6.</p> <p>ES (MS comments): Agree</p>
	<p>9. The mandatory payment instruments and communication technologies referred to in paragraphs 7 and 8 shall be those that the</p>	<p>The proposal presented at the CWP on 31.03 (Discussion note on alignment</p>	<p>NL (MS comments):</p>

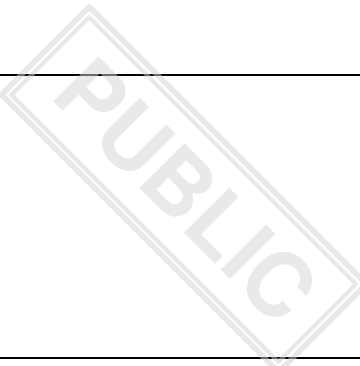
	<p>European Central Bank prescribes as part of the detailed measures, rules and standards pursuant to Article 5(2). This is without prejudice to additional payment instruments and communication technologies that the ECB may make available pursuant to Article 5(2).</p>	<p>of euro cash and digital euro legal tender provisions).</p>	<p>NL: We support this amendment.</p> <p>PT (MS comments): We do not oppose the inclusion of this provision, provided that the text of the Regulation ensures that the requirements imposed on merchants are proportionate and implemented <i>via</i> a phased approach. This seems to be a decision with potentially significant impacts (not only technical) and should therefore be more clearly framed within the Regulation.</p> <p>ES (MS comments): Agree. The Regulation should remain tech neutral</p>
<p>Article 23 Offline and online digital euro payment transactions</p>			<p>NL (MS comments): NL: This is <u>a key article</u> for the Netherlands, given the limited added value of the digital euro in the digitized payments landscape. We <u>strongly value</u> having offline functionalities from the start.</p>

<p>1. The digital euro shall be available for both online and offline digital euro payment transactions as of the first issuance of the digital euro.</p>			<p>IT (MS comments): Considering the ongoing discussion on the offline functionalities, and the need to develop a robust, sound, and cost-efficient offline digital euro, we continue to be in favour of a staggered approach. In this regard we would be more flexible in the regulation, stating that it would be possible even to issue the online version of the digital euro at first, and then add the offline version.</p> <p>NL (MS comments): NL: This is <u>a key article</u> for the Netherlands, given the limited added value of the digital euro in the digitized payments landscape. We <u>strongly value</u> having offline functionalities from the start.</p>
<p>2. The digital euro, held online or offline, shall be convertible at par between each other, at the request of the digital euro users.</p>			
<p>3. Before initiating a digital euro payment transaction in a proximity payment, the payee and the payer shall</p>			

be informed of whether the digital euro payment transaction will be offline or online.			
Article 24 Conditional digital euro payment transactions			
1. To ensure that payment service providers and digital euro users can use conditional digital euro payment transactions, the European Central Bank may:			
(a) adopt detailed measures, rules and standards in accordance with Article 5(2) that payment service providers can use to ensure interoperable conditional digital euro payment transactions;			
(b) provide the functionalities in the digital euro settlement infrastructure necessary for the execution of conditional digital euro payment transactions, including for the reservation of funds.			



2. The digital euro shall not be programmable money.			
Section 2 Modalities of distribution			
Article 25 European Digital Identity Wallets			<p>NL (MS comments):</p> <p>NL: For us, it must be clear that the Digital Identity Wallet is a voluntary means of identification or access to digital euro services. Aside from the EDIW, other means of access or identification should always be available. We have proposed drafting which represents this below.</p>
1. Front-end services shall be interoperable with or integrated in the European Digital Identity Wallets.	1. Front-end services solutions shall be interoperable with or integrated in the European Digital Identity Wallets.		
2. On request by digital euro users, payment service providers distributing the digital euro shall ensure that those users can rely on the functionalities of their European Digital Identity Wallets in accordance with Article 6a of Regulation (EU) <i>[please</i>	2. On request by digital euro users, payment service providers distributing the digital euro shall ensure that those users can rely on the functionalities of their European Digital Identity Wallets in accordance with Article 65a of Regulation (EU) No 910/2014 on electronic identification and trust services for electronic		<p>NL (MS comments):</p> <p>NL: We propose emphasizing that other means of access or identification will remain available. Drafting in the first sentence:</p>

<p><i>insert reference – proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity – COM(2021) 281 final</i>];</p>	<p>transactions in the internal market and repealing Directive 1999/93/EC please insert reference – proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity – COM(2021) 281 final];</p>		<p>“At the request by digital euro users and next to other means of access or identification, payment service providers distributing...”</p>
<p>Article 26 Interoperability</p>			
<p>The European Central Bank shall seek to ensure to the extent possible the interoperability of standards governing digital euro payment services with relevant standards governing private digital means of payment. The European Central Bank shall seek to enable, to the extent possible and where appropriate, private digital means of payment to use rules, standards and processes governing the digital euro payment services.</p>			
<p>For the purpose of the first subparagraph, interoperability may be supported inter alia by the use of open standards.</p>			

<p>Article 27 Dispute mechanism</p>			
<p>1. Without prejudice to the disputes concerning the lawfulness of the processing of personal data, disputes shall be governed by Directive 2015/2366. Directive (EU) 2020/1828 shall apply to the representative actions brought against infringements of provisions of this Regulation that harm or may harm the collective interests of consumers.</p>	<p>1. Without prejudice to the disputes concerning the lawfulness of the processing of personal data, disputes shall be governed by Directive 2015/2366. Directive (EU) 2020/1828 shall apply to the representative actions brought against infringements of provisions of this Regulation that harm or may harm the collective interests of consumers.</p>		<p>NL (MS comments): NL: We support this amendment.</p>
<p>2. The European Central Bank and the national central banks may make mechanisms available for payment services providers to facilitate the exchange of messages for the resolution of disputes. Those mechanisms may be operated directly by the European Central Bank or by the providers of support services designated by the European Central Bank.</p>	<p>2. The European Central Bank and the national central banks may make mechanisms available for payment services providers to facilitate the exchange of messages between payment service providers for the resolution of disputes related to digital euro payment transactions, including but not limited to disputes referred to in Article 5(3) and 5(6). Those mechanisms may be operated directly by the European Central Bank and the national central banks or by the providers of support services designated by the European Central Bank.</p>		<p>IT (MS comments): Given that commercial disputes arising with reference to disputes related to digital euro payment transactions are not included in the above definitions and are not covered by PSD2, it would be preferable to replace the wording “including but not limited to” with a specific reference to the inclusion of commercial disputes (see also comment above underrecital 60 and Article 5(3)). Furthermore, in order to ensure coherence with recital 60 it should be clarified whether these mechanisms are still operated directly</p>

			<p>by the ECB even if the dispute pertains to commercial disputes.</p> <p>NL (MS comments):</p> <p>NL: At first glance, we think these amendments are useful. Please also refer to our comment under recital 60.</p>
<p>3. The European Central Bank shall not act as a party in any of the disputes referred to in paragraphs 1 and 2.</p>	<p>3. Without prejudice to other applicable legislation including alternative dispute resolution procedures, the European Central Bank and the national central banks shall not act as a party in any of the disputes referred to in paragraphs 1 and 2.</p>		<p>IT (MS comments):</p> <p>This provision should be amended to include an explicit reference to Directive (EU) 11/2013 (See also comment above under recital 60).</p> <p>NL (MS comments):</p> <p>NL: We support this amendment.</p>
<p>Article 28 Front-end services to access and use the digital euro</p>	<p>Article 28 Front-end services solutions to access and use the digital euro</p>		<p>NL (MS comments):</p> <p>NL: We support this amendment.</p>
<p>1. Payment service providers distributing the digital euro shall provide digital euro users with the</p>	<p>1. Payment service providers distributing the digital euro shall provide digital euro users with the choice of using the following digital</p>		<p>NL (MS comments):</p>

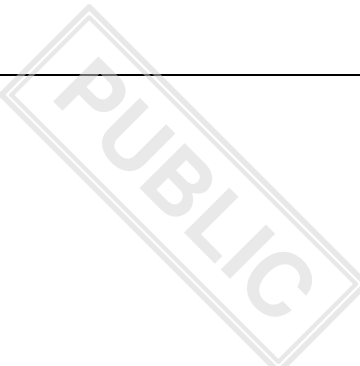
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choice of using the following digital front-end services to allow digital euro users to access and use digital euro payment services:	front-end services solutions to allow digital euro users to access and use digital euro payment services:		NL: We support this amendment.
(a) front-end services developed by payment service providers; and	(a) front-end services solutions developed by payment service providers; and		NL (MS comments): NL: We support this amendment.
(b) front-end services developed by the European Central Bank.	(b) a front-end services solution developed by the European Central Bank and the national central banks .		NL (MS comments): NL: We support this amendment.
Where a payment service provider does not offer a digital euro front-end service, a European Central Bank's service shall be used by such payment service provider.	Where a payment service provider does not offer a digital euro front-end solution service , a it shall use the front-end solution developed by the European Central Bank and the national central banks's service shall be used by such payment service provider.		NL (MS comments): NL: We support this amendment.
2. Front-end services provided by the European Central bank referred to in paragraph 1, point (b), shall not provide for customer relationships, that shall solely be provided by payment service providers in their role in the digital euro distribution as laid down in Article 13	2. The European central bank and the national central banks shall ensure that the front-end services solution provided by the European Central bank referred to in paragraph 1, point (b): shall not provide for customer relationships, that shall solely be provided by payment service providers in their role in the		NL (MS comments): NL: We support the amendments made in paragraph 2 and suggest to add a third criterion requiring the Eurosystem to take into account as

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<p>and under Directive 2015/2366. The European Central Bank shall not have access to any personal data in relation to the front-end services developed by the European Central Bank and used by the payment services providers.</p>	<p>digital euro distribution as laid down in Article 13 and under Directive 2015/2366. The European Central Bank shall not have access to any personal data in relation to the front-end services developed by the European Central Bank and used by the payment services providers.</p>		<p>much as possible the technical standards used in the market. This way, we can try to limit the risk of a scenario in which the ECB develops standards that do not match the existing PSP processing layers / technology, which would require significant investments from the PSPs and in turn could lead to higher consumer prices. Such provision could go further than the general interoperability provision in article 26. For example: <i>“(c) meets as much as possible the technical standards used by the payment service providers distributing the digital euro for the processing of payments.”</i></p>
	<p>(a) supports the provision of all the basic digital euro payment services as referred to in Annex II;</p>		
	<p>(b) uses the logo of the payment service provider who offers digital euro payment services through the front-end solution.</p>		
	<p>The European Central Bank shall not have access to any personal data in relation to the front-end solution developed by the European</p>		

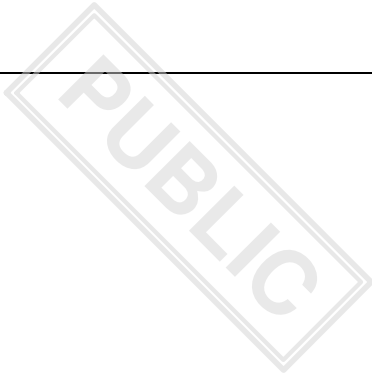
	Central Bank and used by the payment services providers.		
	The front-end solution referred to in the first subparagraph shall not entail the establishment of any customer relationship between the European Central Bank and the national central banks on the one hand and digital euro users on the other hand.		
3. Payment service providers distributing the digital euro shall ensure that:			
(a) digital euro payment services use the official digital euro logo;			
(b) digital euro payment accounts can be quickly and easily accessed to and used by digital euro users.	(b) digital euro payment accounts can be quickly and easily accessed and used by digital euro users;		
	(c) digital euro users can easily distinguish online and offline digital euro holdings.		NL (MS comments): NL: We support this amendment.
Article 29 Compliance with Union sanctions	Article 29 Compliance with Union sanctions restrictive		NL (MS comments):

<p>adopted in accordance with Article 215 TFEU</p>	<p>measures adopted in accordance with Article 215 TFEU</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-30deg);">PUBLIC</p>	<p>NL: We support this amendment. EL (MS comments): EL: We agree, we welcome the close alignment with the IPR in the text.</p>
<p>1. Payment Service Providers executing digital euro payment transactions shall verify whether any of their digital euro users are listed persons or entities. Payment service providers shall carry out such verifications immediately after the entry into force of any new or amended restrictive measures adopted in accordance with Article 215 TFEU providing for asset freeze or prohibition of making funds or economic resources available, and at least once every calendar day.</p>	<p>1. Payment Sservice Pproviders executing offering digital euro payment services transactions shall verify whether any of their digital euro users are listed persons or entities subject to targeted financial restrictive measures. Payment service providers shall carry out such verifications immediately after the entry into force of any new or amended targeted financial restrictive measures adopted in accordance with Article 215 TFEU providing for asset freeze or prohibition of making funds or economic resources available, or and immediately after the entry into force of any amendments to existing such targeted financial restrictive measures and at least once every calendar day.</p>	<p>The proposal presented at the February CWP (Discussion note on the modalities of distribution).</p> <p>The aim of the amendments in this paragraph is to ensure that PSPs offering digital euro transactions are subject to the same obligations as other PSPs with regard to compliance with restrictive measures. It was necessary to ensure that these obligations are aligned with the obligations that apply to instant credit transfers, as contained in the final version of Instant Payment Regulation (IPR). In addition, the comments of the Member States on the proposed Belgian Presidency edits were also considered, namely with a view to ensuring full consistency with the AMLR.</p>	<p>NL (MS comments): NL: We agree with the amendment. CY (MS comments): Cyprus supports this amendment as it aims to ensure consistent obligations for PSPs offering digital euro transactions, aligning them with the Instant Payment Regulation and AMLR. ES (MS comments): Agree</p>

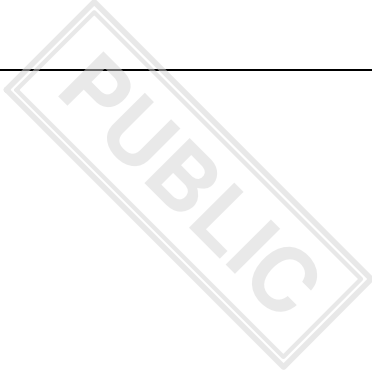
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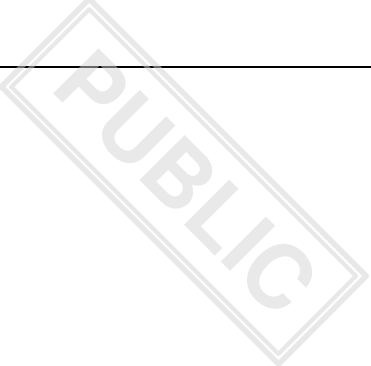
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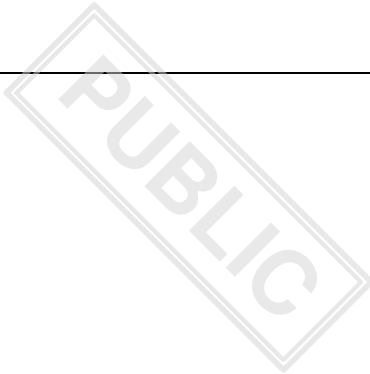
<p>2. During the execution of a digital euro payment transaction, the payer's payment service provider and the payee's payment service provider involved in the execution of that transaction shall not verify whether the payer or the payee whose digital euro payment accounts are used for the execution of that digital euro payment transaction are listed persons or entities in addition to carrying out verifications under paragraph 1.</p>	<p>2. During the execution of a digital euro payment transaction, the payer's payment service provider and the payee's payment service provider involved in the execution of that transaction shall not verify whether the payer or the payee whose digital euro payment accounts are used for the execution of that digital euro payment transaction are listed persons or entities subject to targeted financial restrictive measures in addition to carrying out verifications under paragraph 1 of this Article.</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-45deg);">PUBLIC</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>IE (MS comments): IE proposes the following: During the execution of a digital euro payment transaction, the payer's payment service provider and the payee's payment service provider involved shall not be required to verify whether the payer or the payee are listed persons or entities subject to targeted financial restrictive measures so long as verifications are undertaken in accordance with paragraph 1 of this Article.</p>
	<p>The first subparagraph is without prejudice to actions taken by payment service providers in order to comply with restrictive measures, other than targeted financial restrictive measures, adopted in accordance with Article 215 TFEU, with restrictive measures that are not adopted in accordance with Article 215 TFEU, or with Union law on the prevention of money laundering and terrorist financing.</p>		<p>NL (MS comments): NL: We support this amendment.</p> <p>IE (MS comments): IE welcomes the inclusion of this paragraph.</p>

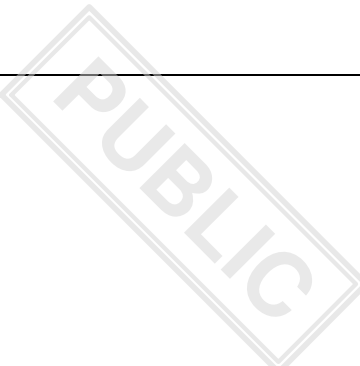
<p>3. A payment service provider that has failed to carry out the verifications referred to in paragraph 1 and executes a digital euro payment transaction causing another payment service provider involved in the execution of that digital euro payment transaction to fail to freeze assets of listed persons or entities, or to make funds or economic resources available to such persons or entities, shall compensate the financial damage caused to the other payment service provider resulting from penalties imposed on that other payment service provider under restrictive measures adopted in accordance with Article 215 TFEU providing for asset freeze or prohibition of making funds or economic resources available.</p>	<p>3. — A payment service provider that has failed to carry out the verifications referred to in paragraph 1 and executes a digital euro payment transaction causing another payment service provider involved in the execution of that digital euro payment transaction to fail to freeze assets of listed persons or entities, or to make funds or economic resources available to such persons or entities, shall compensate the financial damage caused to the other payment service provider resulting from penalties imposed on that other payment service provider under restrictive measures adopted in accordance with Article 215 TFEU providing for asset freeze or prohibition of making funds or economic resources available.</p>		<p>NL (MS comments): NL: We support this deletion, because it is consistent with the Instant Payments regulation.</p>
<p>Article 30 Settlement of digital euro payment transactions</p>			
<p>1. Online and offline digital euro payment transactions shall be settled instantaneously.</p>			

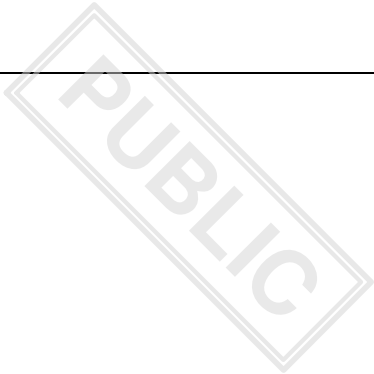
<p>2. Final settlement of online digital euro payment transactions shall occur at the moment of recording the transfer of the digital euros concerned from the payer to the payee in the digital euro settlement infrastructure approved by the Eurosystem.</p>			
<p>3. Final settlement of offline digital euro payment transactions shall occur at the moment when the records of the digital euro holdings concerned in the local storage devices of the payer and payee are updated.</p>			
<p>Article 31 Switching of digital euro payment accounts</p>			
<p>1. Payment service providers shall enable digital euro users at their request to switch their digital euro payment accounts to other payment service providers while maintaining the same account identifiers.</p>	<p>1. At the request of digital euro users, Payment service providers shall without undue delay enable digital euro users at their request to switch their users' digital euro payment services accounts to other payment service providers without undue delay while maintaining the same account identifiers.</p>	<p>The proposal presented at the CWP on 15/16 May (Discussion note on strengthening resilience and preparedness of the European retail payment landscape by digital euro).</p>	<p>IT (MS comments): It should be considered to specify a deadline by which the switching should be completed (rather than referring generically to execution "without undue delay"). More generally, the operational details of switching process should be further described in the relevant rules and procedures.</p>

			<p>Additionally, we noticed that there are no references in art. 31 about AML/CTF aspects resulting from switching, both ordinary and for exceptional circumstances, with particular reference to the customer onboarding process. We suggest to consider, in next WPs, those aspect to introduce a provision.</p> <p>NL (MS comments):</p> <p>NL: We agree with the proposed amendments, save for a comment on 1b.</p> <p>PT (MS comments):</p> <p>We emphasise that the Payment Accounts Directive is more specific regarding some of the aspects of switching payment accounts. For example, it establishes specific deadlines (Article 16(3) of the said Directive). While we recognize the digital euro's specificities which may justify different deadlines, we believe that a specific timeline should be introduced in the text, ensuring legal certainty and consistency in application.</p>
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			<p>CY (MS comments): Cyprus agrees with the proposed suggestions in regards to switching.</p> <p>ES (MS comments): <u>Agree</u></p> <p>IE (MS comments): IE welcomes the proposed changes to Article 31.</p>
	<p>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 number shall be maintained.</p>		<p>PT (MS comments): In line with our previous comments, please see our proposed wording below.</p> <p><u>Drafting suggestion (in green):</u></p> <p>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 account number shall be maintained.</p> <p>ES</p>

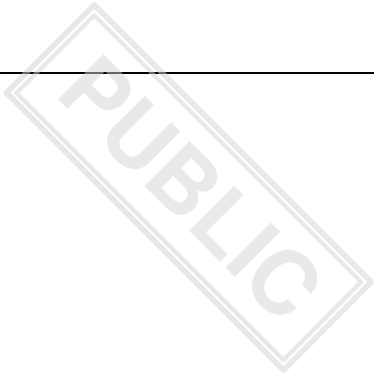
			<p>(MS comments):</p> <p><u>Agree</u></p> <p>HR</p> <p>(MS comments):</p> <p>Please read our comment for new Recital 54(a) regarding alias and account.</p> <p>PL PRES proposal presented at the CWP on 15/16 May was with "<i>the digital euro payment account number</i>" in the provision."</p> <p>We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p>
	(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		NL

	<p>account holders, request for switching shall be made by each of them.</p>		<p>(MS comments):</p> <p>NL: We propose consistently not using the word ‘account’, please find drafting below.</p> <p>“In cases where the digital euro holdings are held jointly by two or more legal digital euro holders, request for switching shall be made by each of them.”</p> <p>EL</p> <p>(MS comments):</p> <p>EL: We agree but, for clarity, drafting should be amended: “Either” should be used if the intention is that only one account holder’s request suffices – “all” should be used if the intention is that everyone must agree: “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 either/ all of them.”</p> <p>ES</p> <p>(MS comments):</p> <p>Agree</p>
	<p>1c. Without prejudice to Directive 2015/2366, the payment service provider to whom the</p>		<p>ES</p>

	<p>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, and that can 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.</p>		<p>(MS comments): Agree</p>
	<p>1d. Payment service providers shall only exchange the necessary information to enable the switching of the digital euro services.</p>		<p>ES (MS comments): Agree</p>
<p>2. In exceptional circumstances where a payment service provider is operationally not in a position to provide digital euro payment services to digital euro users for a prolonged period of time, or has lost the digital euro payment account-related data concerned, the European Central Bank and national central banks may authorise the switching of digital euro payment accounts held with that payment service provider to another payment service provider designated by the digital euro user. That switching</p>	<p>2. In exceptional circumstances wWhere 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 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</p>	<p>The proposal presented at the CWP on 15/16 May (Discussion note on strengthening resilience and preparedness of the European retail payment landscape by digital euro).</p>	<p>EL (MS comments): EL: The new wording does not seem to reflect sufficiently what was discussed at the CWP on 15/16 May regarding emergency switching in exceptional circumstances. In the relevant Presidency Note (wk05981/2025) it was proposed to introduce Article C as a temporary measure to facilitate the continuity of payments in terms of resilience.</p>

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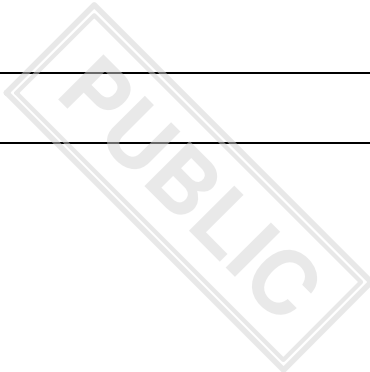
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<p>shall enable the new payment service provider to complete the switching without relying on the unavailable payment service provider.</p>	<p>payment service provider to another payment service provider designated by the digital euro user. That switching 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.</p>		<p>ES (MS comments): OK, but, since it does no longer foresee that the COM will issue L2 legislation to specify how long must this be inoperable, it is important that the ECB when authorising emergency switching finds a balance that does not excessively penalize PSPs</p>
	<p>(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.</p>	<p>The proposal presented at the CWP on 15/16 May (Discussion note on strengthening resilience and preparedness of the European retail payment landscape by digital euro).</p>	
	<p>(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.</p>	<p>The proposal presented at the CWP on 15/16 May (Discussion note on strengthening resilience and preparedness of the European retail payment landscape by digital euro).</p>	

Article 32 General fraud detection and prevention mechanism			
1. The European Central Bank may facilitate the fraud detection and prevention tasks that payment service providers shall perform under Directive 2015/2366 by establishing a general fraud detection and prevention mechanism for online digital euro transactions to ensure the smooth and efficient functioning of the digital euro. That general fraud detection and prevention mechanism may be operated directly by the European Central Bank or by the providers of support services designated by the European Central Bank.	1. The European Central Bank may facilitate the fraud detection and prevention tasks that payment service providers shall perform under Directive 2015/2366 by establishing a general fraud detection and prevention mechanism for online digital euro transactions to ensure the smooth and efficient functioning of the digital euro. That general fraud detection and prevention mechanism may be operated directly by the European Central Bank and the national central banks or by the providers of support services designated by the European Central Bank.		NL (MS comments): NL: We support this amendment.
2. The European Central Bank shall consult the European Data Protection Supervisor prior to developing the details on the operational elements of the fraud detection and prevention mechanism.			

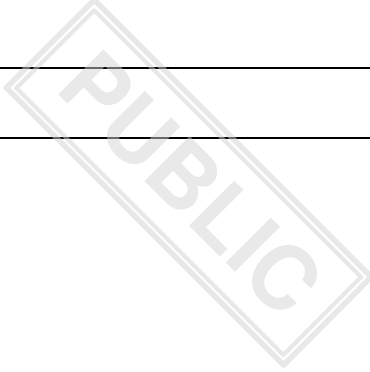
<p>3. The fraud detection and prevention mechanism shall:</p>			
<p>(a) assess the exposure to fraud risk of online digital euro transactions in real-time at the exclusive use of payment service providers before the transaction is introduced into the digital euro settlement infrastructure;</p>			
<p>(b) support payment service providers in detecting fraudulent transactions in online digital euro payment transactions that have been settled.</p>	<p>(b) support payment service providers in securing payment information and detecting fraudulent transactions in online digital euro payment transactions that have been settled.</p>		<p>NL (MS comments): NL: We need more information on what would happen in case of offline transactions and whether these are supposed to be covered by this article as well.</p>
<p>4. For the purpose of this Article, payment service providers shall provide the fraud detection and prevention mechanism with information referred to in Annex 5. Payment service providers shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the support service shall not be able to directly identify the digital euro users on</p>			

<p>the basis of the information provided to the fraud detection and prevention mechanism.</p>			
<p>Article 33 Fair, reasonable and non-discriminatory access to mobile devices</p>			<p>NL (MS comments): NL: We reserve the right to comment on this article in light of recent discussions in the July CWP.</p> <p>We are concerned about the implications of FRAND-access requirements for PSPs to make offline functionalities possible. The provision of access to Secure Environments (SEs) extends beyond the Digital Euro Regulation and perhaps requires a broader approach. Simultaneously, we see offline functionalities of the digital euro as a necessary feature which uniquely adds value to the current payments landscape and believe we should not introduce these functionalities at a later stage. This is a key requirement for us.</p> <p>We are open to work with MS, the PCY, ECB and Commission to find a solution or a feasible approach. As such, we refrain from further comment on this article.</p>

			
<p>1. Without prejudice to Article 6 paragraph (7) of Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828, original equipment manufacturers of mobile devices and providers of electronic communication services within the meaning of Article 2 (1) Directive (EU) 2018/1972³⁴ shall allow providers of front end services and providers of European Digital Identity Wallets effective interoperability with, and access for the purposes of interoperability to, the hardware features and software features necessary for storing and transferring data to process online or offline digital euro transactions, on fair, reasonable and non-discriminatory terms.</p>	<p>1. Without prejudice to Article 6 paragraph (7) of Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828, original equipment manufacturers of mobile devices and providers of electronic communication services within the meaning of Article 2 (1) Directive (EU) 2018/1972³⁵ shall allow providers of front end services solutions, and providers of European Digital Identity Wallets and third-party technical support providers acting on their behalf effective interoperability with, and access for the purposes of interoperability to, the hardware features and software features necessary for storing and transferring data to process online or offline digital euro payment transactions, on fair, reasonable and non-discriminatory terms. The terms of access shall not depend on the services offered by original equipment manufacturers of mobile devices and providers of electronic communication services.</p>		<p>NL (MS comments): NL: We reserve the right to comment on this article at a later stage.</p>

³⁴ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018, establishing the European Electronic Communications Code, OJ L 17.12.2018, p. 36.

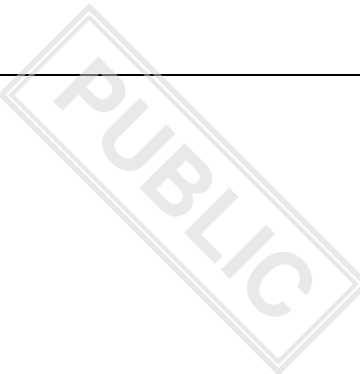
³⁵ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018, establishing the European Electronic Communications Code, OJ L 17.12.2018, p. 36.

<p>2. Original equipment manufacturers of mobile devices and providers of electronic communication services referred to in paragraph 1 shall not be prevented from taking strictly necessary and proportionate measures to ensure that interoperability does not compromise the integrity of the hardware and software features concerned by the interoperability obligation provided that such measures are duly justified.</p>			<p>NL (MS comments): NL: We reserve the right to comment on this article at a later stage.</p>
<p>3. For the purpose of applying fair, reasonable and non-discriminatory terms pursuant to paragraph 1, original equipment manufacturers of mobile devices and providers of electronic communication services referred to in paragraph 1 shall publish general conditions of effective interoperability and access. Such general conditions shall include a European Union-based alternative dispute settlement mechanism. The dispute settlement mechanism shall be without prejudice to the right to seek redress before judicial authorities in accordance with Union and national law.</p>			<p>NL (MS comments): NL: We reserve the right to comment on this article at a later stage.</p>

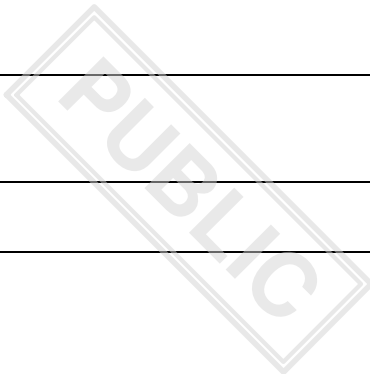
CHAPTER VIII PRIVACY AND DATA PROTECTION			
Article 34 Processing by payment service providers	Article 34 Processing of personal data by payment service providers		NL (MS comments): NL: On privacy, we support the direction of travel in general and welcome all the clarifications by the European Central Bank in technical seminars.
1. Payment service providers perform a task in the public interest where they process personal data for the following purposes:			
(a) the enforcement of limits, including the verification of whether prospective or existing digital euro users have digital euro accounts with another PSP, as referred to in Article 16;	(a) the implementation and enforcement of limits, including the verification of whether prospective or existing digital euro users have digital euro accounts with another PSP, as referred to in Article 16, including by providing information to and consulting the single access point referred to in Article 16(7a);		NL (MS comments): NL: We support this amendment.

(b) funding and defunding as referred to in Article 13 (2) and (3), and digital euro payment transactions as referred to in Article 13(4);			
(c) the provision of offline digital euro, including the registration and de-registration of the local storage devices as referred to in letter (b) of Annex I;			
	(ca) switching as referred to in Article 31, including by providing information to and consulting the single access point referred to in Article 31(3);		NL (MS comments): NL: We support this amendment.
(d) compliance with Union sanctions as referred to in Article 29;	(d) compliance with Union sanctions restrictive measures as referred to in Article 29;		
(e) the obligations of payment service providers under Directive (EU) 2015/2366 related to the execution of transactions and the prevention and detection of fraud, combatting money laundering and terrorist financing under Directive (EU) 2015/849, taxation compliance under Council Directive 2006/112/EC, Directive (EU) 2011/16/EU and relevant national law, the management of operational and	(e) — the obligations of payment service providers under Directive (EU) 2015/2366 related to the execution of transactions and the prevention and detection of fraud, combatting money laundering and terrorist financing under Directive (EU) 2015/849, taxation compliance under Council Directive 2006/112/EC, Directive (EU) 2011/16/EU and relevant national law, the management of operational and security risks under Regulation (EU) 2022/2554 and obligations		

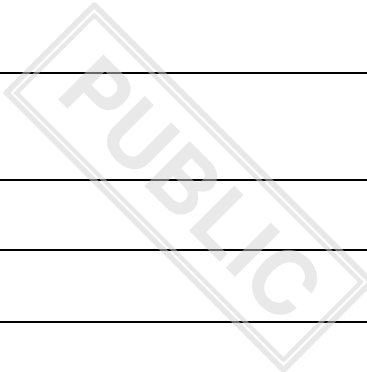
security risks under Regulation (EU) 2022/2554 and obligations under Directive (EU) 2014/92/EU, in so far as they concern the digital euro.	under Directive (EU) 2014/92/EU, in so far as they concern the digital euro.		
	(f) the provision of information to and the consultation of the fraud detection and prevention mechanism as referred to in Article 32(4).		
For the provision of offline digital euro, the processing of personal data by payment service providers is limited to funding and defunding in accordance with Article 37 paragraphs 3, 4 and 5.			
2. For the purposes referred to in paragraph 1 (a) to (c), of this Article, Annex III lays down the types of personal data.	2. For the purposes referred to in paragraph 1 (a) to (ef) , of this Article, Annex III lays down the types of personal data.		
3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update the types of personal data listed in Annex III.	3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update supplement or amend, including deletion , the types of personal data listed in Annex III.		AT (MS comments): The transfer of money implementing the (reverse) waterfall approach as a pure monetary service necessarily requires the exchange of (personal) data. However, both payment service

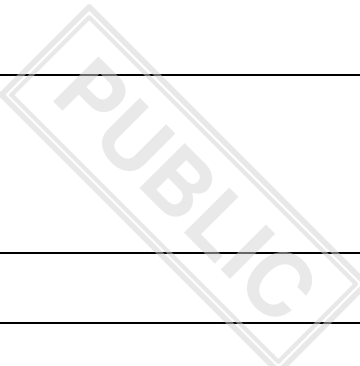
			<p>providers only exchange personal data for the performance of these monetary services but in general do not decide jointly on the purposes and means of the processing of personal data. Presumably the technical interface needs to be designed and agreed on by the interacting PSPs, but on the purposes and means of the processing of personal data each payment service provider presumably will decide on its own. Interacting stakeholders in a networked digital economy are not necessarily joint controllers in the sense of the GDPR. Hence, a situation of separate controllers (instead of joint controllers) seems to be given. Assuming the above, Article 34 para 3 sentence 3 should be deleted to enable an individual legal assessment for individual situations of processing personal data.</p>
<p>Payment service providers shall be considered to be the controllers of personal data as regards the purposes referred to in paragraph 1 of this Article. Where a digital euro payment account held by one payment service provider is linked with a non-digital euro payment account held by another payment</p>			

service provider in accordance with Article 13(4), these payment service providers shall be joint controllers.			
4. Payment service providers shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that any data communicated to the European Central Bank and the national central banks or to providers of support services do not directly identify individual digital euro users.	4. Payment service providers shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that any data communicated to the European Central Bank and the national central banks or to providers of support services are pseudonymised in accordance with Article 4, point (5) of Regulation 2016/679 do not directly identify individual digital euro users.		
Article 35 Processing of personal data by the European Central Bank and the national central banks			
1. The European Central Bank and the national central banks perform a task in the public interest or exercise official authority where they process personal data for the following purposes:			
(a) provision of access for payment service providers to the digital			



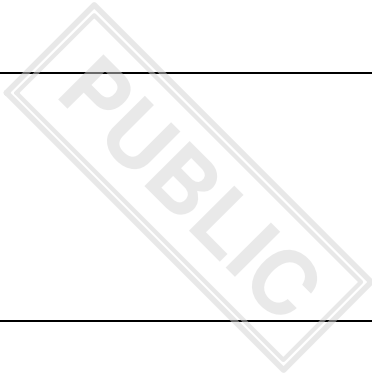
euro settlement infrastructure and support the exchange of messages between payment service providers;			
(b) settlement of online digital euro payment transactions;			
(c) safeguarding the security and integrity of the digital euro settlement infrastructure and of local storage devices;			
	(ca) protection of the digital euro against counterfeiting and prevention of double spending of digital euros;		
(d) supporting verification by payment service providers of whether a prospective user already has digital euro payment accounts with other payment service providers in order to prevent the circumvention of limits in accordance with Article 16;	(d) supporting verification by the implementation and enforcement of limits by payment service providers of whether a prospective user already has digital euro payment accounts with other payment service providers in order to prevent the circumvention of limits, in accordance with Article 16(7a);		
(e) in exceptional circumstances as defined in Article 31 (2), authorising payment service providers in switching	(e) in exceptional circumstances as defined in Article 31 (2), authorising payment service providers in and supporting the		



<p>digital euro payment accounts held with a payment services provider to another payment service providers designated by the digital euro user.</p>	<p>switching of digital euro payment accounts in accordance with Article 31(2) and (3)held with a payment services provider to another payment service providers designated by the digital euro user;</p>			
	<p>(f) facilitating the exchange of messages for the resolution of disputes in accordance with Article 27;</p>			
	<p>(g) facilitating the fraud detection and prevention tasks of payment service providers in accordance with Article 32.</p>			
<p>2. For the purposes referred to in paragraph 1, Annex IV lays down the types of personal data.</p>	<p>2. For the purposes referred to in paragraph 1, Annex IV lays down the types of personal data that the European Central Bank and the national central banks may process for the purposes referred to in paragraph 1, points (a) to (e). Annex V lays down the types of personal data that the European Central Bank and the national central banks may process for the purposes referred to in paragraph 1, points (f) and (g).</p>			
<p>3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update the types of personal data listed in Annex IV.</p>	<p>3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update supplement or amend, including</p>			

	deletion , the types of personal data listed in Annex IV and Annex V .		
4. Personal data processed for tasks referred to in paragraph 1 shall be supported by appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures. This shall include the clear segregation of personal data to ensure that the European Central Bank and the national central banks cannot directly identify individual digital euro users.	4. Without prejudice to Article 34(4), the European Central Bank and the national central banks Personal data processed for tasks referred to in paragraph 1 shall be supported by adopt and implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures when processing personal data for tasks referred to in paragraph 1 . This shall include the pseudonymisation and clear segregation of personal data to ensure that the European Central Bank and the national central banks cannot directly identify individual digital euro users.		
5. The European Central Bank shall be considered the controller of personal data under as regards to the purposes referred to in paragraphs 1 and 8 of this Article. When the European Central Bank carries out a task referred to in paragraphs 1 and 8 jointly with the national central banks, they shall be joint controllers for that task.	5. The European Central Bank shall be considered the controller of personal data under as regards to the purposes referred to in paragraphs 1 and 8 of this Article . When the European Central Bank carries out a task referred to in paragraphs 1 and 8 jointly with the national central banks, they shall be joint controllers for that task.		
6. This Article is without prejudice to the processing of personal			

<p>data involved in the performance of the other tasks and powers, including for the supervision of credit institutions and the oversight of payment systems, of the European Central Bank and the national central banks.</p>			
<p>7. Where the European Central Bank decides not to confer tasks referred to in Articles 27 and 32 upon providers of support services, the European Central Bank may process the types of personal data referred to in Annex 5 subject to the requirements referred to in paragraph 4 of this Article.</p>	<p>7. Where the European Central Bank decides not to confer tasks referred to in Articles 27 and 32 upon providers of support services, the European Central Bank may process the types of personal data referred to in Annex 5 subject to the requirements referred to in paragraph 4 of this Article.</p>		
<p>8. For purpose of supporting the task of payment service providers to enforce the holding limits in accordance to Article 16(1) and ensuring the emergency switching upon the request of the user in accordance with Article 31(2), the ECB may alone or jointly with national central banks establish a single access point of digital euro user identifiers and the related digital euro holding limits as referred to in point (4) of Annex 4. The European Central Bank shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-</p>	<p>8. For purpose of supporting the task of payment service providers to enforce the holding limits in accordance to Article 16(1) and ensuring the emergency switching upon the request of the user in accordance with Article 31(2), the ECB may alone or jointly with national central banks establish a single access point of digital euro user identifiers and the related digital euro holding limits as referred to in point (4) of Annex 4. The European Central Bank and the national central banks shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the identity of individual digital euro</p>		

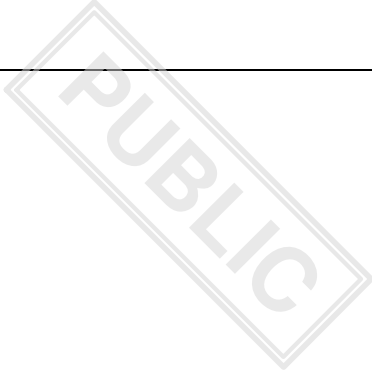
<p>preserving measures to ensure that the identity of individual digital euro users cannot be inferred from the information accessed via the single access point by entities other than payment service providers whose customer or potential customer is the digital euro user.</p>	<p>users cannot be inferred from the information accessed via the single access point referred to in Article 16(7a) and Article 31(3) by entities other than payment service providers whose customer or potential customer is the digital euro user.</p>		
<p>Article 36 Processing by providers of support services</p>	<p>Article 36 Processing of personal data by providers of support services</p>		<p>NL (MS comments): NL: We support this amendment in the title.</p>
<p>1. Where the European Central Bank decides to confer tasks referred to in Article 27 and 32 upon providers of support services, providers of support services shall provide payment-related services across PSPs. In such a situation, payment service providers perform a task in the public interest, where they process personal data for the following purposes:</p>	<p>1. Where the European Central Bank decides to confer tasks referred to in Articles 22, 27 and 32 upon providers of support services providers of support services shall provide payment-related services across PSPs. In such a situation, providers of support services payment-service-providers perform a task in he public interest, where they process personal data for the following purposes:</p>	<p>The proposal presented at the CWP on 01.04.2025 (Discussion Note on privacy).</p> <p>To facilitate the use of proxy aliases and the linking of aliases to the PSP providing a digital euro account and proxy aliases to DEANs in the DESP, while ensuring that the ECB cannot identify individual users by linking a common proxy alias, such as a mobile phone number, to a DEAN, the Presidency proposed a new legal basis for the processing of personal data by PoSS in Article 36(1).</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>CY (MS comments): Cyprus supports this approach but emphasize that privacy must be carefully considered and protected in the association and management of digital euro payment aliases.</p> <p>ES (MS comments):</p> <p>OK</p>

	<p>(aa) supporting the use of the unique digital euro payment alias number together with optional user aliases in accordance with Article 22(3a);</p>	<p>As above.</p>	<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): <u>Drafting suggestions (in green):</u> (aa) supporting the use of the unique digital euro payment alias account number together with optional user aliases in accordance with Article 22(3a);</p> <p>ES (MS comments): OK</p> <p>HR (MS comments): Please read our comment for new Recital 54(a) regarding alias and account. We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p> <p>IE</p>

			(MS comments): IE welcomes this drafting proposal.
(a) supporting the prevention and detection of fraud across payment service providers in accordance with Article 32;			
(b) supporting the exchange of messages for the resolution of disputes in accordance with Article 27.			
2. For the purposes referred to in paragraph 1, Annex V lays down the types of personal data.			
3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update the types of personal data listed in Annex V.	3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update supplement or amend, including deletion , the types of personal data listed in Annex V.		
4. The processing of personal data for the purposes referred to in paragraph 1 shall only take place when appropriate technical and organisational measures including state-of-the-art	4. The processing of personal data for the purposes referred to in paragraph 1 The European Central Bank, national central banks and providers of support services shall only take place when appropriate technical and		AT (MS comments): Art 36 (4) shall specify that not only the providers of support services but

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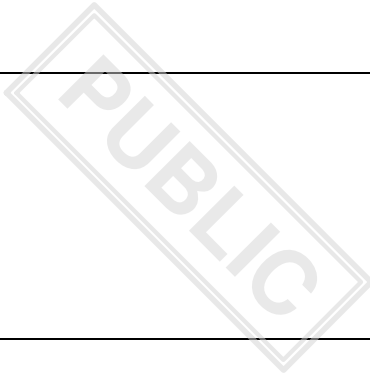
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<p>security and privacy-preserving measures are implemented to ensure that the providers of support services cannot directly identify individual digital euro users.</p>	<p>organisational measures including state-of-the-art security and privacy-preserving measures are implemented to ensure that the providers of support services cannot directly identify individual digital euro users. This shall include the pseudonymisation and clear segregation of personal data.</p>		<p>also the ECB and national central banks shall not be able to identify directly individual digital euro users: “The European Central Bank, national central banks and providers of support services shall take appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the European Central Bank, national central banks and providers of support services cannot directly identify individual digital euro users. [...]”</p>
<p>5. The providers of support services shall be considered to be the controllers of personal data as regards the purposes referred to in paragraph 1 of this Article. This paragraph is without prejudice to the European Central Bank and the national central banks appointing the operators of any payment-related services across PSPs and auditing of the service performance level without processing any personal data.</p>	<p>5. The providers of support services shall be considered to be the controllers of personal data as regards the purposes referred to in paragraph 1 of this Article, unless the European Central Bank and the national central banks were to take upon them the responsibility of controller. This paragraph is without prejudice to the European Central Bank and the national central banks shall not process personal data when appointing the operators of any payment-related services across PSPs payment service providers and when auditing of the service performance level of providers of support services without processing any personal data.</p>	<p>The proposal presented at the CWP on 01.04.2025 (Discussion Note on privacy).</p> <p>The deleted fragment appeared to be not legally correct and not necessary, as:</p> <ul style="list-style-type: none"> • this legislation already lays down who is controller. An ECB or national central bank cannot go against this legislation and designate themselves as controllers if a legislation designates another actor, • the service providers only become controller where the ECB confers their task on them. If the ECB 	<p>NL (MS comments): NL: We support this amendment.</p> <p>AT (MS comments): It is the standard situation that the determination of the roles of controllers and processors depends on the actual (factual) tasks and responsibilities attributed to such actors (e.g. by law, contract or simply factual circumstances). Hence, the first sentence of Article 36 (5) could be fully deleted as well to achieve the same legal result.</p>

		<p>'simply' outsource this tasks, it is not considered conferring the tasks. In this case the ECB would remain controller and the service provider would operate the service on behalf of the ECB.</p>	<p>CY (MS comments): Cyprus agrees.</p> <p>ES (MS comments): <u>OK</u></p> <p>IE (MS comments): IE agrees with this proposal.</p>
<p>CHAPTER IX ANTI-MONEY LAUNDERING</p>			<p>NL (MS comments):</p> <p>NL: While we support the direction of travel, this chapter might need revisiting in light of recent discussions on default offline transactions at Point-of-Sale and automatic funding to a pre-determined level of offline functionalities. Specifically, we are still analyzing whether an article or recital should be amended to make sure that AML/CFT-checks take place, for as far as possible, on the basis of the number of funding/defunding transactions registered at the PSP for offline transactions. Within the limits set by the high level of privacy for</p>

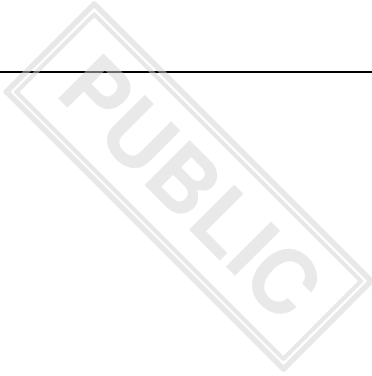
			<p>offline transactions, PSPs should ensure that only ‘clean’ money enters the system for offline transactions.</p>
<p>Article 37 Anti-money laundering rules applying to offline digital euro payment transactions</p>			<p>IT (MS comments): We reiterate our previous comment on the current AML regime dedicated for offline digital euro in art. 37, to highlight that this provision should: a) clearly state that STR obligations also apply, with explicitly safeguard other relevant reporting obligations (i.e. provision to disclosure, safe harbor provision) contained in the AML/CFT regulation; b) include detailed information on subjects involved in funding and defunding within data and information collected by PSPs by art. 37, par. 3, and listing them in art. 37, par. 4; c) provide that all information included in art. 37, par. 3 are directly available to national FIUs, in order to perform all its institutional tasks (now the FIU has to request, on a case-by-case basis, these data to PSPs) and for include also the possibility of requiring threshold-based reports for AML/CFT purposes.</p>

1. Payment services providers shall apply paragraphs 2 to 6 to offline digital euro payment transactions.			
2. Transaction data shall not be retained by payment service providers or by the European central banks and the national central banks.			
3. Payment service providers shall retain data of funding and defunding for storing digital euros on payment instruments in accordance with Article 40 of Directive (EU) 2015/849 and national provisions transposing that Article. Payment service providers shall, upon request, make those data available to the Financial Intelligence Unit and other competent authorities as referred in Article 2(31) of Regulation [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final].	3. Payment service providers shall retain data of funding and defunding for storing digital euros on payment instruments in accordance with Article 40 of Directive (EU) 2015/849 and national provisions transposing that Article. Payment service providers shall, upon request, make those data available to the Financial Intelligence Unit and other competent authorities as referred in Article 2(3144) of Regulation (EU) 2024/1624 please insert reference – proposal for Anti-Money Laundering Regulation – COM/2021/420 final .		IT (MS comments): The current proposal of Article 37, paragraph 3, states that PSPs can only retain (not use) data on funding and defunding of offline wallets and make it available to the FIUs and other competent authorities. We deem it important that all data and information collected by PSPs, different from offline transactions, should always be usable for AML purposes (for monitoring purposes or assessing the risk profile of the customer). This would be also in line with the cash-like approach, where cash withdrawals at ATM and cash placements on the

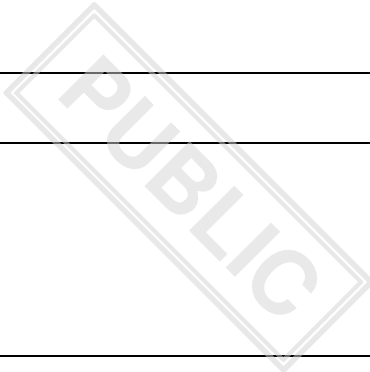
			<p>payment accounts are indeed used for AML purposes.</p> <p>NL (MS comments): NL: we support this amendment.</p>
4. For the purposes of paragraph 3, the funding and defunding data means the following:			
(a) the amount funded or defunded;			
(b) the identifier of the local storage device for offline digital euro payment;			
(c) the date and hour of the funding and defunding transaction;			
(d) the accounts numbers used for funding and defunding.			

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<p>5. The Commission is empowered to adopt implementing acts setting offline digital euro payment transaction limits and holding limits. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39.</p>	<p>5. The Commission is empowered to shall adopt implementing acts setting offline digital euro payment transaction limits, and offline digital euro holding limits or both. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39. Offline digital euro holding limits shall respect the limits established in accordance with Article 16.</p>		<p>NL (MS comments): NL: We support this amendment.</p>
<p>6. Transaction and holding limits shall take into account the need to prevent money laundering and terrorist financing while not unduly restricting the use of the offline digital euro as a means of payment. The Commission, when drawing up the implementing acts referred to in paragraph 5, shall take into account in particular the following:</p>			<p>NL (MS comments): NL: We support this amendment.</p>
<p>(a) an assessment of the money laundering and terrorist financing threats, vulnerabilities and risks of the digital euro when funding and defunding their payment instrument;</p>			
<p>(b) relevant recommendations and reports drawn up by international organisations and standard setters with competence in the field of preventing</p>			

money laundering and combating terrorist financing;			
(c) the objective of ensuring the usability and acceptance of the digital euro as a legal tender instrument.			
PCY: The substance of paragraph 5, as amended, has been inserted in the new paragraph 2a.	For the purposes of point (a) and (b) , the Commission may shall request AMLA the Authority for Anti-Money Laundering and Countering the Financing of Terrorism to adopt an opinion assessing the level of money laundering and terrorist financing threats associated with the offline digital euro and its vulnerabilities. The Commission may shall consult the European Data Protection Board.		NL (MS comments): NL: We support this amendment.
CHAPTER X FINAL PROVISIONS			
Article 38 Delegated acts			
1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.			

<p>2. The power to adopt delegated acts referred to in Articles 11, 33, 34 and 35 shall be conferred on the Commission for an indeterminate period of time from <i>[date of entry into force of this Regulation]</i>.</p>	<p>2. The power to adopt delegated acts referred to in Articles 11, 17, 33, 31, 34, and 35 and 36 shall be conferred on the Commission for an indeterminate period of time from <i>[date of entry into force of this Regulation]</i>.</p>		<p>NL (MS comments): NL: We reserve our right to comment on the inclusion of article 15, 16 and 17.</p>
<p>3. The power to adopt the delegated acts referred to in Articles 11, 33, 34 and 35 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</p>	<p>3. The power to adopt the delegated acts referred to in Articles 11, 17, 33, 31, 34, and 35 and 36 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</p>		
<p>4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.</p>			

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.			
6. A delegated act adopted pursuant to Articles 11, 33, 34 and 35 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of one month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.	6. A delegated act adopted pursuant to Articles 11, 17, 33, 31 , 34, and 35 and 36 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of one month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.		NL (MS comments): NL: We reserve our right to comment on the inclusion of article 15, 16 and 17.
Article 39 Committee procedure			
1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.			

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.			
Article 40 Reports			
1. The accountability arrangements of Article 15(1) and (3) of the Statute of the ESCB and of the European Central Bank shall apply to the issuance and use of the digital euro.			<p>NL (MS comments):</p> <p>NL: We would already like to make a suggestion to include in the list of items in Article 40.1 information/analysis on:</p> <ul style="list-style-type: none"> (i) the extent to which providers of mobile devices indeed offer fair, reasonable and non-discriminatory access as referred to in article 33, and (ii) on any difficulties that come up in relation to other types of payment instruments used for digital euro payment services.
For that purpose, the European Central Bank shall report on the digital euro development and its use. The report shall cover the contribution of the European Central Bank in the			

implementation of the provisions of this Regulation, including on the following elements:			
(a) the level of fees or charges to be paid by merchants to payment service providers, or paid between payment service providers;			
(b) the interoperability of the digital euro with other currencies in Member States whose currency is not the euro and in third countries;			
(c) the development of central bank digital currencies other than the digital euro in Member States whose currency is not the euro and in relevant third countries, and the relevance of these developments for the euro area;			
(d) market trends in payments and relevance of such trends for innovative use cases.			<p>NL (MS comments): NL: We suggest to include here that the ECB also reports on the role of the digital euro (if any) in such market trends and innovative use cases.</p>

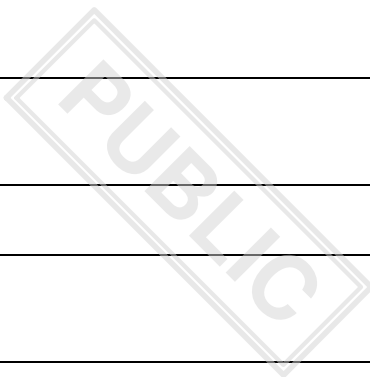
2. Before the planned issuance of the digital euro and ahead of the implementation of any changes of the parameters and use of the instruments referred to in Article 16 or at least every three years after the issuance of the digital euro, the European Central Bank shall provide to the European Parliament, the Council and the Commission:	2. Before the planned issuance of the digital euro and ahead of the its implementation of any changes of the parameters and use of the instruments referred to in Article 16 or at least every three years after the issuance of the digital euro , the European Central Bank shall provide to the European Parliament, the Council and the Commission:		NL (MS comments): NL: By this deletion, the ECB is not obliged to notify the EP, Council and Commission of a change in the holding limit. This is not desirable in our view. Therefore we suggest to discuss this drafting suggestion and possible alternative wording in a follow-up discussion on article 16.
	(aa) information on the technical design and functionalities of the digital euro;		NL (MS comments): NL: We support this amendment.
	(ab) information on the detailed measures, rules and standards that may be adopted by the European Central Bank as referred to in Article 5(2);		NL (MS comments): NL: We support this amendment.
(a) information on the instruments to limit the use of the digital euro as referred to in Article 16 and the parameters that the European Central Bank plans to adopt in view of the			NL (MS comments): NL: Please refer to our comment to paragraph 2. We should discuss this in

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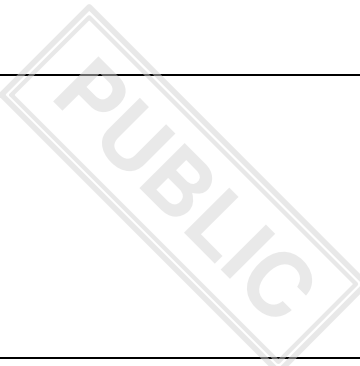
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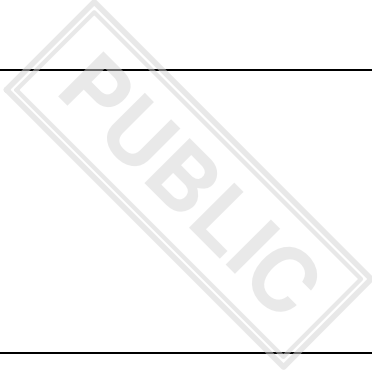
prevailing financial and monetary environment;			conjunction with drafting on article 15 and article 16.
(b) an analysis on how the instruments and the parameters referred to in point (a) are expected to meet the objective of safeguarding financial stability.			
	(c) information on the privacy-preserving measures implemented by the Eurosystem in accordance with Article 35(4).		NL (MS comments): NL: We strongly support this amendment.
	The European Central Bank shall periodically provide information set out in the first subparagraph and at least every three years after the first issuance of the digital euro, as well as before adopting any changes to the relevant acts of the European Central Bank.		
3. One year after the first issuance of the digital euro and every three years thereafter, the Commission shall submit to the European Parliament and to the Council a report analysing the impact of the parameters and the use of instruments referred to in Article 16 on:			

(a) the role of financial intermediaries in the financing of the economy;			
(b) liquidity requirements laid down in Regulation 575/2013 of the European Parliament and the Council.			
4. Member States shall, one year after the first issuance of the digital euro and every two years thereafter, provide the Commission with information on all of the following:			
(a) the penalties applied pursuant to Article 6(1);			
(b) the number of digital euro accounts which have been opened;			
(c) the number of payment service providers that provide digital euro basic services to natural persons as referred to in Articles 14(2) and 14(3);			
(d) the number of digital euro payment accounts that have been			



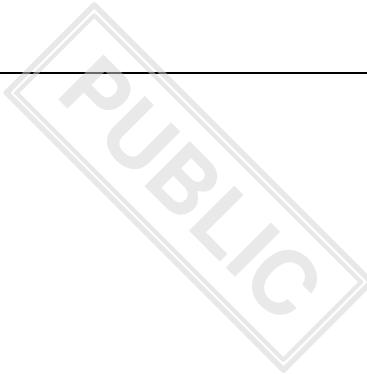
opened by payment service providers referred to in Articles 14(2) and 14(3).			
the proportion of applications that have been refused by payment service providers referred to in Articles 14(2) and 14(3)			
Article 41 Review			
1. By one year from the first issuance of the digital euro, and every three years thereafter, the Commission shall present to the European Parliament and to the Council a report on the application of this Regulation. When preparing its report, the Commission shall take into account the reports by European Central Bank referred in Article 40 and any opinion and views expressed by the European Central Bank.			
2. By one year from the date of application of this Regulation, the Commission shall present to the European Parliament and to the Council a report on the developments of retail			

<p>central bank digital currencies in Member States whose currency is not the euro and the impact of this Regulation on the internal market, accompanied where appropriate by proposals for amending legislative acts governing the use of retail central bank digital currencies across the Union.</p>			
<p>3. By 3 years from the first issuance of the digital euro, the Commission shall present to the European Parliament and to the Council a report on whether there is a sufficient and effective access to and acceptance of the digital euro in the euro area.</p>			
<p>Article 42 Entry into force</p>			
<p>This Regulation shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i>.</p>	<p>This Regulation shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i>.</p>		
	<p>It shall apply from [18 months after the date of entry into force].</p>		<p>NL (MS comments):</p>

			NL: We support the direction of travel and an implementation period that allows stakeholders (e.g. merchants and PSPs, but also public support desks etc.) sufficient time to prepare on the basis of the final legislative texts and final technical designs from the Eurosystem.
This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.			
Done at Brussels,			
For the European Parliament For the Council			
The President The President			
ANNEX I Digital euro payment services			NL (MS comments): NL: In general, we agree with the direction of travel on the inclusion or

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			exclusion of services in this annex. We would welcome a discussion on which types of services are deemed basic digital euro services and which are deemed non-basic services, as the selection in this Annex carries large implications for users, for merchants and for PSPs. In discussions on the compensation model and on waterfall functionalities (open funding), much has been said about basic services, meriting a separate discussion.
Digital euro payment services consist in:			
(a) enabling digital euro users to access and use the digital euro, without prejudice to possible limitations set by the European Central Bank in accordance with Article 16;	(a) enabling digital euro users to access and use the digital euro, without prejudice to possible limitations set by the European Central Bank in accordance with Article 16 and Article 37 ;		
(b) enabling digital euro users to initiate and receive digital euro payment transactions and providing digital euro users with digital euro payment instruments;	(b) enabling digital euro users to initiate and receive online and offline digital euro payment transactions and providing digital euro users with digital euro payment instruments;		

(c) managing digital euro users' digital euro payment accounts;	(c) managing digital euro users' digital euro payment accounts and local storage devices ;		
(d) conducting funding and defunding operations in accordance with Article 13; and			
	(da) switching of digital euro payment accounts;		
(e) providing additional digital euro payment services on top of basic digital euro payment services pursuant to Annex II.	(e) providing additional any other digital euro payment services in addition to on top of basic the digital euro payment services mentioned in points (a) to (e) pursuant to Annex II.		
ANNEX II Basic digital euro payment services			NL (MS comments): NL: In general, we agree with the direction of travel on the inclusion or exclusion of services in this annex. We would welcome a discussion on which types of services are deemed basic digital euro services and which are deemed non-basic services, as the selection in this Annex carries large implications for users, for merchants and for PSPs. In discussions on the

			<p>compensation model and on waterfall functionalities (open funding), much has been said about basic services, meriting a separate discussion.</p> <p>ES (MS comments): <u>List of acquiring basic services is missing. There seemed to be a consensus to include such a list.</u></p>
Basic digital euro payment services for natural persons shall consist of:	Basic digital euro payment services for natural persons shall consist of:		
(a) opening, holding and closing of a digital euro payment account;	(a) opening, holding, managing and closing of a one digital euro payment account per payment service provider, including consulting balances and transaction records;		<p>NL (MS comments): NL: This could be an elegant compromise between free accounts and a regular fee for holding a digital euro account as suggested by (among others) the Netherlands. Indeed, if the majority of MSs is against a regular fee, then it is fair to limit the number of free digital euro payment accounts to only one. We suggest to discuss this drafting suggestion in a dedicated discussion on this annex. Our position on this point is connected to the overall design of the compensation model.</p>

	(ab) enabling the storage of offline digital euros in one local storage device per payment service provider;		NL (MS comments): NL: We support this amendment, in line with our previous comment.
(b) consulting balances and transactions;	(b) managing a digital euro payment account, including consulting balances and transaction records;		
	(ba) switching a digital euro payment accounts;		
(c) non-automated funding and defunding from a non-digital euro payment account;	(c) non- manual or automated funding and defunding from or into a non-digital euro payment accounts;		AT (MS comments): Drafting suggestion for clarification purposes: “[...]automated funding and defunding from or into a non-digital euro payment accounts up to a user specified floor and ceiling”
(d) funding and defunding from/into cash;	(d) manual funding and defunding from/ or into cash, when the payment service provider provides cash services;		

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<p>(e) initiation and reception of digital euro payment transactions by means of an electronic payment instrument, to the exclusion of conditional digital euro payment transactions other than standing orders, in the following use cases:</p>	<p>(e) enabling the initiation and reception of online and offline digital euro payment transactions by means of an electronic payment instrument, to the exclusion of conditional digital euro payment transactions other than standing orders., in the following use cases:</p>	<p>PUBLIC</p>	<p>ES (MS comments): Need to further discuss. Wesupport limiting the intervention by limiting the list of basic services.</p>
<p>– person-to-person people digital euro payment transactions;</p>	<p>— person to person people digital euro payment transactions;</p>		
<p>– point-of-interaction digital euro payment transactions, including point-of-sale and e-commerce;</p>	<p>— point of interaction digital euro payment transactions, including point of sale and e-commerce;</p>		
<p>– government-to-person and person-to-government digital euro payment transactions.</p>	<p>— government to person and person to government digital euro payment transactions.</p>		
<p>(f) digital euro payment transactions referred to in Article 13(4) and</p>	<p>(f) digital euro payment transactions funding and defunding operations referred to in Article 13(4); and</p>		
<p>(g) provision of at least one electronic payment instrument for the execution of digital euro payment transactions such as referred to in letter (e).</p>	<p>(g) provision of at least one electronic payment instrument for the execution of online digital euro payment transactions and one electronic payment instrument for the</p>		

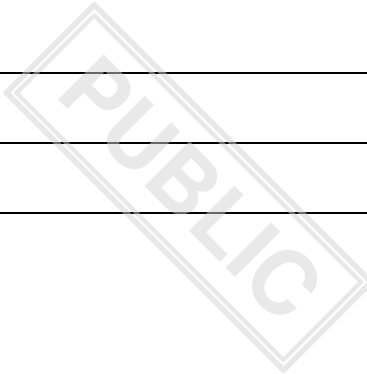
	execution of offline digital euro payment transactions, such as referred to in letter (e);-		
	(h) enabling the storage and transmission of offline digital euros at least in one secure device;		
	(i) enabling the dispute mechanism set out in Article 27.		
ANNEX III Personal data processed by PSPs			
1. For the purpose of point (a) of Article 34(1), processing shall be limited to:			
(i) the user identifier;			
(ii) the user authentication;			
(iii) information on digital euro payment accounts; including information on digital euro holdings of	(iii) information on digital euro payment accounts; including information on digital euro		NL (MS comments):

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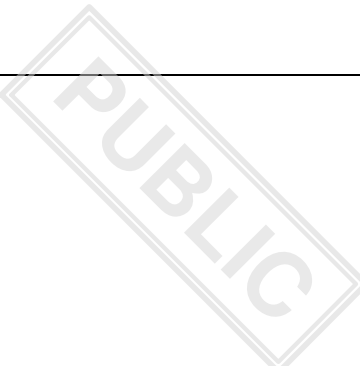
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<p>the digital euro user and the unique digital euro payment account number; and</p>	<p>holdings of the digital euro user and the unique digital euro payment alias account number; and</p>	<p style="text-align: center; opacity: 0.5; font-size: 48px; transform: rotate(-30deg); border: 1px solid gray; padding: 10px;">PUBLIC</p>	<p>NL: We support this amendment.</p> <p>PT (MS comments): We prefer the previous drafting.</p> <p>HR (MS comments): Please read our comment for new Recital 54(a) regarding alias and account. We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p>
<p>(iv) information on online digital euro payment transactions, including the transaction identifier and the transaction amount.</p>			
<p>2. For the purpose of point (b) of Article 34(1), processing shall be limited to:</p>			
<p>(i) the user identifier;</p>			

(ii) the user authentication;			
(iii) information on digital euro payment accounts, including the unique digital euro payment account number; and	(iii) information on digital euro payment accounts, including the unique digital euro payment alias account number; and		<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): We prefer the previous drafting.</p> <p>HR (MS comments): Please read our comment for new Recital 54(a) regarding alias and account. We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p>
(iv) information of non-digital euro payment accounts, including the account number of the linked non-digital euro payment account.			

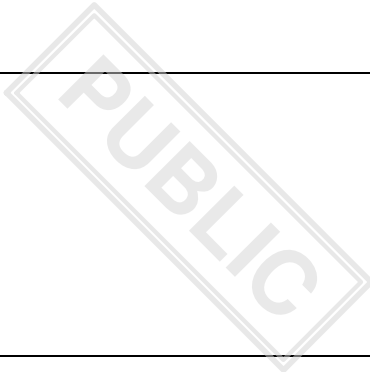


3. For the purpose of point (c) of Article 34(1), processing shall be limited to:			
(i) the user identifier; including the name of the local storage device holders; and			
(ii) information on the local storage device, including the identifier of the local storage device.			
ANNEX IV Personal data processed by the European Central Bank and national central banks			
4. For the purposes of point (a) Article 35(1), processing shall be limited to:			HR (MS comments):
			Since it is beginning of the Annex IV the number before this sentence should be "1." and not "4."
(i) information on digital euro payment accounts, including the unique digital euro payment account number; and	(i) information on digital euro payment accounts, including the unique digital euro payment alias account number; and		NL (MS comments): NL: We support this amendment.

			<p>PT (MS comments): We prefer the previous drafting.</p> <p>HR (MS comments): Please read our comment for new Recital 54(a) regarding alias and account. We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p>
<p>(ii) information on online digital euro payment transactions. information linked to an unique digital euro payment account number, including the transaction amount.</p>	<p>(ii) information on online digital euro payment transactions. information linked to an unique digital euro payment alias account number, including the transaction amount</p>		<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): We prefer the previous drafting.</p> <p>HR (MS comments): Please read our comment for new Recital 54(a) regarding alias and account. We believe that the name "digital euro payment account number" should</p>

			remain since its essence is that it is a payment account and not alias.
5. For the purpose of point (b) of Article 35(1), processing shall be limited to:			HR (MS comments): The number before this sentence should be "2." and not "5."
(i) the user alias;			
(ii) the user authentication;			
(iii) the reference to digital euro holdings to debit; and			
(iv) the reference to digital euro holdings to credit.			
6. For the purpose of point (c) of Article 35(1), processing shall be limited to the data required for counterfeit analysis of offline digital euro payment transactions: information			HR (MS comments): The number before this sentence should be "3." and not "6."

on the local storage device, including the local storage device number.			
7. For the purposes of points (d) and (e) of Article 35(1), and the single access point referred to in Article 34(8), processing shall be limited to:			<p>HR (MS comments): The number before this sentence should be "4." and not "7."</p>
(i) the user identifier;			
(ii) the user authentication, related to user's existing digital euro holdings; and			
(iii) information on digital euro payment accounts, including the unique digital euro payment account number, digital euro holdings of the user, the holding limit selected by the user and the type of digital euro account.	(iii) information on digital euro payment accounts, including the unique digital euro payment alias account number, digital euro holdings of the user, the holding limit selected by the user and the type of digital euro account.		<p>NL (MS comments): NL: We support this amendment.</p> <p>PT (MS comments): We prefer the previous drafting.</p> <p>HR (MS comments):</p>

			<p>Please read our comment for new Recital 54(a) regarding alias and account.</p> <p>We believe that the name "digital euro payment account number" should remain since its essence is that it is a payment account and not alias.</p>
ANNEX V Personal data processed by providers of support services			
For the purposes of point (a) of Article 36(1), processing shall be limited to the data required for the prevention and detection of fraud across payment service providers:			
(i) information on digital euro payment accounts, including the unique digital euro account identifier;			
(ii) information on online digital euro payment transactions, including the transaction amount; and			

(iii) information on the transaction session of a digital euro user, including the device internet protocol address-range.			
	End	End	

