Council of the European Union
General Secretariat

PUBLIC

Interinstitutional files:
2023/0211 (COD)
2023/0212 (COD)

Brussels, 04 November 2025

WK 14843/2025 INIT

LIMITE

EF
ECOFIN
UEM
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CODEC

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WORKING DOCUMENT

From:	Presidency
To:	Working Party on Financial Services and the Banking Union (Digital Euro Package) Financial Services Attachés
Subject:	Digital euro - WP meeting on 10 November 2025 - Presidency discussion note on distribution of digital euro services by PSPs incorporated in non-euro area Member States

Danish Presidency
Council of the European Union

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Presidency discussion note on distribution of digital euro services by PSPs incorporated in non-euro area Member States

Working Party on Financial Services and the Banking Union

Regulation on the provision of digital euro services by payment service providers incorporated in non-euro area Member States

Meeting on 10 November 2025

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1. Introduction

The distribution of digital euro payment services by credit institutions established in a Member State whose currency is not the euro (NEA credit institutions) within the Euro Area (EA), was at latest discussed at the Council Working Party (CWP) meeting on 17 October as part of the general topic on distribution. The Presidency noted that Member States called for, on one hand, ensuring proportionality for NEA credit institutions and, on the other hand, ensuring the wide accessibility of the digital euro in the EA. **In general, Member States supported the direction of the Presidency's proposed way forward of introducing two thresholds obliging NEA credit institutions to distribute digital euro payment services** if they meet one of the two thresholds. However, elements remained to be further assessed, including, but not limited to, setting the relevant thresholds. Based on the discussion at the latest CWP and Member States written comments, the Presidency has further advanced the work on the outstanding elements, including by launching a data-gathering exercise to support the calibration of the thresholds.

2. Calibration of the thresholds

2.1 Data gathering

The Presidency recalls that in order to ensure proportionality and predictability, while at the same time ensuring adequate access to the digital euro in the EA, the thresholds must be set at an appropriate level. Furthermore, the Presidency notes that thresholds must be applied uniformly across the EA to ensure coherence and singleness.

In order to set the thresholds, the Presidency, with the support of a number of selected Member States, has carried out a data gathering exercise. While the concrete data collected remains confidential, the Presidency is able to indicate that the three identified credit institutions with the greatest market share have between approximately 450.000 and 850.000 clients (natural persons) in the EA and serve between 11-62 pct. of the population in a given EA MS where they are active.

Based on this exercise, the Presidency propose to set **the threshold concerning a significant number of natural persons permanently residing in the EA to 500.000 clients** and **the threshold concerning the significant share (pct.) of natural persons permanently residing in a given EA Member State to 5 pct**. The proposed thresholds aim at ensuring that those NEA credit institutions serving a significant share of EA citizens are captured by one of the thresholds.

Question 1 to Member States:

Q1. *Do Member States agree with the thresholds proposed by the Presidency?*

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3. Outstanding elements

The Presidency recalled in during the CWP 17 October meeting that a number of element required further work. The present section seeks to elaborate on these elements and outline possible ways forward.

3.1 Supervisory responsibilities

Several Member States highlighted supervisory responsibilities as an area requiring further clarification. The Presidency would like to recall, that Article 5 in the regulation already establishes the supervisory framework for NEA PSPs providing digital euro services. The Presidency suggest that the enforcement of the limit should be carried out in accordance with the supervisory arrangements set out in Article 5. Against this background, **the Presidency does not propose any changes to the provisions on supervision at this stage.**

3.2 Timeframes – temporal scope of application

The Presidency recalls that **several Member States underlined the need to further specify the moment from which obligations for NEA credit institutions exceeding one or both of the thresholds should apply.** The Presidency therefore proposes to distinguish between (i) NEA credit institutions that exceed one or both of the thresholds as of the day of first issuance of the digital euro, and (ii) NEA credit institutions that exceed on or both of the thresholds only after the first issuance of the digital euro.

As regards the first category, the Presidency proposes that such credit institutions **should be subject to the same rules as EA credit institutions**. More specifically, these credit institutions would be subject to the distribution obligation from the same point in time as EA credit institutions. The Presidency considers that this alignment ensures a level playing field between EA credit institutions and NEA credit institutions with significant activity in the euro area. In this respect, the Presidency recalls that a deferred application of 18 months is foreseen in the Polish Presidency legacy text of the Digital Euro Regulation (Article 42). To ensure consistency and legal coherence, a corresponding provision could therefore be included in Article 8 of this Regulation.

As regard the second category, the Presidency recalls that **several Member States highlighted the need to provide an appropriate transitional period** – both with a view to ensuring that the NEA credit institution does indeed fall into scope of the obligation and to allow sufficient preparation time, e.g., to develop its IT systems. To accommodate these concerns, the Presidency proposes that where a NEA credit institution **exceeds one of both thresholds in three consecutive calendar years, it shall be subject to the obligation to distribute digital euro under this Regulation as from the expiry of a period of 18 months after the end of the third**

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calendar year. The Presidency considers that this suggestion ensures that short term fluctuations will not affect the distribution obligations imposed on NEA credit institutions.

Finally, some Member States requested clarification regarding NEA credit institutions that have exceeded one or both thresholds but suddenly falls below the thresholds. The Presidency proposes applying the same logic as above, implying that if a **NEA credit institution for three consecutive calendar years falls below both thresholds, such credit institution would no more be subject to the obligation to distribute the digital euro as of the first day following such third calendar year.** However, the customers holding a digital euro account with the NEA credit institution concerned would be entitled to continue receiving digital euro payment services from the NEA credit institution, while NEA credit institution would be entitled to refuse new clients requesting digital euro services. This approach is furthermore inspired by other pieces of EU regulation where obligations are applied/disapplied if a threshold is met/not met.

Question 2 to Member States:

Q2. *Do Member States agree with the Presidency's suggested approach?*

3.3 Obligations to provide digital euro acquiring services

At the recent CWP it was raised **whether the newly introduced obligation on acquirers in Article 14.1(bis) of the Digital Euro Regulation should similarly be mirrored in this regulation.** This would imply that NEA credit institutions with significant EA activity in the acquiring market would be obliged to provide basic digital euro acquiring services on request to their clients that are legal persons or self-employed natural persons under the obligation to accept digital euro payments. The Presidency recalls that the primary rationale for the distribution obligation imposed on NEA credit institutions is the status of the digital euros status as legal tender in the EA and the need to ensure sufficient **access** to the digital euro to that end. At the same time, an effective legal tender status also necessitates the seamless ability of euro area merchants to **accept** the digital euro. On the other hand, Member States called for proportionality in the treatment of NEA credit institutions.

The Presidency finds that the market for acquiring services is characterised by significant cross-border activity and is as the same time considered to be very competitive, implying that **merchants are expected to have various options to obtain digital euro acquiring services.** At this stage the Presidency considers two possible options:

1. NEA payment service providers would be obliged to provide basic digital euro acquiring services to their EA clients on request, insofar as their clients are legal persons or self-employed natural persons to whom the mandatory acceptance of digital euro payments applies and already receive acquiring services from the PSP for comparable means of payment.

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2. NEA payment service providers would not be obliged to provide digital euro acquiring services.

As this topic has not been discussed in previous CWPs, **the Presidency invites Member States to provide guidance on the preferred approach.**

Question 3 to Member States:

Q3. *Which of the two options do Member States prefer? Do Member States see other options which to a greater extent balances the access to the digital euro with the need to ensure proportionality for NEA credit institutions.*

3.4 Cross referencing between this regulation and the regulation on the establishment of the digital euro

The Presidency recalls that Article 4, concerning *Applicable law*, ensures that the relevant provisions in the Digital Euro Regulation apply to the provision of digital euro services by NEA PSPs. However, **some Member States have questioned the appropriateness of the scope of the provisions in the Digital Euro Regulation that should apply to NEA PSPs.** According to Article 4, the following provisions in the Digital Euro Regulation apply to NEA PSPs providing digital euro services:

- **Article 13** – Access to the digital euro
- **Chapter V** – Use of the digital euro as a store of value and as means of payment
- **Article 18** – Distribution of the digital euro to natural and legal persons residing or established in Member States whose currency is not the euro
- **Chapter VII** – Technical features
- **Chapter VIII** – Privacy and data protection
- **Chapter IX** – Anti-money laundering rules applying to offline digital euro payment transactions

The Presidency does not consider there to be a need to exclude any of these provisions to NEA PSPs providing digital euro services. However, the Presidency would like to highlight that Article 22(7) concerns obligations for PSPs to provide digital euro acquiring services. Hence, depending on the option chosen in regard to obligations to provide digital euro acquiring services in section 3.3, Article 22(7) could be excluded from the list.

Questions 4-5 to Member States:
Q4. *Do Member States agree with the Presidency's analysis?*
Q5. *Do Member States have further comments to the regulation on the provision of digital euro services by PSPs incorporated in Member States whose currency is not the euro?*