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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 28 November 2025 - Presidency discussion note on distribution obligations for credit institutions incorporated in non-euro area Member States

Danish Presidency
Council of the European Union

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Presidency discussion note on the distribution obligations for credit institutions incorporated in non-euro area Member States

Date: 28 November 2025

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 28th of 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 10 November 2025. **The Presidency recalls that Member States broadly supported the Presidency's proposed approach of setting thresholds, however, some element warranted further attention**. These include, among other elements, the mandatory provision of digital euro acquiring services by NEA acquiring PSPs to existing EA merchant clients. 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 reflecting the work in the legal text.

2. Criteria for mandatory distribution

2.1 Calibration of proposed thresholds and possibility to refer clients

The Presidency recalls that, at the latest CWP meeting**,** Member States broadly supported setting, on the basis of the Presidency's data collection exercise, the threshold for determining a significant number of natural persons permanently residing in the EA to 500.000 clients and the threshold determining a significant share (pct.) of such persons in a given EA Member State to 5 pct. As the Presidency has not obtained additional data to support a higher or lower calibration, it **proposes to reflect the broadly supported threshold calibration of 500.000 and 5 pct. in Article 3(2)(b).**

Furthermore, **at the request of Member States, the Presidency is proposing a new Article 3(3) to operationalise the principles laid down in Recital 4c,** concerning the possibility for a NEA credit institution to refer its clients to a subsidiary in the EA.

Finally, the Presidency is proposing to **clarify in Recital 4a that the thresholds should be assessed at the group level** with the aim of ensuring a comprehensive assessment of market presence in the EA or individual EA MS.

2.2 Legal justification for significant presence

The Presidency recalls that several Member States called for strengthening the wording for the introduction of the significance thresholds in order to ensure sufficient legal justification for the proposed thresholds. Therefore**, the Presidency is proposing amendments to Recital 4a to clarify the wording related to significant presence in Member States whose currency is the euro** and hereby further outlining the justification for introducing a significance criteria. Additionally, the presidency is proposing to specify that the

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2.3 Procedure for when NEA credit institutions fall below the threshold(s)

During the latest CWP meeting, one Member State **inquired about the procedure for NEA credit institutions whose number of eligible clients fall below either of the thresholds.** The Presidency recalls its proposal during the latest CWP, under which a NEA credit institution that, for three consecutive calendar years, falls below both thresholds would no longer be subject to the obligation to distribute the digital euro as of the first day following the third calendar year. The Presidency also proposes to clarify that the distribution obligation would cease to apply where the conditions laid down Article 3(2) are no longer fulfilled. **To operationalise this, the Presidency proposes amendments to Article 3 by introducing a new Article 3(4) to reflect the approach proposed during the 10 November CWP**.

Finally, in the Presidency proposes to clarify in the same provision that clients already holding a digital euro payment account with the NEA credit institution concerned would remain entitled to receive digital euro payment services from that NEA credit institution, while the NEA credit institution would be permitted to decline requests from new clients wishing access to such services.

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

At the request of Member States, the Presidency presented a list of provisions in the Digital Euro Regulation (DER) which apply to this regulation. Overall Member States acknowledged that the provisions referred to in Article 4, concerning *Applicable law* were justified, however, some Member States proposed for the Resilience provisions to be included. **Therefore, the Presidency is proposing to include a reference to Chapter IXa in Article 4 of this regulation**.

At the request of a Member State, **the Presidency is proposing to include a comprehensive reference to Article 12a(1) of the DER, namely, Article 12a(1), points (f) and (g) concerning NEA citizens and citizens of third countries in Article 3(1)(f) and (g) of this Regulation**. The Presidency notes that this this broadens the scope of provision of digital euro services that NEA PSPs may provide on a voluntary basis.

Question 1 to Member States:

Q1. *Do Member States agree with the proposed amendments to Recital 4a, Article 3 and Article 4?*

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3. Obligations to provide digital euro acquiring services

3.1 Provision of mandatory digital euro services by NEA acquiring PSPs to existing EA clients

The Presidency recalls that, at the latest CWP meeting, delegations considered whether the newly introduced obligation on acquirers in Article 14(1a) of the Digital Euro Regulation should also be reflected in this Regulation in relation to credit institutions and payment service providers incorporated in non-euro area Member States.

In that context, two main options were presented. **The first option** concerned the possibility that that NEA payment service providers would be obliged to provide mandatory digital euro acquiring services to their EA clients on request, insofar as those clients are legal persons or self-employed natural persons subject to the mandatory acceptance of digital euro payments and already receive acquiring services from the PSP for comparable means of payment. **The second option** concerned the possibility that NEA PSP would not be obliged to provide digital euro acquiring services.

The Presidency recalls that **the majority of Member States supported Option 1**. In contrast, several Member States supported option 2, arguing that the decision to provide digital euro acquiring services should ultimately remain a commercial decision. Additionally, one Member State suggested, as an alternative, that NEA acquiring PSPs should be obliged to notify their EA clients in due time before the entry into force of the distribution obligations if they do not intend to provide acquiring services. Given that option 2 did not receive majority support, the Presidency is not pursuing this solution further as this stage.

Therefore, the Presidency proposes a new Article 3a cross-referencing Article 14(1a) in the Digital Euro Regulation, thereby ensuring that NEA payment service providers would be obliged to provide mandatory digital euro acquiring services to their EA clients on request, insofar as those clients are legal persons or self-employed natural persons subject to the mandatory acceptance of digital euro payments and already receive acquiring services from the PSP for comparable means of payment.

Question 2 to Member States:

Q2. *Do Member States agree with the proposed introduction of Recital 4ca and Article 3a?*

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4. Recognition of legislative equivalence for central bank digital currencies in Member States whose currency is not the euro

One Member State has proposed to introduce a recital in the Regulation **acknowledging the fact that NEA Member States may apply equivalent rules as the ones laid out in the Digital Euro Regulation when issuing national central bank digital currencies (CBDC)**. The purpose of this addition is to ensure a level playing field across the single market and to enable the highest degree of interoperability between the digital euro and other central bank digital currencies in the Union. While NEA MS may apply similar rules, **the Presidency notes that not all rules laid down in the Digital Euro Regulation can be meaningfully implemented in national law**. These include, for example, exemptions to anti money laundering rules. Therefore, **the Presidency is seeking guidance from Member States on whether such a recognition should be included in this Regulation as outlined in a new Recital (X).**

Drafting suggestions

DK PCY in green

(X) The [digital euro Regulation] establishes the digital euro as the digital form of the Union single currency available to natural and legal persons and lays down the rules concerning it. When exercising their competence under national monetary law to establish a digital form of their currency, Member States whose currency is not the euro may to lay down national rules that are equivalent to those applicable to the digital euro, while respecting other applicable Union rules, with a view to ensuring the highest level of interoperability between the digital euro and their digital currency, thereby ensuring a level playing field across the internal market.

Question 3-4 to Member States:

Q3. *Do Member States support the inclusion of recognising the possibility of legislative equivalence of central bank digital currencies in Member States whose currency is not the euro?*

Q4. *Do Member States have any comments to the proposed new Recital (X)?*

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Draft regulation, including drafting suggestions

DK PCY in green

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the provision of digital euro services by payment services providers incorporated in Member States whose currency is not the euro and amending Regulation (EU) 2021/1230 of the European Parliament and the Council

(Text with EEA relevance)

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 114 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 2 ,
Having regard to the opinion of the European Economic and Social Committee 3 ,
Acting in accordance with the ordinary legislative procedure,

Whereas:
(1) The Commission emphasised in the Digital Finance and Retail Payment Strategies 4 of September 2020 that a digital euro, as a retail central bank digital currency, would act as a catalyst for innovation in payments, finance and commerce in the context of ongoing efforts to reduce the fragmentation of the EU retail payments market.

(2) Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final] on the establishment of the digital euro establishes the digital euro and lays down rules concerning it, in particular as regards its legal tender status, distribution, use and essential features, with a view to adapting the euro to technological changes and to ensuring its use as a single currency.

(3) It is essential to ensure that all payment services providers, whether incorporated in Member States whose currency is the euro or in Member States whose currency is not the euro, may distribute the digital euro and therefore exercise their freedom to provide services in the Union. The provision of digital euro payment service by all payment services providers would contribute to a high level of innovation, facilitate payments and increase competition across the Union and is necessary to safeguard the integrity of the single market. All payment services providers incorporated in the Union should therefore be in a position to distribute digital euro payment services under the same conditions to natural or legal persons residing or established in the

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Member States whose currency is the euro, to natural or legal persons who opened a digital euro **payment** account at the time they resided or were established in Member States whose currency is the euro, but no longer reside or are established in such Member States, and to visitors in the euro area. Payment services providers incorporated in Member States whose currency is not the euro should also be in a position to distribute the digital euro to any other natural or legal persons residing or established in Member States whose currency is not the euro and in other countries of the European Economic Area or any third countries subject to the conditions laid down in the Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final].

(4a) Where credit institutions incorporated in Member States whose currency is not the euro serve a significant number of natural persons residing in Member States whose currency is the euro, those natural persons may reasonably expect access to digital euro mandatory services under comparable conditions to those applied by credit institutions incorporated in Member States whose currency is the euro. To ensure access to digital euro payment services for natural persons permanently residing in Member States whose currency is ~~not~~ the euro, safeguard a level playing field on the internal market and prevent distortions of competition, while ensuring proportionality, distribution requirements applicable to such credit institutions should be limited to cases where credit institutions have significant activity in Member States whose currency is the euro. **Such thresholds should ensure that distribution obligations arise only where a credit institution, at the group level, maintains a stable and substantial customer base in Member States whose currency is the euro, whose size and permanence justify the imposition of such obligations, thereby avoiding requirements for credit institutions whose activity is of insufficient significance for ensuring access to the digital euro and ensuring that this Regulation does not go beyond what is necessary in accordance with the principle of proportionality.** In that context, and for the purpose of assessing whether the threshold for a significant number of natural persons served is met, only clients who are permanently residing in a Member State whose currency is the~~y~~ euro should be taken into account. This is to ensure that credit institutions incorporated in a Member State whose currency is not the euro are not subject to disproportionate obligations that would be based on clients who reside in a ~~Euro Area~~ Member State **whose currency is the euro** only temporarily, such as those arising from short-term study periods, temporary work contracts or similar arrangements.

(4b) To ensure proportionality of the obligations under this Regulation, credit institutions incorporated in Member States whose currency is not the euro should not be required to provide digital euro payment services to their clients – natural persons permanently residing in a Member State whose currency is the euro, where the client holds a payment account with any payment service provider that provides digital euro payment services. In such cases, the responsibility for ensuring access to digital euro payment services should rest with the credit institution incorporated in a Member State whose currency is the euro. In order to verify whether or not a natural person residing in a Member State whose

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currency is the euro already holds such a payment account, credit institutions should be able to rely on a declaration of honour provided by that client.

(4c) Credit institutions incorporated in Member States whose currency is not the euro and subject to distribution obligations are free to refer natural persons residing in a Member State whose currency is the euro to branches or subsidiaries of the credit institution in ~~the~~ a Member State whose currency is the euro, in order to facilitate access to digital euro services under the described circumstances. Such referrals would facilitate access to digital euro services through the most operationally efficient channel, while avoiding unnecessary duplication of compliance and IT integration across jurisdictions, by leveraging infrastructures within the euro area, and without being required to establish additional technical connections to the digital euro platform in multiple Member States outside the euro area.

(4ca) Payment service providers incorporated in a Member State whose currency is not the euro, and that provide acquiring services for comparable means of payment to merchants established in a Member States whose currency is the euro can be considered as actively competing with acquirers incorporated in a Member States whose currency is the euro and operating on the euro area market. In order to safeguard a level playing field, and to ensure that merchants subject to the mandatory acceptance of digital euro within the meaning of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final], are not required to change their acquiring payment service provider solely for the purposes of complying with that obligation, such payment service providers should therefore be required, upon request, to provide their existing clients with mandatory digital euro acquiring services in the virtual or physical environment in which they already operating.

(4d) Payment services providers incorporated in Member States whose currency is not the euro that are subject to the obligation to distribute the digital euro in accordance with this Regulation or that have chosen to provide digital euro payment services, should apply the same rules as payment services providers incorporated in Member States whose currency is the euro for the purposes of distributing the digital euro. That is essential in order to ensure that the distribution of the digital euro by all payment services providers incorporated in the Union takes place in a uniform manner.

(5) The provision of digital euro payment services by payment services providers incorporated in Member States whose currency is not the euro, should be subject to the same supervisory standards than those applied to payment services providers incorporated in Member States whose currency is the euro. For that purpose, the relevant provisions of Directive (EU) 2015/2366 of the European Parliament and the Council ~~as replaced by Directive (EU) [please insert reference – proposal for a Directive on payment services and electronic money services in the internal market – COM/2023/366 final]~~, **and** Directive (EU) 2024/1640 of the European Parliament and of the Council ~~[please insert~~

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~~reference – proposal for Anti-Money Laundering Directive – COM/2021/423 final]~~ should apply to the supervision by competent authorities and the ~~sanctions~~ enforcement regime and supervisory arrangements between the competent authorities of the home Member States and of the host Member States, concerning provision of digital euro payment service by payment services providers established in Member States whose currency is not the euro.

(6) Similarly, as in case of competent authorities of Member States whose currency is the euro under Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final], the competent authorities responsible under Directive (EU) 2015/2366 for supervising the provision of payment 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) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final].

(7) In accordance with Article (4), point (25), of Directive 2015/2366, funds mean 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 **(EU)** 2015/2366 ~~as replaced by Directive (EU) [please insert reference – proposal for a Directive on payment services and electronic money services in the internal market – COM/2023/366 final]~~ which extends the definition of funds to all forms of central bank money issued for retail use. The same definition of funds should be included in Regulation (EU) 2021/1230 of the European Parliament and of the Council of 14 July 2021 on cross-border payments in the Union.

(8) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States as rules applicable to payment services providers should be the same regardless of whether they are incorporated in a Member State whose currency is the euro or not, but can rather, by reason of the scale or effects of the action to ensure the integrity of the single market, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(9) The European Data Protection Supervisor and the European Data Protection Board were consulted in accordance with Article 42 of Regulation (EU) 2018/1725 and delivered a joint opinion on [XX XX 2023],

HAVE ADOPTED THIS REGULATION:

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Article 1
Subject matter and scope

This Regulation lays down rules concerning:

(a)the specific obligations that payment service providers incorporated in Member States whose currency is not the euro shall apply when providing digital euro payment services;

(b)the supervision and enforcement of the obligations referred to in point (a) by the Member States whose currency is not the euro;

(c)the specific obligations that original equipment manufacturers of mobile devices and providers of electronic communication services within the meaning of Article 2(1) Directive (EU) 2018/1972 established in Member States whose currency is not the euro shall apply in relation to the digital euro.

Article 2
Definitions

For the purposes of this Regulation, the following definitions shall apply:

1.'digital euro' means the digital form of the single currency available to natural and legal persons as defined in Article 2, point **(**1**),** of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final];

2.'payment service providers' means a payment service provider as defined in Article 4, point (11) of Directive **(EU)** 2015/2366;

3.'digital euro payment service' means digital euro payment service as defined in Article 2 point (8)**, of** Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final];

4.'residingence' means ~~the place where a natural person is~~ being 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 7 ;

5.'visitor' means a natural person as defined in Article 2, point **(**22**)**, of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final];

6.' 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

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of the euro in accordance with Article 140 TFEU ~~as defined in Article 2, point 23, of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final];~~

7.'mobile device' means a mobile device as defined in Article 2, point **(**31**)**, of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final].

8.'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.

Article 3

Provision of digital euro payment services

1. Within the framework of Directive (EU) 2015/2366, payment services providers incorporated in the Member States whose currency is not the euro may provide digital euro payment services to:

(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 **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**;

(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 of the Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro - COM(2023) 369 final];

(e)natural and legal persons residing or established in third countries, including territories under a monetary agreement with the European Union, subject to the conditions laid down in Articles 19 and 20 of the Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro - COM(2023) 369 final].

(f) Citizens of the Union who 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 exercise their free movement rights in a Member State whose currency is the euro;

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(g) [Citizens of a third country that benefit from a specific arrangement creating free movement rights in a part of the Union].

2. Credit institutions incorporated in a Member State whose currency is not the euro shall, upon request of their client – a natural person referred to in Article 12a**(1), point** (a) of Regulation (EU) No X on the establishment of the digital euro, provide such natural person with all mandatory digital euro payment services as referred to in Annex II of Regulation (EU) No X on the establishment of the digital euro where all of the following conditions are met:

(a) The credit institution incorporated in a Member State whose currency is not the euro provides payment services as referred to in points (1), (2) or (3) of Annex I to Directive (EU) 2015/2366 to natural persons residing in a Member State whose currency is the euro;

(b) The credit institution incorporated in a Member State whose currency is not the euro, provides the services listed in point (a) to more than **500.000** natural persons residing in the euro area as a whole or **5** pct. of natural persons residing in a single Member State whose currency is the euro, and;

(c) The natural person residing in a Member State whose currency is the euro does not hold a payment account, as defined in point (3) of Article 3 of Directive (EU) 2014/92, with any payment service provider that provides mandatory digital euro payment services in accordance with Regulation (EU) No X on the establishment of the digital euro.

3. Credit institutions incorporated in a Member State whose currency is not the euro that are subject to the obligations set out in paragraph 2 may, for the purpose of fulfilling these obligations, refer clients who are entitled to receive the services referred to in paragraph 2 and who requests those services to a branch or subsidiary of the credit institution located in a Member State whose currency is the euro. Such referral shall be deemed to fulfil the obligations set out in paragraph 2.

4. Credit institutions incorporated in a Member State whose currency is not the euro which have fulfilled the conditions set out in paragraph 2 but which have not fulfilled those conditions for three consecutive years shall no longer be obliged, upon request of any new client – a natural person referred to in Article 12a(1), point (a) of Regulation (EU) No X on the establishment of the digital euro, to provide that client with the mandatory digital euro payment services referred to in Annex II of that Regulation.

Clients who already hold a digital euro payment account with the credit institution concerned shall retain the right to continue receiving the mandatory digital euro payment services referred to in Annex II of Regulation (EU) No X on the establishment of the digital euro.

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Article 3a
Provision of digital euro acquiring services

Payment service providers incorporated in a Member State whose currency is not the euro shall comply with Article 14(1a) of Regulation (EU) No X on the establishment of the digital euro in respect of their clients established in Member States whose currency is the euro who are payees subject to the mandatory acceptance of digital euro within the meaning of Article 7(3) of that Regulation, insofar as they already provide those clients with acquiring services for comparable means of payment.

Article 4
Applicable law

1.Without prejudice to the provisions of this Regulation, ~~T~~the requirements laid down in Article 13, ~~Article 14(1),~~ Chapter V, Article 18, Chapter VII, Chapter VIII, ~~and~~ Chapter IX **and Chapter IXa** of Regulation (EU) No X on the establishment of the digital euro, shall be applicable to payment service providers incorporated within the territory of Member States whose currency is not the euro that provide digital euro payment services in accordance with Article ~~13~~(1) and 3(2) of this Regulation~~, insofar as they provide digital euro payment services in accordance with Article 3(1) of this Regulation~~.

The requirement laid down in Article 33 of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final] shall be applicable to original equipment manufacturers of mobile devices and providers of electronic communication services within the meaning of Article 2 (1) Directive (EU) 2018/1972 established in Member States whose currency is not the euro.

2.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 amended by Directive (EU) [please insert reference – proposal for a Directive on payment services and electronic money services in the internal market – COM/2023/366 final]~~, the provisions of that Directive shall apply to payment transactions in digital euro.

3.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, the provisions of that Regulation shall apply to payment transactions in digital euro.

4.Without prejudice to Articles 37 of Regulation [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final], Directive (EU) 2024~~15~~/1640~~849~~ of the European Parliament and of the Council, of 31~~20~~ May 2024~~15~~, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and Regulation (EU)

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2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds shall apply with respect to the digital euro.

Article 5

Competent authorities

1.Directive (EU) 2015/2366 of the European Parliament and of the Council shall apply to 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 service providers established in Member States whose currency is not euro-in relation to the digital euro for the purposes of applying this Regulation and the obligations referred to in Chapters IV, V, VI and VII of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final].

2.Directive (EU) 2015/843 shall apply to 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 service providers incorporated in Member States whose currency is not **the** euro established in relation to the digital euro for the purpose of applying th~~i~~s Regulation and the obligations contained in Chapter IX of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final].

Article 6

Cooperation with the European Central Bank

For the purposes of supervising the application of Chapters IV, V and VII of the Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and the Council on the establishment of the digital euro – COM(2023) 369 final] the competent authorities referred to in Article 4(1) shall cooperate with the European Central Bank.

Article 7

Amendments

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 is replaced by "'funds' means central bank money issued for retail use, scriptural money or electronic money".

Article 8

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

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This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.