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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 consolidated draft Articles of the Digital Euro Regulation

CHAPTER I SUBJECT MATTER AND DEFINITIONS

Article 1 Subject matter

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.

Article 2 Definitions

For the purpose 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, **issued by the European Central Bank or a national central bank, constituting a liability item on the balance sheet of the issuer;**
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 Council¹;
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~~ **a natural or legal person, the owner of the digital euro,** making use of a digital euro payment service **in the capacity of payer, payee, or both;**
5. 'digital euro payment account' means an account held by one or more 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 local storage~~ device and to initiate or receive digital euro payment transactions, whether offline or online, and irrespective of technology and data structure;
6. 'European Digital Identity Wallets' means the wallets set out in Article ~~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)** ~~[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]~~;
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;**
8. 'digital euro payment service' means any of the business activities set out in Annex **II, Annex IIa, and any other additional digital euro payment service;**
- 8a. 'distribution of the digital euro' means **provision of digital euro payment services, including mandatory and additional digital euro payment services, as well as services enabling a payee to receive digital euro payment transactions;**
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~~ **a natural or legal person** who is the intended recipient of funds which have been the subject of a digital euro payment transaction;

10a. 'merchant' means any natural or legal person who, in the course of its trade or economic activity ~~payee that~~ contracts acquiring services with a view to receiving digital euro payments;

11. 'funding' means the process whereby a digital euro user acquires digital euros, in exchange for either **euro banknotes and coins cash** or other funds, creating a direct liability **on the balance sheet** 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 other funds, **extinguishing the liability item on the balance sheet of the European Central Bank or national central bank towards that digital euro user;**

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' **or 'residing'** 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 Council²;

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;

19. the 'digital euro settlement infrastructure' means the settlement infrastructure of the digital euro adopted by the **European Central Bank, national central banks, or both Eurosystem;**

~~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;~~

20a. 'digital euro user interface' means a digital interface through which digital euro users can access and use digital euro payment services provided by ~~from~~ their respective payment service providers.

21. 'third country' means a country that is not a **Member State** 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 ~~paid~~ directly or indirectly (~~i.e. through a third party~~) between the ~~distributing and acquiring~~ two payment service providers involved in a digital euro payment transaction; ~~that it~~ includes the net compensation or other agreed remuneration;

23b. 'net compensation' means the total net amount of payments, rebates or incentives received by a distributing payment service provider from the ~~acquiring~~ ~~payment service provider~~ or any other intermediary in relation to digital euro payment transactions or related activities;

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 that are not initiated at the point of interaction;~~

25a. 'point of interaction' means the payee's physical or virtual environment where a **digital euro** payment transaction is initiated;

25b. 'communication technology' means technology used for the transmission of data between the ~~payer's device~~ **payment instrument** and the point of interaction to initiate a payment transaction;

~~26. 'switching' means, upon a digital euro user's request, transferring digital euro payment ~~accounts-services~~ from one payment service provider to another in accordance with Articles 31 ~~either and C~~ 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 both, with or without closing the former digital euro payment account, while maintaining the same account identifier;~~

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~~;

28. 'user alias' means ~~an~~ **digital euro payment account-specific unique** pseudonymous identifier, ~~created generated by the European Central Bank and/or 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 alias access number) and, if requested by a digital euro user, additional proxy aliases that can also be linked to the digital euro payment account**;

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 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. ‘digital euro payment ~~alias~~ access number’ means a compulsory user alias, that does not contain the country or payment service provider code, and that allows the switching of **the payment service provider that provides** digital euro payment ~~accounts~~ services while maintaining the same digital euro payment access ~~alias~~number;

33. ‘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;

34. ‘consumer’ means any natural person who is acting for purposes which are outside his **or her** trade, business, craft or profession;

35. ‘local storage device’ means a physical device with tamper resistant hardware and software features, allowing for the secure electronic storage of information and digital euros and the secure **processing and** execution of digital euro transactions;

36. ‘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;

37. ‘pre-dispute services’ means services made available to digital euro users by payment service providers that facilitate consumers and merchants to reach an agreement prior to the remedies **in accordance with** ~~available under~~ Article 27;

38. ‘attributes of the authenticity of the local storage device’ means security features embedded in the local storage device that authorise holding offline digital euro, as well as performing digital euro **payment** transactions, including requesting and transferring offline digital euro;

39. ‘attributes of the authenticity of the offline digital euro’ means security features embedded in offline digital euro holdings, proving they are a liability of the European Central Bank or the national central banks;

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 **and nature** 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 **for retail use**.

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.

3. The digital euro shall be, **as an immaterial asset**, the sole property of digital euro users. **It shall and not be the property** of the payment services providers providing digital euro payment services or any other intermediary.

4. The digital euro distributed by payment service providers shall be convertible at par with scriptural money and electronic money denominated in euro.

5. For the purpose of digital euro payment services, digital euro users shall only enter into a contractual relationship with their payment service provider and shall in this respect have no contractual relationship with the European Central Bank or the national central banks.

6. Where insolvency proceedings have been opened against a payment service provider providing digital euro payment services, the digital euro holdings shall remain the property of the digital euro users and shall not constitute an object of the insolvency proceedings. The digital euro users may switch service provider in accordance with Article 31(2), or they may request a defunding of their digital euro holdings to a non-digital euro payment account.

Article 5 Applicable law

1. The digital euro shall be governed by the provisions of this Regulation, **as** 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 ~~16a, 17b, 17c, 17d, 33(4a), 33(6), 37(5) and B(3)~~.

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 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.

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) [please insert reference—proposal for a Directive on payment services and electronic money services in the internal market—COM/2023/366 final] and Regulation (EU) [please insert reference—proposal for a Regulation on payment services in the internal market—COM/2023/367 final] 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, with the exception of:~~

- the provisions on payment initiation services in Chapter III of that Directive;
- ~~those provisions that allow grant~~ Member States the **power possibility** to set additional rules

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) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and -Regulation

(EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing ~~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 31 May 2023 on information accompanying transfers of funds and certain crypto-assets¹ 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.

6. Regulation (EU) 2022/2554 of the European Parliament and the Council of 14 December 2022 on digital operational resilience for the financial sector shall apply to payment service providers providing digital euro payment services.

7. The legal acts referred to in paragraphs 2 to 6 shall apply to the extent that the matter is not covered by this Regulation, and insofar as they are compatible with it. **Where a matter is covered by both this Regulation and those Union acts, this Regulation shall prevail.**

Article 6

Competent authorities

1. ~~The~~ Member States **whose currency is the euro** shall designate one or more competent authorities to ensure compliance with Chapter III and Articles 17, **17a, 17b(6) and 17d** in their territory. They shall inform the Commission thereof, indicating any division of functions and duties.

~~The~~ Member States **whose currency is the euro** shall lay down the rules on penalties applicable to infringements of Chapter III and Articles 17, **17a, 17b(6) and 17d** 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.

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) [please insert reference—proposal for a Directive on payment services and electronic money services in the internal market—COM/2023/366 final]~~, 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 ~~P~~payment ~~S~~services ~~P~~providers **of with** their obligations pursuant to Chapters IV, V, VI and VII of this Regulation.

2a. Notwithstanding paragraph 2, each Member State shall provide for one or more competent authorities to be responsible for the application and monitoring of Article 33. Member States may establish one or more new authorities or rely on existing authorities. Member States shall notify the Commission of the names of the competent authorities and of their tasks and powers. The Commission shall maintain a public register of those authorities.

3. Directive (EU) **2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and Regulation (EU) 2024/1624 of the European**

¹ **Regulation (EU) 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets and amending Directive (EU) 2015/849 (OJ L 150, 9.6.2023)**

Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing 2015/849 as replaced by Directive (EU) [please insert reference—proposal for Anti-Money Laundering Directive—COM/2021/423 final] shall govern the supervision by competent authorities, the **sanctions enforcement** 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 this Regulation (EU) No [x] ~~on the establishment of the digital euro.~~

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.

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.

CHAPTER III LEGAL TENDER

Article 7

Legal tender status

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

1. The digital euro shall have **the status of legal tender status for as regards** offline payments of a monetary debt denominated in euro that take place within the euro area.
2. The digital euro shall have **the status of legal tender status for as regards** online payments of a monetary debt denominated in euro to a payee residing or established in the euro area.

Article 8a

Additional rules on legal tender

1. For the purpose of Article 7(3), where the payee is obliged to accept both online and offline **digital euro payment transactions**, the payer shall be entitled to choose between an online ~~or~~ and offline digital euro payment **transaction functionality**.

2. Payees, whether operating in a physical, virtual, or both environments, shall accept digital euro payment transactions at their respective points of interaction in the same manner as they currently accept other digital payments.

Article 9

Exceptions to the obligation to accept the digital euro

By way of derogation from Article 7(3) and Article 8, a payee shall be entitled to refuse digital euro in any of the following cases:

(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;**

(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 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

1. 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 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.

2. Insofar as it relates to contractual terms that have not been individually negotiated, the prohibition referred to in paragraph 1 shall not apply to relations between enterprises.

Article 11

Additional exceptions of a monetary law nature

The Commission is empowered to adopt delegated acts in accordance with 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.

Article 12

Interaction between the digital euro and euro banknotes and coins

1. The digital euro shall be convertible with euro banknotes and coins at par.
2. Payees of a monetary debt denominated in euro shall accept payments in digital euro according to 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.

CHAPTER IV DISTRIBUTION

Article 12a Digital euro users

1. Payment service providers may provide digital euro payment services to ~~any of the following digital euro users~~:

- (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 area**;
- (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;
- (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;**

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.~~

4. Within the framework of Directive 2015/2366, payment service providers may provide merchants residing or established in a 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, 19 and- 20 have not been met-complied with, 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, 19 and 20 have not been met.

Article 13

Payment service providers **distributing the digital euro**

1. Within the framework of Directive 2015/2366, **and without prejudice to Article 14(1), 14(1a) bis and 14(2)**, payment service providers may provide **the digital euro payment services set out in Annex I** to.

Payment service providers **entitled-authorized** to provide payment services **under-in accordance with** 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 and Annex VIa.

In accordance with the second subparagraph, To that end, those payment service providers wishing to provide equivalent digital euro payment services shall not be required to **seek obtain** any additional authorisation under Directive (EU) 2015/2366.

Payment service providers who decide to provide **basic mandatory** digital euro payment services to natural persons or do so upon request of their clients pursuant to Article 14(1) shall provide **the full list of all the** mandatory digital euro payment services as set out in Annex II.

Payment service providers who decide to provide **basic mandatory** acquiring services to legal persons or do so upon request of their clients pursuant to Article 14(1a) shall provide **the full list of all the** mandatory acquiring services as set out in Annex IIa.

~~(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;~~

~~(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;~~

~~(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.~~

~~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.~~

28. Payment service providers shall make available to the public, free of charge, accessible information about the specific features of digital euro payment services and the conditions of their distribution.

Article 13a

Funding and defunding obligations of payment service providers

12. Payment service providers **that provide digital euro services under Article 13 and** that provide **non-digital euro payment accounts within the meaning of Directive 2015/2366** ~~servicing payment services~~

~~within the meaning of Directive 2015/2366 shall~~ **may** enable digital euro users to manually or automatically fund or defund their digital euro payment accounts **held with another payment service provider, from or to a non-digital euro account to from or to non-digital euro payment accounts, respectively 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.** **Such services may be offered on a voluntary basis through contractual arrangements between payment service providers. Any funding or defunding functionalities pursuant to this article, if provided by a payment service provider, shall be offered free of charge to consumers, except where such operations involve a non-digital euro payment account denominated in a currency other than the euro.**

By way of derogation from the first subparagraph, payment service providers referred to therein shall enable merchants to whom they provide the mandatory acquiring services listed in Annex IIa to manually and automatically fund or defund their digital-euro payment accounts held with another payment service provider, from or to a non-digital-euro payment account.

For the purpose of the first subparagraph, payment service providers that hold an account at the European Central Bank or a national central bank shall provide access to digital euro funding and defunding services to payment service providers that do not hold an account in a payment system operated by at the European Central Bank or other national central banks with access to payment systems, in an objective, non-discriminatory, transparent and proportionate manner.

23. Payment service providers **that provide funding and defunding services pursuant to paragraph 1 and Article 13(1)** shall make available funding and defunding functionalities:

(a) at any point in time, on a continuous basis, where funding and defunding take place through non-digital euro payment accounts;

(b) when a payment service provider provides **euro** cash services where funding and defunding take place through euro banknotes and coins. **In this case, funding and defunding functionalities shall be provided in same manner as the payment service provider provisiondes cash services for-in respect of non-digital euro payment accounts.**

34. Payment service providers **that provide funding and defunding services pursuant to paragraph 1 and Article 13(1)** ~~2 providing account servicing payment services within the meaning of Directive 2015/2366~~ shall enable **their own clients digital euro users:**

(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 **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 drawing-mobilising funds from a linked 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.**

For the purpose of points (a) and (b), and upon prior approval by the digital euro users, payment service providers **that provide funding and defunding functionalities** shall link each digital euro payment account to **one or more a single non-digital euro payment accounts denominated in euro held with the same or another payment service provider,** designated by the digital euro users. ~~Digital euro users shall be allowed to have that designated non-digital euro payment account with the same a or different payment service providers~~

~~than the one where a given digital euro payment account is held apart from natural persons acting as a consumer for the purpose of point (b).~~

~~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 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.~~

~~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 shall remain the property of the digital euro user and shall be beyond the reach of creditors of that payment service provider. In such a case, the digital euro user can switch the digital euro payment account to another payment service provider without relying on the payment service provider against which insolvency proceedings have been opened, in accordance with Article 31(2), or have their digital euros defunded to a non-digital euro payment account.~~

~~7. Digital euro users Natural persons acting exclusively in their capacity as consumers may have one or several digital euro payment accounts with a payment service provider, and or several digital euro payment accounts with the same or different payment service providers. Legal persons and self-employed natural persons may have one or several digital euro payment accounts with the same or different payment service providers.~~

~~8. Payment service providers shall make available to the public, free of charge, accessible information about the specific features of digital euro payment services and the conditions of their distribution.~~

Article 14

Access to the digital euro in Member States whose currency is the euro

1. For the purpose of distributing the digital euro to natural persons referred to in Article ~~13(1)~~ **12a** (a) credit institutions that provide payment services as referred to in ~~points (1), (2) or (3) of~~ Annex I, **points (1), (2) or (3)**, to Directive (EU) 2015/2366 shall, upon request of their **own** clients, **for whom they already provide payment services on a contractual basis**, provide those persons with all **basic mandatory** digital euro payment services as referred to in Annex II. **Such digital euro accounts shall not be used for commercial or professional purposes.**

1a. For the purpose of distributing the digital euro to legal persons or self-employed natural persons referred to in Article 12a(1)(a) to whom the obligation to accept the digital euro pursuant to Chapter III and Article 22(6) of this Regulation applies, payment service providers shall, upon request of their clients who are under this acceptance obligation, provide mandatory acquiring services referred to in Annex II(a) provided for that they already provide them with acquiring services in accordance with Directive (EU) 2015/2366 for comparable means of payment. This obligation shall comprise the virtual or physical environment in which they are already operating.

2. ~~For As regards~~ natural persons referred to in Article ~~13(1)-12a(1), point~~(a), ~~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 mandatory digital euro payment services as referred to in Annex II access to digital euro account with basic services by consumers.**

3. Member States shall designate **one or more of the payment service providers** ~~the authorities~~ referred to in Article 1, points (a) to (d), and (f), of the Directive (EU) 2015/2366, ~~to upon request provide, upon request,~~ **mandatory digital euro payment services as referred to in Annex II** to natural persons referred to in Article 12a(1), ~~point (a), that do not hold a non-digital euro payment account; or post office giro institutions referred to in Article 1, point (e), of the Directive (EU) 2015/2366 to:~~

~~(a) provide basic digital euro payment services to natural persons referred to in Article 13(1)(a) that do not hold or do not wish to hold a non-digital euro payment account;~~

~~(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.~~

4. Payment service providers referred to in paragraphs 1, ~~2 and to~~ 3 shall provide digital inclusion support to persons with disabilities, functional limitations or limited digital skills, and elderly persons. **Payment service providers designated pursuant to paragraph 3 shall offer this support also face-to-face in physical proximity. Without prejudice to paragraph 3, point (b), d** ~~Such d~~ **D**igital inclusion support shall comprise, but not be ~~restricted limited~~ **limited** to, ~~a dedicated~~ assistance for onboarding to a digital euro payment account and **for** using of all ~~basic mandatory~~ digital euro payment services.

5. The ~~Authority for a~~ **Anti-Money Laundering 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 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 mandatory** 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.

Article 14.1bis

~~Payment service providers shall provide to their clients, which are legal persons or self-employed persons under the obligation to accept digital euro payments according to chapter III of this Regulation and Article 22(6), mandatory acquiring services referred to in Annex II(a) provided for that they already provide them with acquiring services in accordance with Directive (EU) 2015/2366 for comparable means of payment.~~

CHAPTER V USE OF THE DIGITAL EURO AS A STORE OF VALUE AND AS A MEANS OF PAYMENT

Article 15 Principles

1. With a view to **contributing to the stability of the financial system, while** enabling natural and legal persons to access and use digital euro **and**; to defining and implementing monetary policy ~~and to contributing to the stability of the financial system, while enabling natural and legal persons to access and use digital euro~~ the use of the digital euro as a store of value ~~may~~ **shall** be subject to limits.

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. **In particular, any merchant service charge, inter-PSP fee in relation to digital euro payment transactions shall comply with the principle of proportionality.**

Article 16

Limits to the use of the digital euro as 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.:~~

(a) shall define quantitative limits to ~~individual~~ digital euro holdings (“holding limits”) and, in addition,

(b) may develop other instruments to limit the use of the digital euro as a store of value.

For the purpose of subparagraph (a), different holding limits may be set for natural persons and legal persons.

1a. When **adopting defining** the holding limits and **developing** other instruments referred to in ~~the previous~~ paragraph 1(b), the European Central Bank shall decide on the level of the **individual holding limits per digital euro user** and on the parameters and use of any other instruments ~~it may develop~~, 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.~~

1b. A decision on the holding limits shall be adopted prior to the first issuance of the digital euro. The holding limits shall respect the overall ceiling set out in accordance with Article 16a.

2. The parameters and **the application** of the **holding limits and any other** instruments ~~developed~~ **referred pursuant** to ~~in~~ paragraph 1, shall:

(a) safeguard the objectives set out in Article 15(1), in particular ~~financial stability~~ **the stability of the financial system across the euro area;**

(b) ensure the usability and acceptance of the digital euro as a legal tender instrument;

(c) respect the principles of proportionality.

(d) take into account the evolving architecture of the financial system and the various businesses models of the deposit-taking entities operating across the euro area. The parameters applicable to legal persons [and for the activity of self-employed natural persons] may differ from those applicable to natural persons.

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 **which are available to the digital euro user**. 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 **holding limit** ~~determined~~ **defined** by the European Central Bank **pursuant to this Article** minus the holding limit for

offline digital euro **set determined** by **the** digital euro users. **For that purpose, a** digital euro user may set its offline holding limit at any amount between zero and the holding limit set in accordance with Article 37.

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) to, (d), and (e) and (f),~~ shall be subject to limits **as regards** to 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.

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 digital euro payment accounts **and local storage devices**.

7. Where a digital euro payment account is **jointly** held **jointly** by more than one digital euro user, any holding limit on ~~the related this such~~ 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.

~~(7a) For the purpose of supporting the task of payment service providers to implement and enforce the instruments referred to in paragraph 1, the European Central Bank may, alone or jointly with national central banks, establish a single access point.~~

8. ~~Within the framework of this Regulation,~~ ~~€~~ The digital euro shall not bear interest.

(8a) Payment services providers providing account servicing payment services within the meaning of Directive 2015/2366 to natural and legal persons referred to in Article 12a(1) shall apply the limits and instruments pursuant to this Article to digital euro payment accounts. For that purpose, they shall use the single access point referred to in Article 35(8).

Article 16a

Overall ceiling for the holding limits

1. The holding limits referred to in Article 16(1)(a) shall be subject to ~~an~~ **overall ceiling for legal persons and for natural persons as set in accordance with this article. Different ceilings may be set for legal and natural persons.**

2. The European Central Bank shall publicly announce the envisaged date of the first issuance of the digital euro in accordance with Article 4 of this Regulation at least two years prior to such envisaged date. At least one year before the envisaged date of the first issuance of the digital euro, the European Central Bank shall publish a technical report on the limits for the use of the digital euro as a store of value **set pursuant to Article 15(1)** and shall submit to the Council, in agreement with the Commission, a recommendation for a Council implementing decision setting the overall ceiling for the holding limits referred to in Article 16.

3. The Council shall adopt the Council implementing decision within [six] months from the submission of the recommendation of the European Central Bank, acting by a qualified majority in accordance with Article 238(3)(b) TFEU, including when amending the recommendation. If the Council implementing decision has not been adopted at the end of the six-month period, the European Central Bank shall be able to set holding limits in accordance with its recommendation. **The Council may adopt its implementing decision on the basis of that recommendation even after the expiry of the six-month period.**

4. The overall ceiling shall be reviewed at least every two years. To that end, the Council implementing decision shall apply for a period of [two] years, without prejudice to paragraph 5. At least [six] months

before the end of application of the Council implementing decision, the European Central Bank shall publish a new technical report concerning the holding limits and submit to the Council, in agreement with the Commission, a recommendation for a Council implementing decision on the overall ceiling.

5. The Council may adopt the Council implementing decision for the purpose of paragraph 4 within [six] months from the submission of the recommendation of the European Central Bank, acting by a qualified majority in accordance with Article 238(3)(b) TFEU, including when amending the recommendation. If the Council has not acted before the end of application of the Council implementing decision, the period of application of that Council implementing decision shall be tacitly extended by [two] years.

6. The European Central Bank shall without delay adjust the holding limits set in accordance with Article 16 to comply with the overall ceiling established in a Council implementing decision.

Article 17

Fees on digital euro payment services

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 **for the provision of mandatory digital euro payment services referred to in Annex II** to natural persons ~~as referred to in Article 13 12a(1), points (a), (b), and (c) and (f), where~~ such persons are **using digital euro payment account services exclusively in their capacity acting as consumers, for the provision of the basic mandatory digital euro payment services referred to in Annex 2.** ~~This is without prejudice to fees that the payment service providers may charge for the provision of other digital euro payment services.~~

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 banknotes and coins.** ~~This~~ Such 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 banknotes and coins.**

~~By derogation from the first subparagraph, payment service providers may charge a reasonable fee for the provision of an additional payment instrument that is provided upon request of the user as referred to in Annex II(g). This reasonable fee shall only cover those functionalities that are already provided by the other payment instruments provided free of charge. Payment service providers may also charge reasonable fees for the mandatory services referred to in the first subparagraph insofar as they are provided as part of a second digital euro payment account with the same payment service provider.~~

~~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. During a transitional period, merchant service charges and inter-PSP fees shall be subject to caps, pursuant to Article 15(2), and these caps shall be governed by Article 17a. After the end of the transitional period, when the Commission adopts an implementing decision pursuant to Article 17c(2) or no later than ten years after the first issuance of the digital euro, these caps shall be governed by paragraph 3 to 5. Any merchant service charge ~~or~~ and inter-PSP fee shall not exceed ~~the lowest of the following two amounts:~~ (a) the relevant costs incurred by payment services providers for the provision of digital euro payment services, including a reasonable margin of profit. **These limits shall be uniform and applied in a non-discriminatory manner across the euro area.**~~

~~(b) fees or charges requested for comparable digital means of payment.~~

~~2a. The Commission is empowered to adopt delegated acts ~~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:~~

~~(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;~~

~~(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;~~

~~(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 order is immediately processed in view of debiting the payer's payment account;~~

~~(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.~~

2b3. The Commission, with the technical assistance of the European Central Bank, shall be empowered, by means of implementing acts, to determine, publish and periodically review the amounts referred to in paragraph 2 by applying the methodology set out in Article 17b. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39.

34. 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 periodically the amounts resulting from that monitoring with an explanatory report.~~

(a) regularly ~~monitor~~ collect 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 pPayment 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.~~

65. The merchant service charge shall be the only charge that payment service providers may apply to merchants for the provision of mandatory acquiring services included in Annex II(a), except dispute services. Payment service providers may charge a reasonable fee for dispute services. 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).

~~76. No inter-PSP fee shall apply to the funding and defunding of the digital euro, including digital euro payment transactions referred to in Annex II(c) Article 13(4). Any fee that may be charged for funding and defunding from and into cash shall be objectively justified and proportionate and, in any event, shall not exceed the lowest amount charged by the payment service provider to the respective consumer PSP for funding and defunding a non-digital euro payment account from or to euro cash.~~

Article 17a

Fees on digital euro payment services during a transitional period

1. ~~During a transitional period of a minimum of five years from the first issuance of the digital euro and or until the implementing decision provided for in Article 17c has been adopted by the Commission, the caps on the inter-PSP fee and on the merchant service charge applicable to the mandatory digital euro payment services shall be determined in accordance with this Article. In any event, the transitional period shall not exceed ten years from the first issuance of the digital euro.~~
2. ~~The Commission, with the technical assistance of the European Central Bank, shall, by means of implementing acts, determine, publish and periodically review the euro-area uniform caps for both the inter-PSP fee and the merchant service charge and the national caps for both the inter-PSP fee and of the merchant service charge based on fees for comparable means of payment shall be calculated by the European Central Bank in accordance with the methodology referred to in Article 17b. Those implementing acts shall be adopted in accordance with Article 39.~~
- 2a. ~~The European Central Bank shall:~~
 - (a) ~~regularly collect 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.~~
3. ~~The euro-area uniform caps referred to in paragraph 2 shall apply throughout the euro-area.~~
4. ~~By way of derogation from paragraph 3, where a national cap for the inter-PSP fee or the merchant service charge, or for both, is lower than the euro-area uniform cap, the national cap shall apply to domestic transactions taking place in that Member State, provided that the deviation from the euro-area uniform cap is statistically significant. For the purposes of this paragraph, a payment transaction shall be considered domestic where the residence of the payer coincides with the place of establishment of the merchant. The Commission shall will be mandated with the task to define whether the difference is statistically significant with the technical assistance of the European Central Bank, in the framework of the methodology referred to in Article 17b.~~

Article 17b

Methodology for calculating the fee caps

1. ~~A methodology for calculating caps for the purpose of Articles 17 and 17a and collecting the necessary data, also for the purpose of conducting the evaluation pursuant to Article 17c shall be established in accordance with the requirements in this Article.~~
2. ~~The calculation of fee caps for the purpose of Article 17 shall be based on a statistically representative group of cost-efficient payment service providers representative of national payments market. The cost-efficiency shall be measured by reference to the average cost per transaction for the provision of digital euro services in accordance with Annex II and IIa.~~

3. The methodology for calculating the fee caps for the purpose of Article 17 and collecting the necessary data, also for the purpose of conducting the evaluation pursuant to Article 17c shall include the following accounting and reporting requirements:

- (a) the information to be provided by payment service providers;
- (b) accounting methods which ensure a transparent and reliable recording of costs and data transmission that can be attributed to the digital euro;
- (c) the cost categories to be considered; and
- (d) the format and frequency of the reporting.

4. For the purpose of paragraph 3, the European Central Bank and National Central Banks and or National Central Banks shall collect and aggregate the relevant unit cost data and profit margins from the statistically representative sample of cost-efficient PSPs referred to in paragraph 2. The European Central Bank shall aggregate such data and share the aggregated data with the Commission.

5. The methodology for calculating fee caps for the purpose of Article 17a shall:

- (a) be based on means of payments covering both international and domestic debit card schemes that are usable at the point of sale and in e-commerce;
- (b) provide that only consumer debit card schemes complying with the characteristics referred to in point (a) shall be included in the calculation;
- (c) provide that the calculation shall be based on the weighted average fee level based on volume of the inter-PSP fee and the merchant service charge applied to the means of payment referred to in points (a) and (b) during the preceding twelve-month period, relative to the aggregate value of payment transactions in that period;
- (d) include the information to be provided by payment service providers; and
- (e) include the format and frequency of the reporting to be provided

The methodology shall include the criteria to assess the representativeness of payment service providers. To that end, the Commission shall consult the European Central Bank and the national competent authorities shall be able to provide input to that end.

The methodology shall also include a definition of the threshold for determining the existence of a statistical significance for the purpose of Article 17a(4), ensuring that minor statistical deviations do not affect uniform application.

6. For the purpose of paragraph 5, the European Central Bank and or national central banks shall collect and aggregate relevant fee data from a statistically representative sample of payment service providers offering services for comparable means of payment and the European Central Bank shall aggregate such data and may validate such data with merchants receiving those services.

The data collection shall take place on an annual basis to enable the regular recalibration of the fee caps. The European Central Bank shall publish aggregated data on fee levels annually to promote market transparency and support well-functioning market conditions.

6a. Payment service providers shall provide to the European Central Bank or national central banks all information necessary for the application of this Article. Any information requested shall be sent by payment service providers within the time limit set by the European Central Bank or national central banks. The European Central Bank or national central banks may require that such information is certified by an independent auditor.

7. For the purpose of establishing uniform conditions of application of this Article, the Commission shall, no later than one year from the entry into force of this Regulation, ~~implement~~ adopt the methodology by means of implementing acts adopted in accordance Article 39(2). ~~The Commission shall consult the European Central Bank on a draft of the methodology.~~

Article 17c Evaluation

1. Five years after the first issuance of the digital euro, the Commission shall assess if the following conditions are met:

(a) sufficient and reliable data on payment service providers' costs incurred for the provision of digital euro payment services are available;

(b) average unit costs are sufficiently stable; ~~and~~

(c) the application of the fee cap based on actual costs can be expected to achieve the objectives set out in Article 15(2).

2. Where the conditions referred to in paragraph 1 are met, the Commission shall adopt an implementing act to that end in accordance with Article 39(2).

3. If, based on the evaluation, the Commission concludes that the conditions set out in paragraph 1 are not complied with, it shall provide the reasons for such conclusion.

4. If the conditions set out in paragraph 1 are not met, the Commission ~~will~~ shall conduct the evaluation on a yearly basis, up to a maximum of five years. ~~In any event, ten years after the first issuance of the digital euro, the limits in accordance with Article 17 shall apply automatically.~~

5. The European Central Bank shall provide technical assistance to the Commission by means of collecting, aggregating and validating data for the purposes of this Article. Such data shall be updated annually by the European Central Bank and published in aggregated form to promote transparency and well-functioning market conditions.

Article 17d Compensation for offline digital euro ~~payment~~ transactions

1. The merchant service charge and inter-PSP ~~fee~~ caps referred to in Articles ~~{17 and 17a}~~ ~~and applicable to online digital euro payment services~~ shall ~~equally also~~ apply to offline digital euro ~~payment~~ transactions.

2. For the purposes of determining the compensation between payment service providers for offline digital euro ~~payment~~ transactions, a proxy-based allocation mechanism shall apply.

3. Under the mechanism referred to in paragraph 2, acquiring payment service providers shall transfer the applicable inter-PSP fee to a common inter-PSP pool managed by the European Central Bank. The amounts accumulated in that pool shall be redistributed to distributing payment service providers in proportion to the funding and defunding services they provide in relation to offline digital euro ~~payment~~ transactions.

4. The detailed methodology for the proxy-based allocation mechanism and for the calculation of the redistribution referred to in paragraph 3 shall be laid down in an implementing act adopted by the Commission in accordance with Article 39(2), after consulting the European Central Bank.

CHAPTER VI
DISTRIBUTION OF THE DIGITAL EURO OUTSIDE THE EURO AREA

Article 18

Distribution of the digital euro to natural and legal persons residing or established in Member States whose currency is not the euro

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.**

2. The signing of the arrangement referred to in paragraph 1 shall be subject to **all of** the following conditions:

(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 to 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;

(b) in ~~its request, the arrangement with the European Central Bank~~, the **national** central bank of the Member State whose currency is not the euro ~~has undertaken~~:

(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**;

(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 of digital euro payment services, including digital euro holdings, in that Member State that the European Central Bank may require.**

2a.(e) The entry into force of the arrangement referred to in paragraph 1 shall be subject to the condition that the Member State whose currency is not the euro has adopted all the national legal provisions legislations that are 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).

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.

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.

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).

Article 19

Distribution of the digital euro to natural and legal persons residing or established in third countries

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.
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:

(a) the third country ~~ensures~~ **confirms** that:

(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**;

(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 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**;

(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 measures, rules and standards laid down in this Regulation or** adopted by the European Central Bank pursuant to Article 5(2).

(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 laundering and combating the financing of terrorism regime as referred to in Article 24 of Regulation [please insert reference—proposal for Anti-Money Laundering Regulation—COM/2021/420 final]. 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.~~

(a) the main rights and obligations of the parties, including the necessary implementing measures and procedures and clauses regarding cooperation and exchange of information;

(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 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.

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.

4. Negotiations with third countries may be suspended on the basis of the grounds referred to in paragraph 3, **first subparagraph, point (b).**

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 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

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 1103/97⁴ and Council Regulation (EC) No 974/98⁵, may be distributed the digital euro, following an amendment of the respective monetary agreements to that effect.

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 **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.

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 payments between the digital euro and **other their** 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 **elderly older** persons;

(b) be accessible for persons with disabilities by complying with the accessibility requirements laid down in Annex I of Directive 2019/882/EU.

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.

3. Each digital euro payment account shall have a unique digital euro **payment access account** number created by the European Central Bank, **alone or jointly with the national central banks**, upon request of the payment service provider, which shall be understood as a unique identifier for the purposes of the application of the relevant provisions in the [PSR], including for the purposes of exchanging personal data with other payment service providers, who are subject to information sharing arrangements.

3a. Payment service providers shall allow **digital euro users that are natural persons acting as consumers** the use of additional proxy aliases, upon request, ~~of the digital euro user~~, in addition to the digital euro payment access number. The European Central Bank may facilitate the use of proxy aliases together with the unique digital euro payment access number, without having access to information on these proxy aliases. The European Central Bank may confer the task of facilitating the use of proxy aliases onto a provider of support services.

3bis. When opening a digital euro **payment** account payment service providers shall give digital euro users the information necessary to identify the direct-liability in digital euro of the European Central Bank or of national central banks towards the digital euro user. Payment service providers shall ensure continued access of **digital euro** users to that information, including at their request.

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 13a(24) and (3), each digital euro payment account may be linked to one **or more** non-digital euro payment accounts.

4a. ~~Digital euro users~~ **Natural persons may hold multiple-digital euro payment accounts with the same or different payment service provider. In accordance with Article 14(1), (2) and (3), natural persons acting as consumers shall have the right to hold one digital euro account per payment service provider. The provision of any additional digital euro payment accounts to the same natural person by a payment service provider shall be voluntary. Legal persons and self-employed natural persons may have one or several digital euro payment accounts with the same or different payment service providers.**

5. ~~Payment service providers shall~~ **may allow the use of digital euro payment account by more than one digital euro users.**

6. Payment service providers that provide digital euro payment services shall make available to all digital euro users mandatory payment instruments that allow them to make both online and offline digital euro payment transactions **in accordance with Annex II.**

7. Payment service providers that provide digital euro acquiring services shall enable their clients to accept digital euro payments via mandatory communication technologies. Payees subject to ~~an the mandatory acceptance obligation~~ **of digital euro within the meaning pursuant to** Article 7(3) shall not refuse digital euro payment transactions initiated via such communication technologies.

8. The mandatory payment instruments and communication technologies referred to in paragraphs 56 and 76 shall be those that the 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~~ **European Central Bank** may make available pursuant to Article 5(2).

Article 23

Offline and online digital euro payment transactions

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.
2. The digital euro, held online or offline, shall be convertible at par between each other, at the request of the digital euro users.
3. ~~Before initiating a digital euro payment transaction in a proximity payment, the payee and the payer shall be informed of~~ **the payee and the payer shall be able to identify whether the a digital euro payment transaction will be takes place** offline or online.
4. **Digital euro users shall be able to choose whether their digital euro payments in proximity shall be offline or online by default.**
5. **Digital euro users shall be able to establish an automated funding of their digital euro offline holdings, if the digital euro user's device supports automated funding. Automated funding shall be without prejudice to the limits adopted pursuant to Article 37(5).**

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.

Article 24a

Technological State of the Art

1. **The European Central Bank shall monitor technological developments for the purpose mentioned in Article 24a(2), including new technologies which are in particular designed to protect privacy, enhance data protection, security, resilience, and fraud detection and prevention.**
2. **The European Central Bank shall consider implementing new technological developments to the digital euro infrastructure, after assessing their purpose; availability at large scale; impact on safety, efficiency and innovation; the dependencies which their adoption may entail; as well as potential risks posed by them.**

Section 2

Modalities of distribution

Article 25

European Digital Identity Wallets

1. **Digital euro user interfaces** ~~Front-end services~~ 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 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 ~~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~~;

Article 26 Interoperability

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.

For the purpose of the first subparagraph, interoperability may be supported inter alia by the use of open standards.

Article 27 Dispute mechanism

~~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.~~

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.

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.

Article 28 User interface to access and use the digital euro ~~Front-end services to access and use the digital euro~~

1. Payment service providers providing digital euro payment services shall make available to digital euro users with whom they have a contractual relationship at least one digital euro user interface for accessing and using ~~at minimum all mandatory basic~~ digital euro payment services.

2. Payment service providers providing digital euro ~~payment~~ services ~~distributing the digital euro~~ shall ensure that ~~provide digital euro users with the choice of using the following digital front-end services to allow digital euro users to access and use digital euro payment services:~~

(a) the ~~digital euro~~ user interface they make available displays the official digital euro logo; ~~front-end services developed by payment service providers; and~~

(b) digital euro users can quickly and easily access and use digital euro payment services through a digital euro user interface; ~~a front-end services developed by the European Central Bank.~~

~~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.~~

3. The European Central Bank and the national central banks shall make a digital euro user interface available to all payment service providers. Where a payment service provider does not offer a digital euro user interface itself or when such digital euro user interface is temporarily unavailable, the payment service provider shall offer digital euro payment services to the digital euro users through the digital euro user interface provided by the European Central Bank and the national central banks. The latter shall not entail the establishment of any **customer contractual** relationship between digital euro users and the European Central Bank or national central banks.

42. ~~The European Central Bank and the national central banks shall ensure that the digital euro user interface front-end services provided by the European Central Bank referred to in paragraph 31, 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 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.~~

(a) supports the provision of all the mandatory digital euro payment services as referred to in Annex II;

(b) uses the logo of the payment service provider who **which** offers digital euro payment services.

The European Central Bank shall not have access to any personal data in relation to the digital euro user interface **it makes** available ~~by the European Central Bank~~ and **which is** used by the payment services providers.

~~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 and used by digital euro users.;~~

Article 29

Compliance with Union ~~sanctions~~ **restrictive measures** adopted in accordance with Article 215 TFEU

1. Payment ~~S~~service ~~P~~providers ~~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 adopted by the Union**. 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**, and immediately after the entry into force of any amendments to such **targeted financial restrictive measures** and at least once every calendar day.

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.

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.

~~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.~~

Article 30

Settlement of digital euro payment transactions

1. Online and offline digital euro payment transactions shall be settled instantaneously, **24 hours ~~hrs~~ a day and on any calendar day.**

1a. Payment service providers shall execute online digital euro payment transactions instantaneously, 24 hours a day and on any calendar day, and the European Central Bank and national central banks shall enable them to fulfil this obligation.

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 established** by the **Eurosystem European Central Bank and national central banks.**

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.

Article 30a

Time of receipt of execution of payment orders for online payments

1. The time of receipt of a payment order for an online digital euro payment transaction shall be the moment it has been received by the payer's payment service provider, regardless of the hour or calendar day.

If the digital euro user placing a payment order and the payment service provider agree that the execution of the payment order shall start on a specific day or at the end of a certain period or on the day on which the payer has put the funds at the payment service provider's disposal, the time of receipt for the purposes of Article 30a(1) shall be deemed to be that agreed day, regardless of the hour or calendar day.

By way of derogation from the first paragraph, the time of receipt of the payment order for an online digital euro payment transaction shall be:

a) for a non-electronic payment order for an online digital euro payment transaction, the moment when the payer's PSP has introduced the payment order information into its internal system, which shall occur as soon as possible after the non-electronic payment order for an online digital euro payment transaction has been placed by the payer with the payer's PSP;

b) for an individual payment order for an online digital euro payment transaction belonging to a package, where the conversion of that package into individual digital euro payment transactions is carried out by the payer's PSP, the moment when the ensuing digital euro payment transaction has been unpacked by

the payer's PSP; the payer's PSP shall start the conversion of the package immediately after it has been placed by the payer with the payer's PSP and complete that conversion as soon as possible;

c) for a payment order for an online digital euro payment transaction from payment accounts that are not denominated in euro, the moment when the amount of the payment transaction has been converted into euro; such currency conversion shall take place immediately after the payment order for an online digital euro payment transaction has been placed by the payer with the payer's PSP.

2. The obligation for a payment service provider to notify the payer when that payment service provider suspends the execution of a payment order under paragraph 1a of Article 65 of the [PSR] shall not apply to [online] digital euro transactions. ~~In such cases,~~ The payment service provider shall assess, on the basis of the transaction monitoring referred to in paragraph 1 of that article, and on any other relevant information available to the payment service provider, whether or not to execute the payment order.

3. When the payer's payment service provider refuses to execute a digital euro payment transaction in the circumstances provided for in Article 65 (2) of the [PSR], that payment service provider shall provide the notification of the refusal [within 10 seconds] of the time of receipt of the payment order, and provide the reasons for the refusal without undue delay, unless prohibited by other relevant Union or national law.

Article 30bis

Verification of the payee in the case of online digital euro payment transactions

1. A payer's payment service provider shall offer the payer a service ensuring verification of the ~~payee to whom the payer intends to send an online digital euro payment transaction for payer-initiated online digital euro payment transactions where a digital euro user enters a user alias and the name of the payee~~ (service ensuring verification). The payer's payment service provider shall perform the service ensuring verification immediately after the payer provides relevant information about the payee and before the payer is offered the possibility of authorising that online digital euro payment transaction. The payer's payment service provider shall offer the service ensuring verification regardless of the payment initiation channel used by the payer to place a payment order for the online digital euro payment transaction.

2. The service ensuring verification shall not apply to funding and defunding between digital euro payment accounts and the linked non-digital euro payment accounts referred to in Article 22(4).

3. The service ensuring verification shall be provided in accordance with the following requirements:

(a) where the unique ~~user alias digital euro payment access number~~ and the name of the payee have been inserted in the payment order for the online digital euro payment transaction by the payer, the payer's payment service provider shall provide a service for matching the unique ~~user alias digital euro access number~~ with the name of the payee. Upon the request of the payer's payment service provider, the payee's payment service provider shall verify whether the unique ~~user alias digital euro access number~~ and the name of the payee provided by the payer match. Where they do not match, the payer's payment service provider shall, based on information provided by the payee's payment service provider, notify the payer thereof and inform the payer that authorising the online digital euro payment transaction might lead to transferring the funds to a digital euro user that is not the payee indicated by the payer. Where the name of the payee provided by the payer and the unique ~~user alias digital euro access number~~ almost match, the payer's payment service provider shall indicate to the payer the name of the payee associated with the unique ~~user alias digital euro access number~~ provided by the payer;

(b) where the payee is a legal person and the payer's payment service provider offers a payment initiation channel which allows the payer to place a payment order by providing the unique ~~user alias digital euro access number~~ together with data elements other than the name of the payee that unambiguously identify the payee, such as a fiscal number, a European unique identifier as referred to in Article 16(1), second subparagraph, of Directive (EU) 2017/1132 of the European Parliament and of the Council (*2) or an LEI, and where those same data elements are available in the internal system of the payee's payment

service provider, that payment service provider, upon the request of the payer's payment service provider, shall verify whether the unique ~~user alias digital euro access number~~ and the data element provided by the payer match. Where the unique ~~user alias digital euro access number~~ and the data element provided by the payer do not match, the payer's payment service provider shall, based on information provided by the payee's payment service provider, notify the payer thereof;

(c) where a digital euro payment account identified through a unique ~~user alias digital euro access number~~ provided by the payer is held by a payment service provider on behalf of multiple payees, additional information allowing the payee to be unambiguously identified may be provided by the payer to the payer's payment service provider. The payment service provider holding that digital euro payment account on behalf of multiple payees shall, upon the request of the payer's payment service provider, confirm whether the payee indicated by the payer is among the multiple payees on whose behalf the payment account is held. The payer's payment service provider shall notify the payer if the payee indicated by the payer is not among the multiple payees on whose behalf the digital euro payment account is held;

~~3. Payment service provider, for the purposes of paragraph 1, point (d), shall maintain robust internal procedures to ensure that the information concerning payees is correct.~~

~~3. In the case of paper-based payment orders, the payer's PSP shall perform the service ensuring verification at the time of receipt of the payment order, unless the payer is not present at the time of receipt.~~

4. Payment service provider shall ensure that the performance of the service ensuring **verification** does not prevent payers from authorising the online digital euro payment transaction concerned.

5. Payment service providers shall provide digital euro users that are not consumers with the means to opt out from receiving the service ensuring verification when submitting multiple payment orders as a package.

Payment service provider shall ensure that digital euro users that opted out from receiving the service ensuring verification have the right to opt in at any time to receive that service.

6. Whenever the payer's payment service provider notifies the payer in accordance with paragraph 1, point (a), (b) or (c), that payment service provider shall at the same time inform the payer that authorising the online digital euro payment transaction might lead to transferring the funds to a payee not indicated by the payer. A payment service provider shall provide that information to the digital euro user that is not a consumer when that digital euro user opts out from receiving the service ensuring verification when submitting multiple payment orders as a package. Payment service provider shall inform their digital euro users of the implications for payment service providers liability and digital euro user refund rights resulting from a decision by digital euro users to ignore a notification as referred to in paragraph 1, points (a), (b) and (c).

7. A payment service provider shall not be held liable for the execution of an online digital euro payment transaction to an unintended payee on the basis of an incorrect unique ~~user alias identifier~~, as laid down in Article 88 of Directive (EU) 2015/2366 [as replaced by Regulation (EU) ~~{please insert reference—proposal for a Regulation on payment services in the internal market—COM/2023/367 final}~~], provided that it has fulfilled the requirements of this Article.

Where the payer's payment service provider fails to comply with paragraph 1 of this Article, and where that failure results in a defectively executed online digital euro payment transaction, the payer's payment service provider shall without delay refund the payer the amount transferred and, where applicable, restore the payer's digital euro payment account to the state in which it would have been had the transaction not taken place.

Where the failure to comply occurs because the payee's payment service provider failed to comply with its obligations under this Article, the payee's payment service provider shall compensate the payer's payment service provider for the financial damage caused to the payer's payment service provider by that failure.

Any further financial loss caused to the payer may be compensated in accordance with the law applicable to the contract concluded between the payer and the relevant payment service provider.

Article 31

Switching of provider of digital euro payment ~~accounts~~ services

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

1a. When switching is carried out in accordance with this Article, the digital euro **payment** access number shall be maintained.

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

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

1d. Payment service providers shall only exchange the information required for the switching of the digital euro **payment** services.

2. In exceptional circumstances where a payment service provider is operationally not in a position to provide digital euro **payment switching** services to digital euro users **upon their request as set out in paragraph 1 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 ~~services accounts~~ held with that payment service provider to another payment service provider designated by the digital euro user. ~~That switching~~ This shall enable the new **receiving** payment service provider to complete the switching **upon digital euro user's request**, without relying on the **need to exchange information with** the unavailable payment service provider.

3a. Upon the opening of a digital euro payment account to digital euro users, payment service providers shall request from digital euro users their authorisation to share, with other payment service providers or third parties as applicable, the information necessary to identify the direct-liability in digital euro of the European Central Bank or of national central banks towards the digital euro user in order to facilitate switching in the conditions established in paragraph 2 of this Article. Digital euro users may give that authorisation or withdraw it at any time thereafter, provided that such choice is made in an informed and unambiguous manner through a clear affirmative action.

3b. Any outsourcing arrangements or arrangements between payment service providers and third parties for the storing of the relevant information as referred in paragraph 1(~~fc~~**b**) of Article 34 of this regulation should include adequate safeguards to ensure a high level of data protection, in accordance with

Regulation (EU) 2016/679, and apply high-level cyber-security requirements in accordance with the Regulation (EU) 2022/2554.

Article 32

General fraud detection and prevention mechanism

1. The European Central Bank may, alone or jointly with the national central banks, 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 **payment** 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, alone or jointly with the national central banks or by the providers of support services designated by the European Central Bank.

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. If the national central banks contribute to the development of the details on the operational elements of the fraud detection and prevention mechanism, they shall consult their respective data protection supervisory authorities.

3. The fraud detection and prevention mechanism shall:

(a) assess the exposure to fraud risk of online digital euro **payment** transactions in real-time at the exclusive use of payment service providers before the transaction is introduced into the digital euro settlement infrastructure;

(b) support payment service providers in **securing payment information and** detecting fraudulent transactions in online digital euro payment transactions that have been settled.

4. For the purpose of this Article, payment service providers shall provide the fraud detection and prevention mechanism with information referred to in Annex **VS**. 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 the basis of the information provided to the fraud detection and prevention mechanism.

Article 33

Fair, reasonable and non-discriminatory access to mobile devices

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) 2018/1972⁷ shall allow providers of **digital euro user interfaces 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 **that are necessary for the secure storing and transferring data to process processing and execution of** 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.**

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.

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. **They shall make publicly available the general conditions of interoperability and access referred to in this paragraph no later than [twelve] months ~~after~~ from the entry into force of this Regulation**

Such general conditions shall include an ~~European Union-based~~ alternative dispute settlement mechanism **based in the territory of the European Union**. The ~~decision of the dispute settlement mechanism-body~~ shall be without prejudice to the right to seek redress before judicial authorities in accordance with Union and national law. **The relevant dispute settlement body shall adopt its decision on a matter referred to it within [90] days of receipt of a request submitted in accordance with this paragraph. The decision shall be in writing or on a durable medium and shall be supported by a statement of reasons.**

4. As part of the detailed measures, rules and standards referred to in Article 5(2), the European Central Bank, shall adopt reference standards, technical specifications and procedures concerning software and hardware that ensure that payment service providers can securely process online and offline digital euro payment transactions. **The European Central Bank ECB shall adopt the reference standards, technical specifications and procedures within [6] months] ~~within~~ after the entry into force ~~adoption~~ of the Regulation.**

4a. For the purpose of ensuring effective interoperability and access for providers of **digital euro user interfaces front-end solutions**, providers of European Digital Identity Wallets and third-party technical support providers acting on their behalf in accordance with paragraph 1, the Commission, with the technical assistance of the **European Central Bank ECB**, is empowered to adopt implementing acts, specifying the measures that the original equipment manufacturers of mobile devices and providers of electronic communication services referred to in paragraph 1 are to implement in order to effectively comply with the obligations laid down in paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39. The Commission shall adopt implementing acts within [6] months after the **entry into force ~~adoption~~** of the Regulation.

5. In addition to the implementing acts referred to in paragraphs 4a and 6, ~~O~~original equipment manufacturers of mobile devices and providers of electronic communication services referred to in paragraph 1 shall comply with the standards, technical specifications and procedures referred to in paragraph 4 **and with the implementing acts referred to in paragraph 4a.**

6. For the purpose of applying fair, reasonable and non-discriminatory terms pursuant to paragraph 1, the Commission shall, within **[8 ~~eight~~] months** from the entry into force of this Regulation adopt implementing acts **further specifying ~~on~~** the meaning and **concrete** application of fair, reasonable and non-discriminatory terms referred to in paragraph 1, including the **further specification of the** criteria to be respected when determining whether terms are fair, reasonable and non-discriminatory. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39.

7. The Commission shall, in cooperation with the competent authorities designated to ensure compliance with this Article pursuant to Article 6, coordinate at Union level the supervision and enforcement of this Article. For that purpose, the Commission shall facilitate cooperation and the exchange of information between those authorities and may, where appropriate, issue guidelines, recommendations or opinions to ensure the consistent application of this Article throughout the Union.

CHAPTER VIII PRIVACY AND DATA PROTECTION

Article 34

Processing of personal data by payment service providers

1. Payment service providers perform a task in the public interest where they process personal data for the following purposes:

(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 35(8a) 16(7a);**

(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 **(jb)** of Annex II;

(c') to comply with the anti-money laundering and countering the financing of terrorism rules applying to offline digital euro in accordance with Article 37(3).

(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)-35(8a);

(cb) ensuring access to and use of online digital euro holdings, in particular as foreseen in Article 22(3b), Article 31(2) and in exceptional circumstances as defined in Article C.

(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 security risks under Regulation (EU) 2022/2554 and obligations under Directive (EU) 2014/92/EU, in so far as they concern the digital euro.~~

(e) 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~~ **funding and defunding** of offline digital euro, the processing of personal data by payment service providers is limited **to personal data** referred to ~~in accordance with~~ Article 37 ~~paragraphs (3), (4) and 5~~ **and Annex III.**

For the purpose of letter c and c', payment service providers shall not process [personal] data or payment transaction data related ~~monitor~~ to the use of the offline digital euro user interface, except to the extent it is strictly necessary to ensure the integrity and security of the offline digital euro.

2. For the purposes referred to in paragraph 1 (a) to **(cf)**, 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 supplement or amend, including deletion,** the types of personal data listed in Annex III.

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 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 are **pseudonymised in accordance with Article 4, point (5) of Regulation 2016/679** ~~do not directly identify individual digital euro users~~.

5. For the purposes referred to in paragraph 1 (cb) of this Article, payment service providers shall store a copy of the information necessary to identify the ~~direct~~ liability in digital euro of the European Central Bank or of national central banks towards digital euro users. **This copy shall be stored** in order to ensure that digital euro users, or the receiving payment service provider on the digital euro user's behalf, can retrieve this information at all times.

56. Without prejudice to the payment service provider's obligations pursuant to Regulation (EU) 2022/2554, for the purposes referred to in paragraph 1, point (cb), payment service providers shall include in the scope of the data that is subject to the backup obligations set out in Article 12 of Regulation (EU) 2022/2554 a copy of the information necessary to identify the direct-liability in digital euro of the European Central Bank or of national central banks towards digital euro users. **Payment Service Providers shall store this copy** in order to ensure that digital euro users, or the receiving payment service provider on the digital euro user's behalf, can retrieve this information at all times.

Payment service providers shall ensure that the information necessary to identify the direct liability in digital euro of the European Central Bank or of national central banks towards digital euro users is stored on **information and communication technology ICT** systems that are physically and logically segregated from the payment service providers source ICT systems and that digital euro users, or the receiving payment service provider on the digital euro user's behalf, can retrieve this information at all times, including during exceptional circumstances as referred to in Article A. Where digital euro users have given their permission to share the information necessary to identify the direct liability in digital euro of the European Central Bank or of national central banks towards the digital euro user in accordance with Article C(5), payment service providers shall ensure that the payment service providers designated by a Member State in accordance with Article D(1) can retrieve this information during exceptional circumstances.

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 **and insofar as these purposes cannot be ~~exclusively~~ achieved by ~~exclusively~~ processing non-personal data:**

(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 doublespending of digital euros;

(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); **and**

(e) ~~in exceptional circumstances as defined in Article 31(2),~~ authorising **payment service providers in and supporting the switching of payment service providers that provide** digital euro payment **services in** accordance with Article 31(2) and (3) and Article **C held with a payment services provider to another payment service providers designated by the digital euro user;**

(f) facilitating the exchange of messages for the resolution of disputes in accordance with Article 27; and

(g) facilitating the securing of payment information and fraud detection and prevention tasks of payment service providers in accordance with Article 32.

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 (g). ~~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).~~

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 IV **and Annex V.**

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. This shall include the clear segregation ~~of between, on the one hand, the personal data processed by to ensure that~~ the European Central Bank and the national central banks **and, on the other hand, the personal data held by the payment service providers that to allow to identify a digital euro user.** The European Central Bank and the national central banks shall not be in a position to lift these measures during any processing of the data which is carried out under their control. These measures shall prevent the European Central Bank and the national central banks from attributing the data to the data subject including by recourse to other means of identification such as crosschecking with other factors, in such a way that the person concerned is not identifiable by the European Central Bank and the national central banks. ~~cannot directly identify individual digital euro users.~~ In particular, the European Central Bank and the national central banks shall not request from the payment service providers any information, and shall not use any information obtained as part of other tasks enshrined upon them by Union or Member States law to 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.

6. This Article is without prejudice to the processing of personal 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.

~~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.~~

~~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. For the purpose of supporting the task of payment service providers to enforce the holding limits in accordance ~~to~~ with Article 16(1) and (8a) and ensuring the emergency switching upon the request of the user in accordance with Article 31(2) or in the circumstances of Article C, the European Central Bank 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 IV. The European Central Bank 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 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.~~

9. The European Central Bank and national central banks shall not have access to information stored pursuant to Article 34(5).

Article 36

Processing of personal data by providers of support services

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 **PSP-payment service providers**. In such a situation, ~~providers of support services-payment service providers~~ perform a task in the public interest, where they process personal data for the following purposes:

(aa) supporting the use of the unique digital euro payment alias access number together with user aliases in accordance with Article 22(3a);

(a) supporting the **securing of payment information and 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 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~~ **The European Central Bank, national central banks and providers of support services shall only take place when** appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures ~~are implemented~~ **are implemented** to ensure that the providers of support services cannot directly identify individual digital euro users. **This shall include maintaining the pseudonymisation and clear segregation of personal data.**

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 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.~~

CHAPTER IX ANTI-MONEY LAUNDERING

Article 37

Offline digital euro payment transactions and ~~an~~ anti-money laundering rules applying to offline digital euro payment transactions

1. Payment services providers shall apply paragraphs 2 to 6 to offline digital euro payment transactions.
2. **Payment t**ransaction data **pertaining to offline digital euro payment transactions** shall not be retained by payment service providers or by the European **C**entral **B**anks 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(~~3144~~) of Regulation (EU) 2024/1624 [~~please insert reference – proposal for Anti-Money Laundering Regulation – COM/2021/420 final~~].
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.
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.**
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:
 - (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;
 - (b) relevant recommendations and reports drawn up by international organisations and standard setters with competence in the field of preventing money laundering and combating terrorist financing;
 - (c) the objective of ensuring the usability and acceptance of the digital euro as a legal tender instrument.

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.

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.
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 *[date of entry into force of this Regulation]*.
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.
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.
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, 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.

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.

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.

(e) the development of existing and emergence of new technologies which might be of relevance for the digital euro infrastructure.

2. Before the ~~planned~~ **first** 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:

(aa) information on the technical design and functionalities of the digital euro;

(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);

(a) information on the **holding limits and other instruments, and their parameters**, to limit the use of the digital euro **as a store of value** as referred to in Article 16 and the parameters that the European Central Bank plans to adopt in view of the prevailing financial and monetary environment;

(b) an analysis on how the **holding limits and other instruments, and their 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~~ European Central Bank and/or national central banks in accordance with Article 35(4).

2a. The European Central Bank shall ~~periodically~~ provide information set out in the ~~first sub~~paragraph **2 periodically 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 mandatory** 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 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.

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 **including an assessment of the adequateness of allowing providers of payment initiation services to offer these services as ancillary digital euro services in conformity with the [PSR/PSD3]**.

4. ~~Ten~~ **No later than ten years after from the initial-first** issuance of the digital euro, the Commission shall conduct a comprehensive review of the compensation model established under Articles 17, 17a, 17b and 17c.

By five years from the first issuance of the digital euro, the Commission shall present to the European Parliament and to the Council a report on the compensation for offline digital euro transactions referred to in Article 17d.

4a. ~~No later than three years after from~~ the first issuance of the digital euro, the Commission shall present to the European Parliament and to the Council a report for the purpose of assessing whether payment initiation service providers should be permitted to ~~participate in the provision of~~ **provide ancillary digital euro payment services**. For the purpose of such assessment, the Commission shall in particular take into account the market developments in regard to open banking in the euro area, the expected impact on innovation in the euro area, were payment initiation service providers be permitted to ~~participate in the provision of~~ **provide ancillary digital euro payment services**, and the impact on ~~PSPs' payment service providers'~~ **business models**, on the basis of costs and revenues consideration.

4b. **No later than three years after the first issuance of the digital euro, the Commission shall conduct a review of Articles 13 and 13a with the respect to open funding arrangements. The Commission shall assess whether the framework continues to ensure an appropriate balance between usability, competition, and strategic autonomy, and, where necessary, propose amendments to this Regulation.**

5. In its review, the Commission shall inter alia assess: (a) the effectiveness of the model in achieving the objectives set out in Article 15(2); (b) the proportionality of administrative and reporting obligations; and (c) the need for regulatory adjustments to ensure alignment with the fee structures applicable to other retail payment instruments. The Commission shall submit a report on the outcome of the review to the European Parliament and to the Council and may, where appropriate, submit relevant legislative proposals.

Article 42
Entry into force

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

It shall apply from [18 months after the date of entry into force].

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

Chapter IXa – Resilience in digital euro payments

Article A Possibility to adopt certain measures in exceptional circumstances

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

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

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

Article B Procedures for raising the offline digital euro holding and transaction limits

1. In the circumstances set out in Article A one or more Member States may submit a request to the Commission for a temporary increase of the applicable offline digital euro payment transaction limits and offline digital euro holding limits, within the limits to the use of the digital euro as a store of value set out in accordance with Article 16. Such a request shall specify, and be limited to, the relevant categories of users under the jurisdiction of the requesting Member State or Member States, and shall contain the grounds justifying that measure and the envisaged start date and end date for its application. The duration of the measure shall not exceed three months. Upon expiry of that period, the Member State concerned may submit a renewed request in accordance with this Article, where duly justified.

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

3. If the circumstances as referred to in Article A are present and the conditions set out in this Article for the adoption of the measure are met, the Commission, **after duly considering the opinions referred to in paragraph 2**, shall adopt its implementing act setting out the temporary increase of the digital euro offline payment transaction and holding limits, **the scope of its application**, including the territorial ~~scope of~~ application and the timeframe of that increase, without undue delay and in any event within [48] hours

after receiving the request referred to in paragraph 1. In case of a negative decision, the Commission shall provide grounds for it. In adopting such an implementing act, the Commission shall take into account the principles referred to in Article 37(6).

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

5. The measure shall cease to apply at the end of the timeframe provided for in the Commission implementing act. In duly justified cases, where the circumstances set out in Article A justifying the adoption of the measure continue to exist, change or cease to exist, the Commission shall on its own initiative or after request from the Member state concerned, without undue delay, adopt a new implementing act under paragraph 3 amending or repealing the measure. Paragraph 2 shall also apply.

Article C Emergency switching in exceptional circumstances

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

- (a) to ensure the continuity of digital euro payment functions;
- (b) to protect the access of digital euro users to their digital euro holdings.

1a. For the purpose of this Article, ~~the~~ emergency switching shall mean an authorisation of the switching of the provision of mandatory digital euro payment and mandatory acquiring services, as referred to in Annex II and Annex IIa, from one payment service provider or providers to another payment service provider or providers designated by the Member State in accordance with Article D(1). The receiving payment service provider shall perform the **emergency** switching upon notification of such authorisation, without undue delay and without the need to exchange information with the unavailable payment service provider.

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

3. The emergency switching under this Article shall be a temporary measure. It shall only apply for as long as the measure is justified in view of the achievement of the objectives set out in paragraph 1. Where the circumstances set out in Article A justifying the adoption of the measure change or cease to exist, the measure shall be amended or repealed according to the same methods and procedures that led to its adoption. The duration of the measure shall not exceed three months. ~~Upon expiry~~ **Before expiration** of that period, the Member State concerned may submit a renewed request in accordance with this Article, where duly justified.

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

5. Upon the opening of a digital euro payment account, payment service providers shall request from digital euro users their authorisation to share, with other authorities or entities designated to provide temporary digital euro payment services according to Article D, the information necessary to identify the direct liability in digital euro of the European Central Bank or of national central banks towards the digital euro user in order to facilitate the emergency switching in the conditions established in this article. Digital euro users may also decide not to give that authorisation to share the information necessary to

identify the direct liability in digital euro of the European Central Bank or of national central banks towards the digital euro user or withdraw it at any time thereafter.

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

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

1. In the circumstances set out in Article A, and only for as long as it is justified, Member States may decide that one or more of the authorities or other entities referred to in Article 1 (1) points (a) to (d), and (f) of the Directive (EU) 2015/2366 shall provide temporary digital euro payment services ~~and payment instruments~~ to the persons and entities referred to in Article 12a(1), points (a) to (f) that are necessary to facilitate the continuity of daily mandatory digital euro payment services.

ANNEX I Digital euro payment services

~~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 and Article 37;~~

~~(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 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 any other digital euro payment services in addition to on top of basic the digital euro payment services mentionned in points (a) to (c) pursuant to Annex II.~~

ANNEX II Basic-Mandatory digital euro payment services

Basic-Mandatory digital euro payment services ~~for natural persons~~ shall consist of:

(a) opening, holding, **managing** and closing ~~of a one~~ digital euro payment account **per digital euro user** payment service provider, including consulting balances and transaction records;

~~(b) managing a digital euro payment account, including consulting balances and transaction records;~~

(ba) switching of payment service provider as referred to in Article 31 and Article C;

c) ~~non-~~ manual and ~~or~~ automated funding and defunding from ~~or into a~~ non-digital euro payment accounts, , **including funding and defunding operations as referred to in Article 13a(2b4), except funding operations referred to in Article 13(4b)** if the digital euro payment account and the non-digital euro payment account are provided by ~~different~~ **the same** PSPs;

(d) manual funding and defunding from or to euro banknotes and coins if the distributing payment service providers provides such services for non-digital euro payment accounts, and only in the same manner, in which it provides such cash services for non-digital euro payment accounts, as referred to 3a(2b3); ~~manual funding and defunding from / or into cash;~~

(e) ~~enabling the~~ initiation and reception of **online and offline** digital euro payment transactions by means of a **an electronic** payment instrument, ~~to the exclusion of conditional digital euro payment transactions other than including standing orders and pre-authorisation service for online digital euro payment transactions, in the following use cases:~~

- ~~person to person people~~ digital euro payment transactions;
- ~~point of interaction~~ digital euro payment transactions, including point of sale and e-commerce;
- ~~government to person and person to government~~ digital euro payment transactions.

~~(f) digital euro payment transactions referred to in Article 13(4) and~~

(g) ~~providing~~ ~~at least, upon request of the user,~~ one **or more electronic** payment instruments for the execution of **online or offline** digital euro payment transactions **and one payment instrument for the execution of offline digital euro payment transactions**, such as referred to in letter (e);

(h) providing pre-dispute services as referred to in Article 2;

(i) providing dispute services as referred to in Article 27.

(j) managing digital euro users' local storage devices;

ANNEX IIa Mandatory acquiring services

(a) opening, holding, managing and closing of digital euro payment accounts, including consulting balances and transactions;

(b) funding and defunding operations as referred to in Article 13a (3) (a) and (b)(4);

(c) enabling the reception ~~and initiation~~ of online and offline digital euro payment transactions, including pre-authorisation service for online digital euro payment transactions;

(ca) initiating refund transactions;

(e) providing pre-dispute services as referred to in Article 2(37);

(f) providing dispute services as referred to in Article 27.

(g) provide businesses with the possibility to transfer a batch of digital euro funds to their non-digital euro payment accounts only once within a pre-defined time limit ('batch pay-out'), respecting any limit set in accordance with Article 16.

ANNEX III

Personal data processed by **PSP payment service providers**

1. For the purpose of ~~point (a) of~~ Article 34(1)(a), 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 the digital euro user and the unique digital euro payment ~~access account~~ number; ~~and~~

(iv) information on online digital euro payment transactions, including the transaction identifier and the transaction amount.

~~(v) funding and defunding data as defined in Article 37(4).~~

2. For the purpose of ~~point (b) of~~ Article 34(1)(b), processing shall be limited to:

(i) the user identifier;

(ii) the user authentication;

(iii) information on digital euro payment accounts, including the unique digital euro payment ~~access account~~ number; and

(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)(c) ~~and (c')~~, 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.

(iii) attributes of the authenticity of the local storage device; and

(iv) attributes of the authenticity of the offline digital euro.

4. For the purpose of ~~point (cb) of~~ Article 34(1)(cb), processing shall be limited to:

(i) information necessary to identify the direct liability in digital euro of the European Central Bank or of national central banks towards the digital euro user.

5. For the purpose of Article 34(1)(c'), processing shall be limited to:

(i) funding and defunding data as defined in Article 37(4).

ANNEX IV

Personal data processed by the European Central Bank and national central banks

1. For the purposes of point (a) Article 35(1), processing shall be limited to:

(i) information on digital euro payment accounts, including the unique digital euro payment ~~access account~~ number; and

(ii) information on online digital euro payment transactions **and** information linked to a unique digital euro payment ~~access account~~ number, including the transaction amount

2. For the purpose of point (b) of Article 35(1), processing shall be limited to:

(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.

3. 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 on the local storage device, including the local storage device number.

4. For the purposes of points (d) and (e) of Article 35(1), and the single access point referred to in Article ~~34~~ **35**(8), processing shall be limited to:

(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 ~~access account~~ number, digital euro holdings of the user, the holding limit selected by the user and the type of digital euro account.

5. For the purposes of point (ca) of Article 35(1), processing shall be limited to: ~~(i) attributes of the authenticity of the offline digital euro;~~

For the purpose of points (f) and (g) of Article 35(1), processing shall be limited to:

(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.

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.

ANNEX VI

Correspondence table for the [payment] services to be provided in the framework of the DER, Annex II, and the related license required under PSD3/R

DER Annex II	PSD3/R Annex II
(a) opening, holding, managing and closing one digital euro payment account per payment service provider, including consulting balances and transaction records;	No equivalent separate service
(ba) switching of payment service provider as referred to in Article 31 and Article C.	No equivalent service, as this is not considered a payment service
c) manual and automated funding and defunding from or into non-digital euro payment accounts, if the digital euro payment account and the non-digital euro payment account are provided by the same PSPs;	Equivalent to point 2 in Annex II of the PSD3/R concerning execution of payment transactions, including transfers of funds from and to a payment account, including where the funds are covered by a credit line with the user's payment service provider or with another payment service provider.
(d) manual funding and defunding from or to euro banknotes and coins if the distributing payment service providers provides such services for non-digital euro payment accounts, and only in the same manner, in which it provides such services for non-digital euro payment accounts, as referred to 3a(2b);	Equivalent to point 1 in Annex II of the PSD3/R concerning services enabling cash to be placed on and/or withdrawn from a payment account. <i>Such service would require a Payment institution license.</i>
(e) enabling the initiation and reception of online and offline digital euro payment transactions, including standing orders and pre-authorisation service for online digital euro payment transactions.	Equivalent to point 2 in Annex II of the PSD3/R concerning execution of payment transactions, including transfers of funds from and to a payment account, including where the funds are covered by a credit line with the user's payment service provider or with another payment service provider, and point 3 concerning issuing of payment instruments. Such services would require a Payment institution license
(g) providing, upon request of the user, one or more payment instruments for the execution of online or offline digital euro payment transactions, such as referred to in letter (e);	Equivalent to point 3 in Annex II of the PSD3/R concerning issuing of payment instruments. <i>No need for an additional license as already required by (e)</i>

(h) providing pre-dispute services as referred to in Article 2.	No equivalent service, as this is not considered a payment service
(i) providing dispute services as referred to in Article 27.	No equivalent service, as this is not considered a payment service
(j) managing digital euro users' local storage devices;	[TBD]

ANNEX VIa

Correspondence table for the services to be provided in the framework of the DER, Annex IIa, and the related license required under PSD3/R

DER Annex IIa	PSD3/R Annex II
(a) opening, holding, managing and closing of digital euro payment accounts, including consulting balances and transactions;	No equivalent separate service
(b) funding and defunding operations as referred to in Article 13a (3) (a) and (b);	Equivalent to point 4 in Annex II of the PSD3/R concerning the acquiring of payment transactions.
(c) enabling the reception of online and offline digital euro payment transactions, including pre-authorisation service for online digital euro payment transactions;	Equivalent to point 4 in Annex II of the PSD3/R concerning the acquiring of payment transactions.
(ca) initiating refund transactions.	Equivalent to point 4 in Annex II of the PSD3/R concerning the acquiring of payment transactions.
(e) providing pre-dispute services as referred to in Article 2(37);	No equivalent service, as this is not considered a payment service
(f) providing dispute services as referred to in Article 27.	No equivalent service, as this is not considered a payment service
(g) provide businesses with the possibility to transfer a batch of digital euro funds to their non-digital euro payment accounts only once within a pre-defined time limit ('batch pay-out'), respecting any limit set in accordance with Article 16.	[TBD]

End