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From:	Presidency
To:	Working Party on Financial Services and the Banking Union (Digital Euro Package) Financial Services Attachés
Subject:	Digital euro - WP meeting on 15-16 May 2025 - Presidency Note on strengthening resilience and preparedness of the European retail payment landscape by digital euro

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Polska Prezydencja w Radzie UE
Polish presidency of the Council of the EU
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Digital Euro Regulation
Brussels, 15-16 May 2025

Presidency discussion note on strengthening resilience and preparedness of European retail payment landscape by digital euro

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Introduction

In the current geopolitical situation, resilience considerations are becoming increasingly prominent in all policy areas, as the European Union's general security environment is changing. This is highlighted, for example, in the report on Strengthening Europe's Civilian and Military Preparedness in 2024[1] and in Joint Communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the European Preparedness Union Strategy (JOIN (2025) 130 final). This includes considerations as regards the need to ensure the continuity of digital payments.

As designed, the digital euro could strengthen the autonomy and resilience of the single currency for payment use cases, by ensuring that citizens can use the euro for digital payments across the euro area. This is also supported by its legal tender status, which ensures its wide acceptance as the official currency of the euro area. Its offline modality which must be available as of the first issuance of digital euro, will ensure usage without connectivity and is a key feature for ensuring built-in resilience. In addition to these elements, some targeted improvements to the DER are possible to enhance resilience also in exceptional circumstances.

CHAPTER I

At the CWP of January 2025, Estonia, Finland, Latvia and Lithuania put forward in their non-paper on the resilience of the digital euro ("the non-paper") a series of amendments to the Digital Euro Regulation (DER), the objective of which was to enhance the role of the digital euro for the resilience of the euro area's payment landscape. Whilst Member States, the Commission and the ECB welcomed the ultimate goal of the non-paper and were open to considering the measures proposed, the Commission and Council Legal Services highlighted the need to frame the proposals in a way that would ensure that the same rules would apply, even in exceptional circumstances, throughout the EU, and that it would be consistent with the TUE and with the legal basis for the DER.

Following up on the written comments by Member States and supported by the Commission, the Presidency puts forward a proposal that aims at achieving the goals foreseen in the non-paper, whilst framing the measures in a way that is legally and

[1] Niinistö (2024). Safer Together – Strengthening Europe's Civilian and Military Preparedness and Readiness. See also the Joint Communication on the European Preparedness Union Strategy (2025) and the Preparedness Union Strategy – Action Plan (2025), in particular Action No. 25.

institutionally sound. This proposal is also supported by the Eurosystem's technical feasibility analysis.

These measures, which would only apply in exceptional circumstances, include the possibility to raise holding limits for the offline digital euro and to activate emergency switching as temporary measures, as well as mechanisms to enhance distribution of the digital euro under normal times as well as under exceptional circumstances.

1. Definition of exceptional circumstances and specific measures

In their non-paper, the four Member States propose a definition of exceptional circumstances that focuses on "extensive disruptions in the essential state functions and functioning of society, in particular disruption of payment services…or cause great property, economic or environmental damage, ... negatively affecting the population of the Union….and which is determined or officially declared in accordance with the relevant procedures under Union or national law". Whereas this definition was meant to be extensive in order to cover all possible scenarios, Member States pointed out in their comments that it would need to be more circumscribed and objective. In addition, the proposed definition only covers situations where disruptions have materialised, whereas it may be effectively too late to implement certain measures, like for instance raising offline limits, as it pre-supposes the possibility to top-up accounts when there is still connectivity.

Taking this into account, the Presidency proposes to more distinctly frame in Article A the exceptional circumstances that can trigger the resilience measures. It is based on the following premises: 1) it should be as objectively framed as possible; 2) it should include both situations where the risks are building-up and where disruptions arise, and 3) it should be related to the continuity of payments. These premises should balance the need for objectivity with the need for flexibility.

It is important to recognise that the concrete situations covered by the concept of exceptional circumstances can widely differ and have different impacts/call for different solutions, as mentioned in the Eurosystem analysis. In this context, it is key to ensure that the definition of exceptional circumstances can cover multiple scenarios, and that the measures that can be applied can also be diverse and adapted to the circumstances of each situation. In addition, it will not always be possible to activate in practice each of the measures provided for in the proposed new Articles, as this will depend on the circumstances. At the same time, it is equally important that the definition is as objective as possible, in order to properly frame the circumstances under which the measures can be implemented. This was also stressed in Member State's comments.

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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 payments or digital euro operations, 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 transaction limits;

b) emergency switching;

c) enhancing the distribution of the digital euro

Question to the Member States:

Q1. *Do you agree with the proposed framing of exceptional circumstances?*

2. Raising offline and transaction limits

In their non-paper, the four Member States propose to include in the digital euro Regulation the flexibility to temporarily increase the limits and online use of digital euro services in exceptional circumstances. They also propose that the Commission takes into account the needs in exceptional circumstances in the setting of offline digital euro transaction and holding limits.

The Presidency notes the observations in the Eurosystem analysis on the primary role that the offline functionality of the digital euro would play under exceptional circumstances. The continued use of online digital euro would require the continued availability of PSPs to provide digital euro services, which is unlikely to be the case during exceptional circumstances. Therefore, the offline digital euro functionality can be expected to play the main role in ensuring the continued availability of citizens' access to digital payments. The current draft Regulation foresees limits on offline holdings (within the overall holding limit) and on offline transactions, decided on by the Commission to manage money laundering and terrorism financing risks.

Additionally, the Presidency notes that changing the overall holding limit of the digital euro could have an impact that reaches beyond the considerations of resilience under exceptional circumstances. From the perspective of Member States, also during the January CWP, a number of Member States voiced scepticism regarding the proposal to raise overall holding limits due to financial stability considerations.

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For reasons given above, the Presidency proposes including in the DER the possibility to temporarily raise offline holding and transaction limits under exceptional circumstances, based on either a reasoned proposal from one or more Member States, or the Commission.

In that context, it should be noted that offline holding limits should remain within the overall holding limits. Taking into account the need to balance AML/CFT risks related to offline use with the useability of the digital euro, it is likely that there is margin of manoeuvre to raise offline limits without exceeding overall holdings – which would be in breach of Article 16 (4) of the DER.

The Presidency proposes a dedicated Article to specify the procedure for raising the offline holding and transaction limits, as preferred by many Member States during the January CWP. It balances the need for timely action in exceptional circumstances with the need for the ECB and/or other Member States to provide opinions before the Commission decides, based on the derogatory regime for offline payments, on the raising of offline limits. A related additional recital could, inter alia, further specify the details that the request and the specified timeframe therein must fulfil, as well as the role of the Commission in assessing the request.

The proposal by the four Member States to add to Article 37(6) the obligation for the Commission to factor in the setting of the offline limits the consideration that those limits should be sufficiently high for purchases of necessities during exceptional circumstances would be equivalent to setting a minimum level for the said limits, independently of risk considerations, which would be problematic from an AML/CFT perspective.

Article B – Procedures for raising the offline holding and transaction limits

1. **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, which shall respect the limits to the use of the digital euro as a store of value set out in accordance with Article 16. The request shall specify the relevant territories and users and shall contain the grounds justifying that measure and the envisaged precise timeframe.**
2. **The European Central Bank and/or the Member States other than those requesting the measure envisaged in paragraph 1 may submit their opinion on the proposed measure within a time limit of [24] hours from the notification of the request by the Commission.**
3. **The Commission shall adopt its implementing act 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.**
4. **The Commission may adopt such a measure also on its own initiative. Paragraph 2 shall apply mutatis mutandis**

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Question to the Member States:

> ***Q2.*** *Do you agree with the proposal to allow for temporary raising the offline holding and transaction limits?*

3. Switching: normal and exceptional circumstances

In their non-paper, the four Member States highlight the importance of enabling the activation of "emergency switching" in an individual Member State, to ensure essential State functions concerning public security, defence and national security in exceptional circumstances. The Member States therefore propose changes to Article 31 (switching) and the relevant recital 67a (as proposed by the Belgian Presidency).

The Presidency recognises the need to expand the grounds on which emergency switching can be activated. The intention of Article 31 is to allow users at all times and upon their request to switch between PSPs that provide digital euro services, while maintaining the same digital euro payment account number. In case the PSP is operationally not in a position to fulfil a user's request to switch (or has lost account-related data), Article 31(2) foresees in the possibility for the Eurosystem to authorise the switching without the involvement of this PSP, with switching being performed upon the user's request. This would enable the new PSP to perform the switching without the need to exchange information with the unavailable PSP. Under no circumstance, the Eurosystem would be in a position to technically perform the switching, as it does not have access to the required data of individual users. And the aim of the new Article C, on the other hand, is to cater for exceptional situations, where the emergency switching as a temporary measure may be activated upon the request of a Member State.

3.1 Switching under normal circumstances – Article 31

In the discussion held in the February Council Working Party, there was broad support among delegations for enabling switching PSPs in the context of the digital euro, though views differed on terminology, definitions and implementation. Some Member States asked for more clarification on the information to be exchanged between PSPs and whether this conflicts with the requirements to switch account information under the PSD2. Additionally, some Member States stressed that the term "switching PSP" or "switching services" was more appropriate than "switching accounts," as what was

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being transferred were access codes or identifiers, not the bank accounts in the traditional sense. Some delegations emphasised the need to avoid creating the impression that users would open an account directly with the ECB, stressing that this would not be legally possible under the Treaty.

To cater for these requests for clarification and with a view to a better delineation between normal and exceptional circumstances covered by the resilience articles, the Presidency proposes amendments to Article 31 in the Annex to this note.

Question to the Member States:

Q3. *Do you agree with the proposed redrafting to Article 31?*

3.2 Switching under exceptional circumstances and use of common front-end services

The proposal of the four Member States requires the authorisation of switching on different grounds and with a different scope: instead of allowing for switching for individual PSPs that are operationally unavailable, the activation of emergency switching by the ECB or the relevant national central bank would cover all PSPs affected by exceptional circumstances that are located in one or more affected Member States. Users would be switched to an entity designated by the Member State (see paragraph 4), which could temporarily provide users with access digital euro payment services and instruments that are necessary to facilitate the continuity of daily payments.

The Eurosystem analysis points out the technical considerations on allowing for switching under exceptional circumstances. As explained by the ECB in a previous technical seminar, following the privacy model for the digital euro the Eurosystem will not be able to link the identity of a user to their digital euro holding. For this reason, a user will always need to provide technical proof of the ownership of the holdings when switching is carried out when the originating PSP is not operationally available. That technical proof will allow to link the identity of the user to their digital euro holdings and complete the switching to the designated entity.

The Presidency considers that PSPs or Member States could consider providing a repository for users to store their technical proof. The ECB or national central banks should not provide this service, for two main reasons: First, the ECB or the national central banks cannot have a contractual relationship between the aforementioned entities and digital euro users. Second, the set-up should maintain the adequate separation of data that underpins the privacy model for the digital euro. Users can opt

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in with regard to the storing of their technical proof in that repository by the PSPs/entities that will ensure the continuity of the payments in exceptional situations. Additionally, the digital euro scheme would need to provide for the framework under which the repository could be used for switching under exceptional circumstances. In line with data protection requirements, the repository itself should be subject to privacy and security requirements.

Alternatively, the regulation could mandate that all digital euro users' technical proofs are stored centrally by PSPs or a public authority that is not NCB/ECB. In such scenario the regulation should lay down the conditions and access to this repository.

Both of these options would require additional privacy/data protection assessment.

This additional form of switching would require a specific legal basis with specific conditions to be fulfilled, to ensure that this automatic switching can only be activated in exceptional circumstances, with adequate reasoning by the requesting Member State. Furthermore, it should be applied in a consistent manner across Member States. The Presidency therefore proposes to provide a legal basis for emergency switching under exceptional circumstances in a separate article from switching under Article 31.

The four Member States also propose facilitating front-end solutions independent from intermediating banks' digital channels for resilience purposes. The Eurosystem analysis points at the added value of the front-end services developed by the Eurosystem that PSPs would need to mandatorily support set out under Article 28 of the Regulation. Article 28 also provides the basis for PSPs to develop front-end services. This would also allow common private or public initiatives to be used as the front-end services as suggested by the four Member States. The Presidency, therefore, does not see a need to suggest any changes to the legislative proposal concerning Article 28.

Similarly, with regard to Article 25, the Presidency does not see the need for amendments to this Article, as it already provides sufficient options for front-end solutions to either be interoperable or integrated with the European digital identity wallet (EDIW) depending inter-alia on the development of use cases for the EDIW (like the payments use case).Those options could also be used in crisis scenarios and exceptional circumstances.

Article C – emergency switching in exceptional circumstances

1. Upon the reasoned request of a Member State, the European Central Bank or the relevant national central bank may authorise the emergency switching 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 digital euro payment services from one payment service provider or providers to another payment service provider or providers designated by the Member State. The receiving payment service provider shall perform the switching upon notification of such authorisation, 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.

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

Questions to the Member States:

- ***Q4.*** *Do you agree with the proposal to allow for emergency switching under exceptional circumstances based on a request from Member States?*
- ***Q5.*** *Do you consider it necessary to provide a repository of user technical proofs to facilitate switching in situations as described in case of emergency switching under exceptional circumstances?*
    - ***Q5.1*** *If yes, do you consider that the users should be required to provide the technical proof to the repository, or should they have the option to do so on a voluntary basis?*

4. Enhancing the distribution of the digital euro

In their non-paper, the four Member States propose that the authorities designated by Member States for digital financial inclusion purposes as per Article 14(3) also provide temporary digital payment services in exceptional circumstances. The Eurosystem analysis of the non-paper similarly points out the synergies that are created by adding a resilience mandate to Article 14.

The Presidency proposes to implement the non-paper's general intention in this regard by amending Article 14 paragraphs 3 and 5. Member States, in the written comments following the January 2025 CWP, generally agreed with the principle of being able to designate an entity but questioned which entities can be designated. Consequently, the Presidency proposes to expand in Article 14(3) the scope of authorities or entities

that can be designated by Member States to further include credit institutions, electronic money institutions and payment institutions, but not the ECB or NCBs, as the latter should not enter into contractual relationships with the users and provide directly digital euro payment services, including open digital euro payment accounts, in accordance with the proposed Regulation. This would give more flexibility for Member States, to for instance use PSPs when they do not have a public authority playing that role. Based on the amendments, Member States (i) shall designate entities for the distribution of the digital euro in the framework of Article 14(3); and (ii) may designate the same (or other) authorities or other entities to provide temporary digital euro payment services and instruments to digital euro users under exceptional circumstances.

The entity would provide services on a temporary basis. A new recital is proposed to motivate the designation of entities to temporarily provide basic digital euro payment services in exceptional circumstances, and to justify the need for guidelines from AMLA and the EBA with regard to how to apply AML/CFT obligations in exceptional circumstances, when the need arises for a fast broader access to the digital euro.

On the four Member States` proposal to temporarily distribute pre-paid digital euro cards in exceptional circumstances, the Eurosystem analysis points out that this would be in contravention of the principle that offline payments are made through devices that are linked to a user. In addition, considering that this proposal would not be consistent with the AML Regulation, the Presidency does not provide drafting suggestions to this effect.

Article D: Enhancing the distribution of the digital euro

In the situations provided for by Article A, Member States may decide that the authorities or bodies that they have designated pursuant to Article 14(3) shall, in addition to their other tasks, provide temporary digital euro payment services and payment instruments to digital euro users that are necessary to facilitate the continuity of daily payments.

This provision would be coupled with a re-draft of Article 14 paragraphs 3 and 5 and associated recital XX:

BE Presidency in **bold**, ES Presidency in red, PL Presidency in blue

Article 14
(…)
3. Member States **shall** designate the authorities or other entities referred to in Article 1 (1) point**s (a) to (d), and** (f) of the Directive (EU) 2015/2366, ~~**or post office giro institutions referred to in Article 1, point (c), of the Directive (EU) 2015/2366**~~ to

(a) provide basic digital euro payment services to natural persons referred to in Article ~~13(1)(a)~~ 12a 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.

(…)

5. The **Authority for aA**nti-**Mm**oney **lL**aundering ~~**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 digital euro payment services**:**

(a) ~~**with a particular focus on**~~ **in the context of** 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**;**

(b) in the context of exceptional circumstances foreseen in Article A, in particular where Member States decide that the authorities or bodies that they have designated pursuant to Article 14(3) shall, in addition to their other tasks, provide temporarily digital euro payment services and payment instruments to digital euro users.

Possible associated recital XX:
To safeguard the continuity of digital euro payment functions and to protect access of users to digital euro holdings, Member states may designate authorities or other entities to provide temporary digital euro payment services and instruments to digital euro users under exceptional circumstances. These authorities or entities may be the same as designated for the distribution of the digital euro in the framework of Article 14(3), and Member States may operate under service agreements when designating payment service providers, in order to address the burden imposed on these providers. This could create synergies as under normal circumstances, the designated authorities and entities could be tasked with providing basic digital euro payment services to these consumers as well as the appropriate face-to-face support. This would ensure access to digital euro payment services to vulnerable groups. Under exceptional circumstances, these authorities or entities could be designated to serve a broader range of users with digital euro payment services and instruments to facilitate the continuity of daily payments on a temporary basis. In order to provide guidance on policies, procedures and controls that PSPs should have in place in exceptional circumstances to balance the need for broad access to the digital euro with robust AML/CFT measures, the EBA and AML should issue guidelines.

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Question to Member States:

> ***Q6.*** *Do you agree with the proposal that the authorities or bodies that they have designated pursuant to Article 14(3) may, in addition to their other tasks, provide temporary digital euro payment services and payment instruments to digital euro users that are necessary to facilitate the continuity of daily payments?*

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CHAPTER II

Other discussion items based on the non-paper

1. Setting of offline limits (Article 37(6)(d))

Many Member States expressed their support of having a sufficient offline limit that would reflect the daily needs of buying necessities during exceptional circumstances in Article 37(6)(d) of the non-paper. The Presidency would like to test the Member States openness to include language which requires the Commission to take into account also these types of elements when drawing up the implementing acts on the holding and transaction limits under the proposed Article 37(6)(d). The wording would also respect the overarching principle of "preparedness by design" by ensuring that preparedness aspects are taken into consideration in the decision-making process concerning the setting of the offline limits. (See Annex II for the draft of Article 37)

Question to the Member States:

> ***Q7.*** *Do you agree with the proposal that sufficiently high limits for purchases of necessities during exceptional circumstances should also be considered by the Commission when drawing up the implementing acts on setting offline holding and transaction limits?*

2. Queuing of payments (Articles 15 and 16)

Based on the Member States' comments on the continuity of digital euro services, the Presidency proposes some additional amendments to Articles 15 and 16 compared to the proposals in the non-paper.

The new amendments would better facilitate continued digital euro payments in cases where the banks' payment services are operationally disrupted. In a case where the waterfall functionality is unavailable, smooth operation of digital euro payments could be assured by automatically allowing digital euro settlement beyond the set digital euro

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holding limit as a technical business continuity measure until waterfall functionality becomes available again or in case the emergency switching is performed. (See Annex II for the draft of Articles 15 and 16)

Question to the Member States:

> ***Q8.*** *Do you agree with the proposal that the so called "queuing" of the payments could be envisaged to be included in the legal text in case the waterfall functionality is unavailable?*

3. Definition of exceptional circumstances (Article 2)

The Presidency took note of the written comments provided by the Member States and proposes a revised version of the definition of exceptional circumstances in the proposed Article 2 of the non-paper into the text. Some Member States noted that the definition brings added value to the proposal whereas others had concerns over the too crude or wide drafting. The Presidency added a new safeguard in the text to clarify that exceptional circumstances include especially situations where emergency switching to another PSP within the Member State is not possible or feasible.

Adding clarifying principle-based wording on the responsibilities of the Member States is not a novel approach since many EU legal acts already contain similar language[2]. However, it should be highlighted that the purpose of the Presidency's proposal should not be understood as a prejudice of the interpretation of the Treaties but as a way forward to facilitate the discussion on whether the Member States find added value in having a definition for exceptional circumstances. (See Annex II for the draft of Article 2)

Question to the Member States:

> ***Q9.*** *Do you agree with the proposal to have a definition of exceptional circumstances in the text? If yes, do Member States agree with the legal drafting in Annex II?*

[2] For reference see e.g. DORA (EU) 2022/2554, Article 1(3), Cybersecurity Act (EU) 2019/881, Article 1(2) and NIS 2 Directive (EU) 2022/2555, Article 2(11).

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CHAPTER III

Other discussion items based on Member States' written comments

Digital euro infrastructure

The Presidency took note that many Member States welcome a deeper discussion on the digital euro infrastructure topics based on the written feedback on additional ways of enhancing preparedness and resilience.

Questions to the Member States:

Q10. *Do you agree that resilience of the digital euro infrastructure is an important topic that should be further discussed in the Working Party?*

- ***Q10.1.*** *If yes, which of the following options or a combination of options do you prefer to explore further?*

Option 1: *A more resilient digital euro settlement infrastructure e.g. in the form of:*

- a more decentralized settlement infrastructure to reduce concentration risk (e.g. modelled after SWIFT),
- a geographical requirement for operating sites to be located and operated in the Union,
- technical construction of the system to be based purely on European infrastructure,
- adequate resources, procedures and policies in place for a quick recovery in case of an incident concerning the infrastructure,
- information sharing to relevant national and EU authorities of major incidents or attacks targeting the settlement infrastructure,
- requirement for regular testing of the settlement infrastructure.

Option 2: *A voluntary Member State "opt-in" for a national processing site e.g. in the form of:*

- a separate national settlement processing site that can be used as a temporary and independent back up system to secure the operation of digital euro transactions in the Member State in case of unavailability of the primary settlement infrastructure.

Option 3: *A state of the art technology clause and/or a preparedness by design principle to be taken into account when setting up or updating the settlement infrastructure e.g. in the form of:*

- digital euro settlement infrastructure to be based on state of the art technology,
- digital euro settlement infrastructure to be designed acknowledging the "preparedness by design" principle.

Option 4: *Other additional solutions to strengthen the resilience of the settlement infrastructure?*

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ANNEX I

BE Presidency in **bold**, PL Presidency in blue

Proposal for redraft of Article 31

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

1a. When switching ~~digital euro payment accounts~~ is carried out in accordance with this Article, ~~it shall be ensured that: (a)~~ the digital euro payment account number shall be ~~is~~ maintained.
~~(b) all the relevant information for providing access to the switched digital euro payment account is transferred to the receiving payment service provider.~~

1a2. In cases where the digital euro payment account is held jointly by two or more legal account holders, request for switching shall be made by each of them.

1ab. Without prejudice to Directive 2015/2366, the payment service provider to whom the digital euro payment services are being switched shall, prior to the switching, make available to the digital euro user the list of digital euro payment services it offers beyond the basic services, and that can be switched in addition to the basic services. The digital euro user shall specifically select the services, other than the basic services, that they wish to switch and shall be informed in advance if any fees apply to services other than the basic services.

1ac. Payment service providers shall only exchange the necessary information to enable the switching of the digital euro services.

2. **~~In exceptional circumstances w~~**Where a payment service provider is operationally not in a position to provide **~~switch~~** digital euro **~~payment acounts~~ switching** services to digital euro users **upon their request in the conditions established in paragraph 1 of this article** ~~for a prolonged period of time~~, or has lost the digital euro payment account-related data concerned, the European Central Bank and national central banks may authorise the switching of digital euro payment **~~accounts~~ services** held with that payment service provider to another payment service provider designated by the digital euro user. **~~That switching shall enable~~ ~~Based on this authorisation,~~ This shall enable** the new payment service provider to complete the switching without **~~relying on~~ the need to exchange information with** the unavailable payment service provider.

~~4. The Commission is empowered to adopt delegated acts in accordance with Article 38 in order to supplement this Regulation by specifying the prolonged period of time and identifying the circumstances under which the European Central Bank and national central banks may authorise the switching of digital euro payment accounts in accordance with paragraph 2, as well as the procedural requirements that must as a minimum be observed. When preparing those delegated acts, the Commission shall consult the European Central Bank.~~

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ANNEX II

BE Presidency in **bold**, PL Presidency in blue

Article 2

Definitions

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

37. (new) 'exceptional circumstances' means situations, limited in time, that can cause serious and extensive disruptions in [the essential state functions and functioning of society, in particular disruption of] payment services[, or cause great property, economic or environmental damage, including a natural disaster, a major cybersecurity incident or other attack,] negatively affecting the population of the Union or the whole or part of a Member State, and which is determined or officially declared in accordance with the relevant procedures under Union or national law, in particular in case emergency switching to another PSP within the Member State is not possible or feasible;

Article 15

Principles

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

1a. The European Central Bank and Member States whose currency is the euro shall agree on the rules and procedure enabling temporarily a technical business continuity measure to support continuity of digital euro services in case of exceptional circumstances, in particular when emergency switching is not possible or feasible.

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 **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 payment **services**, the level of charges or fees to be paid by **digital euro users** to payment service providers, or between payment service providers, shall be subject to limits.

Article 16

Limits to the use of the digital euro as a store of value

1. For the purpose of **paragraphs (1) and (1a) in** Article 15~~(1)~~**,** the European Central Bank shall develop instruments to limit the use of the digital euro as a store of value and shall decide on their parameters and use, in accordance with the framework set out in this Article.

PSPs providing account servicing payment services within the meaning of Directive 2015/2366 to natural and legal persons referred to in Article 12(1) shall apply these limits to digital euro payment accounts.

2. The parameters and use of the instruments referred to in paragraph 1 shall:

(a) safeguard the objectives set out in Article 15(1), in particular financial stability;

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

(c) **ensure continuity of digital euro services in case of exceptional circumstances, in particular when emergency switching is not possible or feasible;**

(d) respect the principle of proportionality.

3. The parameters and use of the instruments referred to in paragraph 1 shall be applied in a non-discriminatory manner and uniformly across the euro area.

4. Any holding limits on digital euro payment accounts adopted pursuant to paragraph 1 shall apply to both offline and online holdings. Where a digital euro user uses both an offline and online digital euro, the limit that applies to online digital euro shall equal the overall limit determined by the European Central Bank minus the holding limit for offline digital euro set by digital euro users. A digital euro user may set its offline holding limit at any amount between zero and the holding limit set in accordance with Article 37.

5. Visitors to the euro area as referred to in Article **12a**(1), point (c), and natural and legal persons as referred to in Article **12a**(1), points (b), (d), (e) and **(f),** shall be subject to limits as regards the use of the euro as a store of value that are not higher than the ones effectively implemented in the euro area for natural and legal persons residing or established in Member States whose currency is the euro. The parameters and use of the instruments shall be applied in a non-discriminatory manner and uniformly across Member States whose currency is not the euro. When deciding on the use of the instruments in those Member States and setting the parameters, the European Central Bank shall consult national central banks of Member States whose currency is not the euro.

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 by more than one digital euro user, any holding limit on **this** digital euro payment account shall **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 ECB may alone or jointly with national central banks establish a single access point.

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8. The digital euro shall not bear interest.

Article 37

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. Transaction data shall not be retained by payment service providers or by the European central banks and the national central banks.

3. Payment service providers shall retain data of funding and defunding for storing digital euros on payment instruments in accordance with Article 40 of Directive (EU) 2015/849 and national provisions transposing that Article. Payment service providers shall, upon request, make those data available to the Financial Intelligence Unit and other competent authorities as referred in Article 2(**4**) of Regulation **(EU) 2024/1624**.

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 **shall** adopt implementing acts setting offline digital euro payment transaction limits, **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;

(d) the limits are sufficiently high for purchases of necessities during exceptional circumstances.

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For the purposes of point (a) **and (b),** the Commission **shall** request **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 **shall** consult the European Data Protection Board.

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