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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:	Legal Tender of Cash Regulation: WP on 11 June - Presidency note accompanying drafting proposals

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Legal Tender of Cash Regulation

Brussels, 11 June 2025

Presidency note accompanying drafting proposals

PUBLIC

Following the discussion at the 31 March CWP and the written comments received from MS, and in light of the broad support for the proposals, the Presidency made only minor changes to the provisions.

The Presidency believes that the current version of the draft provides a stable and balanced basis for future work. It reflects a broad consensus on the main objectives of the draft, as well as the conclusions and adjustments resulting from the Working Party meetings. It takes into account the different approaches and priorities expressed by Member States in a balanced manner.

Some comments and possible amendments resulting from them were not included in the text of the proposal as, in the view of the Presidency:

- they were not aligned with the views of Member States on these particular issues; or
- the comments were made in relation to the text that had already been deemed stable.

The Presidency is convinced that any adjustments that may be necessary during the further negotiation process will be clarifying rather than structural in nature. The Presidency encourages Member States to treat the proposed drafting suggestions as a stable compromise, which could lead to a swift agreement on the wording of the entire text, with further constructive engagement from all sides and the upcoming Presidency.

The Presidency would like to draw attention to one issue related to the wording of Article 12. The Presidency notes the support of the Member States for the proposal to replace 'shall' with 'may' in the proposed Article 12, but would like to point out that the use of 'may' is not used when it comes to provisions on penalties in Union law. Indeed, the provision on penalties is a more concrete expression of the obligation of sincere cooperation set out in Article 4(3) TEU. In view of the above, the existing legislative practice, and the nature of the regulation, the PRES maintains the use of the word 'shall' in the proposed Article 12.

All new amendments by the PRES are highlighted in yellow.

Questions for the Member States:

1. Do you accept the new drafting suggestions proposed by the Presidency?
2. Do you still see any major outstanding issues that need addressing?