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*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council
on the establishment of the digital euro
(COM(2023)0369 – C9-0219/2023 – 2023/0212(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Fernando Navarrete Rojas

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council on the establishment of the digital euro
(COM(2023)0369 – C9-0219/2023 – 2023/0212(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2023)0369),
 - having regard to Article 294(2) and Article 133 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0219/2023),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Central Bank of 31 October 2023¹,
 - having regard to the opinion of the European Economic and Social Committee²,
 - having regard to Rule 60 of its Rules of Procedure,
 - having regard to the opinion of the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A10-0185/2026),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 2024/669 of 12.1.2024, ELI: <http://data.europa.eu/eli/C/2024/669/oj>.

² OJ C [...], [...], p. [...].

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

2023/0212 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the establishment of the digital euro

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 133 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank³,

Having regard to the opinion of the European Economic and Social Committee⁴,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Commission emphasised in the Digital Finance and Retail Payment Strategies⁵ of September 2020 *and updated in November 2023* that a digital euro, as a retail central bank digital currency, *available for both consumers and businesses*, would act as a catalyst for innovation in payments, finance and commerce in the context of ongoing efforts to reduce the fragmentation of the Union retail payments market. The *Eurosummits* of March 2021 *and October 2025* called for a stronger and more innovative digital finance sector and more efficient and resilient payment systems *and reiterated that in an increasingly digital world, the digital euro offers a strategic opportunity for supporting a resilient European payment system, contributing to Europe's strategic autonomy and economic security, and strengthening the*

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol **■**.

³ OJ C [...], [...], p. [...].

⁴ OJ C [...], [...], p. [...].

⁵ Communication from the Commission to the European Parliament, the Council and the Committee of the Regions on a Digital Finance Strategy for the EU (COM/2020/591 final)

international role of the euro. ■ In that context, both the European Parliament⁶ and ECOFIN Council⁷ welcomed in February and March 2022 the European Central Bank's decision to launch a two-year investigation phase of a digital euro project, starting from October 2021.

- (2) On 2 October 2020, the European Central Bank published its “Report on a digital euro”⁸. The report formed the basis for seeking views on the benefits and challenges of issuing a digital euro and on its possible design, **including both online and offline digital euro payment functionalities. Subsequently, on 30 October 2025, the European Central Bank published a closing progress report⁹ on the two-year preparation phase to lay the groundwork for the digital euro, focussing on the development of a draft digital euro rulebook, provider selection, testing and experimentation.**
- (3) Central bank money in the form of banknotes and coins cannot be used for online payments. Today, online payments rely entirely on commercial bank money. The acceptability and fungibility of commercial bank money rely on its convertibility on a one-to-one basis to central bank money with legal tender, which serves as a monetary anchor. That monetary anchor is at the core of the functioning of monetary and financial systems. It underpins users' confidence in commercial bank money and in the euro as a currency and is therefore essential to safeguard the stability of the monetary system in a digitalised economy and society. As central bank money in physical form alone cannot address the needs of a rapidly digitalising economy, this could gradually remove the monetary anchor for commercial bank money. **Additionally, to address the increasing challenges to the Union economy and the Union's strategic sovereignty, the Union payments infrastructure should aim to reduce dependence on non-European providers and ensure that citizens and businesses have sovereign, secure, efficient and accessible options for their daily payments. The introduction of the digital euro would offer a twofold solution: it would reduce overreliance on non-European providers by becoming a pan-European means of payment and it would bring the single currency into the digital era by giving Union citizens the freedom to opt to pay with central bank money in their daily transactions.** ■
- (4) To address the need of a rapidly digitalising economy, the digital euro should support a variety of use cases of retail payments. Those use case include person to person, person to business, person to government, business to person, business to business, business to government, government to person, government to business, and government to government payments. In addition, the digital euro should also be able to fulfil future payments needs, and in particular machine to machine payment in the context of Industry 4.0 and payments in the decentralised internet (web3). The **retail solution for the digital euro** should not cater for payments between financial intermediaries, payment service providers and other market participants (that is to say wholesale payments), for which settlement systems in central bank money exist and where the use of different technologies is being further investigated by the Eurosystem.
- (5) In a context **of the increasing digitalisation of the** economy, it is essential to support financial inclusion by ensuring **an accessible** digital euro, specifically catering for

⁶ European Parliament's resolution of 16 February 2022 on the European Central Bank – annual report 2021/2021/2063(INI)

⁷ <https://data.consilium.europa.eu/doc/document/ST-6301-2022-INIT/en/pdf>

⁸ European Central Bank, [Report on a digital euro](#), October 2020.

⁹ **European Central Bank, Closing progress report, October 2025**

vulnerable groups of the society. ■ According to the World Bank and the Bank for International Settlements, “efficient, accessible and safe retail payment systems and services are critical for greater financial inclusion”.¹⁰ That finding was further substantiated by the study on new Digital Payment Methods commissioned by the European Central Bank, which concluded that for the unbanked/underbanked/offline population, the most important features of a new payment method are easiness of use, not requiring technological skills, and to be secure and free of charge.¹¹ A digital euro would ■ support financial inclusion as it would be designed along these objectives, thus catering for free access, easiness of use and wide accessibility and acceptance.

- (6) The digital euro should complement euro banknotes and coins and should not replace the physical forms of the single currency. As legal tender instruments, both cash and digital euro are equally important *and people should have the freedom to choose how to pay*. Regulation (EU) .../...^{*}, Directive (EU) .../...^{**}, Regulation (EU) .../...^{***} and, with regard to instant transfers in euros, Regulation (EU) No 260/2012 of the European Parliament and of the Council¹², Regulation (EU) 2021/1230 of the European Parliament and of the Council¹³, Directive 98/26/EC of the European Parliament and of the Council¹⁴ and Directive (EU) 2015/2366 of the European Parliament and of the Council¹⁵, aim to strengthen both physical central bank money and retail digital payment solutions. Regulation (EU) .../...^{****} ■ would harmonise legal tender for cash and ensure that cash is widely distributed and effectively used, *through, inter alia, the possibility of imposing penalties for infringements of that Regulation*.
- (7) Future developments in digital payments may affect the role of the euro in retail payment markets both in the European Union and internationally. ■ *For instance*, so-called third country stablecoins not denominated in euro *and their derivatives*, could, if widely used for payments, displace euro denominated payments in the Union’s economy by

¹⁰ <https://documents1.worldbank.org/curated/en/806481470154477031/pdf/Payment-Aspects-of-Financial-Inclusion.pdf>

¹¹ Study on New Digital Payment Methods (europa.eu), March 2022. According to the World Bank, financial inclusion means that individuals have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance”.

^{*} *OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... (2023/0208(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.*

^{**} *OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... (2023/0209(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.*

^{***} *OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... (2023/0210(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.*

¹² ^{1a} Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (OJ L 94, 30.3.2012, p. 22, ELI: <http://data.europa.eu/eli/reg/2012/260/oj>)

¹³ Regulation (EU) 2021/1230 of the European Parliament and of the Council of 14 July 2021 on cross border payments in the Union (OJ L 274, 30.07.2021, p. 20, ELI: <http://data.europa.eu/eli/reg/2021/1230/oj>)

¹⁴ Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems (OJ L 166, 11.6.1998, p. 45, ELI: <http://data.europa.eu/eli/dir/1998/26/oj>)

¹⁵ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p.35, ELI: <http://data.europa.eu/eli/dir/2015/2366/oj>)

^{****} *OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... (2023/0208(COD)).*

satisfying demand for programmable payments (which are referred as conditional payments in the context of this Regulation), including in e-commerce, capital markets or industry 4.0. A digital euro would therefore be important to maintain the role of the euro in the digital age.

- (8) It is therefore necessary to lay down a legal framework for establishing a digital form of the euro with the status of legal tender, for *retail* use **■**. As *the digital euro is* a new form of the euro available to the general public, **■ it is ■** necessary to establish *it* and to regulate its main characteristics, as a measure of monetary law. The European Central Bank is competent to issue and to authorise the issuance of the digital euro by national central banks of the Member States whose currency is the euro, exercising its powers under the Treaties. On the basis of those powers and in accordance with the legal framework set out in this Regulation, the European Central Bank should thus be able to decide whether to issue the digital euro, at which times and in what amounts, and other particular measures that are intrinsically connected to its issuance, in addition to banknotes and coins.
- (8a) *To ensure the integrity and independence of the Union's institutional framework, it is necessary for the European Central Bank to maintain a clear separation between, on the one hand, its activities related to the management of the digital euro and, on the other, its monetary policy, supervisory and payment systems oversight tasks under the Treaty on the Functioning of the European Union (TFEU). Establishing robust safeguards against potential conflicts of interest is essential to preserve the impartiality of decision-making and uphold public confidence in the digital euro.*
- (8b) *To ensure transparency, predictability and adequate preparation by all stakeholders, the European Central Bank should publicly announce the envisaged date of the first issuance of the digital euro once it has authorised its issuance.*
- (8c) *In view of the technical and organisational complexity of preparing for the digital euro, the European Central Bank should undertake all necessary preparatory work ahead of that issuance. Such preparatory work includes finalising the digital euro scheme rulebook, developing and deploying the required infrastructure, establishing appropriate governance provisions, conducting pilot testing and defining clear liability rules.*
- (8d) *Following the authorisation of the issuance of the digital euro, the European Central Bank should provide for a roll-out phase of at least 24 months to allow the Eurosystem, payment service providers and digital euro users to reach the necessary level of readiness for a secure, resilient and gradual adaptation. A roll-out phase involves a progressive and controlled introduction of the new instrument, during which technical systems are scaled up, operational processes are tested in real-world conditions, and users and intermediaries are supported in transitioning to the new environment. Any possible postponement of the date of the first issuance of the digital euro by the European Central Bank should not necessarily be reflected in the duration of the roll-out period.*
- (8e) *In addition, before the first issuance of the digital euro, the European Central Bank should carry out pilot testing in a controlled real-life environment for an adequate period of time in order to verify the digital euro's technical reliability, security features and usability. The pilot testing should cover both online and offline digital euro functionalities, with particular attention to offline-specific cyber risks such as*

double-spending prevention, device integrity, and the resilience of secure elements. It should involve a voluntary and representative selection of payment service providers, merchants and end users established or residing in Member States whose currency is the euro, reflecting diverse technological environments, network conditions, device types and user profiles. The pilot testing should be able to include end users from vulnerable groups such as elderly persons, persons with limited digital skills, and persons with disabilities, so as to confirm that the digital euro is accessible and usable for all population groups, including those who are digitally excluded or rely heavily on cash. After completion of the pilot testing, the European Central Bank should publish a report summarising the results and any identified shortcomings and corrective measures taken, including in relation to cyber-security, operational resilience and privacy protection, and transmit it to the European Parliament, the Council and the Commission.

- (9) Like euro banknotes and coins, the digital euro should be a direct liability *on the balance sheet* of the European Central Bank or of the national central banks of the Member States whose currency is the euro towards digital euro users. The digital euro should be issued for an amount equal to the face value of the corresponding liability on the consolidated balance sheet of the European Central Bank and the national central banks of the Member States whose currency is the euro, in particular by converting payment service providers' central bank reserves into digital euro holdings, to satisfy demand from digital euro users. To hold and use digital euros, digital euro users should only need to establish a contractual relationship with payment service providers distributing the digital euro to open digital euro payment accounts. No account or other contractual relationship would be established between the digital euro user and the European Central Bank or the national central banks. Payment service providers should manage the digital euro accounts of digital euro users on their behalf and provide them with digital euro payment services. Since payment service providers are not a party to the direct liability held by digital euro users towards the European Central Bank and the national central banks of the Member States whose currency is the euro, and are acting on behalf of digital euro users, the insolvency of payment service providers would not affect digital euro users.
- (10) The digital euro should be governed by the provisions of this Regulation. They may be supplemented by the delegated acts that the Commission is empowered to adopt pursuant to Articles *14, 16a, 34, 35, 36, 37* and 38, and by the implementing *acts pursuant to Articles 17, 17a, 19, 33* that the Commission is empowered to adopt pursuant to Article *39*. In addition, within the framework of this Regulation and its delegated acts, the European Central Bank may adopt detailed measures, rules and standards pursuant to its own competences. Where such measures, rules and standards have an impact on the protection of individual's rights and freedoms with regard to the processing of personal data, the European Central Bank should consult the European Data Protection Supervisor. *Such detailed measures, rules and standards should fully implement the principles of data minimisation, and of data protection by design and by default, as defined in Regulation (EU) 2016/679, and shall implement privacy-enhancing technologies.* To ensure legal certainty, the Regulation also clarifies that the digital euro is subject to Directive (EU) *2024/1640* of the European Parliament and of

the Council¹⁶, and to Regulation (EU) 2023/1113 of the European Parliament and of the Council¹⁷, without prejudice to the adjusted anti-money laundering and counter terrorist financing framework laid down in this regulation for offline digital euro payment transactions. Digital euro payment transactions and the related payment services are also subject to Directive (EU) 2015/2366¹⁸ of the European Parliament and of the Council, which has provided that ‘funds’ include central bank money issued for retail use (i.e. banknotes, coins and central bank digital currencies), and to Regulation (EU) 2021/1230 of the European Parliament and of the Council¹⁹. In addition, payment service providers providing digital euro payment services are subject to Regulation (EU) 2022/2554 of the European Parliament and of the Council²⁰.

- (10a) *To support the consistent and effective implementation of the digital euro, the European Central Bank should establish an advisory platform dedicated to the digital euro scheme rulebook. That platform should contribute on an ongoing basis to matters such as interoperability between payment service providers, the functioning of the digital euro settlement infrastructure, usability considerations and the development of technical standards for digital euro payment services. Its composition should include participants from the market for payment services, merchants, and representatives of end users and consumer organisations, and should operate with full transparency regarding its membership and working methods. The European Central Bank should also ensure public transparency of the discussions held within the advisory platform.*
- (11) To ensure the effective protection of the legal tender status of the digital euro as a single currency throughout the euro area, and the acceptance of payments in digital euro, rules on sanctions for infringements should be introduced and applied in the Member States.
- (12) The relevant provisions of Directive (EU) 2015/2366, Directive (EU) 2024/1640 and Regulation (EU) 2016/679 of the European Parliament and of the Council²¹ should govern the supervision by competent authorities and the sanctions regime and supervisory arrangements between the competent authorities of the home Member

¹⁶ 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, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 (OJ L, 2024/1640, 19.06.2024, ELI: <http://data.europa.eu/eli/dir/2024/1640/oj>).

¹⁷ 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, 9.06.2023, p.1, ELI: <http://data.europa.eu/eli/reg/2023/1113/oj>).

¹⁸ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p.35, ELI: <http://data.europa.eu/eli/dir/2015/2366/oj>).

¹⁹ Regulation (EU) 2021/1230 of the European Parliament and of the Council of 14 July 2021 on cross border payments in the Union (OJ L 274, 30.07.2021, p. 20, ELI: <http://data.europa.eu/eli/reg/2021/1230/oj>).

²⁰ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011, ELI: <http://data.europa.eu/eli/reg/2022/2554/oj>

²¹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (OJ L 119, 4.5.2016, p.1, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>).

States and of the host Member States, concerning the activities of Payment Services Providers established in Member States whose currency is not the euro. To ensure an efficient supervision of payment services providers distributing the digital euro, the competent authorities responsible under Directive (EU) 2015/2366 for supervising the provision of payment services should also cooperate with the European Central Bank for the purposes of supervising the application of payment-related obligations laid down in *this* Regulation. Any personal data processing under *this* Regulation must comply with Regulation (EU) 2016/679 and Regulation (EU) **2018/1725 of the European Parliament and of the Council**²² insofar as they fall within their respective scope of application. Therefore, the supervisory authorities under Regulation (EU) 2016/679 and Regulation (EU) 2018/1725 are responsible for the supervision of processing of personal data carried out in the context of this Regulation.

- (13) Member States, their relevant authorities and payment service providers should **take adequate** measures **among citizens and merchants** to ensure the necessary level of awareness and knowledge **about the possibilities of access to the digital euro, its use, and its impact on resilience, inclusiveness, and accessibility**. **Those awareness-raising activities should be carried out in close coordination with all relevant stakeholders, including the European Central Bank, the national central banks and the relevant market participants, so as to ensure coherent, accurate and widely accessible communication across the Union.**
- (14) According to the case-law of the Court of Justice of the European Union²³, the concept of ‘legal tender’ of a means of payment denominated in a currency unit signifies, in its ordinary sense, that that means of payment cannot generally be refused in settlement of a debt denominated in the same currency unit, at its full-face value, with the effect of discharging the debt.
- (15) Legal tender status is a defining characteristic of central bank money. In the euro area, until now euro banknotes and coins are the only means of payment that have the status of legal tender, pursuant to Article 128(1) of the TFEU) and **Articles 10 and 11** of Council Regulation (EC) No 974/98²⁴.
- (16) The digital euro, as a digital currency with the status of legal tender denominated in euro issued by the European Central Bank and national central banks of the Member States whose currency is the euro, as part of the Eurosystem, should be widely accessible, usable and accepted as a means of payment. Granting legal tender status to the digital euro should support its usability in payments across the euro area and thus also support the efforts to ensure the continued availability and accessibility of central bank money, as cash alone cannot address the needs of a rapidly digitalising economy. In addition, the mandatory acceptance of payments in digital euro as one of the main conditions of the legal tender status ensures that people and businesses benefit from a wide acceptance and have a real choice to pay with central bank money in a digital way and in a uniform manner throughout the euro area.

²³ See judgment of 26 January 2021 in Joined Cases C-422/19 and C-423/19, *Hessischer Rundfunk*, EU:C:2021:63 point 46.

²⁴ Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (OJ L 139, 11.5.1998, p. 1).

- (17) The digital euro should have legal tender status for *payments of a monetary debt denominated in euro to* a payee residing or established in the euro area, where the payer is also residing or established in the euro area. **In cases where the payee is required to accept both online and offline digital euro payment transactions, the payer should remain free to choose whether to pay with the online or offline digital euro payment functionality. That upholds the principle of legal tender, ensuring that the digital euro is accepted for both online and offline digital euro payment transactions, while respecting the freedom of choice of the payer.**
- (18) Since the digital euro requires the capacity to accept digital means of payment, imposing an obligation of mandatory acceptance of payments in digital euro on all payees could be disproportionate. To this end, exceptions to the mandatory acceptance of payments in digital euro should be provided for natural persons acting *as self-employed persons in a commercial activity or* in the course of a purely personal or household activity. Exceptions to mandatory acceptance should also be provided for *small and* micro enterprises, which are particularly important in the euro area for the development of entrepreneurship job creation and innovation, playing a vital role in shaping the economy. Union policies and actions should reduce regulatory burdens for enterprises of *that* size. Exceptions to mandatory acceptance should also be provided for non-profit legal entities which promote the public interest and serve the public good performing a variety of goals of societal interest, including equity, education, health, environmental protection and human rights. For *small and* microenterprises and non-profit legal entities, the acquisition of the required infrastructure and the acceptance costs *could* be disproportionate. They should therefore be exempted from the obligation to accept payments in digital euro. In such cases, other means for the settlement of monetary debts should remain available. Nevertheless, *small and* microenterprises and non-profit legal entities that accept *other* digital means of payment from payers should be subject to the mandatory acceptance of payments in digital euro. *Other* digital means of payment should include debit card payment or instant payment or other future technological solutions used at the point of interaction, but should exclude credit transfer and direct debit that are not initiated at the point of interaction. *Small and micro enterprises* and non-profit legal entities that do not accept *other* digital means of payment from their payers in settlement of a debt (e.g. they only accept euro banknotes and coins) should not be subject to the mandatory acceptance of payments in digital euro. A payee may also refuse a payment in digital euro if the refusal is made in good faith and if the payee justifies the refusal on legitimate and temporary grounds, proportionate to concrete circumstances beyond its control, leading to an impossibility to accept payments in digital euro at the relevant time of the transaction, such as a power outage in the case of online digital euro payment transactions, or a defective device in the case of offline or online digital euro payment transactions. **Finally, a payee should be able to refuse a payment in digital euro when the payment is to be done at an unmanned point of sale that does not support any other digital means of payment.**

- (20) In order to ensure that people and businesses benefit from a wide acceptance network and are able to effectively use the digital euro in their day-to-day payments, payees who are subject to the mandatory acceptance of payments in digital euro should not unilaterally exclude payments in digital euro through contractual terms that have not been individually negotiated, *where the payer is a consumer or a self-employed person*

engaged in a commercial activity. Such payees should also refrain from engaging in commercial practices that have the object or effect of excluding the use of the digital euro by payers of monetary debts denominated in euro.

- (21) The main objective of the establishment of the digital euro is its use as a form of the single currency with legal tender in the euro area. For this purpose and in line with the Agreement on the European Economic Area, digital euro users residing or established in the euro area, including *individuals belonging to vulnerable groups, such as individuals* with no fixed address, asylum seekers, *beneficiaries of international protection, or* consumers who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons, may be provided *with* digital euro payment services by PSPs established in the European Economic Area. *Natural or legal persons residing or established in Member States whose currency is not the euro, or in third countries, should also be allowed to receive digital euro payment services while they exercise their rights of free movement in a Member State whose currency is the euro. That would cover, among others, citizens who have a right to work, study or provide goods and services in a Member State whose currency is the euro even though they do not reside there. Furthermore, natural and legal persons who were already receiving digital euro payment services, because they opened a digital euro payment account at the time they resided or were established in a Member State whose currency is the euro, but no longer reside or are established in such Member State, may still receive digital euro payment services by payment service providers established in the European Economic Area, in line with the Agreement on the European Economic Area* ■. *Finally, visitors to the euro area should also be allowed to receive digital euro payment services. The European Central Bank should be able to define and impose restrictions on the access and use in time of the digital euro for visitors to the euro area and natural and legal persons who no longer reside nor are established in Member States whose currency is the euro.*
- (22) In accordance with Directive (EU) 2015/2366 of the European Parliament and the Council, the notion of ‘funds’ means banknotes and coins, scriptural money or electronic money. As a new form of central bank money with legal tender, the digital euro should be considered as funds under Directive (EU) 2015/2366. It should be ensured that payment service providers distributing the digital euro should be subject to the requirements laid down in this Directive as transposed by Member States and supervised for this purpose by the competent authorities referred to in this Directive as well. When issuing the digital euro, the European Central Bank and national central banks of the Member States whose currency is the euro, as part of the Eurosystem, would be acting in their capacity as monetary authority and should therefore not be subject to Directive (EU) 2015/2366 in accordance with Article 1(e) of that Directive.
- (23) Digital euro payment accounts are a category of payment accounts denominated in euro through which digital euro users are able to carry out inter alia the following transactions: place funds, withdraw cash and execute and receive payment transactions to and from third parties, irrespective of the technology used and the structure of the ledger or of the data (e.g. whether digital euros are recorded as holding balances or units of value). Where these activities require processing of personal data, the payment service providers should be controllers.
- (23a) *Payment service providers that provide account servicing payment services within the meaning of [PSD3/PSR] should enable digital euro users who are natural persons to*

manually or automatically fund or defund their digital euro payment accounts from or to non-digital euro payment accounts at any point in time. In contrast, legal or natural persons acting as self-employed in a commercial activity should be enabled only to automatically defund their digital euro holdings to a non-digital euro payment account at any point in time, in line with the digital euro holding restrictions applicable to them. In addition, natural persons should be able to fund or defund their digital euro payment accounts from or to euro banknotes and coins, whenever the payment service provider provides cash services. When it does so, cash funding and defunding functionalities in respect of digital euro payment accounts should be provided by the payment service provider in the same manner as that provider provides cash in respect of non-digital euro payment accounts, thus ensuring that digital euro funding and defunding operations are subject to the same terms and conditions which each specific provider applies to cash services, including being free of charge where applicable.

- (23b) *With the exception of the funding and defunding resulting from offline digital euro payment transactions, the funding and defunding of local storage devices should always take place through digital euro payment accounts. As such, payment service providers that provide account servicing payment services within the meaning of [PSD3/PSR] should enable natural persons to manually or automatically fund or defund their local storage devices from or to the corresponding digital euro payment accounts at any point in time.*

- (26) To support universal access to the digital euro by the general public in the euro area, and to foster innovation and a high level of competition in the retail payment market, all the relevant intermediaries should be able to distribute the digital euro. All account servicing payment service providers under Directive (EU) 2015/2366, including credit institutions, electronic money institutions, payment institutions, post office giro institutions which are entitled under national law to provide payment services, the European Central Bank and national central banks of Member States whose currency is the euro, as part of the Eurosystem, when not acting in their capacity as monetary authority or other public authorities, and Member States or their regional or local authorities when not acting in their capacity as public authorities should be able to provide digital euro payment accounts and the related digital euro payment services, regardless of their location in the European Economic Area. Crypto asset services providers regulated under Regulation (EU) 2023/1114 of the European Parliament and of the Council²⁵ that are account servicing payment service providers under Directive (EU) 2015/2366 should also be allowed to distribute the digital euro. ■
- (27) In case the availability of the digital euro were contingent upon free business decisions by all payment service providers, the digital euro could be marginalised or even excluded by the payment service providers. That could prevent users from paying and receiving payments in a form of currency endowed with the status of legal tender. In

²⁵ Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, OJ L150, 9.6.2023, p. 40

that case, the singleness in the use of the digital euro throughout the euro area required by Article 133 TFEU, would not be guaranteed. It is therefore essential that designated payment service providers be required to distribute digital euro ***and provide mandatory digital euro acquiring services and that payees under the acceptance obligation have guaranteed access to mandatory digital euro acquiring services.***

- (28) A requirement to distribute the digital euro should be proportionate to the objective of ensuring an effective use of the digital euro as a legal tender means of payment. Restricting that obligation to credit institutions that are already active in retail business services would ensure the effectiveness of legal tender status, while avoiding putting a disproportionate burden on payment service providers with specialised, non-consumer oriented business models. The obligation to distribute the digital euro is therefore limited to credit institutions providing payment account services at the request of their clients. This is without prejudice to the application of Chapter IV of the Payment Account Directive on access to payment account with basic features to the access to digital euro account with basic features to consumers which are not client of a credit institution. ***The obligation for payment service providers to provide mandatory digital euro acquiring services is limited to their clients who are under the acceptance obligation and to whom they already provide acquiring services.***
- (29) To ensure a wide usage of the digital euro, including for people who do not have a non-digital euro payment account, do not wish to open a digital euro payment account at a credit institution or at another payment service providers that may distribute the digital euro, or persons with disabilities, functional limitations or limited digital skills, and elderly persons, it is essential that public entities, including local or regional authorities, or postal offices, distribute the digital euro. For that purpose, Member States should designate ***one or more public payment service providers*** that should carry out that task within their territory. ***In addition, Member States should be able to entrust such services to one or more private service providers, following a public procurement procedure for that purpose. Member States should also be permitted, by mutual agreement with another Member State, to designate the authority designated in that other Member State to provide such services as its own designated authority, provided that its citizens are granted the same conditions and the same ease of access as they would receive if the authority were established in their own Member State.*** Such entities, as payment services providers under Directive (EU) 2015/2366, should comply with the provisions of this Regulation, including Directive (EU) 2015/2366 and Directive (EU) 2015/849.
- (29a) ***To ensure that access to basic digital euro payment services is effective for vulnerable groups, the application of anti-money laundering and countering the financing of terrorism (AML/CFT) requirements should be specified in a manner that ensure consistency with, and does not undermine, the objective of financial inclusion. In particular, asylum seekers, beneficiaries of international protection, persons with no fixed address and third-country nationals who are not granted a residence permit but whose removal is impossible for legal or factual reasons, can face difficulties in satisfying standard customer due diligence requirements where they are unable to provide official identity documents or a proof of address. The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA), established***

by Regulation (EU) 2024/1620 of the European Parliament and of the Council²⁶ and the European Supervisory Authority (European Banking Authority) (EBA), established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council,²⁷ should therefore, building on existing guidelines, specify the interaction between AML/CFT requirements and the provision of basic digital euro payment services, including the possibility of onboarding on the basis of alternative means of identification and verification or the conditions under which payment service providers are able to apply simplified due diligence or postpone verification where appropriate in accordance with a risk-based approach.

- (29b) *The digital euro should contribute to safeguarding the strategic autonomy of the Union and ensuring that natural and legal persons residing or established in the Union can access and use payment services without undue interference from third countries. To that end, the digital euro should be distributed through public providers or designated entities and ensure universal accessibility and continuity of access. Such distribution channels should contribute to protecting users from disruptions resulting from the extra-territorial application of third-country legislation or sanctions not recognised by the Union. Where persons or entities are affected by an undue interruption, restriction or denial of access to digital payments resulting from such extraterritorial effects of third-country sanctions, the Commission should be able to adopt targeted, temporary and proportionate exceptional measures to restore or preserve effective access to digital euro payment services. Such measures could include temporary adjustments to online or offline transaction or holding limits, the transfer of a digital euro account to a public provider or designated entity, or other operational measures necessary to ensure the continuity and effectiveness of access to the digital euro. Such measures are without prejudice to the application of any restrictive measure adopted by the Union and to the obligations of payment service providers under Union law relating to AML/CFT.*
- (30) To enable a wide usage of the digital euro and keep pace with innovation in digital payments, digital euro payment services should include basic and additional digital euro payment services. Basic digital euro payment services are payment, account or support services that are considered essential for the use of the digital euro by natural persons. This includes inter alia the provision, **upon request of the user**, of at least one payment instrument to natural persons, **beyond the digital euro user interface, such as a payment card**. **Payment service providers that decide to provide digital euro payment services to consumers or do so upon the request of their clients** should provide the entire set of basic digital euro **payment** services. In addition to these basic digital euro payment services, account servicing payment service providers and other payment service providers under Directive 2015/2366 may develop and provide additional digital euro payment services. Additional digital euro payment services include for instance conditional digital euro payment transactions like pay-per-use or payment initiation

²⁶ *Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 (OJ L, 2024/1620, 19.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1620/oj>).*

²⁷ *Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12, ELI: <http://data.europa.eu/eli/reg/2010/1093/oj>).*

services. The digital euro infrastructure should facilitate the deployment of such optional services.

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- (32) An unrestricted use of digital euro as a store of value could endanger financial stability in the euro area, **and undermine the capacity of credit institutions to provide credit to the economy. Accordingly, it is necessary for the European Central Bank, with a view to safeguarding monetary sovereignty and to mitigating risks to the stability of the financial system, while respecting the principle of proportionality and the broader objectives of the digital euro, to define quantitative limits on the digital euro holdings of natural persons and to develop, where needed, other instruments to limit the use of the digital euro as a store of value, such as** limits to conversion of other categories of funds to digital euro in a specified timeframe. **Holding limits should be calibrated, in particular, with a view to safeguarding monetary sovereignty, supporting monetary policy, ensuring the usability and acceptance of the digital euro as a legal tender instrument, and contributing to mitigating risks of a significant outflow of retail deposits and structural disintermediation in the banking sector. Those limits should be in place before the first issuance of the digital euro across the euro area to ensure the use of the digital euro as a single currency.** When deciding on the **parameters to set the limits** and use of **such** instruments ■, the European Central Bank should, **in particular,** respect the principle of an open market economy with free competition, in accordance with Article 127(1) TFEU.
- (32a) **Prior to setting quantitative limits on digital euro holdings, the European Central Bank should, after consulting the European Systemic Risk Board, assess the impact of such limits not only at Union level, but also at Member State level, having regard to the different business models of Union deposit-taking institutions, to ensure that the introduction of the digital euro does not entail any financial instability. When carrying out that assessment, the European Central Bank should consider stress scenarios, including with regard to severe liquidity and tail-risk events, and analyse the granular data concerning the distribution of deposit structures within deposit-taking entities across the Union banking sector, including with regard to the weight of small-value deposits in bank funding and the specific deposit structure of financial institutions primarily relying on retail small-value deposits.**
- (32b) **As a general rule, legal persons should not maintain any digital euro holdings. Nonetheless, legal persons, when acting as payees in digital euro payment transactions, should be allowed to temporarily accumulate digital euro holdings of incoming digital euro payments for a maximum period of 24 hours, to allow for consolidated defunding operations that combine multiple individual defunding operations ('batch defunding'), similar to the emptying of cash registries. Additionally, allowing legal entities to temporarily maintain holdings of digital euro with no limits during severe disruptions of the network is appropriate to ensure that citizens are not deprived of a sovereign payment solution in crisis situations. As soon as the network disruption comes to an end, such temporary holdings should be automatically defunded to the corresponding non-digital euro accounts.**
- (33) Limits should not be used to substitute for early intervention or other supervisory measures. Neither should such limits be imposed to address situations of individual credit institutions which competent resolution authorities or other relevant authorities would normally deal with by using tools and powers at their disposal, including

suspensions of payment, moratoria, measures available under Directive 2013/36/EU, Directive 2014/59/EU or Regulation (EU) No 806/2014, or other similar measures which are aimed at restoring the viability, resolving the institution concerned or otherwise remedying the situation of financial distress.

- (33a) *There should be an overall ceiling to the quantitative limits on digital euro holdings of natural persons defined by the European Central Bank. For the purpose of establishing that ceiling, the European Central Bank should, following the publication of a technical report on the specific quantitative limits on digital euro holdings of natural persons and on any instruments developed to limit the use of the digital euro as a store of value, submit a recommendation to the European Parliament, the Council and the Commission on the figure for the overall ceiling. Within three months of receipt of that recommendation, the Commission should adopt a delegated act to set the overall ceiling to the quantitative limits on digital euro holdings of natural persons, which should be set at a level that avoids interference with the European Central Bank's exclusive power to authorise the issuance of the digital euro. To avoid a scenario where the digital euro is issued without a quantitative limit on digital euro holdings for natural persons first being set, in the event that the Commission delegated act is not in force at the latest by six months from the notification of the delegated act to the European Parliament and the Council on the overall ceiling (for example as the result of an objection being expressed by the European Parliament or the Council), the European Central Bank should be entitled to move forward with the definition of the quantitative limits on digital euro holdings for natural persons in line with its technical report. However, as soon as the delegated act enters into force, the European Central Bank should adjust the quantitative limits set in accordance with that ceiling.***
- (33b) *The overall ceiling for quantitative limits on the digital euro holdings of natural persons should be reviewed at least every two years. To that end, at least six months before the end of every two-year period after the entry into force of the delegated act that sets the overall ceiling to the quantitative limits on digital euro holdings of natural persons, the European Central Bank should publish a new recommendation for the updated figure of the overall ceiling and submit it to the European Parliament, to the Council and to the Commission. In line with the recommendation from the European Central Bank, the Commission is empowered to adopt a delegated act to revise the overall ceiling.***

- (36) The digital euro should allow for a smooth payment experience. Any *limits or instruments* that the European Central Bank might employ to digital euro's store of value function should take this objective into account. Automated mechanisms that link a digital euro payment account with a non-digital euro payment account should allow for an uninhibited payment functionality of the digital euro, by ensuring that transactions are successfully executed in the presence of individual digital euro holding limits that may become binding on the payer's or payee's side. In particular, digital euro users should be able to initiate a digital euro payment transaction even though the amount of their digital euro holdings is inferior to the amount of the transaction, by automatically mobilising funds from a non-digital euro payment account to complement the transaction amount ('reverse waterfall functionality'). Conversely, digital euro users**

should be able to receive digital euro payment transactions even though the amount of the transaction exceeds the limit set on their digital euro holdings, by automatically transferring funds in excess of the limit to a non-digital euro payment account (‘waterfall functionality’). Such payment functionalities should be expressly authorized by digital euro users. Where digital euro payment account held by one payment service provider is linked *to a* non-digital euro payment account held by another payment service provider, the *waterfall functionality should be enabled. In contrast, the reverse waterfall functionality should only be available where two payment service providers have entered* into an arrangement *defining the conditions for enabling the funding and defunding functionalities provided by the payment service provider holding the non-digital euro payment account. Any other funding and defunding functionality apart from waterfall and reverse waterfall should only be available when the operations take place between the same payment service provider, unless payment service providers enter into specific voluntary contractual arrangements for such purposes.*

- (37) While instruments employed by the European Central Bank to limit an excessive use of the digital euro as a store of value aim at safeguarding financial stability and financial intermediation, they may nonetheless impact on and interact with the European Central Bank’s monetary policy stance. Such instruments would therefore need to be applied uniformly across the euro area in order to ensure the use of the digital euro as a single currency and the singleness of the monetary policy. Furthermore, a uniform application would be necessary to ensure a level playing field for payment service providers in the European single market or avoid an overly complex enforcement of any instrument through payment service providers on the basis of digital euro users’ residency. ■ The digital euro should not bear interest *and, as such, the European Central Bank and the national central banks, as issuers of the digital euro, should neither pay nor charge interest to a digital euro user for the mere holding of digital euros.*
- (38) Limits to the use of the digital euro for digital euro users residing or established outside the euro area should not be more favourable than for digital euro users residing or established in the euro area, also to cater for monetary sovereignty and financial stability concerns both within and outside the euro area.
- (39) Any limits to the store of value function that the European Central Bank decided on should be binding on and implemented by the payment service providers distributing the digital euro. While natural ■ persons may have one or more digital euro payment accounts at the same payment service provider or at different payment service providers, they should be subject to an individual holding limit that a digital euro user may allocate across different payment services providers. Payment service providers may offer digital euro users the possibility to legally have a joint digital euro payment account. In this case, any holding limit applied to the joint digital euro payment account should be equal to the sum of the allocated holding limits of the digital euro users. Where a digital euro payment account is legally held by only one digital euro user, but can be technically accessed to and used by several persons, upon de facto or legal mandate given by the digital euro user, any holding limit applied to the digital euro payment account should *be equal to the sum of the individual holding limits allocated to it by each of its users.*
- (39a) *The quantitative limits on digital euro holdings apply both to the online and offline digital euro payment functionality. As a digital euro user, a natural person could set its limits to offline digital euro holding at any amount between zero and the specific holding limit set to that functionality. Accordingly, for a natural person using both*

online and offline digital euro payment functionalities, the limit that applies to digital euro holdings should equal the value resulting from the specific quantitative overall holding limit of digital euro holdings defined by the European Central Bank, deducted for the limit for offline digital euro holdings determined by that user.

- (40) To ensure wide access to and use of the digital euro, consistent with its status of legal tender, and to support its role as monetary anchor in the euro area, natural persons residing in the euro area, natural persons who opened a digital euro **payment** account at the time they resided in the euro area, but no longer reside there, as well as visitors **to the euro area, and natural persons acting as self-employed in a commercial activity in their capacity as payer**, should not be charged for basic digital euro payment services. That means that such digital euro users should not bear any direct fees for their basic access to and basic use of the digital euro, including not being charged transaction fees or any other fees that are directly associated with the provision of services related to the basic use of the digital euro. ■ Where the digital euro user asks to receive only basic digital euro payment services with a payment service provider, those services should not be charged, including for waterfall ■ where the digital euro user also has a non-digital euro payment account with another payment service provider. ■
- (40a) Payment service providers should be able to charge digital euro users for additional digital euro payment services beyond the basic digital euro payment services. **However, payment service providers should not impose commercial practices which have the purpose or effect of circumventing the right of digital euro users to have basic digital euro payment services provided free of charge. Such commercial practices include, among others, account maintenance fees, inactivity fees, minimum balance requirements, or similar charges on digital euro accounts for basic digital euro payment services. For the same reason, payment service providers should not bundle basic digital euro payment services with additional services in a manner that makes it impossible or unreasonably difficult for digital euro users to access basic digital euro payment services without charge. Digital euro users should not be required to have or open a non-digital euro payment account or to accept other non-digital euro products and should not be discriminated against in any way by their payment service provider for choosing to use only basic digital euro payment services, to the detriment of any other additional services provided by the same payment service provider. Where a digital euro user agrees to a package of services comprising both non-digital euro services and basic digital euro payment services, the payment service provider should provide clear information to the user about the charge applicable to the services for the non-digital euro services only, to ensure that all basic digital euro payment services, including the opening, holding and management of a digital euro payment account, remain as a free addition to that package. Any fees for additional services provided beyond the basic digital euro payment services should be clearly disclosed in advance, individually negotiated and separately itemised from those basic digital euro payment services and be set contractually.**
- (41) ■ **The European Central Bank and the national central banks should not charge payment service providers for the tasks that they perform through the digital euro settlement infrastructure, nor for the provision of support services to payment service providers. Since the European Central Bank and the national central banks should not charge settlement and scheme fees to payment service providers, the fees charged by payment service providers to digital euro users or to other payment service**

providers should not include costs of activities for which the European Central Bank and the national central banks bear the costs, including settlement and scheme activities.

- (42) As the digital euro is a form of the single currency having legal tender status, digital euro payment transactions should not be subject to excessive fees by payment service providers. In particular, granting the digital euro legal tender status, with the corollary of mandatory acceptance, means that merchants would have no choice but to accept digital euro payment transactions. Furthermore, any charge or fee per transaction or period erodes, directly or indirectly, the face value of payments received, which is an essential component of the legal tender status. It is therefore essential that a fee or a charge, as a restriction of the face value of the digital euro, be objectively justified and proportionate to the objective of ensuring an effective use of the digital euro as a legal tender means of payment. *For those reasons, any merchant service charges and inter-payment service provider fees in relation to digital euro payment transactions are subject to specific euro-area uniform caps.*
- (42a) *A transparent and equitable level playing field between payment service providers requires that the total fees charged for digital euro payment transactions should be aggregated into a single merchant service charge, thus avoiding any hidden or duplicative costs for merchants. That merchant service charge should represent the totality of costs applied by payment service providers for acquiring services and should be expressed as a percentage of the total value of transactions processed over a given period, irrespective of the underlying pricing model. The inter-payment service provider fee should provide sufficient compensation for the distribution costs of the distributing service providers. Offline digital euro transactions should not be subject to any inter-payment service fee or any merchant service charge, given that the settlement of those transactions takes place device-to-device without the intermediation of any payment service provider. Inter-payment service fees should also not apply to funding and defunding operations with payment service providers belonging to the same economic group.*
- (42b) *In order to ensure the effective use of the digital euro as legal tender, to prevent unjustified or disproportionate charges to merchants, and to provide adequate compensation for payment service providers, this Regulation should establish rules on fees and charges that duly take account of the fact that the use of the digital euro will develop over time and that it may only reach a sufficiently stable situation once a significant period of time has elapsed from its first issuance.*
- (42c) *During the initial phase after the first issuance of the digital euro, the absence of reliable cost data and the lack of stabilised unit costs mean that it will not be possible to calculate the euro-area uniform caps on the basis of actual costs incurred for the provision of digital euro payment services. Consequently, the euro-area uniform caps applicable to both inter-payment service provider fees and merchant service charges during at least the first phase of application of this Regulation should be based on relevant data concerning comparable digital means of payment, comprising both international and domestic consumer debit card schemes that can be used by consumers at points of sale and in e-commerce. The Commission, with the technical assistance of the European Central Bank, should adopt the necessary implementing acts to determine, publish and periodically review the euro-area uniform caps, following a methodology that is based on the weighted average fee and charge levels*

based on volume of the inter-payment service provider fee and the merchant service charge applied to the comparable digital means of payment during the preceding 12-month period, relative to the aggregate value of payment transactions in that period.

- (42d) The calculation of the euro-area uniform caps, based on the weighted average fee and charge levels, should be subject to an adjustment factor bearing in mind that payment service providers will have to make investments associated with connecting to the digital euro payment infrastructure, that the public nature of the digital euro payment infrastructure absorbs any scheme and processing fee, and that the cost reduction should be assigned equally among payment service providers and merchants. The adjustment factor aims to provide an additional incentive for merchants to use the digital euro, in the sense that it might be helpful in leaving them in a situation where they can positively benefit from the compensation model applied to the digital euro, in comparison to card schemes.*
- (42e) As a final feature of the calculation of the euro-area uniform caps, it is important to guarantee a ‘no worse-off principle’ for all merchants to make sure that, irrespective of the value of the euro-area uniform cap, no merchant is charged a higher merchant service charge by a payment service provider for the provision of a digital euro payment service than it would be charged by that same payment service provider in respect of any comparable digital means of payment. The Commission, with the technical assistance of the European Central Bank, should collect all of the information on fees and charges necessary to implement the ‘no-worse off principle’ and periodically publish the aggregated amounts of the relevant data. Additionally, payment service providers should disclose to their clients in a standardised format that is clear, simple and easy to understand, and that facilitates comparison of information about the fees charged for the provision of acquiring services with comparable digital means of payment for that specific merchant. The application of the ‘no worse-off principle’ takes account of concrete national specificities, including national system wide exceptions in the determination of the fees thereby ensuring that the digital euro will not make any person pay more than what that person is currently charged for comparable digital means of payment. Such national specificities may include arrangements establishing specific treatment of small value payments. The ‘no worse-off’ principle should ensure that merchants benefiting from such arrangements are not placed in a worse position than under the comparable means of payment to which those agreements apply.*
- (42f) Without prejudice to the euro-area uniform caps fee system, by no later than five years after the first issuance of the digital euro, the Commission, after consulting the European Central Bank, should carry out a review and evaluate the conditions for the application of a cost-based compensation model. That review should be able to be carried out beforehand if the Commission considers that relevant, sufficient and reliable data for digital euro transactions are available in an accurate, harmonised and verifiable manner, and that the average unit costs and volume of total digital euro transactions have stabilised after consumers’ adoption period. If the Commission concludes that the fees and charges that could result from a cost-based compensation model, including a reasonable margin of profit, are lower than those resulting from a model based on the euro-area uniform caps fee system, it should adopt an implementing act to establish uniform conditions for a new cost-based compensation model, which will replace the euro-area uniform caps fee system. If the Commission*

considers that those conditions are not met, it should repeat the review on a biannual basis, for a maximum of five years.

- (42g) *The cost-based compensation model to be implemented by the Commission should guarantee that merchant service charges or inter-payment service provider fees is determined by the relevant costs incurred by a group of the most efficient payment service providers for the provision of digital euro payment services, including a reasonable margin of profit, calculated on the basis of the profit margin applied by those payment service providers charging the lowest margins distributed in the euro area in a given year. Additionally, the cost-based compensation model should be applied in an uniform and non-discriminatory manner across the Union, ensuring a homogeneous regime for all payment service providers and merchants, and should provide for proportionate treatment for small value transactions initiated in micro-enterprises, including the possibility for a flat fee or per transaction fee, to avoid disproportionate cost burdens.***
- (42h) *The Commission, with the technical assistance of the European Central Bank, should reassess the cost-based compensation model at least every five years after its implementation and update the model accordingly. The reassessment of the model should only cease in the event that the Commission concludes at a certain point that the relevant costs are zero or near to zero.***

- (46)** The distribution of the digital euro by natural or legal persons residing or established outside the euro area would contribute to foster the international use of the euro. This would also bring benefits to the euro area and other economies by facilitating cross-border payments for the purpose of trade or remittances, in line with the G20 agenda.
- (47)** An excessive distribution of the digital euro outside the euro area could have an unwanted impact on the size and composition of the consolidated balance sheet of the European Central Bank and national central banks. Impacts on monetary sovereignty and financial stability of non-euro area countries may also differ depending on the use of the digital euro outside the euro area. Those impacts could be harmful in case the digital euro replaces the local currency in a high number of domestic transactions. In particular, a situation in which the digital euro becomes dominant in a Member State whose currency is not the euro, thus de facto replacing the national currency, could interfere with the euro area adoption criteria and process set out in Article 140 TFEU. To avoid undesirable effects and prevent monetary sovereignty and financial stability risks, both within and outside the euro area, it is necessary to provide for the possibility for the Union to conclude agreements with third countries, and for the European Central Bank to conclude arrangements with the national central banks of Member States whose currency is not the euro and with the national central banks of third countries, to specify the conditions for the regular provision of digital euro payment services to digital euro users residing or established outside the euro area. Such agreements and arrangements should not cover visitors to the euro area, to whom payment service providers established in the European Economic Area²⁸, in line with the Agreement on the European Economic Area, may directly provide digital euro payment services.

²⁸ Agreement on the European Economic Area (OJ L 1, 3.1.1994, p. 3).

- (48) The provision of digital euro payment services to digital euro users residing or established in a Member State whose currency is not the euro should be subject to a prior **agreement** between the European Central Bank and the national central bank of the Member State whose currency is not the euro, following a request from the Member State whose currency is not the euro. In line with the Agreement on the European Economic Area, digital euro users residing or established in non-euro area Member States may be provided digital euro payment services by payment service providers established in the European Economic Area.
- (49) The provision of digital euro payment services to digital euro users residing or established in third countries, with the exclusion of third countries or territories that are under a monetary agreement with the Union, should be subject to a prior agreement between the Union and such third country. This should also apply in the case of States that are a party to the Agreement on the European Economic Area or the Convention establishing the European Free Trade Association. Such agreement should be complemented by an arrangement between the European Central Bank and the national central bank of the third country. Intermediaries established in the same country of residence or establishment than digital euro users and payment service providers established in the European Economic Area may provide digital euro payment services to digital euro users residing or established in third countries. Intermediaries providing digital euro payment services in third countries should be subject to adequate regulatory and supervisory requirements, with the objectives to ensure that the digital euro, which is a central bank money, is safely and adequately distributed, and is not misused. Regulatory and supervisory requirements should be determined as part of the conclusion of the international agreement, based on proportionate, objective and uniform criteria. Agreements and arrangements with high-risk third countries identified pursuant to Regulation [*please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final*] should be restricted, suspended, or terminated.
- (50) The provision of digital euro payment services to digital euro users residing or established in third countries or territories, under a monetary agreement with the Union, should be governed by monetary agreements. Intermediaries established in the same country of residence or establishment than digital euro users and payment service providers established in the European Economic Area may provide digital euro payment services to digital euro users residing or established in third countries or territories, under a monetary agreement with the Union.
- (51) The use of the digital euro in cross-currency payments would furthermore contribute to foster the international use of the euro. This would also bring benefits to the euro area and other economies by facilitating cross-border payments for the purpose of trade or remittances, in line with the G20 agenda.
- (52) Digital euro users, whether they reside or are established within the euro area or not, may also have the capacity to receive or initiate cross-currency payments between the digital euro and a local currency. Arrangements concluded between the European Central Bank and national central banks in Member States whose currency is not the euro and in third countries should specify the conditions for access to and use of interoperable payment systems for the purpose of cross-currency payments involving the digital euro.
- (53) Agreements and arrangements related to the provision of digital euro payment services or cross-currency payments involving the digital euro should be concluded on a

voluntary basis, in priority with non-euro area Member States. The European Central Bank should cooperate with national central banks of Member States whose currency is not the euro for the purpose of cross-currency payments involving the digital euro.

- (54) The technical design of the digital euro should make it widely accessible to and usable by the general public. That design should, in particular, support access to financially excluded persons or persons at risk of financial exclusion, persons with disabilities by ensuring compliance with accessibility requirements laid down in Annex I of Directive (EU) 2019/882 of the European Parliament and the Council²⁹ (European Accessibility Act), persons with functional limitations who would also benefit from accessibility, or persons with limited digital skills and elderly persons. For that purpose, the digital euro should have usage features that are **accessible, visible**, simple and easy to handle, and should be sufficiently accessible through a wide range of hardware devices to cater for the needs of different groups of the population. Furthermore, payment service providers should provide digital euro users with digital euro payment services, regardless of those users holding non-digital euro payment accounts. In addition, those users should be allowed to have digital euro payment accounts with payment service providers that are different from the ones with which they have non-digital euro payment accounts. ***The possibility to use digital euro services without any other product or service from that same provider should be offered in an equally accessible manner.***
- (54a) ***The design and operation of the settlement infrastructure for the digital euro should rely on state-of-the-art technologies that ensure the implementation of privacy-by-design and privacy-by-default principles, including advanced cryptography such as zero-knowledge proof technology, and other state-of-the-art technologies, enabling the unlinkability and minimisation of data and the verification of transactions without the disclosure of personal data, while ensuring robust protection against data breaches and unauthorised access. The European Central Bank should, additionally, guarantee that the development of the digital euro settlement infrastructure ensures its security, continuity and integrity as well as its resilience against cyber-threats, while ensuring the readiness of back-up solutions. Overall, and to ensure the digital euro fulfils its objective to enhance the sovereignty of the Union, the European Central Bank should minimise to the maximum extent possible dependencies from third country providers. The European Central Bank should additionally take into account measures to reduce the carbon footprint impact of the digital euro settlement infrastructure and consider energy efficiency metrics while developing and contracting the necessary technical solutions.***
- (54b) ***The European Central Bank should monitor technological developments, including any innovation designed to strengthen privacy, data protection, cyber-security, operational resilience, and the detection and prevention of fraud and money laundering. The European Central Bank should consider implementing new technological developments to the digital euro infrastructure after assessing their purpose, scalability and interoperability with existing infrastructure, as well as their impact on the safety, integrity, efficiency and innovation of the digital euro settlement infrastructure.***

²⁹ Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (OJ L 151, 7.6.2019, p. 70).

- (55) The digital euro should support the programming of conditional digital euro payment transactions by payment service providers. The digital euro should, however, not be “programmable money”, which means units that, due to intrinsically defined spending conditions, can only be used for buying specific types of goods or services, or are subject to time limits after which they are no longer usable. Conditional payment transactions are payments which are automatically triggered by software based on pre-defined and agreed conditions. Conditional payments should not have, as object or effect, the use of digital euro as programmable money. Payment service providers could develop different types of logic to offer a range of conditional payment transactions to digital euro users, including automated payment transactions for placing or withdrawing digital euros, payment standing orders that trigger automatic payments of a specific amount on a specific date, and payments between machines where those machines are programmed to automatically trigger payments for their own spare parts upon ordering them, for charging and paying electricity at most favourable market conditions, for paying insurance, and leasing and maintenance fees on a usage basis.
- (56) To facilitate the use of digital euro and the provision of innovative services, the Eurosystem should support the provision of conditional digital euro payment transactions, ***in close cooperation with market participants, notably in consultation with the advisory platform for the digital euro scheme rulebook***. First, some types of conditional payment services could be supported through detailed measures, rules and standards that could help payment service providers to develop and operate interoperable applications that execute conditional logic. That could include a set of technical tools such as application programming interfaces. Second, the Eurosystem could provide additional functionalities in the digital euro settlement infrastructure, necessary for the provision of conditional payment services to digital euro users. That could facilitate the reservation of funds in the settlement infrastructure for future execution of some conditional payments. Payment service providers should adapt the business logic for conditional digital euro payment transactions in accordance with the standards and application programming interfaces which the Eurosystem may adopt to facilitate such transactions.
- (57) European Digital Identity Wallets could facilitate digital transactions by enabling authentication, identification and the exchange of attributes including licenses and certificates. European Digital Identity Wallets should contribute to the effective universal access to and use of the digital euro. Member States should issue European Digital Identity Wallets based on common standards and practices set out in the implementing legislation. The European Digital Identity Wallet should have strong and specific safeguards to ensure data protection and privacy and high-level security certification. Front-end solutions to be developed by the European Central Bank should therefore duly consider the technical specifications governing the European Digital Identity Wallets. This would enable the relevant interoperability with the European Digital Identity Wallets that would allow to capitalise on these benefits. Based on user choice, interoperability with the European Digital Identity Wallet should also allow to discharge customer due diligence under Regulation (EU) *[please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final]*. Furthermore, to achieve a coherent customer experience, intermediaries might choose to fully integrate their digital euro ***user interface*** into the specifications governing the European Digital Identity Wallets.

- (58) Users should be able, if they so wish, to onboard and authorise payments with the digital euro by using the European Digital Identity Wallets. Payment service providers should therefore be obliged to accept the European Digital Identity Wallets for the verification of both prospective and existing customers' identities, in line with Regulation (EU) [please insert reference – proposal for a Regulation for Anti-Money Laundering Regulation – COM/2021/421 final). To facilitate the opening of digital euro accounts across the Union, payment service providers should also be able to rely on qualified attestations provided by the European Digital Identity Wallets, including for the remote performance of customer due diligence. Payment service providers should also accept the use of European Digital Identity Wallets if the payer wishes to use the wallet for payment authorisation of **both online and offline** digital euro payment transactions. **In addition, where a provider of European Digital Identity Wallets allows for the integration and use of payment instruments, payment service providers should ensure that, upon request, a digital euro user is able to access that user's digital euro account information and initiate digital euro payments via the user's European Digital Identity Wallet. Use of European Digital Identity Wallets should be voluntary and should contribute to a seamless and protected user experience, reduce administrative burden and strengthen trust, security and user control over personal data. A provider of European Digital Identity Wallet should not access transaction data.**
- (58a) ***In accordance with Article 5a(15) of Regulation (EU) No 910/2014³⁰, use of European Digital Identity Wallets remains voluntary. Additionally, in line with the principles of data minimisation and privacy by design and by default, payment service providers should provide, at the user's request, the possibility of authentication and identification by means of non-biometric data.***
- (59) To facilitate a harmonised user experience, the digital euro rules, standards and processes that the European Central Bank may adopt pursuant to its own competences, should ensure that any digital euro user is able to carry out digital euro payment transactions with any other digital euro users across the euro area regardless of the payment service providers involved and the front-end services used. To reduce the fragmentation of the European retail payments market, and to support competition, efficiency and innovation in that market, and the development of payment instruments across the Union in keeping with the objective of the Commission's retail payment strategy, the digital euro should be, to the extent possible, compatible with private digital payment solutions, building on functional and technical synergies. In particular, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions at the point of interaction, and in person-to-person payments, where the fragmentation of the Union retail payments market is currently significant. The use of open standards, common rules and processes, and possibly shared infrastructures could support such compatibility. While existing solutions may be **reused** where such solutions are deemed appropriate to ensure that compatibility **and interoperability**, notably in view of minimising overall adaptation costs, such existing solutions should not create undue dependencies that could prevent adaptation of the digital euro to new technologies or would be incompatible with the digital euro features. In order to achieve these objectives, and without conferring any enforceable rights upon

³⁰ ***Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73, ELI: <http://data.europa.eu/eli/reg/2014/910/oj>)***

market operators, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions on a best-effort basis and where deemed appropriate, *and that digital euro solutions should be open by design, relying on open standards, rules and processes to which payment service providers can easily adhere.*

- I**
- (60a)** *To protect consumers, maintain trust in the digital euro and contribute to its proper functioning, the European Central Bank and the national central banks should ensure that mechanisms are in place to support payment service providers in facilitating the resolution of pre-disputes and disputes related to digital euro payment transactions. The European Central Bank and the national central banks should, as a minimum, establish mechanisms of technical and functional support that facilitate the exchange of messages between payment service providers with a view to the resolution of pre-disputes and disputes and make those mechanisms easily accessible and usable for digital euro users. Disputes may arise in a number of situations, including those concerning the execution of a digital euro payment transaction, such as payment-related fraud or technical issues, or those relating to the good or service underlying a transaction. Technical disputes include situations where the transaction amount differs, where there are duplicates, or where there is an issue with authorisation or pre-validation or with the switching of digital euro payment accounts. Payment-related fraud disputes include inter alia situations of identity theft, merchant identity fraud, and payment service provider impersonation fraud. Payment service providers should establish and apply appropriate and effective procedures for handling and resolving complaints received from digital euro users, in line with the applicable requirements of [PSD3/PSR], and which are at least equivalent to those available for comparable instruments.*
- (60b)** *The European Central Bank should act as the dispute-settlement body for settling disputes among payment service providers relating to the application of the rulebook governing the operation of the digital euro. The role and functions of the European Central Bank in that capacity should be established by means of a contract between the European Central Bank and all payment service providers distributing the digital euro. To perform those functions, the European Central Bank should adopt internal rules and a governance framework for dispute settlement that ensures no interference and full independence from the European Central Bank payment-system oversight functions. Decisions issued by the European Central Bank under that mechanism should be final and binding on all participating payment service providers and directly enforceable vis-à-vis their users through the payment service providers' contractual obligations, without prejudice to the right to seek redress before judicial authorities in accordance with Union and national law.*
- (60c)** *As the responsible entity and guarantor of the infrastructure and functionalities operated by the European Central Bank, or national central banks, which govern the operation of the digital euro, the European System of Central Banks should be liable for any loss or damage attributable to its actions or omissions in relation to such infrastructure or functionalities. That includes the possibility of right of recourse by payment service providers against the European System of Central Banks for any loss or damage incurred in their role as digital euro distributors attributable to the digital user interface provided by the European Central Bank. Digital euro users should not*

bear any loss of online digital euro holdings resulting from any system outage, technical malfunction or disruption of the digital euro settlement infrastructure.

- (61) To access and use the digital euro as part of digital euro payment services, digital euro users should be provided with ***an accessible, visible and simple digital euro user interface***. Those users should have the possibility to access and use ***basic*** digital euro payment services via ***at least one digital euro user interface*** provided by ***the*** payment service providers, ***which could be the one made available*** by the European Central Bank, ***the one developed by that payment service provider directly, or the digital euro user interface*** provided by other ***payment service providers***. ■ Where digital euro users ***are offered the possibility to*** choose between different ***digital euro user interfaces***, the decision to select a given ***digital euro user interface*** should ultimately rest in the hands of those users ■. ***However, payment service providers designated by a Member State to provide basic digital euro services to natural persons who do not hold or do not wish to hold a non-digital euro payment account, or to provide digital inclusion support services, should offer access to the digital euro user interface made available by the European Central Bank.*** The European Central Bank and the payment service providers ***should*** 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 accessed by the ECB via its ***digital euro user interface***.
- (62) To avoid interfering in the payment service providers' customer relationships and their role in the digital euro distribution, the ***digital euro user interface*** provided by the European Central ***Bank*** should be limited to providing an interface between digital euro users and the payment infrastructures of payment service providers. In particular, the Eurosystem would not have a contractual relationship with digital euro users even if those users use the ***digital euro user interface*** provided by the European Central Bank ■.
- (63) To enable a smooth user experience, payment service providers that provide digital euro users with ***a digital euro user interface*** to access and use the digital euro should take care that digital euro users can quickly and easily access and use the digital euro. ***The digital euro user interface should allow users to access in a single place all digital euro services, including both the online and offline digital euro payment functionalities.*** In particular, digital euro payment accounts should be clearly labelled by the use of the official digital euro logo. Digital euro payment accounts should be accessed via one the main pages of the Internet website or an application, or any other ***digital euro user interface***, on an equal footing with non-digital euro payment accounts.
- (64) To provide for instantaneous settlement, both online and offline digital euro transactions, including in the context of funding and defunding, and as waterfall and reverse waterfall functionalities, should be settled instantaneously, in a few seconds only, in normal circumstances. The settlement of online digital euro payment transactions should be performed in the digital euro settlement infrastructure adopted by the Eurosystem. Online digital euro payment transactions should be settled in a matter of seconds as specified under the functional and technical requirements adopted by the European Central Bank. Final settlement of online digital euro payment transactions should be achieved at the moment of recording the digital euros concerned of the payer and the payee in the digital euro settlement infrastructure approved by the European Central Bank, irrespective of whether digital euros are recorded as holding

balances or units of value, or of the technology used. The digital euro settlement infrastructure should seek to ensure adaptation to new technologies, including distributed ledger technology. ***The settlement infrastructure should be designed in such a way that neither the European Central Bank nor national central banks can identify a specific digital euro user.***

- (65) Due to the absence of network connectivity, the settlement of offline proximity payments in digital euros should be performed in the local storage device respectively of payers and payees. Offline proximity payments in digital euros should be settled in a matter of seconds as specified under the functional and technical requirements adopted by the European Central Bank. Final settlement should occur at the moment ***when the funds in the payer's local storage device are directly transferred to the payee's local storage device, without the need for any intermediation by any payment service provider or any centralised digital euro settlement infrastructure.***
- (65a) ***The offline digital euro payment functionality is intended to provide users with a payment experience that is as close as possible to cash. An offline digital euro transaction does not depend on internet connectivity or any type of immediate synchronisation with the digital euro settlement infrastructure. For that reason, and in the same way as losing a wallet containing cash, if a user loses a local storage device, the offline digital euro holdings on it cannot be claimed back to the payment service provider or the European Central Bank.***
- (66) Since payment service providers are not party to a digital euro payment transaction between two digital euro users, digital euro payment transactions do not carry systemic risks and therefore do not warrant designation as a system as defined in Article 2, point (a), of Directive 98/26/EC of the European Parliament and of the Council³¹. Digital euro payment transactions should be settled in a matter of seconds and therefore no options to net should be allowed.
- (67) For reasons of contractual freedom and to ensure competition, digital euro users should have the possibility to switch their digital euro payment accounts to different payment service providers. At the request of the digital euro users ***or with their consent***, payment service providers should then enable the switching of the digital euro payment accounts ***without undue delay***, while maintaining the same ***digital euro payment account number***. In exceptional circumstances where a payment service provider is unable to perform this task, including due to having lost the relevant digital euro payment account-related data, the European Central Bank should, ***with the user's consent***, be able to authorise the switching of digital euro payment accounts so that the new payment service provider designated by the digital euro user can retrieve the information about the digital euro holdings of the digital euro user and complete the switching without relying on the unavailable payment service provider. This process should allow a digital euro user to then continue accessing its digital euro holdings via the new designated payment service provider. The European Central Bank would not have any operational role in the switching on ***digital euro payment accounts. The switching service should not result in additional data being collected by the European Central Bank and national central banks other than the data to which they already have access.***

³¹ Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment a

- (68) The prevention of fraud by payment service providers is essential for the protection of citizens making use of the digital euro, the integrity of the personal data processed in digital euro payments, and to ensure the smooth and efficient functioning of the digital euro. Fraud prevention plays an essential role in maintaining trust in the single currency. For this purpose, the European Central Bank ***should ensure that*** a general fraud detection and prevention mechanism ***is established*** to support fraud ***detection and prevention*** activities performed by payment service providers on online digital euro payment transactions. A general fraud detection and prevention mechanism delivers a range of essential functions to detect fraud patterns that a single payment service provider could not detect on its own. Often one payment service provider does not have the full picture about all elements that could lead to timely fraud detection. However, it can be made more effective with information on potentially fraudulent activity stemming from other payment service providers. This general fraud detection function exists in comparable payment schemes and is necessary to achieve demonstrably low fraud rates in order to keep the digital euro secure for both consumers and merchants. The transfer of information between PSPs and the fraud detection and prevention mechanism should be subject to state-of-the-art security and privacy-preserving measures to ensure that individual digital euro users are not identified by the central fraud detection and prevention mechanism. ***In its activities regarding fraud detection and prevention, the European Central Bank should not require, or be granted access to, the identification of digital euro users.***
- (69) To process digital euro payments online or offline, it is essential that ***digital user interface*** providers for the digital euro and issuers of European Digital Identity Wallets obtain access to near field communication technology (NFC) on mobile devices. These components include, in particular but not exclusively, NFC antennas and the so-called secure elements of mobile devices (e.g.: Universal Integrated Circuit Card (UICC), embedded SE (eSE), and microSD etc). It is therefore necessary to ensure that whenever needed to provide digital euro services, original equipment manufacturers of mobile devices or providers of electronic communication services would not refuse access to NFC antennas and secure elements. Central bank money with legal tender should be widely accessible. To ensure this also in the digital economy, providers of ***digital user interfaces*** for the digital euro and operators of European Digital Identity Wallets ***should*** be entitled to store software on relevant mobile devices' hardware in order to make transactions with digital euro technically possible both online and offline. For this purpose, original equipment manufacturers of mobile devices and providers of electronic communication services should be obliged to provide access on fair, reasonable and non-discriminatory terms to all hardware and software components when needed for online and offline digital euro transactions. In all instances, such operators would be obliged to provide adequate capacity on relevant hardware and software features in mobile devices to process online digital euro payment transactions and for storing digital euros on mobile devices for offline digital euro payment transactions. This obligation should be without prejudice to Article 6 paragraph (7) of Regulation (EU) 2022/1925, which obliges gatekeepers to provide, free of charge, effective interoperability with, and access for the purposes of interoperability to, the operating system, hardware or software features of mobile devices, which is applicable to existing and new digital means of payments, including the digital euro.
- (69a) ***The digital euro should be as easy and convenient to use as comparable digital means of payment. To that end, it should be available through the same functionalities and***

user interfaces commonly used for digital payments, including near-field communication (NFC) and ‘tap-and-go’ solutions. In order to make that possible, manufacturers should provide access to software and hardware equipment on fair, reasonable and non-discriminatory (FRAND) terms, or free of charge, where required under the Regulation 2022/1925 of the European Parliament and of the Council³² or pursuant to relevant commitments or decisions adopted under Union competition law. That should ensure that users can access and use the digital euro under conditions equivalent to those applicable to comparable digital payment solutions, including through functionalities such as double-click access where available.

- (70) The rights to privacy and personal data protection are fundamental rights enshrined in Article 7 and 8 of the Charter of Fundamental Rights of the European Union. As stressed by the European Data Protection Board³³, a high standard of privacy and data protection is crucial to ensure the trust of Europeans in the future digital euro. This is also in line with the G7 Public Policy Principles for Retail Central Bank Digital Currencies. The processing of personal data for compliance and in the context of this Regulation would be carried out in accordance with Regulation (EU) 2016/679³⁴ and Regulation (EU) 2018/1715³⁵, as well as, where applicable, Directive 2002/58/EC³⁶.
- (71) The digital euro should therefore be designed so as to minimise the processing of personal data by payment service providers and by the European Central Bank to what is necessary to ensure the proper functioning of the digital euro. The digital euro should be available offline, with a level of privacy vis a vis payment service providers which is comparable to withdrawals of banknotes at automatic teller machines. The settlement of digital euro transactions should be designed in such a way that neither the European Central Bank nor national central banks can attribute data to an identified or identifiable digital euro user.
- (72) Data protection by design and data protection by default should be embedded in all data processing systems developed and used within the framework of this Regulation. The processing of personal data should be subject to appropriate safeguards to protect the rights and freedoms of the data subject. Those safeguards should ensure that technical and organisational measures are in place in particular to ensure respect for the data protection principles laid down in Regulation (EU) 2016/679 and Regulation (EU) 2018/1715, including data minimisation and purpose limitation. *The principle of*

³² *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 (Digital Markets Act) (OJ L 265, 12.10.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/1925/oj>)*

³³ Statement on the design choices for a digital euro from the privacy and data protection perspective adopted on 10 October 2022.

³⁴ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), OJ L 119, 4.5.2016, p. 1–88.

³⁵ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39–98.

³⁶ Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector, OJ L 201, 31.07.2002, p. 37.

privacy preservation should be maintained at all times and no further processing of personal data should be allowed.

- (73) Payment service providers should be able to process personal data in so far as it is necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In line with Article 6(1)(c) of Regulation (EU) 2016/679, processing activities should be considered lawful as regards the digital euro if and to the extent that they are necessary for compliance with a legal obligation to which the controller is subject pursuant to this Regulation. In the framework of this regulation, the processing of personal data for the purposes of the enforcement of holding limits, the initiation of the funding and de-funding of a user's holdings, and the management of local storage devices for offline digital euro payments are tasks in the public interest that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. Payment service providers will be the controller of personal data as regards these tasks ***and should ensure that data about digital euro users is never unlawfully transferred to third country authorities or any other entities.*** In addition, payment service providers may process personal data to comply with existing tasks in the public interest or for compliance with a legal obligation established in Union law that apply to funds defined in Directive (EU) 2015/2366. These tasks apply to the provision of payment services and the prevention and detection of fraud in accordance with Directive (EU) 2015/2366, combatting money laundering and terrorist financing in accordance with Directive (EU) 2015/849, the fulfilment of obligations related to taxation and tax avoidance, and the management of operational and security risks in line with Regulation (EU) 2022/255.
- (74) Any processing of personal data to verify whether users are listed persons or entities pursuant to restrictive measures adopted in accordance with Article 215 TFEU should be in line with Regulation (EU) 2016/679 of the European Parliament and of the Council. Processing of the names and the payment account identifiers of natural persons is proportionate and necessary to ensure the compliance with restrictive measures adopted in accordance with Article 215 TFEU providing for asset freeze or prohibition of making funds or economic resources available.
- (75) Offline digital euro payment transactions are payments that occur in close physical proximity ("face-to-face"). They have similarities with transactions in cash and should be treated in a similar way in terms of privacy. Payment service providers should therefore not process personal data related to offline digital euro payment transactions, but only personal data related to depositing or withdrawing digital euros from digital euro payment accounts to load them onto the local storage devices, or from the local storage devices into the digital euro payment accounts. This includes the identifier of the local storage devices which payment service providers attribute to a digital euro user that holds offline digital euro. That level of privacy would be comparable to withdrawals of banknotes at automatic teller machines when payment service providers process personal data related to a user's identity and data pertaining to how funding and defunding transactions have been carried out. That means that no transaction data monitoring should occur for offline digital euro payment transactions.
- (76) The European Central Bank and national central banks may process personal data in so far as it is ***strictly*** necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In the framework of this regulation, the processing of personal data for the purposes of the settlement of digital euro payment transactions and the management

of the security and integrity of the digital euro infrastructure are tasks in the public interest that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. The task of maintaining the security and integrity of digital euro infrastructure includes activities related to ensuring the stability and operational resilience of the digital euro. The European Central Bank and national central banks would be the controller of personal data as regards these tasks. The European Central Bank and national central banks would process personal data for these tasks using state-of-the-art security and privacy-preserving measures, such as pseudonymisation or encryption, to ensure that data cannot be used to directly identify a specific digital euro user.

- (76a) *When processing personal data required for the fulfilment of its tasks under this Regulation, the European Central Bank should ensure that only the personal data specifically referred to in this Regulation is accessed and that that information is only accessed when such data is fundamental for the execution of the tasks which entitle the European Central Bank to access the data. In no circumstance should the European Central Bank have access to any personal identification data of any natural person.***
- (77) For the purpose of enforcing the holding limits and ensuring the exceptional switching of digital euro payment accounts in emergency situations upon the request of the digital euro user, a single access point of digital euro user identifiers and the related digital euro holding limits is necessary to ensure the efficient functioning of the digital euro across the entire euro area, as digital euro users may hold digital euro payment accounts in different Member States. When establishing the single access point, the European Central Bank and national central banks should ensure that the processing of personal data is minimised to what is strictly necessary and that data protection by design and by default is embedded. The European Central Bank and national central banks should consider, where appropriate and to minimise the risk of data breaches, the use of decentralised data storage.
- (78) With its package on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, adopted by the Commission on 21 July 2021³⁷, ('AML-package'), the Commission has proposed to significantly strengthen anti-money laundering ('AML') rules across the Union. In keeping with that objective and to ensure an effective application of AML/CFT requirements to the digital euro, this Regulation should provide that online digital euro payment transactions are subject to AML/CFT requirements laid down in Directive (EU) 2015/849.
- (79) To facilitate the widespread uptake of the digital euro, it is essential that prospective digital euro users can easily access digital euro payment services provided by payment services providers in a harmonised manner across the euro area. It is therefore appropriate, without any prejudice to the risk approach underpinning the AML-package, for the anti-money laundering authority of the Union ('AMLA') to address the opening

³⁷ Proposal for a regulation on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (COM/2021/420 final); Proposal for a Directive establishing the mechanisms that Member States should put in place to prevent the use of the financial system for ML/TF purposes, and repealing Directive (EU) 2015/849 (COM/2021/423 final); Proposal for a Regulation creating an EU Authority for anti-money laundering and countering the financing of terrorism ('AMLA') (COM/2021/421 final); and Proposal for the recast of Regulation (EU) 2015/847 expanding traceability requirements to crypto-assets (COM/2021/422 final)

of digital euro payment accounts in its Regulatory Technical Standards on customer due diligence. For low-risk transactions or business relationships, AMLA should identify relevant simplified due diligence measures that payment services providers should apply. AMLA should prioritise the development of these Regulatory Technical Standards.

- (80) In contrast to offline digital euro payment transactions, online digital euro payment transactions are not limited to physical proximity transactions, and can be used to transfer funds at distance between digital euro users. For online digital euro payment transactions, central bank digital currencies could present greater AML/CFT risks than cash as they would be acting as an instrument whose liquidity is similar to that of cash but without the limitations on portability that are implicit in cash. It should therefore be laid down that an online digital euro payment transaction is to be subject to Directive (EU) 2015/849 of the European Parliament and of the Council, and Regulation (EU) 2015/847 of the European Parliament and of the Council³⁸.
- (81) In order to ensure a consistent application of the legal tender requirements and keep pace with technological developments, the power to adopt acts in accordance with Article 290 of the *TFEU* should be delegated to the Commission to supplement this Regulation by adopting delegated acts in respect of additional exceptions to mandatory acceptance ***of the digital euro, of the interaction between AML/CFT requirements and the provision of basic digital euro payment services, of the overall ceiling for limits on the digital euro holdings,*** the types of personal data processed by payment services providers, the European Central Bank and the national central bank and providers of support services, ***and of the additional or accumulated offline digital euro transaction and holding limits due to AML/CFT consideration.*** It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.
- (82) While offline digital euro payment transactions have similarities with transactions in cash and should be treated in a similar way in terms of privacy specific holding and transaction limits for offline proximity payments are essential to mitigate AML/CFT risks. ***Power is conferred to the Commission to adopt delegated acts to set additional individual or accumulated offline digital euro transaction limits or holding limits due to AML/CFT considerations, in addition to any financial stability considerations which lead to the definition of a quantitative limit to digital euro holdings set by the European Central Bank.***
- (83) In order to ensure uniform conditions for the application of ***the euro-area uniform caps for both inter-payment service fees and merchant service charges, of a new cost based compensation model and its updates, of equivalent supervisory and regulatory requirements of third country jurisdictions, and of effective interoperability and access for providers of front-end services,*** implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation

³⁸ Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 (OJ L 141, 5.6.2015, p. 1).

(EU) No 182/2011 of the European Parliament and of the Council³⁹. The examination procedure should be used for the adoption of the implementing acts specifying the transaction and holding limits of the offline digital euro, given that those acts contribute to the fight against money laundering and terrorist financing.

- (83a) *The full extent of possibilities regarding the use of the digital euro should continue to be enhanced after the entry into force of this Regulation, building on the experience that will be gained from the first few years of transactions carried out using the digital euro. In particular, for the offline digital euro payment functionality, and given that local storage devices might be able to securely communicate with each other via communication channels that do not require physical proximity, the Commission, with the technical support of the European Central Bank and AMLA, should assess the possibility of an offline digital euro payment transaction being possible even when the two local storage devices of the payer and the payee are not in physical proximity. The Commission should present a report to the European Parliament and to the Council on that matter by three years from the first issuance of the digital euro.*
- (83b) *With a view to further enhancing the privacy of the online digital euro payment functionality and to widening the potential usability of the digital euro, the Commission, with the technical support of AMLA, should assess the potential application of specific AML rules to low-value online digital euro payment transactions, which is compatible with the specific risk profile of such transactions.*
- (84) In accordance with the principle of proportionality, it is necessary and appropriate for the achievement of the basic objective of ensuring that the euro is used as a single currency in a digitalised economy to lay down rules concerning in particular its *issuance*, legal tender status, distribution, use, *privacy and data protection* and essential features *of the digital euro*. This Regulation does not go beyond what is necessary in order to achieve the objectives pursued, in accordance with Article 5(4) on the Treaty on European Union.
- (85) The European Data Protection Supervisor and the European Data Protection Board were consulted in accordance with Article 42 of Regulation (EU) 2018/1725 of the European Parliament and of the Council⁴⁰ and delivered a joint opinion on [XX XX 2023].

CHAPTER I

SUBJECT MATTER AND DEFINITIONS

Article 1 *Subject matter*

1. With a view to *providing a sovereign and secure digital means of payment throughout the euro area, safeguarding public access for Union citizens to central bank money in*

³⁹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

⁴⁰ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

digital form, and ensuring people's freedom to choose how to pay, this Regulation establishes the digital euro *as a new form of retail central bank digital currency that is a complement to cash*.

This Regulation lays down rules concerning, in particular, *the issuance*, legal tender status, distribution, use, *privacy and data protection aspects*, and essential technical features *of the digital euro*.

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, *whether used through its online payment functionality or its offline payment functionality, issued by the European Central Bank or the national central banks, constituting a direct liability on the balance sheet of those entities towards the digital euro user and constituting a property right of the digital euro user;*
 - 1 a. *'online digital euro payment functionality' means the functionality of the digital euro that enables online digital euro payment transactions to be processed and settled through the digital euro settlement infrastructure in an account-based system;*
 - 1 b. *'offline digital euro payment functionality' means the functionality of the digital euro, that is accessible through a local storage device and that enables offline digital euro payment transactions to be stored, processed and executed through such a device, where the settlement of individual transactions takes place between the local storage devices of the payer and the payee;*
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 Council⁴¹;
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;
 - 3a. *'online digital euro payment transaction' means a digital euro payment transaction where the settlement of the transaction takes place in the digital euro settlement infrastructure;*
 - 3b. *'offline digital euro payment transaction' means a digital euro payment transaction made in physical proximity between the local storage device of the payer and the local storage device of the payee, where authorisation and settlement of the transaction take place in the certified local storage devices of both payer and payee without recourse to the digital euro settlement infrastructure and with no third-party involvement;*
4. 'digital euro user' means *a natural or legal person* making use of a digital euro payment service in the capacity of payer, payee, or both;

⁴¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

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 **■** and to initiate or receive digital euro payment transactions, **■** irrespective of technology and data structure;
- 5a. *‘local storage device’ means a physical device with tamper resistant software and hardware requirements defined by the European Central Bank to ensure the safety, resilience and integrity of offline digital euro transactions by allowing for the secure electronic storage of digital euro holdings and transaction information and the secure processing and execution of offline digital euro payment transactions;*
6. ‘European Digital Identity Wallets’ means the *European Digital Identity Wallet as defined in Article 3, point (42), of Regulation (EU) No 910/2014 of the European Parliament and of the Council;*
7. ‘payment service provider’ means a payment service provider as defined in Article 4, point (11) of Directive (EU) 2015/2366;
- 7 a. *‘designated entity’ means any payment service provider, as referred to in Article 1(1) of Directive (EU) 2015/2366, entrusted by a Member State to provide digital euro payment account services as a service of general economic interest;*
8. ‘digital euro payment service’ means any of the business activities set out in Annex I;
9. ‘payer’ means *a natural or legal person* who has a digital euro payment account and *places an online or offline digital euro payment transaction;*
10. ‘payee’ means *any natural or legal person* who is the intended recipient of funds which have been the subject of a digital euro payment transaction;
11. ‘funding’ means the process, *either manual or automatic*, whereby a digital euro user acquires digital euros, in exchange for either cash or other funds, *meaning* 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, *either manual or automatic*, whereby a digital euro user exchanges digital euro with cash or other funds;
13. ‘national central bank’ means a national central bank of a Member State whose currency is the euro;
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16. *‘residing’ means being legally resident within the meaning of Article 2, point (2), of Directive 2014/92/EU of the European Parliament and of the Council⁴²;*
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, *using the online digital euro payment functionality;*

⁴² Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features (OJ L 257, 28.8.2014, p. 214).

18. ‘programmable money’ means units of digital money with an intrinsic logic that limits each unit’s full fungibility;
19. █ ‘digital euro settlement infrastructure means the settlement infrastructure █ adopted by the *European Central Bank or the national central banks, or both, for the processing of digital euro payment transactions*;
20. █
- 20a. *‘digital euro user interface’ means a digital interface through which digital euro users can access and use digital euro payment services provided by their respective payment service providers.*
21. █
22. ‘visitor *to the euro area*’ 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. █
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 *of* payment, *comprising both international and domestic consumer debit card schemes that can be used by consumers at points of sale and in e-commerce*;
26. ‘switching’ means, upon a digital euro user’s request, transferring from one payment service provider to another either the information about all or some digital euro payment services, █ executed on a digital euro payment account *using the online digital euro payment functionality, including recurring payments*, or the digital euro holdings from one digital euro payment account to the other, or both, with or without closing the former █ account, while maintaining the same account identifier;
27. ‘user identifier’ means a unique identifier *generated* by a payment service provider distributing the digital euro that unambiguously *identifies*, 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 a unique pseudonymous identifier *and, upon the request of a digital euro user, additional proxies*, 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;
29. ‘user authentication’ means *authentication as defined in Article 4, point (29), of Directive (EU) 2015/2366, being* 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, *smartcards*, smart watches and wearables of all kind;
- 31 a. *‘unmanned point of sale’ means a physical device or system via which goods or services are provided directly to the payer by or on behalf of the payee in return for payment, without the presence of any staff or agents of the payee, including vending machines, ticketing machines, parking meters, self-service fuel and charging stations, and other similar systems.*

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 3a *Prevention of conflicts of interest*

The European Central Bank shall take all necessary measures to avoid any potential conflict of interest between its monetary, supervisory and payment systems oversight tasks, in accordance with the Treaty on the Functioning of the European Union, and its activities in relation to the management of the digital euro.

Article 4 *Issuance 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 *it as a form of central bank digital currency for retail use*.

After the authorisation of the issuance referred to in the first subparagraph, the European Central Bank shall publicly announce the envisaged date of the first issuance of the digital euro. The announcement of the envisaged date of issuance shall take place at least two years prior to that envisaged date.

2. The digital euro shall be a direct liability *on the balance sheet* of the European Central Bank or of national central banks towards digital euro users. *Digital euro holdings shall be the exclusive property of digital euro users and not of the payment service providers providing digital euro services, nor of any other intermediary.*

- 2 a. *The European Central Bank shall conduct all preparatory work, technical and organisational arrangements and testing for the issuance of the digital euro, in particular:*
- (a) the completion of the digital euro scheme rulebook;*
 - (b) the necessary infrastructure development and deployment;*
 - (c) governance provisions;*
 - (d) pilot testing in accordance with Article 4a; and*
 - (e) the development of clear liability rules in accordance with Article 27.*
- 2 b. *After the authorisation of the issuance of the digital euro, the European Central Bank shall provide for a roll-out phase of at least 24 months to ensure readiness for a secure, resilient and gradual adaptation by the Eurosystem, payment service providers and digital euro users.*

*Article 4a
Pilot testing*

1. *Before the first issuance of the digital euro, the European Central Bank shall conduct pilot testing in a controlled real-life environment and for a sufficient duration. The pilot testing shall include both online and offline digital euro payment functionalities, with particular attention paid to offline-specific cyber risks, including double-spending prevention, device integrity, cryptographic key protection and the resilience of secure elements.*
2. *The pilot testing shall involve a selection of payment service providers established in Member States whose currency is the euro, as well as a selection of merchants and end users. Participation in the pilot testing shall be voluntary. The pilot testing shall reflect a diversity of technological environments, network conditions, device types and user profiles, in order to test cyber-resilience, operational resilience and user security awareness.*
3. *The pilot testing may include elderly persons and persons with limited digital skills or disabilities, with a view to ensuring that the digital euro is usable for all population groups, including those who are digitally excluded or rely heavily on cash.*
4. *Upon completion of the pilot testing, the European Central Bank shall publish a report summarising the results of the pilot testing and any identified shortcomings and corrective measures taken, including in relation to cyber-security, operational resilience and privacy protection matters. The report shall be transmitted to the European Parliament, the Council and the Commission.*

*Article 5
Applicable law*

1. The digital euro shall be governed by the provisions of this Regulation, supplemented by the delegated acts that the Commission is empowered to adopt pursuant to Articles 14, 16a, 34, 35, 36 and 37. ■

- 1 a. The provision of digital euro payment services shall not affect Member States' obligation to ensure sufficient and effective access to cash, in particular in rural, remote or underserved areas, in accordance with Regulation (EU) .../...**
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. ***Such detailed measures, rules and standards shall fully implement the principles of data minimisation, and of data protection by design and by default, as defined in Regulation (EU) 2016/679, and shall implement privacy-enhancing technologies.***
- 2 a. The European Central Bank shall set up an advisory platform for the digital euro scheme rulebook supporting the implementation of the digital euro on an ongoing basis, in particular with regard to interoperability between payment service providers and with regard to the digital euro settlement infrastructure, usability and technical standards for digital euro payment services. The platform shall include participants from the market for payment services, merchants and representatives of end users and consumer organisations and ensure full transparency in its composition and functioning. The European Central Bank shall ensure that there is public transparency as regards the discussions of the advisory platform.*
3. **█ Directive (EU) 2015/2366 [PSD3/PSR] █** shall apply to digital euro payment transactions, *with the exception of:*
- (a) the provisions on payment initiation services in Chapter III of that Directive and Regulation [PSD3/PSR];*
- (b) the provisions of that Directive and Regulation [PSD3/PSR] that allow Member States the possibility of setting additional rules.*
4. In accordance with Article 2(10) of Regulation (EU) 2021/1230, **█** the provisions of that Regulation shall apply to digital euro payment transactions.
5. Without prejudice to *Article 37* of this Regulation, Directive (EU) **2024/1640 █** and Regulation (EU) **2023/1113 █** shall apply to digital euro payment *transaction services*.
- 5 a. Regulation (EU) 2022/2554 shall apply to payment service providers providing digital euro payment services.*
- 5 b. The legislative acts referred to in paragraphs 2 to 5a shall apply to the extent that a matter is not covered by this Regulation, and insofar as those legislative acts are compatible with it. Where a matter is covered by both this Regulation and those legislative acts, this Regulation shall prevail.*

* *OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... (2023/0208(COD)) and insert the number, date, title and OJ reference of that Regulation in the footnote.*

Article 6
Competent authorities

1. **Member States whose currency is the euro** shall designate one or more competent authorities to ensure compliance with Chapter III in their territory. **Member States shall designate one or more competent authorities to ensure compliance with Article 17 in their territory.** They shall inform the Commission thereof, indicating any division of functions and duties.
Member States whose currency is the euro shall lay down the rules on penalties applicable to infringements of Chapter III. **Member States shall lay down the rules on penalties applicable to infringements of Article 17.** They 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 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, 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 Payment Services Providers of their obligations pursuant to Chapters IV, V, VI and VII of this Regulation.
 - 2 a. **Regulation (EU) 2016/679 shall govern supervision by competent authorities, the sanctions regime and supervisory arrangements between the competent authorities of the home Member States and the host Member States, concerning compliance by data controllers with their obligations pursuant to Chapter VIII of this Regulation.**
3. **Regulation (EU) 2024/1624 and Directive (EU) 2024/1640** shall govern the supervision by competent authorities, the **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.
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. **After completion of the pilot testing,** Member States shall **take** adequate measures to raise awareness among **citizens and merchants** about the availability and features of the digital euro, **as well as about the possibilities of access to it, its use, and its impact on resilience, inclusiveness, and accessibility. That information campaign shall be conducted in close coordination with all relevant stakeholders, including the European Central Bank, the national central banks and market participants.**

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. ***To that end, where the payee is required to accept the digital euro, the payer shall be entitled to choose between an online and offline digital euro payment transaction.***
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 ***and discounts*** 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.
- 5 a. ***For the purposes of ensuring the legal tender status of the digital euro referred to in paragraph 1 of this Article, the full face value of the digital euro shall be preserved in all basic digital euro payment services set out in Annex II.***

Article 8 Territorial scope of legal tender status

1. █
2. ***Without prejudice to the legal tender status of euro banknotes and coins as laid down in Regulation (EU) .../...* , the digital euro shall have legal tender status for █ payments of a monetary debt denominated in euro to a payee residing or established in the euro area.***

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:

* OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... (2023/0208(COD)).

- (a) where the payee is a **small or micro** enterprise **■**, or is a non-profit legal entity as defined in Article 2, point (18), of Regulation (EU) 2021/695 of the European Parliament and of the Council, unless it accepts **other** digital means of payment;
- (b) where a refusal is made in good faith and where such refusal is based on legitimate, **technical** 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:
 - **as a self-employed person in the course of a commercial activity, unless the payee accepts other digital means of payment; or**
 - 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.
- (da) at an unmanned point of sale that does not accept any other digital means of payment.**

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

Where the payer is a consumer or a self-employed person engaged in a commercial activity, any contractual terms relied on by payees subject to the obligation to accept the digital euro **at the point of interaction** which have the object or **■** effect **of excluding** the use of the digital euro by **■** payers of monetary debts denominated in euro, **shall be negotiated individually**. Such contractual terms shall not **■** be regarded as **having been negotiated** individually **■** where **they have** been drafted in advance and where the payer has **■** not been able to influence **their** substance **■**, particularly in the context of a pre-formulated standard **form** contract. **For the purposes of this paragraph, ‘consumer’ means any natural person who is acting for purposes which are outside his or her trade, business, craft or profession.**

The payees referred to in the first subparagraph shall not engage in commercial practices that have the object or effect of excluding the use of the digital euro by payers of monetary debts denominated in euro.

Contractual terms and commercial practices prohibited pursuant to the first and second subparagraphs shall not be binding on the payer.

■

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. **Payment service providers that provide cash services shall provide conversion services between**

digital euro and euro banknotes subject to the same terms and conditions in which they provide such services for non-digital euro payment accounts.

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) .../...* . 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 (EU) .../...** , the payer is entitled to choose the means of payment.

CHAPTER IV DISTRIBUTION

Article 13

Payment service providers distributing the digital euro

1. Within the framework of ***Regulation (EU) .../...*** and Directive (EU) 2015/2366, and without prejudice to Article 14(1) and (2) of this Regulation***, payment service providers may provide the digital euro payment services set out in Annex I to:
- (a) natural ***or*** legal persons residing or established in Member States whose currency is the euro;
 - (b) natural ***or*** legal persons who ***no longer reside nor are established in Member States whose currency is the euro, but who*** opened a digital euro ***payment account*** at the time they resided or were established in ***those*** Member State.
 - (c) visitors ***to the euro area***;
 - (d) natural ***or*** 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 ***or*** 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;
- (ea) natural or legal persons residing or established in Member States whose currency is not the euro, or in third countries, where those natural or legal persons exercise their free movement rights in a Member State whose currency is the euro.***

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) ***of the first subparagraph of this paragraph*** subject to the conditions laid down in Article 16.

* OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... (2023/0208(COD)).

** OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../... (2023/0208(COD)).

For the purpose of point (a) *of the first subparagraph, the term ‘residing’ shall include both Union citizens and third country nationals who benefit from residence rights pursuant to Union law or national law of a Member State.*

2.

2a. *Without prejudice to Articles 16 and 37 of this Regulation, a payment service provider that provides account servicing payment services within the meaning of [PSD3/PSR] shall enable digital euro users who are natural persons, whether holding their non-digital euro payment account to which their digital euro payment account is linked with that same or with a different payment service provider, to manually or automatically fund or defund their digital euro payment accounts in any of the following ways:*

- (a) from or to non-digital euro payment accounts, at any point in time;*
- (b) from or to local storage devices, at any point in time;*
- (c) from or to euro banknotes and coins, whenever the payment service provider provides cash services.*

For the purposes of the first subparagraph, point (c), cash funding and defunding functionalities in respect of digital euro payment accounts shall be provided by the payment service provider in the same manner as that provider’s provision of cash in respect of non-digital euro payment accounts.

2b. *Without prejudice to Articles 16 and 37 of this Regulation, a payment service provider that provides account servicing payment services within the meaning of [PSD3/PSR] shall enable digital euro users who are legal persons or natural persons acting as a self-employed person in a commercial activity to automatically defund, at any point in time, their digital euro holdings to a non-digital euro payment account, whether held with the same payment service provider with which they hold their digital euro payment account or with a different one, designated by the digital euro user concerned.*

2c. *Payment service providers shall provide all mandatory digital euro acquiring services set out in Annex IIa.*

Payment service providers that decide to provide digital euro payment services to consumers or do so upon the request of their clients pursuant to Article 14(1) shall provide all basic digital euro payment services set out in Annex II.

Payment service providers that decide to provide mandatory digital euro acquiring services to merchants or do so upon the request of their clients pursuant to Article 14(1a) shall provide all mandatory digital euro acquiring services set out in Annex IIa.

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4. Payment service providers **that provide** account servicing payment services within the meaning of Directive (EU) 2015/2366 shall enable digital euro users:
- (a) to have their digital euros in excess of any limitations **adopted** 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 make an online digital euro payment transaction where the transaction amount exceeds their digital euro holdings.

For the purpose of **the first subparagraph**, and upon prior approval by the digital euro users, payment service providers shall link each digital euro payment account to a single non-digital euro payment account designated by the digital euro users. Digital euro users shall be allowed to have that designated non-digital euro payment account with a different payment service provider than the one where a given digital euro payment account is held.

Where, as provided for in the second subparagraph, a digital euro user holds its designated single payment account and any of its other digital euro payment accounts with different payment service providers, the service set out in the first subparagraph, point (b), shall only be provided to that user where a voluntary contractual arrangement exists between the payment service providers concerned.

For purposes other than those of the first subparagraph, points (a) and (b), automatic funding and defunding shall take place within the same or with a different payment service provider. Those services shall only be provided among different payment service providers where a voluntary contractual arrangement exists between the payment service providers concerned.

- 4a. ***When providing digital euro payment services to merchants subject to the obligation to accept the digital euro pursuant to Chapter III, payment service providers shall offer to those merchants, upon request, the possibility of initiating and executing refund transactions.***
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 **only** with PSPs. Digital euro users shall not have any contractual relationship with the European Central Bank or the national central banks.
7. Digital euro users may have one or **more** digital euro payment accounts, with the same or different payment service providers.
8. Payment service providers shall make available to **their clients**, free of charge, accessible information about the specific features of digital euro payment services and the conditions of their distribution.
- 8a. ***The European Central Bank may issue technical standards and operational guidelines to promote efficiency, interoperability, and cost minimisation in the***

provision of digital euro payment services. Payment service providers shall cooperate with the European Central Bank in:

- (a) sharing anonymised cost and operational data to establish efficiency benchmarks;***
- (b) adopting common standards and interfaces that reduce integration and operational costs;***
- (c) identifying and implementing best practices for cost-effective service delivery;***
- (d) exploring shared infrastructure solutions, where appropriate, to minimise duplicative costs.***

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)(a), credit institutions that provide payment services as referred to in points (1), (2) or (3) of Annex I to Directive (EU) 2015/2366 shall ***notify their clients of the availability of digital euro and provide them***, upon request, with all basic digital euro payment services as referred to in Annex II.
 - 1a. ***For the purpose of distributing the digital euro to legal persons referred to in Article 13(1) or to natural persons acting as self-employed persons in a commercial activity, to whom the obligation to accept the digital euro pursuant to Chapter III of this Regulation applies, payment service providers shall, upon request of their clients, provide the mandatory digital euro acquiring services referred to in Annex IIa to this Regulation provided that they already provide acquiring services in accordance with Directive (EU) 2015/2366 for comparable means of payment.***
2. For natural persons referred to in Article 13(1)(a) that do not hold a non-digital euro account, Chapter IV of Directive (EU) 2014/92 on access to payment account with basic features shall apply, with the exception of Articles 17 and 18, to the access to digital euro account with basic services by consumers.
3. Member States shall designate ***one or more public payment service providers, and may designate one or more payment service providers, following a public procurement procedure*** to:
 - (a) provide ***the*** basic digital euro payment services ***listed in Annex II*** 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 ***the*** basic digital ***euro*** payment services ***listed in Annex II*** and provide digital inclusion support ***services*** to persons with disabilities, functional limitations or limited digital skills, and ***to the elderly*** .

Member States may, by mutual agreement, designate an authority in another Member State to act as the authority providing the services referred to in the first subparagraph of this paragraph to their citizens, provided that those citizens are granted the same

conditions and the same ease of access as they would receive if the authority were established in their own Member State.

4. **■ For the purpose of paragraph 3 ■** digital inclusion support *services shall be provided on-site and* comprise a dedicated *in-person* assistance for onboarding to a digital euro payment account and *make use of* all basic digital payment euro services *listed in Annex II.*
5. *Within one year from the entry into force of this Regulation, after consulting all relevant stakeholders, the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) and the European Banking Authority shall jointly develop draft regulatory standards* specifying the interaction between AML/CFT requirements and the provision of basic digital euro payment services with a particular focus on financial inclusion of vulnerable groups. **■ Those draft regulatory standards shall reflect the intrinsic distinctive AML/CFT risk profiles of basic digital euro payment services.**

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.

- 5 a. *Two years after the first issuance of the digital euro and every three years thereafter, the Commission shall present a report to the European Parliament and the Council analysing the distribution of the digital euro by payment service providers.*

The report shall, inter alia, include:

- (a) *the level of distribution of the digital euro among citizens, including the number of digital euro payment accounts opened;*
- (b) *the categories of payment service providers distributing the digital euro;*
- (c) *any disparities in distribution levels between Member States;*
- (d) *Considerations for improving accessibility and ease of use for citizens when opening a digital euro account.*

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 *ensuring access to and usability of central bank money for both* natural and legal persons **■**, *while supporting* monetary policy, *safeguarding monetary sovereignty and mitigating risks to the* stability of the financial system, the use of the digital euro as a store of value *shall* be subject to *holding* limits *that are the same across all euro area Member States and respect the principle of proportionality.*
2. With a view to ensuring *the accessibility and usability* **■** of the digital euro as a legal tender means of payment, and to avoiding excessive charges for merchants subject to

the obligation to accept the digital euro under Chapter II while providing ***appropriate and fair*** compensation for the relevant costs incurred by payment services providers for the ***mandatory*** provision of digital euro ***payment services***, the level of charges or fees to be paid by natural persons or merchants to payment service providers, or between payment service providers, shall be subject to limits. ***Any charges or fees in relation to digital euro payment transactions shall comply with the principle of proportionality. No charges or fees shall be imposed on digital euro users for basic digital euro payment services.***

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:
 - (a) shall ***define quantitative limits on the digital euro holdings of natural persons; and***
 - (b) ***may develop other instruments to limit the use of the digital euro as a store of value.***

2. ***The European Central Bank shall, after consulting the European Systemic Risk Board and with the involvement of relevant stakeholders, including payment service providers, prepare a technical report on the specific quantitative limits on digital euro holdings of natural persons and on any other instruments developed to limit the use of the digital euro as a store of value. The European Central Bank shall publish that report at least one year before the envisaged date of the first issuance of the digital euro referred to in Article 4(1).***

- 2a. ***Quantitative limits on the digital euro holdings of natural persons and any other instruments developed to limit the use of the digital euro as a store of value as referred to in paragraph 1 shall:***
 - (a) safeguard the objectives set out in Article 15(1), in particular ***the stability of the financial system across the euro area and each Member State;***
 - (b) ensure the usability and acceptance of the digital euro as a legal tender instrument;
 - (c) respect the principle of proportionality.;
 - (d) ***take into account the evolving architecture of the financial system and the impact of such holding limits and any other instruments, at Union and Member State levels, on different business models of Union deposit-taking institutions, in stress scenarios, including severe liquidity and tail-risk events, based on a granular assessment of the distribution of deposit structures of deposit-taking entities across the Union banking sector, including the weight of small-value deposits in bank funding and the specific deposit structure of financial institutions primarily relying on retail small-value deposits.***

- 2b. ***The European Central Bank shall adopt a decision on the quantitative limits on digital euro holdings of natural persons prior to the first issuance of the digital euro. Those limits shall respect the overall ceiling determined in accordance with Article 16a.***

The European Central Bank shall without delay adjust the limits set in accordance with the previous subparagraph to comply with the overall ceiling established in the delegated act referred to in Article 16a(3) and (5).

3. *Quantitative limits on the digital euro holdings and any other instruments developed to limit the use of the digital euro as a store of value* referred to in paragraph 1 shall be applied in a non-discriminatory manner and uniformly across the euro area.

- 3a. *For the purposes of Article 15(1), legal persons shall not maintain any digital euro holdings.*

Notwithstanding the first subparagraph of this paragraph, legal persons, when acting as payees in digital euro payment transactions, and in accordance with Article 13(2b), may accumulate temporary holdings of incoming digital euro payments for a maximum period of 24 hours to allow for batch defunding of digital euros to their non-digital euro payment accounts.

By way of derogation from the first subparagraph, in the event of a temporary network disruption due to force majeure events, legal persons may maintain temporary holdings of digital euro with no limits for the duration of the disruption. As soon as the network disruption comes to an end, automatic defunding in accordance with Article 13(2b) shall be available.

The temporary digital euro holdings referred to in the second and third subparagraph of this paragraph shall not be considered as a breach of the holding limit set pursuant to this Article or to Article 37.

4. Any limits on digital euro payment accounts adopted pursuant to paragraph 1 shall apply to both online *and offline* holdings.

A digital euro user *who is a natural person* may set its *limits to offline digital euro holdings* at any amount between zero and the holding limit set in accordance with Article 37.

Where a digital euro user *who is a natural person* uses both *the online digital euro payment functionality and offline digital euro payment functionality*, the limit that applies to *the online digital euro holdings* shall equal the *specific quantitative limit of digital euro holdings defined* by the European Central Bank minus the **█** limit for *the offline digital euro holdings determined* by digital euro users.

5. The limits **█** *on the use of the digital euro as a store of value applicable to the persons referred to in Article 13(1), points (b), (c), (d), (e) and (ea), shall not be higher than those* effectively implemented in the euro area for natural and legal persons residing or established in Member States whose currency is the euro. The **█** 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 **█**, the European Central Bank shall consult national central banks of Member States whose currency is not the euro.

6. *Where* a digital euro user has multiple digital euro payment accounts, *that* 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 between the local storage devices*.

7. Where a digital euro payment account is held *jointly* by more than one digital euro user, any holding limit on *such* digital euro payment account **■** shall *be equal* to the sum of the individual holding limits allocated to *it by each of* its users.
- 7 a. *Payment service providers providing account servicing payment services within the meaning of Directive and Regulation [PSD3/PSR] to the natural and legal persons referred to in Article 13(1) of this Regulation shall apply the limits and instruments set out in this Article to digital euro payment accounts. For that purpose, they shall use the single access point referred to in Article 35(8).*
8. **■** *The digital euro shall not bear interest.*

Article 16a

Overall ceiling for the limits on digital euro holdings of natural persons

1. *Quantitative limits on digital euro holdings of natural persons, as referred to in Article 16(1) shall be subject to an overall ceiling determined in accordance with this Article.*
2. *The European Central Bank shall, when publishing the report referred to in Article 16(2), submit a recommendation to the European Parliament, the Council and the Commission, on the overall ceiling of the quantitative limits referred to in Article 16 (1a).*
3. *The Commission is empowered to adopt a delegated act, in accordance with Article 38, to set an overall ceiling for limits on the digital euro holdings for natural persons. The delegated act shall be adopted within three months of reception of the recommendation of the European Central Bank referred to in paragraph 2 of this Article. The delegated act shall reflect the criteria laid down in Article 16 (2a).*
4. *A delegated act adopted pursuant to the previous paragraph shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of three months 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 three months at the initiative of the European Parliament or of the Council. If the delegated act has not been adopted at the end of such period, the European Central Bank shall be able to set the specific quantitative limit on digital euro holdings for natural persons according to Article 16(2) in accordance with its technical report.*
5. *The overall ceiling for quantitative limits on the digital euro holdings of natural persons shall be reviewed at least every two years. To that end, at least six months before the end of every two-year period after the entry into force of the delegated act referred to in paragraph 3 of this Article, the European Central Bank shall publish a new recommendation for the overall ceiling for the quantitative limits on the digital euro holdings of natural persons referred to in Article 16 (1a). The Commission shall*

be empowered to adopt delegated acts, in accordance with Article 38, revising the overall ceiling for limits on the digital euro holdings of natural persons.

Article 17

Fees and charges for the provision of digital euro payment services

1. For the purpose of *ensuring an effective use of the digital euro as a legal tender means of payment*, payment service providers shall not charge fees, *whether direct, indirect or bundled*, for the provision of *any of the following*:

(a) the basic digital euro payment services referred to in Annex II to the natural persons referred to in Article 13(1), points (a), (b) and (c), or to natural persons acting as self-employed persons in a commercial activity in their capacity as payer;

(b) the mandatory digital euro acquiring services referred to in Annex IIa, points (a) and (b), to merchants.

The first subparagraph of this paragraph is without prejudice to any fees that payment service providers may charge for the provision of additional digital euro payment services not included in Annex II or in Annex IIa, points (a) and (b).

Any merchant service charges and inter-payment service provider fees charged in relation to digital euro payment transactions shall comply with the principle of proportionality. The level of any such charges and fees shall be subject to the caps laid down in Article 15(2) and in this Article.

Use of digital euro payment accounts by natural persons in the course of commercial activities in their capacity as payees shall not be considered to be basic digital euro payment services. Where a natural person obtains basic digital euro payment services by providing incorrect information that would otherwise have precluded the provision of such basic digital euro payment services, the payment service providers concerned shall be allowed to verify or cross-check the activity of that natural person to determine whether that person is using the digital euro payment account for receiving payments in the course of commercial activities. Where that is the case, the payment service provider may restrict or block the account of the natural person, and, where appropriate, terminate the contractual relationship or establish a proportionate limit on the number of received and issued payment transactions that are free-of-charge. the payment service provider concerned shall be allowed to charge a fee for any payment transactions that exceed that limit, in accordance with paragraph 2a. of this Article.

- 1a. *Natural persons shall be able to hold, transfer, and receive digital euros without incurring direct transaction costs.*
- 1b. *Payment service providers shall not impose indirect charges on natural persons through account maintenance fees, minimum balance requirements, or similar mechanisms tied to digital euro usage.*

By way of derogation from paragraph 1, a payment service provider may charge a reasonable fee for any of the following:

(a) the provision of an additional payment instrument that is provided upon the request of the user as referred to in Annex II, point (g), provided that such fee

- only covers those functionalities that are already provided free of charge by the other payment instruments ;*
- (b) cash funding and defunding functionalities for digital euro payment accounts referred to in Article 13(2a), point (c) provided that such fee is not more than that charged by the same payment service provider for the provision, in the same manner, of cash services in respect of non-digital euro payment accounts.*

For the purposes of point (a) of this paragraph, the digital forms of a given payment instrument shall not be regarded as an additional payment instrument.

- 1 c. Any fees for additional services provided beyond the basic services referred to in Annex II shall be clearly disclosed in advance, separately itemised from the basic services, and contractually agreed.*

I

- 2 a. Merchant service charges and inter-payment service provider fees in respect of digital euro payment services shall be subject to euro-area uniform caps.*

The Commission, with the technical assistance of the European Central Bank, shall, by means of implementing acts be empowered to determine, publish and periodically review the euro-area uniform caps for both inter-payment service provider fees and merchant service charges. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39.

The methodology for calculating the euro-area uniform caps referred to in the first subparagraph shall:

- (a) be based on comparable digital means of payments;*
- (b) provide that the calculation of the euro-area uniform caps is based on the weighted average fee and charge levels based on volume of the inter-payment service provider fee and the merchant service charge applied to the means of payment referred to in point (a) during the preceding 12-month period, relative to the aggregate value of payment transactions in that period; and*
- (c) assess the need for an adjustment factor to the value of the weighted average fee and charge level referred to in point (b) having regard to:*
- (i) the costs for payment service providers associated with connecting to the digital euro payment infrastructure;*
- (ii) the fact that scheme and processing fees are not to be paid by the merchants and payment service providers to the Eurosystem given the public nature of the digital euro payment infrastructure; and*
- (iii) the fact that any potential cost reduction shall be equally assigned among payment service providers and merchants.*
- 2 b. To ensure a no worse-off principle is applied to all merchants, the amount of the euro-area uniform cap for the merchant service charge applied by a payment service*

provider for the provision of a digital euro payment service to a merchant shall not, irrespective of the established level of the euro-area uniform cap, exceed the amount of the merchant service charge levied by that payment service provider on that merchant in respect of any comparable digital means of payment.

3. The *Commission, with the technical assistance of the* European Central Bank, shall collect information on:

(a) the fees or charges requested for international and domestic debit card schemes that are usable at points of sale and in e-commerce;

(b) inter-payment service provider fees levied on digital euro transactions; and

(c) the merchant service charges levied on digital euro transactions.

The Commission shall publish periodically the *aggregate* amounts of the fees and charges referred to in the first subparagraph accompanied by an explanatory report.

4. The *Commission, with the technical assistance of the* European Central Bank may require payment service providers to provide all information necessary for the application of this Article *and Article 17a* and to verify compliance with *those Articles*. *The information requested by the Commission shall be proportionate and directly relevant for its monitoring of compliance, while minimising the reporting burden, avoiding duplication, and relying as much as possible on existing reporting obligations under Directive (EU) 2015/2366 [PSD3/PSR] and existing data sources.* Payment service providers *shall submit all the requested information to the Commission. The Commission, with the technical assistance of the European Central Bank, may also specify the format, frequency and technical standards for the transmission of the requested information.* The *Commission, with the technical assistance of the* European Central Bank may require that such information is certified by an independent auditor *and may carry out further verifications.*

- 4 a. *The information referred to in paragraph 4 shall not include personal data in line with the principle of data minimisation.*

■

6. The merchant service charge shall *comprise all fees and charges charged to the merchant per digital euro transaction and shall be expressed as a percentage of the total monetary amount transacted in a given period of time.* ■ *For the purpose of applying the ‘no worse-off’ principle referred to in paragraph 2d to the merchant service charge, payment service providers shall disclose to their clients information about the fees charged for the provision of acquiring services with comparable means of payment for that specific merchant. That information shall be disclosed using a standardised format that is clear, simple and easy to understand and that facilitates comparison.*
7. *An inter-payment service provider fee shall not be charged for:*
- (a) offline digital euro transactions;*

- (b) **■ funding or defunding with the payment service provider belonging to the same group.**

Article 17a

Evaluation and revision of fees and charges for the provision of digital euro payment services

1. **No later than five years from the date of issuance of the digital euro, the Commission, after consulting the European Central Bank, shall carry out a review and submit a report to the European Parliament and to the Council to evaluate the compensation model referred to in Article 17 and the cost-based compensation model referred to in paragraph 3 of this Article.**

The Commission shall carry out the review and submit the report referred to in the first subparagraph before the expiry of the period referred to in that subparagraph, as soon as the following conditions are met:

- (a) **sufficient and reliable cost data for digital euro transactions are available in an accurate, harmonised and verifiable manner;**
- (b) **the average unit costs and volume of total digital euro transactions have stabilised after the consumers' adoption period.**

The report referred to in the first subparagraph shall, in any event, assess the quality of the data used to reach its conclusions taking into consideration the conditions set out in the second subparagraph.

2. **The report referred to in paragraph 1 of this Article shall include a comparison between the fees and charges that could result from a cost-based compensation model, including a reasonable margin of profit, and the data collected pursuant to Article 17(3).**
3. **The Commission shall, one month after the submission of the report pursuant to paragraph 1 of this Article, adopt an implementing act, to establish uniform conditions for a new cost based compensation model to replace the compensation model referred to in Article 17, unless the report carried out in accordance with paragraph 1 of this Article concludes that the compensation model referred to in Article 17 provides lower costs for merchants, greater efficiency and competition in the payment markets. The reasons for such conclusion shall be included in the report. That implementing act shall be adopted in accordance with the examination procedure referred to in Article 39.**

A cost-based compensation model as referred to in the first subparagraph shall comply with the following:

- (a) **merchant service charges or inter-payment service provider fees shall be determined by the relevant costs incurred by a group of the most efficient payment service providers for the provision of digital euro payment services, including a reasonable margin of profit;**
- (b) **the fee structure shall be uniform and applied in a non-discriminatory manner across the Union, ensuring a homogeneous regime for all payment service providers and merchants and provide for proportionate treatment for small**

value transactions initiated in small merchants, understood as micro-enterprises within the meaning of Article 2(3) of Commission Recommendation 2003/361/EC, including the possibility for a flat fee or per transaction fee, to avoid disproportionate cost burdens.

The European Central Bank shall periodically provide technical assistance to the Commission for calculating the caps referred to in the second subparagraph.

- 4. The reasonable margin of profit referred to in paragraph 2 and in paragraph 3, second subparagraph, point (a), shall be calculated on the basis of the profit margin applied by the payment service providers charging the lowest margins distributed in the euro area in a given year, as reported to the Commission by a statistically representative sample of payment service providers in each Member State.*
- 5. The European Central Bank shall provide technical assistance to the Commission by means of collecting the data referred to in Article 17(3). Such data shall be updated by the European Central Bank and published in aggregated form to promote transparency.*
- 6. In the event that an implementing act is not adopted pursuant to paragraph 3, the Commission shall perform the review set out in paragraph 1 at least every two years as of the first review until such time as an implementing act is adopted pursuant to paragraph 3. Paragraphs 2 to 5 shall apply mutatis mutandis.*
- 7. At least every five years from the adoption of the implementing act referred to in paragraph 3, the Commission, with the technical assistance of the European Central Bank, shall evaluate the data available according to paragraph 3, third subparagraph. If that evaluation concludes that the cost-based caps on fees and charges requires an update, the Commission shall be empowered to amend such implementing act accordingly.*

The empowerment to amend the implementing act set out in the first subparagraph shall only be valid until the Commission adopts an amending implementing act according to that subparagraph, which takes in consideration the impact of the level of take-up by digital euro users, the maturity of the system, the development of more efficient business models or technological innovation, and concludes that the relevant costs are zero or near to zero.

Article 17b

Zero fees clause non circumvention for basic services

- 1. Payment service providers shall not impose, among others, account maintenance fees, inactivity fees, minimum balance requirements, or similar charges, for the use of digital euro accounts for basic payment services.*
- 2. Payment service providers shall not bundle basic digital euro services with additional services in a manner that makes it impossible or unreasonably difficult for users to access basic services without charge.*
- 3. Payment service providers shall not discriminate against users or merchants who utilise only basic services by reducing the quality of the service, by delaying processing, or through other means.*

4. *Member States' competent authorities shall monitor compliance with this Article and shall impose effective, proportionate, and dissuasive penalties for its infringement, including imposing orders to refund improperly charged fees with interest.*

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 distribute the digital euro **only** 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 **agreement** to that effect.
2. The signing of the **agreement** 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, the Commission and the European Central Bank the request to provide access to and use of the digital euro to natural and legal persons residing or established in that Member State.
 - (b) in its request, the Member State whose currency is not the euro has undertaken **to enter into an agreement with the European Central Bank that includes at least the following commitments:**
 - (i) to ensure that its national central bank shall abide by any rules, guidelines, instructions or requests issued by the European Central Bank in relation to the digital euro;
 - (ii) to ensure that its national central bank shall provide all information on the access to and use of the digital euro in that Member State that the European Central Bank may require.
 - (c) the Member State whose currency is not the euro has adopted all the national legislations necessary to ensure respect of the relevant requirements laid down in this Regulation or the rules and standards adopted pursuant to Article 5(2).
3. The agreement referred to in paragraph 1 shall specify the necessary implementing measures and procedures, and the cases under which the agreement 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 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.

- 4 a. ***Where the European Central Bank refuses to enter into the agreement referred to in paragraph 2, it shall provide the Commission with a reasoned explanation of the grounds for such refusal.***

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 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 that:
 - (i) its national central bank and, where appropriate, its national competent authority shall abide by any rules, guidelines, instructions or requests issued by the European Central Bank in relation to the digital euro;
 - (ii) its national central bank and, where appropriate, its national competent authority shall provide all information on the use of digital euro in that third country that the European Central Bank may require;
 - (b) the third country has adopted all the national legislations necessary to ensure respect of the rules and standards laid down in this Regulation or adopted 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, ***such equivalence being verified by the Commission in the form of an implementing act.***
3. The agreement between the Union and the third country ***referred to in paragraph 1 of this Article*** 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 29 of Regulation (EU) 2024/1624 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 ***that Regulation***. That agreement shall be complemented by an arrangement between the European Central Bank and the national central bank and, where appropriate, the national competent authority of the third country.
4. Negotiations with third countries may be suspended on the basis of the grounds referred to in paragraph 3.

5. Intermediaries established or operating in the third country shall implement the limits set by the European Central Bank in accordance with Article **16** 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 1103/97 and Council Regulation (EC) No 974/98, 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 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 third countries.
2. The European Central Bank shall cooperate with national central banks of Member States whose currency is not the euro to enable, **to the extent possible**, interoperable payments between the digital euro and other 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 **accessible, visible**, simple and easy to handle, including for persons with disabilities, functional limitations or limited digital skills, and older persons;

- (b) be accessible for persons with disabilities by complying with the accessibility requirements laid down in Annex I of Directive 2019/882.
- 2. In their relationships with their payment *service* 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. ***The possibility to use digital euro services without any other product or service from that same provider shall be offered in an accessible manner in accordance with paragraph 1.***
- 3. Each digital euro payment account shall have a unique digital euro payment account number.
- 4. Each digital euro payment account or 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 13(2a) and (4), each digital euro payment account may only be linked to one non-digital payment account.
- 5. Payment service providers *may* allow the use of *a* digital euro payment account by more than one digital euro *user*.

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, ***without undue delay, between each other and also as between electronic money and scriptural money.***
- 3. ***The payee and the payer shall be able to identify whether a digital euro payment transaction takes place online or offline.***
- 3a. ***Digital euro users shall be able to choose whether their digital euro payments made in physical proximity are to be offline or online. That choice may be made by the setting of a default mode in the digital euro interface application.***
- 3b. ***An offline digital euro payment transaction shall be executed even if one or both local storage devices have no internet connectivity at the moment of the transaction.***

Article 23a

State-of-the-art technology of the digital euro settlement infrastructure

- 1. ***The design and operation of the settlement infrastructure for the digital euro shall rely on state-of-the-art technologies that:***
 - (a) ***ensure the implementation of privacy-by-design and privacy-by-default principles;***
 - (b) ***ensure the security, continuity and integrity of the settlement infrastructure and its resilience against cyber-threats, while ensuring the readiness of back-up solutions;***
 - (c) ***minimise any dependency on third-country providers.***

2. ***For the purpose of this Article, the European Central Bank shall monitor technological developments, including any innovation designed to strengthen privacy, data protection, cyber-security and operational resilience, and the detection and prevention of fraud and money laundering.***

The European Central Bank shall consider implementing new technological developments to the digital euro infrastructure after assessing their purpose, scalability and interoperability with existing infrastructure, as well as their impact on the safety, integrity, efficiency and innovation of the digital euro settlement infrastructure.

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, ***in consultation with the advisory platform for the digital euro scheme rulebook referred to in Article 5(2a), shall:***
 - (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

Resilience and preparedness

1. ***In the event of a severe or imminent disruption affecting the continuity of digital euro payment services, the Commission may, upon the request of a Member State and after consultation of the European Central Bank, adopt temporary and proportionate exceptional measures to safeguard uninterrupted access for users.***
2. ***The exceptional measures referred to in paragraph 1 may include:***
 - (a) ***the temporary increase of limits for online and offline transactions or holdings;***
 - (b) ***the activation of emergency switching, enabling users to access digital euro services and holdings without interruption through an alternative payment service provider where their designated provider is unable to ensure continuity, while enabling the alternative service provider to complete the switching without relying on the other payment service providers;***
 - (c) ***the temporary reinforcement of the distribution of the digital euro where necessary to maintain accessibility.***
3. ***Requests for exceptional measures referred to in paragraph 1 shall include evidence of the disruption and its impact. The Commission shall assess any request for***

exceptional measures and adopt a decision within 48 hours of submission of the request.

4. The exceptional measures adopted under this Article:

(a) shall be strictly limited in scope and duration;

(b) shall not exceed a period of three months; and

(c) may be renewed only where the conditions justifying their adoption persist.

The exceptional measures shall comply with the principles of necessity, proportionality, financial stability, and the applicable requirements on data protection and cybersecurity, anti-money laundering and countering the financing of terrorism.

Article 24b

Operational resilience

- 1. The digital euro settlement infrastructure shall consist of physically separate processing sites, which all together form a resilient digital euro payment system.**
- 2. The level of resilience of the digital euro settlement infrastructure shall not be inferior to the level of the digital operational resilience requirements set out in Regulation (EU) 2022/2554.**
- 3. The European Central Bank shall establish software and hardware requirements, including an appropriate certification process, to ensure the security and integrity of offline digital euro transactions and holdings as well as their resilience against fraud, counterfeiting, double spending, or data breaches,.**
- 4. Payment service providers shall ensure that devices supporting the offline functionality comply with the technical standards established by the ECB.**

SECTION 2

MODALITIES OF DISTRIBUTION

Article 25

User authentication and European Digital Identity Wallets

- 1. Payment service providers shall offer any authentication method as defined in Article 3, point (59) of [PSR] for the purposes of the provision of digital euro. User authentication shall be possible with the European Digital Identity Wallets.**
- 2. Payment service providers providing digital euro payment services shall offer their users the possibility to rely on the functionalities of their European Digital Identity Wallets in accordance with Article 5a of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 910/2014].**
 - 2 a. Where a provider of a European Digital Identity Wallet allows for the integration and use of payment instruments, payment service providers shall offer the possibility of integrating their digital euro payment account in their European Digital Identity Wallet, and ensure, upon request by the users, that those users are able to process and**

execute online and offline digital euro payment transactions via their European Digital Identity Wallets.

Article 26

Existing infrastructures and interoperability

1. The European Central Bank shall seek to *use* to the extent possible █ and, *where appropriate, the existing infrastructures, protocols and standards* governing private digital means of payment, *including the use of open standards.* █
2. *Where the European Central Bank concludes that there is a need to develop new infrastructures, protocols or standards for digital euro payment services, it shall ensure the interoperability of those infrastructures, protocols and standards to the extent possible by the use of open standards to allow their use by private digital means of payment.*

Article 27

Dispute settlement mechanism

1. Without prejudice to *any* disputes *relating to* the lawfulness of █ personal data *processing, payment service providers shall establish and apply appropriate and effective procedures for handling and resolving any complaints received from digital euro users. Those procedures shall offer a level of protection that is at least equivalent to that available for comparable payment instruments.* Directive (EU) 2020/1828 *of the European Parliament and of the Council*⁴³ shall apply to the representative actions *concerning* 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 *shall ensure that mechanisms are available* █ to facilitate the exchange of messages *between payment service providers* for the resolution of *pre-disputes and disputes, including commercial disputes, related to digital euro payment transactions inducing but not limited to, technical and fraud-related disputes, as referred to in Article 5(3).* 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. *Dispute settlement mechanisms shall be easily accessible and usable for digital euro users. The European Central Bank and the national central banks shall not bear liability in commercial fraud or fraud-associated disputes related to digital euro payment transactions.*
3. The European Central Bank shall █ act as *the dispute-settlement body for disputes among payment service providers relating to the application of the rulebook governing the operation of the digital euro. The role and functions of the European Central Bank in that capacity shall be established by contract between the European Central Bank and all payment service providers distributing the digital euro. To*

⁴³ *Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC (OJ L 409, 4.12.2020, p.1, ELI: <http://data.europa.eu/eli/dir/2020/1828/oj>).*

perform those functions, the European Central Bank shall adopt internal rules and a governance framework for dispute settlement that ensures no interference and full independence from the European Central Bank payment-system oversight functions. Decisions issued by the European Central Bank under this mechanism shall be final and binding on all participating payment service providers and directly enforceable vis-à-vis their users through the payment service providers' contractual obligations without prejudice to the right to seek redress before judicial authorities in accordance with Union and national law.

- 3 a.** *The European System of Central Banks shall bear liability for any loss or damage attributable to its actions or omissions in relation with the infrastructure or functionalities operated by the European Central Bank or the national central banks governing the operation of the digital euro. The provision of the digital euro user interface by payment service providers in their role in the digital euro distribution as laid down in Article 13 of this Regulation and under Directive (EU) 2015/2366, shall be without prejudice to any right of recourse or indemnification of payment service providers against the European System of Central Banks for any loss or damage attributable to the digital euro user interface provided by the European Central Bank.*
- 3 b.** *In the event of any system outage, technical malfunction, or disruption of the digital euro settlement infrastructure, the liability of the European Central Bank to the user is unaffected. No loss of online digital euro holdings shall be borne by the user as a result of such disruptions.*

Article 28

User interface to access and use the digital euro

1. Payment service providers distributing the digital euro shall provide digital euro users with *at least one option of digital euro user interface, whether made available by the European Central Bank, their own digital euro user interfaces or digital euro user interfaces offered by other payment service providers* to allow digital euro users to access and use *basic* digital euro payment services *in accordance with Annex II*.

Designated payment service providers as referred to in Article 14(3) shall provide digital euro users with the user interface made available by the European Central Bank. They may also offer additional digital euro user interfaces.

█ *Digital euro user interfaces made available by payment service providers shall comply with the standards referred to in Article 22, and shall allow users to access in a single place all digital euro services, including both the online and offline digital euro payment functionalities.*

(b) █

█

2. █ The European Central Bank shall not have access to any personal data in relation to the *digital euro user interfaces* developed by the European Central Bank and 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 to and used by digital euro users.

Article 29

Digital euro services and sanctions adopted by the Union or third countries

1. Payment Service Providers ***offering*** digital euro payment transactions shall verify whether any of their digital euro users are **■** persons or entities ***subject to targeted financial restrictive measures***. Payment service providers shall carry out such verifications immediately after the entry into force of any new **■** restrictive measures, ***and immediately after the entry into force of any amendment to such targeted financial measures***, and at least once every calendar day.
 - 1 a. ***Paragraph 1 is without prejudice to actions taken by payment service providers in order to comply with:***
 - (a) ***restrictive measures, other than targeted financial restrictive measures, adopted in accordance with Article 215 TFEU;***
 - (b) ***restrictive measures that are not adopted in accordance with Article 215 TFEU; or***
 - (c) ***Union law on the prevention of money laundering and countering the financing of terrorism.***
 - 1 b. ***In the event of an undue interruption, restriction or denial of access to digital payments affecting a natural person or legal persons, resulting from the extra-territorial application of legislation adopted by a third country, or actions based thereon or resulting therefrom, as specified in the Annex to Council Regulation (EC) No 2271/96⁴⁴, the Commission may, upon request of a Member State, and after consultation of the European Central Bank, adopt temporary and proportionate exceptional measures offered by designated payment service providers as referred to in Article 14(3) of this Regulation, where necessary to restore or to safeguard effective access to digital euro payment services for those persons.***
 - 1 c. ***Requests for exceptional measures referred to in paragraph 1b shall include evidence that the affected natural or legal person falls within the scope of paragraph 1 and of the interruption, restriction or denial of access to digital payment services. The Commission shall assess the request and adopt a decision within a reasonable timeframe with a view to ensuring continued access to digital euro payment services.***
 - 1 d. ***Exceptional measures as referred to in paragraph 1b shall be strictly limited in scope and duration, shall apply only to the affected natural person or legal person, and shall not exceed what is necessary to protect Union operators from the effects of the extra-territorial application of sanctions listed in the Annex to Regulation***

⁴⁴ Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom (OJ L 309, 29.11.1996, p. 1, ELI: <http://data.europa.eu/eli/reg/1996/2271/oj>).

(EC) No 2271/96. The exceptional measures shall be renewed only where the conditions justifying their adoption persist.

- 1 e. *The exceptional measures as referred to in paragraph 1b shall comply with the principles of necessity, proportionality, financial stability, and the applicable requirements on data protection and cybersecurity, anti-money laundering and countering the financing of terrorism.*

The exceptional measures shall be without prejudice to any Union restrictive measures and shall not permit the circumvention of any sanctions adopted by the Union.

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 **■** persons or entities **subject to targeted financial restrictive measures** in addition to carrying out verifications under paragraph 1.
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.
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 by the Eurosystem. **The settlement infrastructure shall be designed in such a way that neither the European Central Bank nor the national central banks are able to identify a specific digital euro user.**
3. Final settlement of offline digital euro payment transactions shall occur at the moment when the **funds in the payer's local storage device are directly transferred to the payee's local storage device. The transfer shall be without any intermediation of any payment service provider and without any need for a centralised digital euro settlement infrastructure for final settlement.**

Article 31

Switching of digital euro payment accounts

1. Payment service providers shall, **either at the user's request or with the user's consent**, switch **the provision of** digital euro payment **services** to other payment service providers **without undue delay. When switching is carried out in accordance with this Article, the digital euro payment account number shall be maintained.**

- 1 a. ***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 all of them.***
2. In exceptional circumstances ***as referred to in Article 24a*** where a payment service provider is operationally not in a position to provide digital euro payment services to digital euro users **■**, or has lost the digital euro payment account-related data concerned, the European Central Bank ***or the relevant national central bank*** may authorise, ***with the user's consent***, the switching of digital euro payment accounts held with that payment service provider to another payment service provider designated by the digital euro user. That switching shall enable the new payment service provider to complete the switching without relying on the unavailable payment service provider. ***The switching service shall not result in additional data being collected by the European Central Bank and the national central banks other than the data to which they already have access.***

Article 32

General fraud detection and prevention mechanism

1. ***Before the issuance of the digital euro, the European Central Bank shall ensure that a general fraud detection and prevention mechanism for online digital euro transactions is in place in order to facilitate and support the fraud detection and prevention tasks that payment service providers are required to perform under the [PSR] and to ensure the smooth and efficient functioning of the digital euro, while providing necessary safeguards to make the processing compliant with the principles of necessity and proportionality and to respect appropriate storage limitation.*** That general fraud detection and prevention mechanism 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.
2. The European Central Bank shall consult the European Data Protection Supervisor ***and AMLA*** prior to developing the details on the ***technical and*** operational elements of the fraud detection and prevention mechanism.
3. The fraud detection and prevention mechanism shall:
- (a) assess the exposure to fraud risk of online digital euro transactions in real-time at the exclusive use of payment service providers before the transaction is introduced into the digital euro settlement infrastructure ***and provide early warning alerts to anticipate and mitigate risks;***
 - (b) support payment service providers ***in securing payment information and*** in detecting fraudulent transactions in online digital euro payment transactions that have been settled.
- (b a) offer an information sharing arrangement in accordance with Articles 83(3) and (4) of Regulation [PSR];***
- (b b) proactively provide aggregated intelligence anonymised data and regular reports on fraud patterns and on coordinated or emerging threats across the digital euro ecosystem;***

- (b c) enable the implementation of state-of-the-art technical features, including risk-based control triggers, that enhance the security and usability of online digital euro transactions, while ensuring that any automated measures are strictly limited to fraud prevention purposes.*
4. For the purpose of this Article, payment service providers shall provide the fraud detection and prevention mechanism with information referred to in Annex V. Payment service providers shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the **European Central Bank or the providers of support services** shall not be able to identify the digital euro users on the basis of the information provided to the fraud detection and prevention mechanism.
- 4 a. The European Central Bank shall put in place state-of-the-art technical safety measures that aim to ensure that for the digital euro the incidence of fraud is not higher than that observed for comparable digital means of payment and, specifically for the offline digital euro, the incidence of double spending or counterfeiting is not higher than for cash.*
- 4 b. When implementing the technical and organisational measures referred to in paragraphs 4 and 4a of this Article, payment service providers and the European Central Bank shall take into account the principles of data protection by design and by default, as defined in Regulation (EU) 2016/679, ensuring that the processing of personal data is carried out in such a manner that the personal data can no longer be attributed to an individual digital euro user without the use of additional information.*
- 4 c. By three years from the first issuance of the digital euro, the European Central Bank shall submit a report to the European Parliament and to the Council assessing the use of the digital euro in fraudulent or illicit transactions, as well as the effectiveness of safeguards and mitigation measures applied.*

Article 33

Fair, reasonable and non-discriminatory access to mobile devices

1. Without prejudice to Article 6 (7) of Regulation (EU) 2022/1925, original equipment manufacturers of mobile devices and providers of electronic **communications services as defined in Article 2(4) of Directive (EU) 2018/1972⁴⁵** shall **ensure that providers of the digital euro user interface and European Digital Identity Wallets, as well as third-party technical service providers acting on their behalf, are able to interoperate effectively with, and obtain, access for interoperability purposes to, the hardware features and software functionalities, including those existing functionalities already in use for other digital means of payment, required for the secure processing and execution of online or offline digital euro payment transactions, on fair, reasonable and non-discriminatory terms.**
2. **As part of the detailed measures, rules and standards referred to in Article 5(2) and Article 23a, the European Central Bank, shall adopt the reference standards,**

⁴⁵ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018, establishing the European Electronic Communications Code, OJ L 17.12.2018, p. 36.

technical specifications and procedures within six months of the authorisation of the issuance of the digital euro referred to in Article 4(1) of this Regulation. █

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. Such general conditions shall include a European Union-based alternative dispute settlement mechanism. The dispute settlement mechanism shall be without prejudice to the right to seek redress before judicial authorities in accordance with Union and national law.
- 3 a. ***For the purpose of ensuring effective interoperability and access for providers of front-end services, 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, 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 that paragraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39. The Commission shall adopt implementing acts within six months of the authorisation of the issuance of the digital euro referred to in Article 4(1).***
- 3 b. ***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 2 and with the implementing acts referred to in paragraph 3a.***

CHAPTER VIII PRIVACY AND DATA PROTECTION

Article 34

*Processing **personal data** by payment service providers*

1. Payment service providers ***shall comply with a legal obligation under Article 6(1)(c) GDPR*** where they process personal data ***that is strictly necessary*** for the following purposes:
 - (a) the enforcement of limits, including the verification of whether prospective or existing digital euro users have digital euro accounts with another ***payment service provider***, as referred to in Article 16;
 - (b) funding and defunding as referred to in Article 13 (2a), █ (2b), and digital euro payment transactions as referred to in Article 13(4);
 - (c) the provision of offline digital euro █ local storage devices as referred to in ***point (ga)*** of Annex II;
 - (d) compliance with Union sanctions 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.

For the provision of offline digital euro, the processing of personal data by payment service providers is limited to funding and defunding in accordance with Article 37 paragraphs 3, 4 and 5. ***The principle of privacy preservation shall be maintained at all times and no further processing of personal data shall be allowed.***

2. For the purposes referred to in paragraph 1 (a) to (c), of this Article, Annex III lays down the types of personal data that ***may be processed***.
3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update 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 ***and up-to-date*** technical and organisational measures including state-of-the-art security and ***comprehensive*** 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 do not identify individual digital euro users ***or link them to specific transactions and to ensure that data about digital euro users is never unlawfully transferred to third country authorities or entities. Those measures shall be subject to regular review and updating to ensure that privacy preservation remains at the most advanced and comprehensive level.***
- 4 a. ***The European Data Protection Board, in consultation with the European Central Bank, shall issue guidelines on the implementation of appropriate technical and organisation measures, including of anonymisation techniques, to ensure compliance with this Article and with Regulation 2016/679. Compliance of such processing with Regulation (EU) 2016/679 shall be demonstrated.***
- 4 b. ***The purposes of processing of personal data shall be limited to legal obligations under this Regulation and there shall be no further processing of personal data for other purposes nor any data sharing with third parties.***
- 4 c. ***This Article is without prejudice to additional digital euro payment services developed and provided by payment service providers in addition to basic digital euro payment services, for which Article 6(1), point (a) or (b), of Regulation (EU) 2016/679 apply, considering that those services are subject to Directive (EU) 2015/2366.***
- 4 d. ***For the purpose of authentication and identification and in line with the principles of data minimisation and privacy by design and by default as laid down in 2016/679/EU,***

payment service providers shall offer, upon their clients' request, authentication and identification by non-biometric methods.

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 **shall comply with Article 6(1), point (e), GDPR and with Article 5(1), point (a), of Regulation (EU) 2018/1725** where they process personal data **that is strictly necessary** for the following purposes:
 - (a) provision of access for payment service providers to the digital euro settlement infrastructure and support the exchange of messages between payment service providers;
 - (aa) provision of access for digital euro users to the European Central Bank digital euro user interface;**
 - (b) settlement of online digital euro payment transactions;
 - (c) safeguarding the security, **resilience** and integrity of the digital euro settlement infrastructure **of the digital euro accounts** and of local storage devices;
 - (d) supporting verification 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;
 - (e) in exceptional circumstances as defined in Article **31(2)**, authorising payment service providers in switching digital euro payment accounts held with a payment services provider to another payment service providers designated by the digital euro user.
- 1 a. The digital euro settlement infrastructure shall be designed in such a way that neither the European Central Bank nor the national central banks are able to identify a specific digital euro user.**
2. For the purposes referred to in paragraph 1, Annex IV lays down the types of personal data, **that may be processed**.
3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update **and clarify** the types of personal data listed in Annex IV, **while maintaining a complete and closed list of personal data to be processed for the stated purpose**.
4. Personal data processed for tasks referred to in paragraph 1 shall be supported by appropriate technical and organisational measures including state-of-the-art security and **comprehensive** privacy-preserving measures. This shall include the clear segregation of personal data to ensure that the European Central Bank and the national central banks cannot identify individual digital euro users **or link them to specific transactions**. **Privacy protection shall be of paramount importance at all times. Those measures shall be subject to regular review and updating to ensure that privacy preservation remains at the most advanced and comprehensive level. When implementing those technical and organisational measures, the European Central**

Bank and the national central banks shall implement principles of data protection by design and by default, as defined in Regulation (EU) 2016/679.

5. The European Central Bank shall be considered the controller of personal data **■** 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 *V* 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 **■** limits in accordance *with* Article 16 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 *IV*. The European Central Bank shall implement appropriate technical and organisational measures including state-of-the-art security and **comprehensive** 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. ***When establishing the single access point, the Eurosystem shall ensure that the processing of personal data is minimised to what is strictly necessary and that data protection by design and by default as defined in Regulation 2016/679 is embedded in its technical and operational features in accordance with Article 24a. Those measures shall be subject to regular review and updating to ensure that privacy preservation remains at the most advanced and comprehensive level.***

Article 36

Processing personal data by providers of support services

1. Where the European Central Bank decides to confer tasks referred to in Article 27 and 32 upon providers of support services, providers of support services shall provide payment-related services across **payment service providers**. In such a situation, ***providers of support services shall solely process personal data where they perform a task in the public interest pursuant to Article 6(1), point (e), of Regulation (EU) 2016/679, which are limited to***, the following purposes:
 - (a) supporting 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, *that may be processed*. *For the purposes referred to in point (b) of paragraph 1, the Commission shall be empowered to define the types of personal data that are permitted to be processed by the providers of support services by means of a delegated acts in accordance with paragraph 3.*
- 2 a. *For the purposes referred to paragraph 1 processing shall be limited to the data required for the prevention and detection of fraud across payment service providers, the Commission is empowered to adopt delegated acts in accordance with Article 38 in order to define the types of personal data.*
3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update *and clarify* the types of personal data listed in Annex V, *while maintaining a complete and closed list of personal data to be processed for the stated purpose.*
4. The processing of personal data for the purposes referred to in paragraph 1 shall only take place when appropriate technical and organisational measures including state-of-the-art security and *comprehensive* privacy-preserving measures are implemented to ensure that the providers of support services cannot **■** identify individual digital euro users *or link them to specific transactions. These measures shall be subject to regular review and updating to ensure that privacy preservation remains at the most advanced and comprehensive level.*
- 4 a. *Providers of support services designated under this Article shall be subject to the Directive (EU) 2022/2556 and Regulation (EU) 2022/2554.*
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 appointing the operators of any payment-related services across *payment service providers* and auditing of the service performance level without processing any personal data.

CHAPTER IX ANTI-MONEY LAUNDERING

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 *relating to offline digital euro transactions* shall not be retained by payment service providers, *providers of support services* or by the *European Central Bank* and the national central banks, *and shall not be stored on the local storage device unless upon request of the digital euro user.*
3. Payment service providers shall *obtain or* 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(44) of Regulation 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 **digital euro payment accounts** numbers used for funding and defunding.
5. The Commission is empowered to adopt **delegated** acts setting **additional individual or accumulated** offline digital euro payment transaction limits and holding limits **due to AML/CFT considerations in addition to those referred to in Article 16 derived from financial stability considerations.** ■

The applicable holding limit shall be the lower of:

 - (a) **the limit established pursuant to Article 16, or**
 - (b) **any AML/CFT-related limit adopted by the Commission in accordance with the first subparagraph of this paragraph.**

5 a. No later than ... [six months from the date of entry into force of this Regulation], AMLA shall issue a recommendation to the European Commission to specify:

 - (a) **the recommended maximum amount per offline transaction;**
 - (b) **the recommended maximum holdings permitted offline;**
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 **delegated** acts referred to in paragraph 5, shall take into account **the AMLA recommendation and** in particular the following:
 - (a) an assessment of the money laundering and terrorist financing threats, vulnerabilities and risks of the **offline digital euro payment functionality** when funding and defunding their payment instrument **and its risk profile when used for transactions;**
 - (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;
 - (ca) **the objective of introducing a payment instrument offering a similar level of privacy to banknotes and coins.**

For the purposes of point (a), the Commission may request AMLA 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 consult the European Data Protection Board.

CHAPTER X FINAL PROVISIONS

Article 38

Exercise of delegation

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 *14, 16a, 35, 36 and 37* shall be conferred on the Commission for a period of **five years** from [*date of entry into force of this Regulation*]. ***The Commission shall draw up a report in respect of the delegation of power no later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.***
3. The power to adopt the delegated acts referred to in Articles *14, 16a, 34, 35, 36 and 37* 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 *14, 16a, 34, 35, 36 and 37* shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of **three** 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 **three** 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 (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 *effective* 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 effects of the introduction of the digital euro on the innovation, technological development and competition in the Union's payments market, including an analysis on the progress made towards the creation of a pan-European retail payment solution;

(a) █

(aa) the costs incurred by the European Central Bank and the national central banks for the establishment and, the operation and management of the digital euro payment infrastructure, including the operation of the settlement infrastructure;

(b) █

(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;

(da) data on fraud, counterfeiting and double spending and its comparison with comparable means of payment or cash, where appropriate;

(db) the level of disputes among payment service providers relating to the application of its Rulebook settled by the European Central Bank and a summary of the changes needed to the Rulebook to improve the functioning of the digital euro;

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

(dd) the operational resilience of the digital euro infrastructure, including cybersecurity incidents, fraud patterns and contingency measures, while avoiding the disclosure of sensitive information or operational details which could compromise security.

- 1a. *In addition to the reporting pursuant to paragraph 1, the European Central bank shall publish the following reports provided for in this Regulation:*

(a) the report summarising the results of the pilot testing, pursuant to Article 4a(4);

(b) the technical report on the specific quantitative limits on digital euro holdings of natural persons and on any other instruments developed to limit the use of the digital euro as a store of value, pursuant to Article 16 (2);

- (c) *the report assessing the use of the digital euro in fraudulent or illicit transactions, as well as the effectiveness of safeguards and mitigation measures applied, pursuant to Article 32 (4b);*

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 *limits* referred to in Article 16 on:

(-a) financial stability;

(a) the role of financial intermediaries in the financing of the economy;

(b) liquidity requirements laid down in *Regulation (EU) 575/2013* ;

(c) the effective usability of the digital euro within this framework.

3 a. *By two years after 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 general application of this Regulation, which shall incorporate a specific analysis on the following:*

(a) *whether there is sufficient and effective access to and acceptance of the digital euro in the euro area and on the evolution of the business model of credit institutions;*

(b) *the effective use of the digital euro;*

(c) *an analysis on distribution of the digital euro by payment service providers pursuant to Article 14(5a);*

When preparing the reports referred to in the first subparagraph, the Commission shall take into account the reports by European Central Bank referred in this Article and any opinion and views expressed by the European Central Bank.

3 b. *Pursuant to Article 17(3), the Commission shall publish periodically, with an explanatory report, the aggregate amounts resulting from the monitoring of the information collected on the fees or charges requested for international and domestic debit card schemes that are usable at the point of sale and in e-commerce as well as inter-payment service provider fees and the merchant service charges levied on digital euro transactions.*

3 c. *Pursuant to Article 17a(1), the Commission, after consulting the European Central Bank, shall submit a report on the compensation model referred to in Article 17 and a cost-based compensation model referred to in Article 17a(3).*

3d. *By three 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 possibility of an offline digital euro payment transaction taking place even when the two local storage devices of the payer and the payee are not in physical proximity. The report shall assess, in particular:*

(a) *the technical feasibility of such a solution;*

- (b) *the adequate and satisfactory AML/CFT safeguards to mitigate the increased risks associated with such solution.*

The European Central Bank shall provide the Commission with all technical support required in relation to point (a) of the first subparagraph.

AMLA shall provide the Commission with all technical support required in relation to the first subparagraph, point (b).

- 3e. *By three 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 possibility of applying a special anti-money laundering regime to low-value online digital euro payment transactions providing similar privacy features to the offline digital euro payment functionality, taking into account the distinct risk profile of that type of transaction.*

AMLA shall provide the Commission with all technical support required in relation to the first subparagraph.

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 *and offline local storage devices distributed*;
 - (c) the number of payment service providers that provide digital euro basic 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 *Article* 14(2) and (3);
 - (e) the proportion of applications that have been refused by payment service providers referred to in *Article* 14(2) and (3).

Article 41 *Review*

1. █
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. █
4. *The reports referred to in Article 40(3d) and (3e) shall, where appropriate, be accompanied by a legislative proposal to amend this Regulation.*

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*.

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

ANNEX I
Digital euro payment services

Digital euro payment services consist *of*:

- (a) enabling digital euro users to access and use the digital euro, without prejudice to possible limitations set out in ■ Article 16;
- (b) enabling digital euro users to initiate and receive digital euro payment transactions and providing digital euro users with digital euro payment instruments;
- (c) managing digital euro users' digital euro payment accounts;
- (d) *enabling* funding and defunding *functionalities* in accordance with Article 13; and
- (e) providing additional digital euro payment services on top of basic digital euro ■ services pursuant to Annex II.

ANNEX II
Basic digital euro payment services

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

- (a) opening, holding, *managing* and closing *one* digital euro payment account;
- (aa) providing front-end services;*
- (ab) regularly updating the ECB's software for local storage devices;*
- (ac) switching of payment service provider that provides digital euro payment services in accordance with Article 31(1);*
- (b) *possibility to consult* balances and *online* transactions *records*,
- (c) *providing functionality to manually fund and defund* ■ from *or into* a non-digital euro payment account;
- (ca) providing functionality to manually fund and defund from or to a local storage device into a digital euro payment account;*
- (cb) providing functionality to automatically fund and defund digital euro payment accounts from or to a non-digital euro payment account, if the digital euro payment account and the non-digital euro payment account are provided by the same payment service provider;*
- (cc) providing functionality to automatically defund digital euro payment accounts referred to in Article 13(4)(a), from or to a non-digital euro payment account, if the digital euro payment account and the non-digital euro payment account are provided by different payment service providers;*
- (d) ■
- (e) *providing the possibility to initiate or receive* digital euro payment transactions, ■ *including standing orders and pre-authorisation services for digital euro payment transactions* ■ :
- (f) ■
- (g) *providing, upon request of the user, at least one physical* payment instrument, *such as a payment card*, for the execution of digital euro payment transactions *which should allow for the initiation and reception of digital euro payment transactions;*
- (ga) providing, maintaining and life-cycle managing one local storage devices including provisioning, secure distribution, updates to the software controlling the secure element in compliance with the technical and security standards set or certified by the European Central Bank;*
- (gb) providing dispute settlement services on technical and fraud-related disputes as referred to in Articles 27 and 32;*

- (gc) providing pre-dispute settlement services as referred to in Article 27;*
- (gd) providing inclusiveness support in accordance with Articles 14 and 22.*

ANNEX IIa

Mandatory digital euro acquiring services

Mandatory digital euro acquiring services shall consist of:

- (a) opening and closing of digital euro payment accounts;*
- aa) holding and managing digital euro payment accounts, including the possibility to consult balances and transactions;*
- (b) defunding functionalities operations as referred to in Article 13(2) and (4);*
- (c) enabling the reception of online and offline digital euro payment transactions, and pre-authorisation service for online digital euro payment transactions;*
- (d) providing the possibility to initiate refund transactions;*
- (e) providing pre-dispute settlement services as referred to in Article 27;*
- (f) providing dispute settlement services on technical and fraud-related disputes as referred to in Article 27.*

ANNEX III

Personal data processed by *payment service providers*

1. For the purpose of point (a) of Article 34(1), 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 account number; and
 - (iv) information on online digital euro payment transactions, including the transaction identifier and the transaction amount.

2. For the purpose of point (b) of Article 34(1), 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 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), 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.

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 account number; and
 - (ii) information on online digital euro payment transactions;
 - (iii) information linked to *a* unique digital euro payment account number, including the transaction amount.
- 1a. For the purposes of point (aa) Article 35(1), processing shall be limited to:*
 - (i) the user identifier;*
 - (ii) the user authentication;*
 - (iii) information on the unique digital euro payment account number.*
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 digital euro payment transactions:
 - (i) 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 **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 account number, digital euro holdings of the user, the holding limit selected by the user and the type of digital euro account.

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: DECLARATION OF INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he included in his report input on matters pertaining to the subject of the file that he received, in the preparation of the report, prior to the adoption thereof in committee, from the following interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register¹, or from the following representatives of public authorities of third countries, including their diplomatic missions and embassies:

1. Interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register
AEBANCA
ABANCA
Association of Credit Card Issuers Europe
Association of German Banks
ATM Industry Association
Banco de España
Banco Santander
Bankinter
BBVA
BEUC
Bitpanda
Bizum
Blockchain for Europe
BNP Paribas
Bundesbank
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. / National Association of German Cooperative Banks
Caixa Bank
Cash alliance
Cecabank
Chair of the European DataWarehouse
Circle Internet Financial
Commissioner for Economy and Productivity; Implementation and Simplification
Commissioner for Financial Services and the Savings and Investments Union
Crédit Agricole
Deutsche Bank
Dutch Banking Association
Dutch Central Bank President
Dutch Ministry of Finance
Ecommerce Europe
Erste Group
EuroCommerce

¹ Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register (OJ L 207, 11.6.2021, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2021/611/oj).

European Association of Co-operative Banks
European Association of Corporate Treasurers
European Banking Authority
European Banking Federation
European Central Bank
European Fintech Association
European Mobile Payments Association (EMPSA)
European Payment Institutions Federation
European Payments Alliance
European Payments Initiative
FBF (French Banking Federation)
Finance Watch
Financial Unit at the Permanent Representation of the Slovak Republic to the EU
French Treasury
German Banking Industry Committee
German Federal Ministry of Finance
Inditex
International Security League
Intesa Sanpaolo
Irish Presidency of the Council
Italian Banking Association
Kangaroo Group
KPMG
Mastercard
Member CDU/CSU
Mercadona SA
National Bank of Belgium
Nordea Bank AB
Oesterreichische Nationalbank (OeNB)
Permanent Representation of Spain in the European Union
Plataforma Denaria
President of the Eurogroup
President of the Eurogroup Working Group
Revolut
Satispay
Sociedade Interbancária de Serviços
Société Générale
Sparkassen-Finanzgruppe
Swift
The European Digital Payments Industry Alliance: EDPIA
UniCredit
Visa
World Savings and Retail Banking Institute / European Savings and Retail Banking Group
2. Representatives of public authorities of third countries, including their diplomatic missions and embassies
Bank of England

The list above is drawn up under the exclusive responsibility of the rapporteur.

Where natural persons are identified in the list by their name, by their function or by both, the rapporteur declares that he has submitted to the natural persons concerned the European Parliament's Data Protection Notice No 484 (<https://www.europarl.europa.eu/data-protect/index.do>), which sets out the conditions applicable to the processing of their personal data and the rights linked to that processing.

MINORITY POSITION

Minority position under Rule 56(4) Rules of Procedure of the European Parliament regarding the vote on the Proposal for a Regulation on the establishment of the digital euro (2023/0212(COD))

“We voted against this report not only for the well-known political reasons underlying our opposition to the Digital Euro. In addition, we consider that several elements of the proposed Regulation raise serious doubts as to whether Article 133 TFEU alone provides a sufficient legal basis. While Article 133 TFEU allows measures necessary for the use of the euro as a single currency, the Regulation increasingly goes beyond traditional monetary measures. The cumulative effect of provisions affecting payment market and banking structures, centralised infrastructures, access mechanisms and commercial conditions between payment service providers raises concerns regarding competence and proportionality. We consider that the proposed Regulation relies on an interpretation of Article 133 TFEU which would extend the scope of Union monetary competence beyond the limits established by the Treaties. These concerns were not adequately addressed during the legislative process. For these reasons, we are unable to support the report in its current form.”

Rada LAYKOVA MEP

Siegbert DROESE MEP

15.7.2025

OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

for the Committee on Economic and Monetary Affairs

on the proposal for a regulation of the European Parliament and of the Council on the establishment of the digital euro
(COM(2023)0369 – C9-0219/2023 – 2023/0212(COD))

Rapporteur for opinion: Emil Radev

AMENDMENT

The Committee on Civil Liberties, Justice and Home Affairs submits the following to the Committee on Economic and Monetary Affairs, as the committee responsible:

Amendment 1

Proposal for a regulation Recital 6 a (new)

Text proposed by the Commission

Amendment

(6 a) To underline the necessity to maintain the possibility of using cash in society, the digital euro, both in the case of online and offline transactions, should always complement physical cash and not replace it. Citizens and businesses should always have the right to use one or another form of the legal tender or a combination of them.

Amendment 2

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) Member States, their relevant authorities and payment service providers should deploy information and educational measures to ensure the necessary level of awareness and knowledge of the different aspects of the digital euro.

Amendment

(13) Member States ***whose currency is the euro***, their relevant authorities and payment service providers should deploy information and educational measures to ensure the necessary level of awareness and knowledge of the different aspects of the digital euro, ***including the benefits of its use as well as its characteristics relating to the protection and exercise of fundamental rights and freedoms***. ***Member States whose currency is not the euro may also provide such information and educational measures to their citizens, in cooperation with the European Central Bank where relevant. These information and educational measures should be available free of charge.***

Amendment 3

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) Since the digital euro requires the capacity to accept digital means of payment, imposing an obligation of mandatory acceptance of payments in digital euro on all payees could be disproportionate. To this end, exceptions to the mandatory acceptance of payments in digital euro should be provided for natural persons acting in the course of a purely personal or household activity. Exceptions to mandatory acceptance should also be provided for microenterprises, which are particularly important in the euro area for the development of entrepreneurship job creation and innovation, playing a vital role in shaping the economy. Union policies and actions should reduce regulatory burdens for enterprises of this size. Exceptions to mandatory acceptance should also be provided for non-profit legal

Amendment

(18) Since the digital euro requires the capacity to accept digital means of payment, imposing an obligation of mandatory acceptance of payments in digital euro on all payees could be disproportionate. To this end, exceptions to the mandatory acceptance of payments in digital euro should be provided for natural persons acting in the course of a purely personal or household activity ***or for natural persons receiving income, pension or government allowance***. Exceptions to mandatory acceptance should also be provided for microenterprises, which are particularly important in the euro area for the development of entrepreneurship job creation and innovation, playing a vital role in shaping the economy. Union policies and actions should reduce regulatory burdens for enterprises of this size.

entities which promote the public interest and serve the public good performing a variety of goals of societal interest, including equity, education, health, environmental protection and human rights. For microenterprises and non-profit legal entities, the acquisition of the required infrastructure and the acceptance costs would be disproportionate. They should therefore be exempted from the obligation to accept payments in digital euro. In such cases, other means for the settlement of monetary debts should remain available. Nevertheless, microenterprises and non-profit legal entities that accept **comparable** digital means of payment from payers should be subject to the mandatory acceptance of payments in digital euro. **Comparable digital means of payment should include debit card payment or instant payment or other future technological solutions used at the point of interaction, but should exclude credit transfer and direct debit that are not initiated at the point of interaction.** Microenterprises and non-profit legal entities that do not accept **comparable** digital means of payment from their payers in settlement of a debt (e.g. they only accept euro banknotes and coins), **but may use digital payments in settlement of a debt to their payees (e.g. they pay with credit transfers)**, should not be subject to the mandatory acceptance of payments in digital euro. Finally, a payee may also refuse a payment in digital euro if the refusal is made in good faith and if the payee justifies the refusal on legitimate and temporary grounds, proportionate to concrete circumstances beyond its control, leading to an impossibility to accept payments in digital euro at the relevant time of the transaction, such as a power outage in the case of online digital euro payment transactions, or a defective device in the case of offline or online digital euro payment transactions.

Exceptions to mandatory acceptance should also be provided for non-profit legal entities which promote the public interest and serve the public good performing a variety of goals of societal interest, including equity, education, health, environmental protection and human rights. For microenterprises and non-profit legal entities, the acquisition of the required infrastructure and the acceptance costs would be disproportionate. They should therefore be exempted from the obligation to accept payments in digital euro. In such cases, other means for the settlement of monetary debts should remain available. Nevertheless, microenterprises and non-profit legal entities that accept digital means of payment from payers should be subject to the mandatory acceptance of payments in digital euro. Microenterprises and non-profit legal entities that do not accept digital means of payment from their payers in settlement of a debt (e.g. they only accept euro banknotes and coins), should not be subject to the mandatory acceptance of payments in digital euro. Finally, a payee may also refuse a payment in digital euro if the refusal is made in good faith and if the payee justifies the refusal on legitimate and temporary grounds, proportionate to concrete circumstances beyond its control, leading to an impossibility to accept payments in digital euro at the relevant time of the transaction, such as a power outage in the case of online digital euro payment transactions, or a defective device in the case of offline or online digital euro payment transactions.

Amendment 4

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) In order to ensure that additional exceptions to the mandatory acceptance of the digital euro may be introduced at a later stage if they are required, for example due to technical specificities that may appear in the future, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the introduction of additional exceptions of a monetary law nature to the obligation to accept digital euro payment transactions, which would apply in a harmonised way across the euro area, taking into account any proposals from Member States to this end. The Commission may only adopt such exceptions if they are necessary, justified on grounds of general interest, proportionate, **and** preserve the effectiveness of the legal tender status of the digital euro. The power of the Commission to adopt delegated acts for the introduction of additional exceptions to the obligation to accept digital euro payment transactions should be without prejudice to the possibility for Member States, pursuant to their own powers in areas of shared competence, to adopt national legislation introducing exceptions to the mandatory acceptance deriving from the legal tender status in accordance with the conditions laid down by the Court of Justice of the European Union in its judgment in Joined Cases C-422/19 and C-423/19.

Amendment

(19) In order to ensure that additional exceptions to the mandatory acceptance of the digital euro may be introduced at a later stage if they are required, for example due to technical specificities that may appear in the future, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the introduction of additional exceptions of a monetary law nature to the obligation to accept digital euro payment transactions, which would apply in a harmonised way across the euro area, taking into account any proposals from ***the European Parliament and the*** Member States to this end. The Commission may only adopt such exceptions if they are necessary, justified on grounds of general interest, proportionate, preserve the effectiveness of the legal tender status of the digital euro, ***and only if other means for the payment of monetary debts are available***. The power of the Commission to adopt delegated acts for the introduction of additional exceptions to the obligation to accept digital euro payment transactions should be without prejudice to the possibility for Member States, pursuant to their own powers in areas of shared competence, to adopt national legislation introducing exceptions to the mandatory acceptance deriving from the legal tender status in accordance with the conditions laid down by the Court of Justice of the European Union in its judgment in Joined Cases C-422/19 and C-423/19.

Amendment 5

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) The main objective of the establishment of the digital euro is its use as **a** form of the single currency with legal tender in the euro area. For this purpose and in line with the Agreement on the European Economic Area, digital euro users residing or established in the euro area, including consumers with no fixed address, asylum seekers and consumers who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons, may be provided digital euro payment services by PSPs established in the European Economic Area. Natural and legal persons who were already receiving digital euro payment services, because they opened a digital euro payment account at the time they resided or were established in a Member State whose currency is the euro, but no longer reside or are established in such Member State, may still receive digital euro payment services by payment service providers established in the European Economic Area, in line with the Agreement on the European Economic Area, subject to possible time limitations in relation to the status of residence or establishment of these persons that the European Central Bank may define.

Amendment

(21) The main objective of the establishment of the digital euro is its use as **an additional** form of the single currency with legal tender in the euro area. For this purpose and in line with the Agreement on the European Economic Area, digital euro users residing or established in the euro area, including consumers with no fixed address, asylum seekers and consumers who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons, may be provided digital euro payment services by PSPs established in the European Economic Area. Natural and legal persons who were already receiving digital euro payment services, because they opened a digital euro payment account at the time they resided or were established in a Member State whose currency is the euro, but no longer reside or are established in such Member State, may still receive digital euro payment services by payment service providers established in the European Economic Area, in line with the Agreement on the European Economic Area, subject to possible time limitations in relation to the status of residence or establishment of these persons that the European Central Bank may define. ***For these purposes, the Anti-Money Laundering Authority 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. Those guidelines shall not imply that payment service providers register the status of potential digital euro users, including as asylum seeker or beneficiary of international protection or individual with no fixed address or third country national who is not granted a residence***

permit.

Amendment 6

Proposal for a regulation

Recital 31

Text proposed by the Commission

(31) Pursuant to its powers under the Treaties and in line with the provisions of this Regulation, the European Central Bank should be able to set limits on the use of the digital euro as a store of value. The effective use of the digital euro as a legal tender means of payment should be preserved through limits on inter-PSP or merchant fees.

Amendment

(31) Pursuant to its powers under the Treaties and in line with the provisions of this Regulation, the European Central Bank should be able to set limits on the use of the digital euro as a store of value. ***Such limits should take into consideration the impact on the EU's financial stability and banking industry, as well as impact on the interests of consumers.*** The effective use of the digital euro as a legal tender means of payment should be preserved through limits on inter-PSP or merchant fees.

Amendment 7

Proposal for a regulation

Recital 32

Text proposed by the Commission

(32) An unrestricted use of digital euro as a store of value could endanger financial stability in the euro area, with adverse effects on credit provision to the economy by credit institutions. This may require that the European Central Bank, with a view to ensuring the stability of the financial system, and in line with the principle of proportionality, introduce limits on the digital euro's use as a store of value. The policy tools that could be used for this purpose include, but would not be restricted to, quantitative limits to individual digital euro holdings and limits to conversion of other categories of funds to digital euro in a specified timeframe. When deciding on the parameters and use

Amendment

(32) An unrestricted use of digital euro as a store of value could endanger financial stability in the euro area, with adverse effects on credit provision to the economy by credit institutions. This may require that the European Central Bank, with a view to ensuring the stability of the financial system, and in line with the principle of proportionality, introduce limits on the digital euro's use as a store of value. The policy tools that could be used for this purpose include, but would not be restricted to, quantitative limits to individual digital euro holdings and limits to conversion of other categories of funds to digital euro in a specified timeframe. When deciding on the parameters and use

of the instruments referred to in paragraph 1, the European Central Bank should respect the principle of an open market economy with free competition, in accordance with Article 127(1) TFEU.

of the instruments referred to in paragraph 1, the European Central Bank should respect the principle of an open market economy with free competition, in accordance with Article 127(1) TFEU. ***The conversion of digital euro to other forms of the euro including cash should always be unrestricted.***

Amendment 8

Proposal for a regulation Recital 32 a (new)

Text proposed by the Commission

Amendment

(32 a) With the aim to safeguard privacy of the offline digital euro users to the best extent possible, the European Central Bank may consider introducing holding limits on digital euro payment accounts for offline and online holdings independent of one another. Both limits could be calculated individually based on the specificities of each form of the digital euro. Like that, digital euro users would not be put into a situation where lowering their holding limit for offline digital euro would allow them to hold more online digital euro, and vice versa. Such situation compromises the privacy protection of the offline digital euro, since changing its holding limit on the side of the user would expose the amount they actually do hold or wish to hold. It also undermines the similarity of the offline digital euro to cash, for which no holding limit exists and the amount of cash a user holds is not dependent on the amount held in a bank account.

Amendment 9

Proposal for a regulation Recital 34 a (new)

(34 a) It is fundamental that the establishment of the offline digital euro does not give ground for means to track or control on how it is spent in comparison to cash.

Amendment 10

Proposal for a regulation Recital 40

Text proposed by the Commission

Amendment

(40) To ensure wide access to and use of the digital euro, consistent with its status of legal tender, and to support its role as monetary anchor in the euro area, natural persons residing in the euro area, natural persons who opened a digital euro account at the time they resided in the euro area, but no longer reside there, as well as visitors, should not be charged for basic digital euro payment services. That means that such digital euro users should not bear any direct fees for their basic access to and basic use of the digital euro, including not being charged transaction fees or any other fees that are directly associated with the provision of services related to the basic use of the digital euro. Digital euro users should not be required to have or open a non-digital euro payment account or to accept other non-digital euro products. Where the digital euro user agrees to a package of services comprising non-digital euro services and basic digital euro payment services, the *payment service provider* should **be able to charge that package of services at its discretion. In that case**, there should not be a differentiated charge for the non-digital euro services when they are offered separately or as part of a package including basic digital euro payment services. Where the digital euro user asks to receive only

(40) To ensure wide access to and use of the digital euro, consistent with its status of legal tender, and to support its role as monetary anchor in the euro area, natural persons residing in the euro area, natural persons who opened a digital euro account at the time they resided in the euro area, but no longer reside there, as well as visitors, should not be charged for basic digital euro payment services. That means that such digital euro users should not bear any direct fees for their basic access to and basic use of the digital euro, including not being charged transaction fees or any other fees that are directly associated with the provision of services related to the basic use of the digital euro. Digital euro users should not be required to have or open a non-digital euro payment account or to accept other non-digital euro products. Where the digital euro user agrees to a package of services comprising non-digital euro services and basic digital euro payment services, the **inclusion of the latter** should **not have any effect on the price of the** package of services. **In other words**, there should not be a differentiated charge for the non-digital euro services when they are offered separately or as part of a package including basic digital euro payment services. Where the digital euro user asks to receive only basic digital euro

basic digital euro payment services with a payment service provider, those services should not be charged, including for waterfall and reverse waterfall functionalities where the digital euro user also has a non-digital euro payment account with another payment service provider. Payment service providers should be able to charge digital euro users for additional digital euro payment services beyond the basic digital euro payment services.

payment services with a payment service provider, those services should not be charged, including for waterfall and reverse waterfall functionalities where the digital euro user also has a non-digital euro payment account with another payment service provider. Payment service providers should be able to charge digital euro users for additional digital euro payment services beyond the basic digital euro payment services.

Amendment 11

Proposal for a regulation

Recital 41

Text proposed by the Commission

(41) The European Central Bank or the Eurosystem do not charge payment service providers for the costs it bears to support their provision of digital euro services to digital euro users.

Amendment

(41) The European Central Bank or the Eurosystem do not charge payment service providers for the costs it bears to support their provision of digital euro services to digital euro users. ***Similarly, payment service providers should not charge users for the costs they bear to support the use of the basic digital euro services.***

Amendment 12

Proposal for a regulation

Recital 47

Text proposed by the Commission

(47) An excessive distribution of the digital euro outside the euro area could have an unwanted impact on the size and composition of the consolidated balance sheet of the European Central Bank and national central banks. Impacts on monetary sovereignty and financial stability of non-euro area countries may also differ depending on the use of the digital euro outside the euro area. Those

Amendment

(47) An excessive distribution of the digital euro outside the euro area could have an unwanted impact on the size and composition of the consolidated balance sheet of the European Central Bank and national central banks. Impacts on monetary sovereignty and financial stability of non-euro area countries may also differ depending on the use of the digital euro outside the euro area. Those

impacts could be harmful in case the digital euro replaces the local currency in a high number of domestic transactions. In particular, a situation in which the digital euro becomes dominant in a Member State whose currency is not the euro, thus de facto replacing the national currency, could interfere with the euro area adoption criteria and process set out in Article 140 TFEU. To avoid undesirable effects and prevent monetary sovereignty and financial stability risks, both within and outside the euro area, it is necessary to provide for the possibility for the Union to conclude agreements with third countries, **and for** the European Central Bank to conclude arrangements with the national central banks of Member States whose currency is not the euro **and with the national central banks of third countries**, to specify the conditions for the regular provision of digital euro payment services to digital euro users residing or established outside the euro area. Such agreements and arrangements should not cover visitors to the euro area, to whom payment service providers established in the European Economic Area³¹, in line with the Agreement on the European Economic Area, may directly provide digital euro payment services.

³¹ Agreement on the European Economic Area (OJ L 1, 3.1.1994, p. 3).

Amendment 13

Proposal for a regulation Recital 48

Text proposed by the Commission

(48) The provision of digital euro payment services to digital euro users residing or established in a Member State whose currency is not the euro should **be**

impacts could be harmful in case the digital euro replaces the local currency in a high number of domestic transactions. In particular, a situation in which the digital euro becomes dominant in a Member State whose currency is not the euro, thus de facto replacing the national currency, could interfere with the euro area adoption criteria and process set out in Article 140 TFEU. To avoid undesirable effects and prevent monetary sovereignty and financial stability risks, both within and outside the euro area, it is necessary to provide for the possibility for the Union to conclude agreements with third countries. The European Central Bank **should be encouraged** to conclude arrangements with the national central banks of Member States whose currency is not the euro, to specify the conditions for the regular provision of digital euro payment services to digital euro users residing or established outside the euro area. **Similar agreements can be concluded with the national central banks of third countries**. Such agreements and arrangements should not cover visitors to the euro area, to whom payment service providers established in the European Economic Area³¹, in line with the Agreement on the European Economic Area, may directly provide digital euro payment services.

³¹ Agreement on the European Economic Area (OJ L 1, 3.1.1994, p. 3).

Amendment

(48) ***The primary deployment of the digital euro in the euro area should not lead to discrimination of citizens and businesses in Member States whose***

subject to a prior arrangement between the European Central Bank and the national central bank of the Member State whose currency is not the euro, following a request from the Member State whose currency is not the euro. In line with the Agreement on the European Economic Area, digital euro users residing or established in non-euro area Member States may be provided digital euro payment services by payment service providers established in the European Economic Area.

currency is not the euro or otherwise inadvertently create double standards in the single market. Prospective digital euro users in such Member States should get the possibility to voluntarily take up the digital euro where possible. The provision of digital euro payment services to digital euro users residing or established in a Member State whose currency is not the euro should *become possible under* a prior arrangement between the European Central Bank and the national central bank of the Member State whose currency is not the euro, following a request from the Member State whose currency is not the euro. *Such arrangement should ensure that natural and legal persons who become digital euro users in the Member State whose currency is not the euro receive the same conditions and opportunities for the access to the digital euro as digital euro users in Member States whose currency is the euro, particularly when it comes to holding limits, the extent of basic services free of charge, etc., without prejudice to the European Central Bank's prerogative to safeguard the objectives of its monetary policy.* In line with the Agreement on the European Economic Area, digital euro users residing or established in non-euro area Member States may be provided digital euro payment services by payment service providers established in the European Economic Area.

Amendment 14

Proposal for a regulation Recital 53

Text proposed by the Commission

(53) Agreements and arrangements related to the provision of digital euro payment services or cross-currency payments involving the digital euro should be concluded on a voluntary basis, in priority with non-euro area Member States.

Amendment

(53) Agreements and arrangements related to the provision of digital euro payment services or cross-currency payments involving the digital euro should be concluded on a voluntary basis, in priority with non-euro area Member States.

The European Central Bank should cooperate with national central banks of Member States whose currency is not the euro for the purpose of cross-currency payments involving the digital euro.

The European Central Bank should **actively** cooperate with national central banks of Member States whose currency is not the euro for the purpose of cross-currency payments involving the digital euro.

Amendment 15

Proposal for a regulation Recital 59

Text proposed by the Commission

(59) To facilitate a harmonised user experience, the digital euro rules, standards and processes that the European Central Bank may adopt pursuant to its own competences, should ensure that any digital euro user is able to carry out digital euro payment transactions with any other digital euro users across the euro area regardless of the payment service providers involved and the front-end services used. To reduce the fragmentation of the European retail payments market, and to support competition, efficiency and innovation in that market, and the development of payment instruments across the Union in keeping with the objective of the Commission's retail payment strategy, the digital euro should be, to the extent possible, compatible with private digital payment solutions, building on functional and technical synergies. In particular, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions at the point of interaction, and in person-to-person payments, where the fragmentation of the Union retail payments market is currently significant. The use of open standards, common rules and processes, and possibly shared infrastructures could support such compatibility. While existing solutions may be leveraged where such solutions are deemed appropriate to ensure that compatibility, notably in view of minimising overall adaptation costs, such

Amendment

(59) To facilitate a harmonised user experience, the digital euro rules, standards and processes that the European Central Bank may adopt pursuant to its own competences, should ensure that any digital euro user is able to carry out digital euro payment transactions with any other digital euro users across the euro area regardless of the payment service providers involved and the front-end services used. To reduce the fragmentation of the European retail payments market, and to support competition, efficiency and innovation in that market, and the development of payment instruments across the Union in keeping with the objective of the Commission's retail payment strategy, the digital euro should be, to the extent possible, compatible with private digital payment solutions, building on functional and technical synergies. In particular, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions at the point of interaction, and in person-to-person payments, where the fragmentation of the Union retail payments market is currently significant. The use of open standards, common rules and processes, and possibly shared infrastructures could support such compatibility. ***Specifically, the European Central Bank should give preference to the use of open standards where such standards are available.*** While existing solutions may be leveraged where

existing solutions should not create undue dependencies that could prevent adaptation of the digital euro to new technologies or would be incompatible with the digital euro features. In order to achieve these objectives, and without conferring any enforceable rights upon market operators, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions on a best-effort basis and where deemed appropriate.

such solutions are deemed appropriate to ensure that compatibility, notably in view of minimising overall adaptation costs, such existing solutions should not create undue dependencies that could prevent adaptation of the digital euro to new technologies or would be incompatible with the digital euro features. In order to achieve these objectives, and without conferring any enforceable rights upon market operators, the European Central Bank should seek to ensure that the digital euro is compatible with private digital payment solutions on a best-effort basis and where deemed appropriate.

Amendment 16

Proposal for a regulation

Recital 61

Text proposed by the Commission

(61) To access and use the digital euro as part of digital euro payment services, digital euro users should be provided with front-end services. Those users should have the possibility to access and use digital euro payment services via the front-end services provided by payment service providers and by the European Central Bank. Payment service providers should be able to choose to rely on front-end services provided by other stakeholders, including the European Central Bank, notably in the case where the cost of developing and operating front-end services, including applications, are disproportionate. Where digital euro users can choose between different front-end services, the decision to select a given front-end service should ultimately rest in the hands of those users and should not be imposed by payment service providers or the European Central Bank. In this respect, payment service providers should have capacity to provide digital euro users with the possibility to access and use digital euro payment

Amendment

(61) To access and use the digital euro as part of digital euro payment services, digital euro users should be provided with front-end services. Those users should have the possibility to access and use digital euro payment services via the front-end services provided by payment service providers and by the European Central Bank. Payment service providers should be able to choose to rely on front-end services provided by other stakeholders, including the European Central Bank, notably in the case where the cost of developing and operating front-end services, including applications, are disproportionate. Where digital euro users can choose between different front-end services, the decision to select a given front-end service should ultimately rest in the hands of those users and should not be imposed by payment service providers or the European Central Bank. In this respect, payment service providers should have capacity to provide digital euro users with the possibility to access and use digital euro payment

services via the front-end services provided by the European Central Bank. The European Central Bank and the payment service providers **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 accessed by the ECB **via its front-end solution**.

services via the front-end services provided by the European Central Bank. The European Central Bank and the payment service providers **should** implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to **make technologically impossible for** the identity of individual digital euro users **to** be accessed by the ECB.

Amendment 17

Proposal for a regulation

Recital 62

Text proposed by the Commission

(62) To avoid interfering in the payment service providers' customer relationships and their role in the digital euro distribution, the front-end solutions provided by the European Central bank should be limited to providing an interface between digital euro users and the payment infrastructures of payment service providers. In particular, the Eurosystem would not have a contractual relationship with digital euro users even if those users use the front-end services provided by the European Central Bank. The ECB and the payment service providers should 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 accessed by the ECB **via its front-end solution**.

Amendment

(62) To avoid interfering in the payment service providers' customer relationships and their role in the digital euro distribution, the front-end solutions provided by the European Central bank should be limited to providing an interface between digital euro users and the payment infrastructures of payment service providers. In particular, the Eurosystem would not have a contractual relationship with digital euro users even if those users use the front-end services provided by the European Central Bank. The ECB and the payment service providers should implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to **make technologically impossible for** the identity of individual digital euro users **to** be accessed by the ECB.

Amendment 18

Proposal for a regulation

Recital 64

Text proposed by the Commission

(64) To provide for instantaneous settlement, both online and offline digital euro transactions, including in the context of funding and defunding, and as waterfall and reverse waterfall functionalities, should be settled instantaneously, in a few seconds only, in normal circumstances. The settlement of online digital euro payment transactions should be performed in the digital euro settlement infrastructure adopted by the Eurosystem. Online digital euro payment transactions should be settled in a matter of seconds as specified under the functional and technical requirements adopted by the European Central Bank. Final settlement of online digital euro payment transactions should be achieved at the moment of recording the digital euros concerned of the payer and the payee in the digital euro settlement infrastructure approved by the European Central Bank, irrespective of whether digital euros are recorded as holding balances or units of value, or of the technology used. The digital euro settlement infrastructure should seek to ensure adaptation to new technologies, including distributed ledger technology.

Amendment

(64) To provide for instantaneous settlement, both online and offline digital euro transactions, including in the context of funding and defunding, and as waterfall and reverse waterfall functionalities, should be settled instantaneously, in a few seconds only, in normal circumstances. The settlement of online digital euro payment transactions should be performed in the digital euro settlement infrastructure adopted by the Eurosystem. Online digital euro payment transactions should be settled in a matter of seconds as specified under the functional and technical requirements adopted by the European Central Bank. Final settlement of online digital euro payment transactions should be achieved at the moment of recording the digital euros concerned of the payer and the payee in the digital euro settlement infrastructure approved by the European Central Bank, irrespective of whether digital euros are recorded as holding balances or units of value, or of the technology used. The digital euro settlement infrastructure should seek to ensure adaptation to new technologies, including distributed ledger technology. ***Given the sensitivity of data to be stored in the settlement infrastructure, the principles of data protection by design and by default as defined in Regulation 2016/679 should be duly reflected in its development, along with the implementation of appropriate safeguards in this regard.***

Amendment 19

**Proposal for a regulation
Recital 67**

Text proposed by the Commission

(67) For reasons of contractual freedom and to ensure competition, digital euro

Amendment

(67) For reasons of contractual freedom and to ensure competition, digital euro

users should have the possibility to switch their digital euro payment accounts to different payment service providers. At the request of the digital euro users, payment service providers should then enable the switching of the digital euro payment accounts, while maintaining the same account identifiers. In exceptional circumstances where a payment service provider is unable to perform this task, including due to having lost the relevant digital euro payment account-related data, the European Central Bank should be able to authorise the switching of digital euro payment accounts so that the new payment service provider designated by the digital euro user can retrieve the information about the digital euro holdings of the digital euro user and complete the switching without relying on the unavailable payment service provider. This process should allow a digital euro user to then continue accessing its digital euro holdings via the new designated payment service provider. The European Central Bank would not have any operational role in the switching on account both in both going concern situations and exceptional circumstances.

users should have the possibility to switch their digital euro payment accounts to different payment service providers *free of charge*. At the request of the digital euro users, payment service providers should then enable the switching of the digital euro payment accounts, while maintaining the same account identifiers. In exceptional circumstances where a payment service provider is unable to perform this task, including due to having lost the relevant digital euro payment account-related data, the European Central Bank should be able to authorise the switching of digital euro payment accounts so that the new payment service provider designated by the digital euro user can retrieve the information about the digital euro holdings of the digital euro user and complete the switching without relying on the unavailable payment service provider. This process should allow a digital euro user to then continue accessing its digital euro holdings via the new designated payment service provider. The European Central Bank would not have any operational role in the switching on account both in both going concern situations and exceptional circumstances.

Amendment 20

Proposal for a regulation

Recital 68

Text proposed by the Commission

(68) The prevention of fraud by payment service providers is essential for the protection of citizens making use of the digital euro, the integrity of the personal data processed in digital euro payments, and to ensure the smooth and efficient functioning of the digital euro. Fraud prevention plays an essential role in maintaining trust in the single currency. For this purpose, the European Central Bank may establish a general fraud

Amendment

(68) The prevention of fraud by payment service providers is essential for the protection of citizens making use of the digital euro, the integrity of the personal data processed in digital euro payments, and to ensure the smooth and efficient functioning of the digital euro. Fraud prevention plays an essential role in maintaining trust in the single currency. For this purpose, the European Central Bank may establish a general fraud

detection and prevention mechanism to support fraud management activities performed by payment service providers on online digital euro payment transactions. A general fraud detection and prevention mechanism delivers a range of essential functions to detect fraud patterns that a single payment service provider could not detect on its own. Often one payment service provider does not have the full picture about all elements that could lead to timely fraud detection. However, it can be made more effective with information on potentially fraudulent activity stemming from other payment service providers. This general fraud detection function exists in comparable payment schemes and is necessary to achieve demonstrably low fraud rates in order to keep the digital euro secure for both consumers and merchants. The transfer of information between PSPs and the fraud detection and prevention mechanism should be subject to state-of-the-art security and privacy-preserving measures to ensure that individual digital euro users are not identified by the central fraud detection and prevention mechanism.

detection and prevention mechanism to support fraud management activities performed by payment service providers on online digital euro payment transactions. A general fraud detection and prevention mechanism delivers a range of essential functions to detect fraud patterns that a single payment service provider could not detect on its own. Often one payment service provider does not have the full picture about all elements that could lead to timely fraud detection. However, it can be made more effective with information on potentially fraudulent activity stemming from other payment service providers. This general fraud detection function exists in comparable payment schemes and is necessary to achieve demonstrably low fraud rates in order to keep the digital euro secure for both consumers and merchants. The transfer of information between PSPs and the fraud detection and prevention mechanism should be subject to state-of-the-art security and privacy-preserving measures to ensure that individual digital euro users are not identified by the central fraud detection and prevention mechanism, ***as well as to appropriate safeguards preventing algorithmic bias.***

Amendment 21

Proposal for a regulation

Recital 70

Text proposed by the Commission

(70) The rights to privacy and personal data protection are fundamental rights enshrined in Article 7 and 8 of the Charter of Fundamental Rights of the European Union. As stressed by the European Data Protection Board³⁴, a high standard of privacy and data protection is crucial to ensure the trust of Europeans in the future digital euro. This is also in line with the G7 Public Policy Principles for Retail Central Bank Digital Currencies. The processing of

Amendment

(70) The rights to privacy and personal data protection are fundamental rights enshrined in Article 7 and 8 of the Charter of Fundamental Rights of the European Union. As stressed by the European Data Protection Board³⁴, a high standard of privacy and data protection is crucial to ensure the trust of Europeans in the future digital euro. This is also in line with the G7 Public Policy Principles for Retail Central Bank Digital Currencies. The processing of

personal data for compliance and in the context of this Regulation would be carried out in accordance with Regulation (EU) 2016/679³⁵ and Regulation (EU) 2018/1715³⁶, as well as, where applicable, Directive 2002/58/EC³⁷.

³⁴ Statement on the design choices for a digital euro from the privacy and data protection perspective adopted on 10 October 2022.

³⁵ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), OJ L 119, 4.5.2016, p. 1–88.

³⁶ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39–98.

³⁷ Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector, OJ L 201, 31.07.2002, p. 37.

Amendment 22

Proposal for a regulation Recital 71

personal data for compliance and in the context of this Regulation would be carried out in accordance with Regulation (EU) 2016/679³⁵ and Regulation (EU) 2018/1725³⁶, as well as, where applicable, Directive 2002/58/EC³⁷, *particularly in compliance with the principles of data protection by design and by default.*

³⁴ Statement on the design choices for a digital euro from the privacy and data protection perspective adopted on 10 October 2022.

³⁵ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), OJ L 119, 4.5.2016, p. 1–88.

³⁶ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39–98.

³⁷ Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector, OJ L 201, 31.07.2002, p. 37.

Text proposed by the Commission

(71) The digital euro should therefore be designed so as to minimise the processing of personal data by payment service providers and by the European Central Bank to what is necessary to ensure the proper functioning of the digital euro. The digital euro should be available offline, with a level of privacy vis a vis payment service providers which is comparable to withdrawals of banknotes at automatic teller machines. The settlement of digital euro transactions should be designed in such a way that neither the European Central Bank nor national central banks can attribute data to an identified or identifiable digital euro user.

Amendment

(71) The digital euro should therefore be designed so as to minimise the processing of personal data by payment service providers and by the European Central Bank to what is necessary to ensure the proper functioning of the digital euro, **as referred to under Article 5 (1)(c) of the GDPR**. The digital euro should be available offline, with a level of privacy vis a vis payment service providers which is comparable to withdrawals of banknotes at automatic teller machines. The settlement of digital euro transactions should be designed in such a way that neither the European Central Bank nor national central banks can attribute data to an identified or identifiable digital euro user. **Moreover, for the purpose of authentication and identification and in line with the principles of data minimisation and privacy by design and by default as laid down in Regulation 2016/679, payment service providers should provide by default authentication and identification methods which do not rely on biometric data.**

Amendment 23

**Proposal for a regulation
Recital 72**

Text proposed by the Commission

(72) Data protection by design and data protection by default should be embedded in all data processing systems developed and used within the framework of this Regulation. The processing of personal data should be subject to appropriate safeguards to protect the rights and freedoms of the data subject. Those safeguards should ensure that technical and organisational measures are in place in particular to ensure respect for the data

Amendment

(72) Data protection by design and data protection by default should be embedded in all data processing systems developed and used within the framework of this Regulation. The processing of personal data should be subject to appropriate safeguards to protect the rights and freedoms of the data subject. Those safeguards should ensure that technical and organisational measures are in place in particular to ensure respect for the data

protection principles laid down in Regulation (EU) 2016/679 and Regulation (EU) **2018/1715**, including data minimisation and purpose limitation.

protection principles laid down in Regulation (EU) 2016/679 and Regulation (EU) **2018/1725**, including data minimisation and purpose limitation. ***The European Data Protection Board, after consulting the European Central Bank, may issue guidelines on the implementation of appropriate technical and organisation measures including pseudonymisation techniques for the purposes of the digital euro.***

Amendment 24

Proposal for a regulation Recital 73

Text proposed by the Commission

(73) Payment service providers should be able to process personal data in so far as it is necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In line with Article 6(1)(c) of Regulation (EU) 2016/679, processing activities should be considered lawful as regards the digital euro if and to the extent that they are necessary for compliance with a legal obligation to which the controller is subject pursuant to this Regulation. In the framework of this regulation, the processing of personal data for the purposes of the enforcement of holding limits, the initiation of the funding and de-funding of a user's holdings, and the management of local storage devices for offline digital euro payments are tasks in the public interest that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. Payment service providers will be the controller of personal data as regards these tasks. In addition, payment service providers may process personal data ***to comply with existing tasks in the public interest or*** for compliance with a legal obligation established in Union law that

Amendment

(73) Payment service providers should be able to process personal data in so far as it is necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In line with Article 6(1)(c) of Regulation (EU) 2016/679, processing activities should be considered lawful as regards the digital euro if and to the extent that they are necessary for compliance with a legal obligation to which the controller is subject pursuant to this Regulation. In the framework of this regulation, the processing of personal data for the purposes of the enforcement of holding limits, the initiation of the funding and de-funding of a user's holdings, and the management of local storage devices for offline digital euro payments are tasks in the public interest that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. Payment service providers will be the controller of personal data as regards these tasks. In addition, payment service providers may process personal data for compliance with a legal obligation established in Union law that apply to funds defined in Directive (EU)

apply to funds defined in Directive (EU) 2015/2366. These tasks apply to the provision of payment services and the prevention and detection of fraud in accordance with Directive (EU) 2015/2366, combatting money laundering and terrorist financing in accordance with Directive (EU) 2015/849, the fulfilment of obligations related to taxation and tax avoidance, and the management of operational and security risks in line with Regulation (EU) 2022/255.

2015/2366. These tasks apply to the provision of payment services and the prevention and detection of fraud in accordance with Directive (EU) 2015/2366, combatting money laundering and terrorist financing in accordance with Directive (EU) 2015/849, the fulfilment of obligations related to taxation and tax avoidance, and the management of operational and security risks in line with Regulation (EU) 2022/255.

Amendment 25

Proposal for a regulation Recital 75

Text proposed by the Commission

(75) Offline digital euro payment transactions are payments that occur in close physical proximity (“face-to-face”). They have similarities with transactions in cash and should be treated in a similar way in terms of privacy. Payment service providers should therefore not process personal data related to offline digital euro payment transactions, but only personal data related to depositing or withdrawing digital euros from digital euro payment accounts to load them onto the local storage devices, or from the local storage devices into the digital euro payment accounts. This includes the identifier of the local storage devices which payment service providers attribute to a digital euro user that holds offline digital euro. That level of privacy would be comparable to withdrawals of banknotes at automatic teller machines when payment service providers process personal data related to a user’s identity and data pertaining to how funding and defunding transactions have been carried out. That means that no transaction data monitoring should occur for offline digital euro payment

Amendment

(75) Offline digital euro payment transactions are payments that occur in close physical proximity (“face-to-face”). They have similarities with transactions in cash and should be treated in a similar way in terms of privacy. ***In that sense, it is fundamental that the creation of the offline digital euro does not provide grounds for tracking or controlling how it is spent in comparison to cash.*** Payment service providers should therefore not process personal data related to offline digital euro payment transactions, but only personal data related to depositing or withdrawing digital euros from digital euro payment accounts to load them onto the local storage devices, or from the local storage devices into the digital euro payment accounts. This includes the identifier of the local storage devices which payment service providers attribute to a digital euro user that holds offline digital euro. That level of privacy would be comparable to withdrawals of banknotes at automatic teller machines when payment service providers process personal data related to a user’s identity and data pertaining to how funding and defunding

transactions.

transactions have been carried out. That means that no transaction data monitoring should occur for offline digital euro payment transactions.

Amendment 26

Proposal for a regulation Recital 76

Text proposed by the Commission

(76) The European Central Bank and national central banks may process personal data in so far as it is necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In the framework of this regulation, the processing of personal data for the purposes of the settlement of digital euro payment transactions and the management of the security and integrity of the digital euro infrastructure are tasks in the public interest that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. The task of maintaining the security and integrity of digital euro infrastructure includes activities related to ensuring the stability and operational resilience of the digital euro. The European Central Bank and national central banks would be the controller of personal data as regards these tasks. The European Central Bank and national central banks would process personal data for these tasks using state-of-the-art security and privacy-preserving measures, such as pseudonymisation or encryption, to ensure that data cannot be used to directly identify a specific digital euro user..

Amendment

(76) The European Central Bank and national central banks may process personal data in so far as it is necessary to fulfil tasks that are essential to the proper functioning of the digital euro. In the framework of this regulation, the processing of personal data for the purposes of the settlement of digital euro payment transactions and the management of the security and integrity of the digital euro infrastructure are tasks in the public interest that are essential for the protection of citizens making use of the digital euro as well as for the stability and integrity of the Union's financial system. ***The legal basis for processing of personal data is therefore provided for in Article 6(1)(e) of Regulation (EU) 2016/679 for national banks and Article 5(1)(a) of Regulation (EU) 2018/1725 for the European Central Bank.*** The task of maintaining the security and integrity of digital euro infrastructure includes activities related to ensuring the stability and operational resilience of the digital euro. The European Central Bank and national central banks would be the controller of personal data as regards these tasks. The European Central Bank and national central banks would process personal data for these tasks using state-of-the-art security and privacy-preserving measures, such as pseudonymisation or encryption, to ensure that data cannot be used to directly identify a specific digital euro user.

Amendment 27

Proposal for a regulation

Recital 77

Text proposed by the Commission

(77) For the purpose of enforcing the holding limits and ensuring the exceptional switching of digital euro payment accounts in emergency situations upon the request of the digital euro user, a single access point of digital euro user identifiers and the related digital euro holding limits is necessary to ensure the efficient functioning of the digital euro across the entire euro area, as digital euro users may hold digital euro payment accounts in different Member States. When establishing the single access point, the European Central Bank and national central banks should ensure that the processing of personal data is minimised to what is strictly necessary and that data protection by design and by default is embedded. The European Central Bank and national central banks should consider, where appropriate and to minimise the risk of data breaches, the use of decentralised data storage.

Amendment

(77) For the purpose of enforcing the holding limits and ensuring the exceptional switching of digital euro payment accounts in emergency situations upon the request of the digital euro user, a single access point of digital euro user identifiers and the related digital euro holding limits is necessary to ensure the efficient functioning of the digital euro across the entire euro area, as digital euro users may hold digital euro payment accounts in different Member States. When establishing the single access point, the European Central Bank and national central banks should ensure that the processing of personal data is minimised to what is strictly necessary and ***proportionate and*** that data protection by design and by default is embedded. The European Central Bank and national central banks should consider, where appropriate and to minimise the risk of data breaches, the use of decentralised data storage. ***They may also consider adopting measures to ensure that account balances can be redeemed directly by users through the use of a backup code.***

Amendment 28

Proposal for a regulation

Recital 78

Text proposed by the Commission

(78) With its package on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, adopted by the Commission on

Amendment

(78) With its package on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, adopted by the Commission on

21 July 2021³⁸, ('AML-package'), the Commission has proposed to significantly strengthen anti-money laundering ('*AML*') rules across the Union. In keeping with that objective and to ensure an effective application of AML/CFT requirements to the digital euro, this Regulation should provide that online digital euro payment transactions are subject to AML/CFT requirements laid down in Directive (EU) 2015/849.

21 July 2021³⁸, ('AML-package'), the Commission has proposed to significantly strengthen anti-money laundering *and countering the financing of terrorism* ('*AML/CFT*') rules across the Union. In keeping with that objective and to ensure an effective application of AML/CFT requirements to the digital euro, this Regulation should provide that online digital euro payment transactions are subject to AML/CFT requirements laid down in Directive (EU) 2015/849.

³⁸ Proposal for a regulation on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (COM/2021/420 final); Proposal for a Directive establishing the mechanisms that Member States should put in place to prevent the use of the financial system for ML/TF purposes, and repealing Directive (EU) 2015/849 (COM/2021/423 final); Proposal for a Regulation creating an EU Authority for anti-money laundering and countering the financing of terrorism ('*AMLA*') (COM/2021/421 final); and Proposal for the recast of Regulation (EU) 2015/847 expanding traceability requirements to crypto-assets (COM/2021/422 final)

³⁸ Proposal for a regulation on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (COM/2021/420 final); Proposal for a Directive establishing the mechanisms that Member States should put in place to prevent the use of the financial system for ML/TF purposes, and repealing Directive (EU) 2015/849 (COM/2021/423 final); Proposal for a Regulation creating an EU Authority for anti-money laundering and countering the financing of terrorism ('*AMLA*') (COM/2021/421 final); and Proposal for the recast of Regulation (EU) 2015/847 expanding traceability requirements to crypto-assets (COM/2021/422 final)

Amendment 29

Proposal for a regulation

Recital 79

Text proposed by the Commission

(79) To facilitate the widespread uptake of the digital euro, it is essential that prospective digital euro users can easily access digital euro payment services provided by payment services providers in a harmonised manner across the euro area. It is therefore appropriate, without any prejudice to the risk approach underpinning

Amendment

(79) To facilitate the widespread uptake of the digital euro, it is essential that prospective digital euro users can easily access digital euro payment services provided by payment services providers in a harmonised manner across the euro area. It is therefore appropriate, without any prejudice to the risk approach underpinning

the AML-package, for the *anti-money* laundering authority of the Union ('AMLA') to address the opening of digital euro payment accounts in its Regulatory Technical Standards on customer due diligence. For low-risk transactions or business relationships, AMLA should identify relevant simplified due diligence measures that payment services providers should apply. AMLA should prioritise the development of these Regulatory Technical Standards.

the *legislative* AML-package, for the *Anti-Money* laundering authority of the Union ('AMLA') to address the opening of digital euro payment accounts in its Regulatory Technical Standards on customer due diligence *developed in accordance with Article 22 of the AML Regulation [Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing]*. For low-risk transactions or business relationships, AMLA should identify relevant simplified due diligence measures that payment services providers should apply. AMLA should prioritise the development of these Regulatory Technical Standards.

Amendment 30

Proposal for a regulation Article 2 – paragraph 1 – point 5

Text proposed by the Commission

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* device and to initiate or receive digital euro payment transactions, whether offline or online, and irrespective of technology and data structure;

Amendment

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 *a local storage* device and to initiate or receive digital euro payment transactions, whether offline or online, and irrespective of technology and data structure;

Amendment 31

Proposal for a regulation Article 2 – paragraph 1 – point 28

Text proposed by the Commission

28. 'user alias' means a *unique*

Amendment

28. 'user alias' means a pseudonymous

pseudonymous identifier used to protect user's identity when processing digital euro payments 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;

identifier ***composed of the unique digital euro account number and, upon request by the digital euro user, additional proxies, that unambiguously identify a digital euro payment account and are*** used to protect user's identity when processing digital euro payments that can only be attributable to an identifiable natural or legal person by the payment service provider or by the digital euro user;

Amendment 32

Proposal for a regulation Article 2 – paragraph 1 – point 31

Text proposed by the Commission

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.

Amendment

31. 'mobile device' means ***a payment terminal or*** a device that enables digital euro users to ***securely*** authorise digital euro payment transactions online or offline including in particular ***but not limited to*** smart phones, tablets, smart watches and wearables of all kind, ***as well as cards and USB sticks containing a local storage device.***

Amendment 33

Proposal for a regulation Article 2 – paragraph 1 – point 31 a (new)

Text proposed by the Commission

Amendment

31 a. 'local storage device' means either a mobile device or a payment terminal used by a payee in which authorisation and settlement of offline digital euro payment transactions take place.

Amendment 34

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

1. The digital euro shall be governed by the provisions of this Regulation, 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 37.

Amendment

1. The digital euro shall be governed by the provisions of this Regulation, 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 37. ***When drafting delegated and implementing acts pursuant to Articles mentioned in this paragraph, the Commission shall fully implement principles of data protection by design and by default, as defined in Regulation (EU) 2016/679.***

Amendment 35

**Proposal for a regulation
Article 5 – paragraph 2**

Text proposed by the Commission

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.

Amendment

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 ***privacy and*** the protection of individuals' rights and ***freedoms*** with regard to the processing of ***their*** personal data, the European Central Bank shall consult the European Data Protection Supervisor prior to their adoption.

Such detailed measures, rules and standards shall implement principles of data protection by design and by default, as defined in Regulation (EU) 2016/679, and shall implement privacy-enhancing technologies, where technically possible.

Amendment 36

Proposal for a regulation Article 6 – paragraph 2

Text proposed by the Commission

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 Payment Services Providers of their obligations pursuant to Chapters IV, V, VI and VII of this Regulation.

Amendment

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] **and Regulation (EU) [please insert reference – proposal for a Regulation on payment services in the internal market and amending Regulation (EU) No 1093/2010 - COM(2023) 367 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 Payment Services Providers of their obligations pursuant to Chapters IV, V, VI and VII of this Regulation.

Amendment 37

Proposal for a regulation Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. Regulation (EU) 2016/679 and Regulation (EU) 2018/1725 shall govern the supervision by competent authorities, the sanctions regime and supervisory arrangements between the competent authorities of the home Member States and the host Member States, concerning compliance by data controllers of their obligations pursuant to Chapter VIII of this Regulation.

Amendment 38

Proposal for a regulation

Article 9 – paragraph 1 – point a

Text proposed by the Commission

(a) where the payee is a an enterprise 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 Council⁴⁴ , unless it accepts **comparable** digital means of payment;

⁴⁴ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

Amendment 39

Proposal for a regulation

Article 13 – paragraph 1 – subparagraph 2

Text proposed by the Commission

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.

Amendment

(a) where the payee is a an enterprise which employs fewer than **50** persons or whose annual turnover or annual balance sheet total does not exceed EUR **5** 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 Council⁴⁴ , unless it accepts digital means of payment;

⁴⁴ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

The European Central Bank may restrict, **with the aim to safeguard the objectives of its monetary policy**, 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.

Amendment 40

Proposal for a regulation

Article 13 – paragraph 4 – subparagraph 2

Text proposed by the Commission

For the purpose of points (a) and (b), and upon **prior approval** by the digital euro users, payment service providers shall link each digital euro payment account to a single non-digital euro payment account designated by the digital euro users. Digital euro users shall be allowed to have that designated non-digital euro payment account with a different payment service provider than the one where a given digital euro payment account is held.

Amendment

For the purpose of points (a) and (b), and upon **permission** by the digital euro users, payment service providers shall link each digital euro payment account to a single non-digital euro payment account designated by the digital euro users. Digital euro users shall be allowed to have that designated non-digital euro payment account with a different payment service provider than the one where a given digital euro payment account is held.

Amendment 41

Proposal for a regulation

Article 13 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6 a. In case a payment service provider providing digital euro payment services enters into insolvency or other similar proceedings, the digital euro holdings of digital euro users shall not be affected.

Amendment 42

Proposal for a regulation

Article 14 – paragraph 3 – point a

Text proposed by the Commission

(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**;

Amendment

(a) provide basic digital euro payment services to natural persons;

Amendment 43

Proposal for a regulation Article 14 – paragraph 3 – point b

Text proposed by the Commission

(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.

Amendment

(b) provide basic digital payment services and provide digital inclusion support provided face-to-face in physical proximity to ***all users, with special attention to*** persons with disabilities, functional limitations or limited digital skills, and elderly people.

Amendment 44

Proposal for a regulation Article 14 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. Member States shall ensure that all digital euro users get sufficient and effective access to the entities referred to in the first subparagraph, with a high level of support and services, tailored particularly to the specific needs of vulnerable consumers.

Amendment 45

Proposal for a regulation Article 14 – paragraph 4

Text proposed by the Commission

4. Payment service providers referred to in paragraphs 1 to 3 shall provide digital inclusion support to persons with disabilities, functional limitations or limited digital skills, and elderly persons. Without prejudice to paragraph 3, point (b), digital inclusion support shall comprise a dedicated assistance for onboarding to a digital euro account and using all basic

Amendment

4. Payment service providers referred to in paragraphs 1 to 3 shall provide digital inclusion support to persons with disabilities, functional limitations or limited digital skills, and elderly persons. Without prejudice to paragraph 3, point (b), digital inclusion support shall comprise a dedicated assistance for onboarding to a digital euro account and using all basic

digital euro services.

digital euro services. ***The digital inclusion support shall be provided free of charge as part of the basic digital euro services.***

Amendment 46

Proposal for a regulation Article 14 – paragraph 5

Text proposed by the Commission

5. The ***anti-money*** laundering authority 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 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.

Amendment

5. The ***Anti-Money*** Laundering Authority, 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 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.

Amendment 47

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

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

Amendment

1. For the purpose of Article 15(1), ***should limits be established***, 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

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.

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.

Amendment 48

Proposal for a regulation Article 16 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(c a) reflect contemporary trends and risks related to money laundering and the financing of terrorism.

Amendment 49

Proposal for a regulation Article 16 – paragraph 4

Text proposed by the Commission

Amendment

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.

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. ***The European Central Bank may also consider introducing limits to online and offline digital euro independent on of one another, with the aim to safeguard privacy of the offline digital euro users to the best extent possible.***

Amendment 50

Proposal for a regulation Article 17 – paragraph 4

Text proposed by the Commission

4. The European Central Bank may require payment service providers to provide 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.

Amendment

4. The European Central Bank may require payment service providers to provide all information necessary for the application of this Article and to verify compliance with it. ***Where this information concerns personal data, the European Central Bank shall require only the data that is strictly necessary for the purposes of the processing, and in with full implementation of the principle of data minimisation.*** 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. ***or.***

Amendment 51

Proposal for a regulation Article 18 – paragraph 1

Text proposed by the Commission

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.

Amendment

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. ***Under such arrangement, natural and legal persons residing or established in that Member State wishing to become digital euro users shall receive the same conditions and opportunities for the use of the digital euro as digital euro users in Member States whose currency is the euro, without prejudice to European Central Bank's prerogative to safeguard***

the objectives of its monetary policy.

Amendment 52

Proposal for a regulation Article 18 – paragraph 3

Text proposed by the Commission

3. The **agreement** referred to in paragraph **1 shall** specify the necessary implementing measures and procedures, and the cases under which the **agreement** may be restricted, suspended, or terminated.

Amendment

3. The **arrangement** referred to in paragraph **1 shall** specify the necessary implementing measures and procedures, and the cases under which the **arrangement** may be restricted, suspended, or terminated.

Amendment 53

Proposal for a regulation Article 18 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. The European Central Bank shall provide national central banks of Member States whose currency is not the euro with relevant information and assistance in order to facilitate the signing of arrangements mentioned in paragraph 1. For this purpose, the Commission may organise information campaigns with the aim of informing the Member States whose currency is not the euro about the various characteristics of the digital euro, including the benefits of its use as well as its aspects relating to the protection and exercise of fundamental rights and freedoms.

Amendment 54

Proposal for a regulation Article 19 – paragraph 3

Text proposed by the Commission

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 authority of the third country.

Amendment

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] **or as a third country posing a specific and serious threat to the Union's financial system as referred to in Article 25 of Regulation [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 authority of the third country.

Amendment 55

**Proposal for a regulation
Article 21 – paragraph 2**

Text proposed by the Commission

2. The European Central Bank shall cooperate with national central banks of Member States whose currency is not the euro to enable interoperable payments between the digital euro and other

Amendment

2. The European Central Bank shall **actively** cooperate with national central banks of Member States whose currency is not the euro to enable interoperable payments between the digital euro and

currencies.

other currencies.

Amendment 56

Proposal for a regulation Article 22 – paragraph 2

Text proposed by the Commission

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.

Amendment

2. In their relationships with their payment services providers for the provision of digital euro payment services, **as referred to in Art. 14(3) of this Regulation**, digital euro users shall not be required to have or open non-digital euro payment accounts or accept other non-digital euro products.

Amendment 57

Proposal for a regulation Article 23 – paragraph 3

Text proposed by the Commission

3. Before initiating a digital euro payment transaction in a proximity payment, the payee and the payer shall **be informed of** whether the digital euro payment transaction will be offline or online.

Amendment

3. Before initiating a digital euro payment transaction in a proximity payment, the payee and the payer shall **agree on** whether the digital euro payment transaction will be offline or online.

Amendment 58

Proposal for a regulation Article 25 – paragraph 1

Text proposed by the Commission

1. Front-end services **shall be interoperable with or integrated in** the European Digital Identity Wallets.

Amendment

1. **Where payment service providers are required by national or Union law to use strong customer authentication they shall also accept in an easily accessible and a non-discriminatory manner the use of European Digital Identity Wallets. For**

the same purpose, interoperability between front-end services, as defined in paragraph 20 of Article 2 of this Regulation, and the European Digital Identity Wallets shall be ensured.

Amendment 59

Proposal for a regulation Article 26 – paragraph 1

Text proposed by the Commission

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.

Amendment

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 *and encourage*, to the extent possible and where appropriate, private digital means of payment to use rules, standards and processes governing the digital euro payment services, *including the full implementation of the principles of data protection by design and by default, as defined in Regulation (EU) 2016/679.*

Amendment 60

Proposal for a regulation Article 27 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. *The access to the dispute mechanism shall be provided free of charge to the digital euro users as part of the basic digital euro services.*

Amendment 61

Proposal for a regulation Article 30 – paragraph 3

Text proposed by the Commission

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.

Amendment

3. Final settlement of offline digital euro payment transactions shall occur at the moment when the records of the digital euro holdings of the payer and payee are updated ***in their local storage devices***.

Amendment 62

Proposal for a regulation

Article 30 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. The settlement infrastructure shall be developed in compliance with the principles of data protection by design and by default, as defined in Regulation (EU) 2016/679, and designed in such a way that neither the European Central Bank nor national central banks can attribute data to an identified or identifiable digital euro user.

Amendment 63

Proposal for a regulation

Article 31 – paragraph 1

Text proposed by the Commission

Amendment

1. Payment service providers shall enable digital euro users at their request to switch their digital euro payment accounts to other payment service providers while maintaining the same account identifiers.

1. Payment service providers shall enable digital euro users at their request to switch their digital euro payment accounts ***free of charge*** to other payment service providers while maintaining the same account identifiers.

Amendment 64

Proposal for a regulation

Article 32 – paragraph 1

Text proposed by the Commission

1. The European Central Bank may 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 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 or by the providers of support services designated by the European Central Bank.

Amendment

1. The European Central Bank may 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 transactions to ensure the smooth and efficient functioning of the digital euro, ***while at the same time provide necessary safeguards to make the processing compliant with the principles of necessity and proportionality and in respect of appropriate storage limitation.*** That general fraud detection and prevention mechanism may be operated directly by the European Central Bank or by the providers of support services designated by the European Central Bank.

Amendment 65

**Proposal for a regulation
Article 32 – paragraph 2**

Text proposed by the Commission

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.

Amendment

2. The European Central Bank shall consult the European Data Protection Supervisor ***and the Anti-Money Laundering Authority*** prior to developing the details on the operational elements of the fraud detection and prevention mechanism.

Amendment 66

**Proposal for a regulation
Article 32 – paragraph 4**

Text proposed by the Commission

4. For the purpose of this Article, payment service providers shall provide the

Amendment

4. For the purpose of this Article, payment service providers shall provide the

fraud detection and prevention mechanism with information referred to in Annex 5. 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.

fraud detection and prevention mechanism with information referred to in Annex V. **The** payment service providers shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that **European Central Bank** or 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. **When implementing these technical and organisational measures, payment service providers and the European Central Bank shall take into account the principles of data protection by design and by default, as defined in Regulation (EU) 2016/679, ensuring that the processing of personal data is carried out in such a manner that the personal data can no longer be attributed to an individual digital euro user without the use of additional information.**

Amendment 67

Proposal for a regulation Article 33 – paragraph 1

Text proposed by the Commission

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) 2018/1972⁴⁷ shall allow providers of front end services and providers of European Digital Identity Wallets effective interoperability with, and access for the purposes of interoperability to, the

Amendment

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) 2018/1972⁴⁷ shall allow providers of front end services and providers of European Digital Identity Wallets, **within the scope Regulation (EU) [please insert reference – proposal for a Regulation of the**

hardware features and software features necessary for storing and transferring data to process online or offline digital euro transactions, on fair, reasonable and non-discriminatory terms.

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], effective interoperability with, and access for the purposes of interoperability to, the hardware features and software features necessary for storing and transferring data to process online or offline digital euro transactions, on fair, reasonable and non-discriminatory terms.

⁴⁷ Directive (EU) 2018/1722 of the European Parliament and of the Council of 11 December 2018, establishing the European Electronic Communications Code, OJ L 17.12.2018, p. 36.

⁴⁷ Directive (EU) 2018/1722 of the European Parliament and of the Council of 11 December 2018, establishing the European Electronic Communications Code, OJ L 17.12.2018, p. 36.

Amendment 68

Proposal for a regulation

Article 34 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

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

Payment service providers ***shall*** process personal data ***only*** for the following purposes:

Amendment 69

Proposal for a regulation

Article 34 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) the 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;

(a) the enforcement of limits, ***should they be established in accordance with Article 15 of this Regulation together with*** the verification of whether prospective or existing digital euro users have digital euro accounts with another PSP, as referred to in Article 16;

Amendment 70

Proposal for a regulation

Article 34 – paragraph 1 – subparagraph 1 – point c

Text proposed by the Commission

(c) the provision of offline digital euro, **including** the registration and de-registration of the local storage devices as referred to in letter (b) of Annex I;

Amendment

(c) the provision of offline digital euro **together with** the registration and de-registration of the local storage devices as referred to in letter (b) of Annex I;

Amendment 71

Proposal for a regulation

Article 34 – paragraph 2

Text proposed by the Commission

2. For the purposes referred to in paragraph 1 (a) to (c), of this Article, Annex III lays down the types of personal data.

Amendment

2. For the purposes referred to in paragraph 1 (a) to (c), of this Article, Annex III lays down the types of personal data **that may be processed. For the purposes referred to in paragraph 1 (d) and (e), the Commission shall be empowered to define the types of personal data that may be processed, via delegated acts in accordance with paragraph 3.**

Amendment 72

Proposal for a regulation

Article 34 – paragraph 3 – subparagraph 1

Text proposed by the Commission

The Commission is empowered to adopt delegated acts in accordance with Article 38 to update the types of personal data listed in Annex III.

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 38 to update **and clarify** the types of personal data listed in Annex III, **while maintaining a complete and closed list of personal data to be processed for the stated purpose.**

Amendment 73

Proposal for a regulation Article 34 – paragraph 4

Text proposed by the Commission

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 do not directly identify individual digital euro users.

Amendment

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 do not directly identify individual digital euro users. ***In particular, such measures shall ensure that personal data are pseudonymised in such a manner that these data can no longer be attributed by the European Central Bank or the national central banks to an individual digital euro user without the use of additional information. When implementing these technical and organisational measures, payment service providers shall implement principles of data protection by design and by default, as defined in Regulation (EU) 2016/679***

Amendment 74

Proposal for a regulation Article 34 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4 a. This Article is without prejudice to additional services which are developed and provided by payment service providers on top of basic digital euro payment services and which are subject to Directive (EU) 2015/2366, for which personal data shall be processed pursuant to Article 6(1)(a) or (b) of Regulation (EU) 2016/679.

Amendment 75

Proposal for a regulation

Article 35 – paragraph 1 – introductory part

Text proposed by the Commission

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:

Amendment

1. The European Central Bank and the national central banks perform a task in the public interest or exercise official authority, ***in accordance with Article 6(1)(e) of Regulation 2016/679 or Article 5(1)(a) of Regulation 2018/1725***, where they process personal data for the following purposes:

Amendment 76

Proposal for a regulation

Article 35 – paragraph 1 – point c

Text proposed by the Commission

(c) safeguarding the security and integrity of the digital euro settlement infrastructure and of local storage devices;

Amendment

(c) safeguarding the security and integrity of the digital euro settlement infrastructure and ***performing counterfeit analysis*** of local storage devices;

Amendment 77

Proposal for a regulation

Article 35 – paragraph 2

Text proposed by the Commission

2. For the purposes referred to in paragraph 1, Annex IV lays down the types of personal data.

Amendment

2. For the purposes referred to in paragraph 1, Annex IV lays down the types of personal data ***that may be processed***.

Amendment 78

Proposal for a regulation

Article 35 – paragraph 3

Text proposed by the Commission

3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update the types of personal data listed in Annex IV.

Amendment

3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update ***and clarify*** the types of personal data listed in Annex IV, ***while maintaining a complete and closed list of personal data to be processed for the stated purpose.***

Amendment 79

**Proposal for a regulation
Article 35 – paragraph 4**

Text proposed by the Commission

4. Personal data processed for tasks referred to in paragraph 1 shall be supported by appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures. This shall include the clear segregation of personal data to ensure that the European Central Bank and the national central banks cannot directly identify individual digital euro users.

Amendment

4. Personal data processed for tasks referred to in paragraph 1 shall be supported by appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures. This shall include the clear segregation of personal data to ensure that the European Central Bank and the national central banks cannot directly identify individual digital euro users. ***In particular, such measures shall ensure that personal data are pseudonymised in such a manner that these data can no longer be attributed by the European Central Bank or the national central banks to an individual digital euro user without the use of additional information. When implementing these technical and organisational measures, the ECB and national central banks implement principles of data protection by design and by default, as defined in Regulation (EU) 2016/679.***

Amendment 80

**Proposal for a regulation
Article 35 – paragraph 5**

Text proposed by the Commission

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.

Amendment

5. The European Central Bank shall be considered the controller of personal data as regards 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.

Amendment 81

Proposal for a regulation
Article 35 – paragraph 7

Text proposed by the Commission

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.

Amendment

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 V subject to the requirements referred to in paragraph 4 of this Article.

Amendment 82

Proposal for a regulation
Article 35 – paragraph 8

Text proposed by the Commission

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

Amendment

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. 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.

point (4) of Annex 4. 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. ***When implementing these technical and organisational measures, the European Central Bank shall implement principles of data protection by design and by default, as defined in Regulation (EU) 2016/679.***

Amendment 83

Proposal for a regulation

Article 36 – paragraph 1 – introductory part

Text proposed by the Commission

1. Where the European Central Bank decides to confer tasks referred to in Article 27 and 32 upon providers of support services, providers of support services shall provide payment-related services across PSPs. In such a situation, payment service providers perform a task in the public interest, ***where they process personal data for*** the following purposes:

Amendment

1. Where the European Central Bank decides to confer tasks referred to in Article 27 and 32 upon providers of support services, providers of support services shall provide payment-related services across PSPs. In such a situation, payment service providers ***shall solely process personal data where they*** perform a task in the public interest, ***in accordance with Article 6(1)(e) of Regulation 2016/679, limited to*** the following purposes:

Amendment 84

Proposal for a regulation

Article 36 – paragraph 2

Text proposed by the Commission

2. For the purposes referred to in

Amendment

2. For the purposes referred to in

paragraph 1, Annex V lays down the types of personal data.

paragraph 1, Annex V lays down the types of personal data *that may be processed*. ***For the purposes referred to in paragraph 1 (b), the Commission shall be empowered to define the types of personal data that may be processed by the providers of support services, via delegated acts in accordance with paragraph 3.***

Amendment 85

Proposal for a regulation Article 36 – paragraph 3

Text proposed by the Commission

3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update the types of personal data listed in Annex V.

Amendment

3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to update ***and clarify*** the types of personal data listed in Annex V, ***while maintaining a complete and closed list of personal data to be processed for the stated purpose.***

Amendment 86

Proposal for a regulation Article 36 – paragraph 4

Text proposed by the Commission

4. The processing of personal data for the purposes referred to in paragraph 1 shall only take place when appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures are implemented to ensure that the providers of support services cannot directly identify individual digital euro users.

Amendment

4. The processing of personal data for the purposes referred to in paragraph 1 shall only take place when appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures are implemented to ensure that the providers of support services cannot directly identify individual digital euro users. ***In particular, such measures shall ensure that personal data are pseudonymised in such a manner that these data can no longer be attributed by the European Central Bank or the national central banks to an individual digital euro user without the use of***

additional information. When implementing these technical and organisational measures, payment service providers shall implement principles of data protection by design and by default, as defined in Regulation (EU) 2016/679.

Amendment 87

Proposal for a regulation Article 37 – paragraph 2

Text proposed by the Commission

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

Amendment

2. Transaction data, **as generated by a payment transaction within the processing limits laid down in Annex III, IV and V**, shall not be **processed** by payment service providers, **providers of support services** or by the European central **Bank** and the national central banks.

Amendment 88

Proposal for a regulation Article 37 – paragraph 5

Text proposed by the Commission

5. The Commission is empowered to adopt **implementing** acts setting offline digital euro payment transaction limits and holding limits. Those **implementing** acts shall be adopted in accordance with the **examination** procedure referred to in Article **39**.

Amendment

5. The Commission is empowered to adopt **delegated** acts setting offline digital euro payment transaction limits and holding limits. Those **delegated** acts shall be adopted in accordance with the procedure referred to in Article **38**.

Amendment 89

Proposal for a regulation Article 37 – paragraph 6 – subparagraph 1 – introductory part

Text proposed by the Commission

Transaction and holding limits shall take

Amendment

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:

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 **delegated** acts referred to in paragraph 5, shall take into account in particular the following:

Amendment 90

Proposal for a regulation

Article 37 – paragraph 6 – subparagraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(c a) the objective of introducing a payment instrument similar to cash and in relation to that preserving the right to the protection of personal data and privacy.

Amendment 91

Proposal for a regulation

Article 37 – paragraph 6 – subparagraph 2

Text proposed by the Commission

Amendment

For the purposes of point (a), the Commission **may request AMLA 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 consult the European Data Protection Board.

For the purposes of point (a), the Commission **shall consult AMLA, which shall assess** the level of money laundering and terrorist financing threats associated with the offline digital euro and its vulnerabilities. The Commission may **also** consult the European Data Protection Board. **For the purposes of point (d), the Commission shall consult the European Data Protection Supervisor, in accordance with Article 42 of Regulation (EU) 2018/1725.**

Amendment 92

Proposal for a regulation

Article 38 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in Articles 11, **33, 34 and 35** shall be conferred on the Commission for an indeterminate period of time from [date of entry into force of this Regulation].

Amendment 93

Proposal for a regulation
Article 38 – paragraph 3

Text proposed by the Commission

3. The power to adopt the delegated acts referred to in Articles 11, **33, 34 and 35** 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.

Amendment 94

Proposal for a regulation
Article 38 – paragraph 6

Text proposed by the Commission

6. A delegated act adopted pursuant to Articles 11, **33, 34 and 35** 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

Amendment

2. The power to adopt delegated acts referred to in Articles 11, **34, 35 and 36** shall be conferred on the Commission for an indeterminate period of time from [date of entry into force of this Regulation].

Amendment

3. The power to adopt the delegated acts referred to in Articles 11, **34, 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.

Amendment

6. A delegated act adopted pursuant to Articles 11, **34, 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.

will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Amendment 95

Proposal for a regulation Annex II – paragraph 1 – introductory part

Text proposed by the Commission

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

Amendment

Basic digital euro payment services, **for both online and offline digital euro**, for natural persons shall consist of:

Amendment 96

Proposal for a regulation Annex II – paragraph 1 – point a

Text proposed by the Commission

(a) opening, holding **and** closing of a digital euro payment account;

Amendment

(a) opening, holding, closing **and switching** of a digital euro payment account;

Amendment 97

Proposal for a regulation Annex II – paragraph 1 – point c

Text proposed by the Commission

(c) **non-automated** funding and defunding from a non-digital euro payment account;

Amendment

(c) funding and defunding from a non-digital euro payment account **to a digital euro account**;

Amendment 98

Proposal for a regulation Annex II – paragraph 1 – point e – introductory part

Text proposed by the Commission

(e) initiation and reception of digital euro payment transactions by means of an electronic payment instrument, to the exclusion of conditional digital euro payment transactions other than standing orders, in the following use cases:

Amendment

(e) initiation and reception of digital euro payment transactions by means of an electronic payment instrument, to the exclusion of conditional digital euro payment transactions other than standing orders **and direct debits**, in the following use cases:

Amendment 99

Proposal for a regulation
Annex III – point 1 – introductory part

Text proposed by the Commission

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

Amendment

1. For the purpose of point (a) of Article 34(1), processing **of personal data** shall be **strictly** limited to:

Amendment 100

Proposal for a regulation
Annex III – point 1 – point iii

Text proposed by the Commission

(iii) information on digital euro payment accounts; **including** information on digital euro holdings of the digital euro user and the unique digital euro payment account number; and

Amendment

(iii) information on digital euro payment accounts; **understood as** (information on digital euro holdings of the digital euro user and the unique digital euro payment account number; and

Amendment 101

Proposal for a regulation
Annex III – point 1 – point iv

Text proposed by the Commission

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

Amendment

(iv) information on online digital euro payment transactions, **understood as** the transaction identifier and the transaction

amount.

amount.

Amendment 102

Proposal for a regulation Annex III – point 2 – introductory part

Text proposed by the Commission

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

Amendment

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

Amendment 103

Proposal for a regulation Annex III – point 2 – point iii

Text proposed by the Commission

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

Amendment

(iii) information on digital euro payment accounts, **understood as** the unique digital euro payment account number; and

Amendment 104

Proposal for a regulation Annex III – point 2 – point iv

Text proposed by the Commission

(iv) information of non-digital euro payment accounts, **including** the account number of the linked non-digital euro payment account.

Amendment

(iv) information of non-digital euro payment accounts, **understood as** the account number of the linked non-digital euro payment account.

Amendment 105

Proposal for a regulation Annex III – point 3 – introductory part

Text proposed by the Commission

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

Amendment

3. For the purpose of point (c) of Article 34(1), processing ***of personal data*** shall be ***strictly*** limited to:

Amendment 106

**Proposal for a regulation
Annex III – point 3 – point i**

Text proposed by the Commission

(i) the user identifier; ***including*** the name of the local storage device holders; and

Amendment

(i) the user identifier; ***understood as*** the name of the local storage device holders; and

Amendment 107

**Proposal for a regulation
Annex III – point 3 – point ii**

Text proposed by the Commission

(ii) information on the local storage device, ***including*** the identifier of the local storage device.

Amendment

(ii) information on the local storage device, ***understood as*** (the identifier of the local storage device).

Amendment 108

**Proposal for a regulation
Annex IV – point 1 – introductory part**

Text proposed by the Commission

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

Amendment

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

Amendment 109

**Proposal for a regulation
Annex IV – point 1 – point i**

Text proposed by the Commission

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

Amendment

(i) information on digital euro payment accounts, **understood as** the unique digital euro payment account number; and

Amendment 110

Proposal for a regulation Annex IV – point 1 – point ii

Text proposed by the Commission

(ii) information on online digital euro payment transactions. information linked to an unique digital euro payment account number, **including** the transaction amount.

Amendment

(ii) information on online digital euro payment transactions, information linked to an unique digital euro payment account number, **understood as** the transaction amount.

Amendment 111

Proposal for a regulation Annex IV – point 2 – introductory part

Text proposed by the Commission

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

Amendment

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

Amendment 112

Proposal for a regulation Annex IV – point 3

Text proposed by the Commission

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.

Amendment

3. For the purpose of point (c) of Article 35(1), processing **of personal data** shall be **strictly** limited to the data required for counterfeit analysis of offline digital euro payment transactions: information on the local storage device, **understood as** the

local storage device number.

Amendment 113

Proposal for a regulation Annex IV – point 4 – introductory part

Text proposed by the Commission

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

Amendment

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

Amendment 114

Proposal for a regulation Annex IV – point 4 – point iii

Text proposed by the Commission

(iii) information on digital euro payment accounts, **including** the unique digital euro payment account number, digital euro holdings of the user, the holding limit selected by the user and the type of digital euro account.

Amendment

(iii) information on digital euro payment accounts, **understood as** the unique digital euro payment account number, digital euro holdings of the user, the holding limit selected by the user and the type of digital euro account.

Amendment 115

Proposal for a regulation Annex V – paragraph 1 – introductory part

Text proposed by the Commission

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:

Amendment

For the purposes of point (a) of Article 36(1), processing **of personal data** shall be **strictly** limited to the data required for the prevention and detection of fraud across payment service providers:

Amendment 116

Proposal for a regulation
Annex V – paragraph 1 – point i

Text proposed by the Commission

(i) information on digital euro payment accounts, **including** the unique digital euro account identifier;

Amendment

(i) information on digital euro payment accounts, **understood as** the unique digital euro account identifier;

Amendment 117

Proposal for a regulation
Annex V – paragraph 1 – point ii

Text proposed by the Commission

(ii) information on online digital euro payment transactions, **including** the transaction amount; and

Amendment

(ii) information on online digital euro payment transactions, **understood as** the transaction amount; and

Amendment 118

Proposal for a regulation
Annex V – paragraph 1 – point iii

Text proposed by the Commission

(iii) information on the transaction session of a digital euro user, **including** the device internet protocol address-range.

Amendment

(iii) information on the transaction session of a digital euro user, **understood as** the device internet protocol address-range.

ANNEX: DECLARATION OF INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur for opinion declares that he included in his opinion input on matters pertaining to the subject of the file that he received, in the preparation of the opinion, prior to the adoption thereof in committee, from the following interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register¹, or from the following representatives of public authorities of third countries, including their diplomatic missions and embassies:

1. Interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register
FTI Consulting
2. Representatives of public authorities of third countries, including their diplomatic missions and embassies
None

The list above is drawn up under the exclusive responsibility of the rapporteur for opinion.

Where natural persons are identified in the list by their name, by their function or by both, the rapporteur for opinion declares that he has submitted to the natural persons concerned the European Parliament's Data Protection Notice No 484 (<https://www.europarl.europa.eu/data-protect/index.do>), which sets out the conditions applicable to the processing of their personal data and the rights linked to that processing.

¹ Interinstitutional Agreement of May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register (OJ L 207, 11.6.2021, p. 1, ELI: http://data.europa.eu/eli/agree_interinst/2021/611/oj).

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishment of the digital euro
References	COM(2023)0369 – C9-0219/2023 – 2023/0212(COD)
Committee(s) responsible Date announced in plenary	ECON 19.10.2023
Opinion by Date announced in plenary	LIBE 19.10.2023
Rapporteur for the opinion Date appointed	Emil Radev 3.7.2025
Date adopted	15.7.2025
Result of final vote	+: 46 –: 17 0: 11
Members present for the final vote	Magdalena Adamowicz, Abir Al-Sahlani, Giuseppe Antoci, Francisco Assis, Malik Azmani, Nikola Bartůšek, Krzysztof Brejza, Saskia Bricmont, Jaroslav Bžoch, Mélissa Camara, Susanna Ceccardi, Caterina Chinnici, Alessandro Ciriani, Lena Düpont, Marieke Ehlers, Estrella Galán, Raquel García Hermida-Van Der Walle, Evin Incir, Paolo Inselvini, Irena Joveva, Erik Kaliňák, Marina Kaljurand, Mariusz Kamiński, Assita Kanko, Fabienne Keller, Moritz Körner, Murielle Laurent, Fabrice Leggeri, Jeroen Lenaers, Juan Fernando López Aguilar, Michael McNamara, Ana Catarina Mendes, Verena Mertens, Nadine Morano, Matjaž Nemeč, Ana Miguel Pedro, Chloé Ridel, Ilaria Salis, Birgit Sippel, Krzysztof Śmiszek, Petra Steger, Cecilia Strada, Tineke Strik, Georgiana Teodorescu, Tomas Tobé, Milan Uhrík, Tom Vandendriessche, Kristian Vigenin, Charlie Weimers, Sophie Wilmès, Ewa Zajączkowska-Hernik, Alessandro Zan, Javier Zarzalejos
Substitutes present for the final vote	Konstantinos Arvanitis, Fredis Beleris, David Casa, Geadis Geadis, Monika Hohlmeier, Nikola Minchev, Hannah Neumann, João Oliveira, Leoluca Orlando, Oliver Schenk, Alexander Sell, Sander Smit, António Tânger Corrêa, Pekka Toveri, Roberto Vannacci
Members under Rule 216(7) present for the final vote	Laurent Castillo, Christian Doleschal, Pietro Fiocchi, Pär Holmgren, Andrey Kovatchev, Andrea Wechsler

**FINAL VOTE BY ROLL CALL
BY THE COMMITTEE ASKED FOR OPINION**

46	+
PPE	Magdalena Adamowicz, Fredis Beleris, Krzysztof Brejza, David Casa, Caterina Chinnici, Christian Doleschal, Lena Düpont, Monika Hohlmeier, Andrey Kovatchev, Jeroen Lenaers, Verena Mertens, Ana Miguel Pedro, Oliver Schenk, Tomas Tobé, Pekka Toveri, Andrea Wechsler, Javier Zarzalejos
PfE	Jaroslav Bžoch
Renew	Abir Al-Sahlani, Malik Azmani, Raquel García Hermida-Van Der Walle, Irena Joveva, Fabienne Keller, Moritz Körner, Michael McNamara, Nikola Minchev, Sophie Wilmès
S&D	Francisco Assis, Evin Incir, Marina Kaljurand, Murielle Laurent, Juan Fernando López Aguilar, Ana Catarina Mendes, Matjaž Nemeč, Chloé Ridel, Birgit Sippel, Krzysztof Śmiszek, Cecilia Strada, Kristian Vigenin, Alessandro Zan
Verts/ALE	Saskia Bricmont, Mélissa Camara, Pär Holmgren, Hannah Neumann, Leoluca Orlando, Tineke Strik

17	-
ECR	Geadis Geadis, Mariusz Kamiński, Assita Kanko, Georgiana Teodorescu, Charlie Weimers
ESN	Alexander Sell, Milan Uhrík, Ewa Zajączkowska-Hernik
NI	Erik Kaliňák
PfE	Susanna Ceccardi, Marieke Ehlers, Fabrice Leggeri, Petra Steger, António Tânger Corrêa, Tom Vandendriessche, Roberto Vannacci
The Left	João Oliveira

11	0
ECR	Alessandro Ciriani, Pietro Fiocchi, Paolo Inselvini
PPE	Laurent Castillo, Nadine Morano, Sander Smit
PfE	Nikola Bartůšek
The Left	Giuseppe Antoci, Konstantinos Arvanitis, Estrella Galán, Ilaria Salis

Key to symbols:

+ : in favour

- : against

0 : abstention

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Establishment of the digital euro	
References	COM(2023)0369 – C9-0219/2023 – 2023/0212(COD)	
Date submitted to Parliament	29.6.2023	
Committee(s) responsible Date announced in plenary	ECON 19.10.2023	
Committees asked for opinions Date announced in plenary	LIBE 19.10.2023	
Rapporteurs Date appointed	Fernando Navarrete Rojas 16.12.2024	
Discussed in committee	5.11.2025	29.1.2026
Date adopted	23.6.2026	
Result of final vote	+: –: 0:	43 14 1
Date tabled	26.6.2026	

**FINAL VOTE BY ROLL CALL
BY THE COMMITTEE RESPONSIBLE**

43	+
ECR	Stefano Cavedagna, Giovanni Crosetto, Daniele Polato
PPE	Georgios Aftias, Stefan Berger, Regina Doherty, Marco Falcone, Markus Ferber, Loucas Fourlas, Dirk Gotink, Sérgio Humberto, Kinga Kollár, Siegfried Mureşan, Fernando Navarrete Rojas, Luděk Niedermayer, Sirpa Pietikäinen, Paulius Saudargas, Andreas Schwab, Juan Ignacio Zoido Álvarez
Renew	Gilles Boyer, Valérie Devaux, Ludovít Ódor, Anouk Van Brug, Stéphanie Yon-Courtin
S&D	Sakis Arnaoutoglou, Jonás Fernández, Claire Fita, André Franqueira Rodrigues, Eero Heinäluoma, Aurore Lalucq, Costas Mavrides, Nikos Papandreou, Evelyn Regner, Elena Sancho Murillo, Lara Wolters
The Left	Daniilo Della Valle, Gaetano Pedulla', Jussi Saramo, Pasquale Tridico
Verts/ALE	Rasmus Andresen, Damian Boeselager, Mélissa Camara, Anna Strolenberg

14	-
ECR	Stephen Nikola Bartulica, Marlena Małag, Maciej Wąsik
ESN	Siegbert Frank Droese, Rada Laykova
NI	Fabio De Masi
PfE	Mireia Borrás Pabón, Juan Carlos Girauta Vidal, Enikő Györi, Jaroslav Knot, Tomáš Kubín, Pierre Pimpie, Auke Zijlstra
Renew	Engin Eroglu

1	0
ECR	Johan Van Overtveldt

Key to symbols:

+ : in favour

- : against

0 : abstention