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COMPROMISE AMENDMENTS

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: Fernando Navarrete Rojas (EPP)

Covering all text of the Commission proposal

New or amended text is in ***bold italics***

Deletions to the original text are indicated by ~~strikethrough~~.

Deletions to the previous text of the compromise are indicated by
~~***strikethrough bold and italics***~~

Where text is not amended, the compromise maintains the text of the
Commission proposal.

Overview of versions sent:

Version 1 sent on 09.06.2026

Compromise Amendment O (CA O) – Citations and Recitals

If CA O is adopted, the following amendments fall:

- Citations: AM 286
- Recitals 1-85: AM 1-80; AM 287-548; AM LIBE 1-29

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 Bank¹,

Having regard to the opinion of the European Economic and Social Committee²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Commission emphasised in the Digital Finance and Retail Payment Strategies³ 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 Eurosummit ~~Eurosummit~~ *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 international role of the euro*. The Eurogroup also acknowledged, in its statement of 25 February, the potential of a digital euro to foster innovation in the financial system.

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

³ 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)

In that context, both the European Parliament⁴ and ECOFIN Council⁵ 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”⁶. 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 functionalities. Since then the European Central Bank has progressed its work, published a closing progress report⁷ on 30 October 2025 about a two-years preparation phase, which focused on the elaboration of the 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~~ **with other commercial bank money, and eventually with** 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 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.** ~~It is therefore necessary to introduce a new form of official currency with legal tender which is risk free and helps visualise the convertibility at par of the money issued by various commercial banks.~~
- (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.

⁴ European Parliament's resolution of 16 February 2022 on the European Central Bank – annual report 20212021/2063(INI)

⁵ <https://data.consilium.europa.eu/doc/document/ST-6301-2022-INIT/en/pdf>

⁶ European Central Bank, [Report on a digital euro](#), October 2020.

⁷ **European Central Bank, Closing progress report, October 2025**

- (5) In a context where cash alone cannot answer the needs of **increasing** a digitalised **digitalisation of the** economy, it is essential to support financial inclusion by ensuring **an accessible** universal, affordable and easy access to the digital euro to individuals in the euro area, as well as its wide acceptance in payments. Financial exclusion in the digitalised economy may increase as private digital means of payments may not specifically cater for vulnerable groups of the society or may not be suitable in some rural or remote areas without a (stable) communication network. 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”.⁸ 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.⁹ A digital euro would offer a public alternative to private digital means of payments and 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 freedom to choose how to pay**. Regulation (EU) .../...¹⁰, Directive (EU) .../...¹¹, Regulation (EU) .../...¹² and, with regard to instant transfers in euros, Regulation (EU) No 260/2012 of the European Parliament and of the Council¹³ and Regulation (EU) 2021/1230 of the European Parliament and of the Council¹⁴ and Directive 98/26/EC of the European Parliament and of the Council¹⁵ and Directive (EU) 2015/2366 of the European Parliament and of the Council¹⁶, will strengthen both physical central bank money and retail

⁸ <https://documents1.worldbank.org/curated/en/806481470154477031/pdf/Payment-Aspects-of-Financial-Inclusion.pdf>

⁹ [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”.

¹⁰ *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.*

¹¹ *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.*

¹² *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.*

¹³ *^{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>)*

¹⁴ *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>)*

¹⁵ *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>)*

¹⁶ *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,*

digital payment solutions. Regulation (EU) .../...¹⁷ [please insert reference—proposal for a Regulation on the legal tender of euro banknotes and coins—COM/2023/364] 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 the 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. Many central banks around the world are currently exploring the issuance of central bank digital currencies ('CBDCs') and some countries have already issued a CBDC. In addition, so-called third country stablecoins not denominated in euro, could, if widely used for payments, displace euro-denominated payments in the Union's economy by 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 by people, businesses and public authorities in the euro area. As *the digital euro* a new form of the euro available to the general public, the digital euro should have important societal and economic consequences. *It* It is therefore necessary to establish *it* the digital euro 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 that the European Central Bank maintains a clear separation between its activities related to the management of the digital euro and its monetary policy, supervisory and payment systems oversight tasks under the Treaty on the Functioning of the European Union. 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 the digital euro, the European Central Bank should undertake all necessary preparatory work ahead of its issuance. This includes finalising the 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 issue of the digital euro, the European Central Bank should provide for a roll-out phase of at least 24 months to allow the*

23.12.2015, p.35, ELI: <http://data.europa.eu/eli/dir/2015/2366/oj>

¹⁷ OJ: Please insert in the text the number of the Regulation contained in document PE-CONS .../ (2023/0208(COD)).

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 on the duration of the roll-out period.

(8e) *Notwithstanding the roll-out period, 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 should cover both online and offline 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 in Member States whose currency is the euro, reflecting diverse technological environments, network conditions, device types and user profiles. End users should include, inter alia, 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, the European Central Bank should publish a report summarising the results, 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 *as well as their exclusive property*. 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 11, 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) 2015/849 ~~2015/849~~ ***2024/1640*** of the European Parliament and of the Council¹⁸, ~~of 20 May 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and to Regulation (EU) 2015/847~~ ***2023/1113*** of the European Parliament and of the Council¹⁹ ~~of 20 May 2015 on information accompanying transfers of funds, 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) 2015/2366²⁰ of the European Parliament and of the Council, of 25 November 2015, on payment services in the internal market, as amended by Directive [please insert reference – proposal for a Directive of the European Parliament and of the Council on payment services and electronic money services in the internal market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC – COM(2023) 366 final]~~ 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 ~~on cross border payments of the European Parliament and of the Council~~²¹. ***In addition, payment service providers providing digital euro payment services are subject to Regulation (EU) 2022/2554²².***

(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. This 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

¹⁸ ***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>).***

¹⁹ ***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>).***

²⁰ ***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>).***

²¹ ***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>).***

²² ***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>***

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 provide public transparency on 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 as replaced by Directive (EU) ~~[please insert reference—proposal for a Directive on payment services and electronic money services in the internal market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC—COM(2023) 366 final]~~, Directive (EU) **2024/1640** 2015/849 as replaced by Directive (EU) ~~[please insert reference—proposal for Anti-Money Laundering Directive—COM/2021/423 final]~~ and Regulation (EU) 2016/679 **of the European Parliament and of the Council**²³ should govern the supervision by competent authorities and the sanctions regime and supervisory arrangements between the competent authorities of the home Member States and of the host Member States, concerning the activities of Payment 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 (EU) No XXX on the establishment of the digital euro. Any personal data processing under the present **this** Regulation must comply with Regulation (EU) 2016/679 and Regulation (EU) 2017/1725 **2018/1725 of the European Parliament and of the Council**²⁴ 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 deploy information and educational measures **among citizens and merchants** to ensure the necessary level of awareness and knowledge ~~of the different aspects~~ **about the possibilities of access to the digital euro, its use, and its impact on resilience, inclusiveness, and accessibility** of the digital euro. **These 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 Union²⁵, 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

²³ *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>).*

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²⁵ See judgment of 26 January 2021 in Joined Cases C-422/19 and C-423/19, *Hessischer Rundfunk*, EU:C:2021:63 point 46.

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 Treaty on the Functioning of the European Union ('TFEU') and ~~Article~~ **Articles** 10 and 11 of Council Regulation (EC) No 974/98²⁶ ~~on the introduction of the euro~~²⁷.
- (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 in its role of monetary anchor, 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.
- (17) The digital euro should have legal tender status for *payments of a monetary debt denominated in euro to* ~~offline digital euro payment transactions occurring within in the euro area, similarly to euro banknotes and coins which have legal tender status in the euro area. The digital euro should also have legal tender status for online digital euro payment transactions made to a payee residing or established in the euro area, where the payer is also residing or established in the euro area. Similarly, the digital euro should have legal tender status for online digital euro payment transactions made to a payee residing or established in the euro area, where the payer is not residing or established in the euro area.~~ *In cases where the payee is required to accept both the online and offline digital euro payment transactions, the payer should remain free to choose whether to pay with an online or offline digital euro. This 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* 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~~ *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*

²⁶ Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (OJ L 139, 11.5.1998, p. 1).

²⁷ OJ L139, 11.5.1998, p.1.

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 ~~comparable~~ *other* digital means of payment, ***including the use of the single euro payments area instrument for instant payments***, 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.~~ *Small and* Microenterprises *microentreprises* and non-profit legal entities that do not accept ~~comparable~~ *other* 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. ***Finally, a payee may 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.***

- (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. (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, ***where the payer is a consumer or a self-employed person engaged in a commercial activity***, through contractual terms that have not been individually negotiated. ***Such payees should equally refrain from using*** ~~or~~ commercial practices ***that have the object or effect of excluding the use of 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 ~~consumers~~ **individuals belonging to vulnerable groups, such as individuals** with no fixed address, asylum seekers, **beneficiaries of international protection, and** 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. This would, among others, cover 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~~ **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 to the access and use in time of the digital euro for visitors and natural and legal persons who no longer reside nor are established in Member States whose currency is the euro,** ~~subject to possible time limitations in relation to the status of residence or establishment of these persons that the European Central Bank may define.~~
- (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 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, while legal persons and natural persons acting as a self-employed in a commercial activity should only be enabled 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 and defund their digital euro payment accounts from or to euro banknotes and coins, whenever the payment service provider provides cash services. When it does, 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 when that is the case.

- (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.*
- ~~(24)~~ ~~Account servicing payment service providers under Directive 2015/2366 should provide funding and defunding services to their clients, regardless of their ability to provide the liquidity source for those funds in central bank money. At the request of their clients, in view of successfully carrying out funding and defunding services, account servicing payment service providers that are allowed to have an account at the central bank should provide account servicing payment service providers that are not allowed to have an account at the central bank with access to payment systems, and similarly should pass through the settlement infrastructure the transfer orders of the account servicing payment service providers that are not allowed to have an account at the central bank, in an objective, proportionate and non-discriminatory manner.~~
- ~~(25)~~ ~~For the purpose of properly enforcing any holding limits on the use of the digital euro decided upon by the European Central Bank, when onboarding digital euro users, or during ex post checks where appropriate, payment service providers in charge of distributing the digital euro should verify whether their prospective or existing customer already has digital euro payment accounts. The European Central Bank may support payment service providers in performing the task of enforcing any holding limits, including by establishing alone or jointly with national central banks a single access point of digital euro user identifiers and the related digital euro holding limits. The European Central Bank 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 linked with the information in the single access point by entities other than payment service providers whose client or potential customer is the digital euro user. The European Central Bank should be controller to the extent that these activities require processing of personal data. When the European Central Bank establishes the single access point together with the national central banks, they should be joint controllers.~~
- (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 Council²⁸ that are account servicing payment service providers under Directive (EU) 2015/2366 should also be allowed to distribute the digital euro. ~~In accordance with Directive 2015/2366, account servicing payment service providers should be obliged to provide access to data on payment accounts to payment initiation and account information service providers based on Application Programming Interfaces (APIs), to allow them to develop and provide innovative additional services.~~

- (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 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 basic services mandatory 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 acquiring services is also limited to their own clients which 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 ~~may should~~ designate **one or more public payment service providers** entities that should

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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

carry out that task within their territory. *In addition, Member States may wish to entrust such services to one or more private service providers, following a public procurement procedure for that purpose, or may, by mutual agreement with another Member State, designate the authority designated in this 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 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) *Public entities or payment service providers which have been designated by Member States as digital euro distributors of last resort should consider included in the concept of a natural person who does not hold a non-digital euro account any person that is subject to restrictive measures imposed by a third country or by an international organisation, which the Union has determined that such restrictive measures should not be incorporated into the Union legal order. Those restrictive measures should not, in itself, prevent that person from accessing or maintaining a digital euro payment account for the provision of all basic digital euro payment services under this Regulation. This is without prejudice to the application of restrictive measures 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* ~~Only account servicing payment service providers under Directive 2015/2366~~ *that decide to provide digital euro payment services to consumers or do so upon 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 services. The digital euro infrastructure should facilitate the deployment of such optional services.
- ~~(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.~~
- (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, limits.~~ *This requires that the European Central Bank, with a view to safeguarding monetary sovereignty and to contributing to the mitigating risks to the stability of the financial system, should define quantitative limits on the digital euro*

holdings of natural persons, besides developing, when needed, other instruments to limit the use of the digital euro as a store of value, such as: 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. *Those limits should be in place before the first issuance of the digital euro so as to guarantee that the introduction of the digital euro does not trigger significant outflows of retail deposits or undermine the capacity of credit institutions to provide credit to the economy.* When deciding on the *limits* and use of *such* instruments referred to in paragraph 1, the European Central Bank should, *in particular, act in line with the principle of proportionality. It should also* respect the principle of an open market economy with free competition, in accordance with Article 127(1) TFEU.

- (32a) *As a general rule, legal persons shall not maintain any digital euro holdings. This should nonetheless allow those persons, when acting as payees in digital euro payment transactions, to temporarily accumulate digital euro holdings of incoming digital euro payments for a maximum period of 24 hours, to allow for consolidated defunding operations, combining multiple individual defunding operations ('batch defunding'), similarly to the emptying of cash registries. Additionally, allowing legal entities to maintain temporarily holdings of digital euro without limits during severe disruptions of the network is appropriate to make sure 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) *The definition of quantitative limits on the digital euro holdings of natural persons is a fundamental tool to safeguard financial stability and prevent structural disintermediation risks in the banking sector in the euro area. Those limits should ensure that the introduction of the digital euro does not trigger significant outflows of retail deposits or undermine the capacity of credit institutions to provide credit to the economy. To that end, prior to setting the limits by the Commission, the European Central Bank should assess, after consulting the European Systemic Risk Board, the impact of such limits at the Union level, but also at each Member State level, considering 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 this 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.*

- (33b) *There should be an overall ceiling to the quantitative limits on digital euro holdings of for natural persons defined by the European Central Bank. For the purpose of establishing this ceiling, the European Central Bank will, together with the publishing 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 from the receipt of this recommendation, the Commission should adopt a delegated act to set the overall ceiling to the quantitative limits on digital euro holdings of for 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 the possibility that the digital euro is first issued without a quantitative limit on digital euro holdings for natural persons set, in the event the Commission delegated act is not in force at least until six months from the notification of the delegated act to the European Parliament and the Council on the overall ceiling (for instance in case of an objection expressed by the Parliament or the Council), the European Central Bank is 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 this delegated act is in force, the European Central Bank needs to adjust the quantitative limits set in accordance with that ceiling.***
- (33c) *The overall ceiling for quantitative limits on the digital euro holdings of natural persons should be reviewed at least every two years in order to ensure that it continues to contribute to the financial stability of the euro area. To that end, at least six months before the end of every two-years period after the entry into force of the delegated act that sets the overall ceiling to the quantitative limits on digital euro holdings of for natural persons, the European Central Bank should publish a new recommendation for the updated figure of the overall ceiling and submit it to the 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.***
- ~~(34) Digital euro users should have the choice to use the digital euro either online or offline, or both, subject to the limits set respectively by the European Central Bank and by a Commission implementing act. The payment service providers should register and de-register the local storage devices for offline digital euro payment transactions of their customers. The payment service providers should only store the identifier of the local storage device used for offline digital euro for the duration of facilitating the provision of offline digital euro to their customers. 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 identifier of the device of individual digital euro users cannot be used for other purposes other than for the purpose of the provision of offline digital euro.~~
- ~~(35) The payment service providers should register and re-register the local storage devices for offline digital euro payment transactions of their customers. The payment service providers should only store the identifier of the local storage device used for offline digital euro for the duration of facilitating the provision of offline digital euro to their customers. 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 identifier of the device of individual digital euro users~~

cannot be compared with the information about the digital euro user in order to identify the data subject, except for the purpose of Article 37.—

- (36) The digital euro should allow for a smooth payment experience. Any *limits or instruments* that the European Central Bank might employ to ~~limit the~~ 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~~ with 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 the two payment service providers have entered* should enter into an arrangement *defining the conditions for 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 fom 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. specifying their respective roles and responsibilities under data protection rules, as well as agree on the security measures necessary to ensure secure transmission of personal data between the two payment service providers.*
- (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. ~~Within the framework of this Regulation,~~ ~~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** for the purposes of primarily using the digital euro as a means of payment while limiting its use as a store of value.
- (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 ~~or legal~~ 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.** ~~remain equal to the holding limit defined for a digital euro payment account held by a single digital euro user, to avoid any circumvention of the holding limits.~~
- (39a) *The quantitative limits on digital euro apply both to the online and offline digital euro functionality. As a digital euro user, a natural person may set its limits to offline digital euro holding at any amount between zero and the specific holding limit set to to that functionality. This means that, for a natural person using both digital euro functionalities, the limit that applies to digital euro holdings will 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 the offline holdings determined by this 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. ~~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 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.~~
- (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 services providers should not impose commercial practices which have the purpose or the effect of circumventing the right of digital users to have basic digital euro payment services provided free of charge. This includes, 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 effect, payment service providers shall not bundle basic digital euro payment services with additional services in a manner that makes it impossible or unreasonably difficult for 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 in any way by their payment service provider for choosing to use only basic digital euro payment services in detriment of any other additional services provided by the same payment service provider. Where the 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 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 this package. Any fees for additional services provided beyond the basic digital euro payment services shall be clearly disclosed in advance, individually negotiated and separately itemised from those basic services and be set contractually.

- (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.~~ *The European Central Bank and the national central banks should not charge payment service providers for the tasks 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 bears 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 these reasons, any merchant service charges and inter-payment service provider fees in relation to digital euro payment transactions is 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-PSP 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, considering that the settlement 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 services 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 into account the fact that the use of the digital euro is going to develop over time and that it may only reach a sufficiently stable situation after a significant period of time has lapsed 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 do not permit 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 at least during a 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 the point of sale and in e-commerce. The Commission, with the technical assistance from the ECB, 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 twelve-month period, relative to the aggregate value of payment transactions in that period.*
- (42d) The weighted average should be subject to an adjustment factor having in mind that payment service providers will have to make investments associated with connecting to the digital euro payment infrastructure and that the public nature of the digital euro payment infrastructure absorbs any scheme and processing fee and that this cost reduction should be repercutated equally among payment services providers and merchants. This adjustment factor intends to provide an additional incentive for merchants to use the digital euro, in the sense that it is possible that it is helpful in leaving them in a situation where they can positively benefit from the compensation model applied to the digital euro, in comparison to the traditional 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 with the European Central Bank will need to collect all the necessary information on fees and charges necessary to implement the ‘no-worse-off principle’ and periodically publish the aggregated amounts of this relevant data. Additionally, payment service providers shall disclose to their clients in a standardised format that is clear, simple and easily understandable and helps comparing 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 – for instance related to specific treatment of small value payments – in the determination of the fees thereby ensuring that the digital euro will not make any individual pay more than what it is currently charged for comparable digital means of payment.

- (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. This review may be carried out even beforehand if the Commission considers that the relevant, sufficient and reliable data for digital euro transactions are available in an accurate, harmonised and verifiable manner, and the average unit costs and volume of total digital euro transactions have stabilised after a consumer’s adoption period. If the Commission concludes, after a comparison between the fees and charges that could result from a cost-based compensation model, including a reasonable margin of profit, provide lower fees and charges than the 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 provide grounds for these conclusions and 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.*
- (43h) The Commission, with the technical assistance from the European Central Bank, will 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 the Commission concludes at a certain point that the relevant costs are zero or near to zero.*
- ~~(43) To ensure that fees and charges are uniform across the euro area and proportionate, the European Central Bank should regularly monitor their level and, on this basis, publish the corresponding amounts together with an explanatory report. A maximum fee or charge should allow for free competition between intermediaries below that level. Fees or charges should not exceed the relevant costs incurred by payment service providers for the provision of digital euro payment services in relation to digital euro payment transactions, which are objective elements, and may include a reasonable margin of profit. For that purpose, the European Central Bank should use an estimate of the representative average cost incurred by payment service providers across the euro~~

area and should therefore be in a position to collect relevant data from payment service providers. The relevant costs for providing digital euro payment services in relation to digital euro payment transactions should be based on the costs incurred by a representative group of the most efficient payment service providers in a given year. Competent authorities designated by Member States should be responsible for ensuring compliance by payment service providers with these maximum fees or charges.

- (44) Furthermore, to ensure an effective use of the digital euro, it is important that fees or charges are not higher than those requested for comparable private digital means of payment. International card schemes regulated under Regulation (EU) 2015/751 of the European Parliament and the Council²⁹, national card schemes, and instant payments at the point of interaction provided by payment service providers should be considered comparable means of payments.
- (45) As payment services providers distributing the digital euro would not be in a position to charge fees to natural persons for basic digital euro payment services, an inter-PSP fee may be needed to provide compensation to those payment service providers for the distribution costs. The inter-PSP fee should provide sufficient compensation for the distribution costs of both the distributing and acquiring payment service providers, including a reasonable margin of profit.
- (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 Area³⁰, in line with the Agreement on the European Economic Area, may directly provide digital euro payment services.
- (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

²⁹ Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions (OJ L 123, 19.5.2015, p. 1).

³⁰ Agreement on the European Economic Area (OJ L 1, 3.1.1994, p. 3).

prior ~~arrangement~~ **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 Council³¹ (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 shall be offered in an equally accessible manner.***
- (54a) ***The design and operation of the settlement infrastructure for the digital euro shall rely on state-of-the-art technologies that ensure the implementation of privacy-by-design and privacy-by-default principles, including advanced cryptography, 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 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 innovation designed to strengthening privacy, data protection, cyber-security, operational resilience, and detection and prevention of fraud and money laundering and should consider implementing new technological developments to the digital euro infrastructure, after assessing their purpose, scalability, interoperability with existing infrastructure, and their impact on the safety, integrity, efficiency, innovation of the digital euro settlement infrastructure.***
- (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

³¹ 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).

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 the market, 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 front-end services 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. Further, to facilitate offline proximity payments in digital euro, it should be possible to use the European Digital Identity Wallets for the storage of digital euros in the payment device.

- (58a) *In accordance with Article 5a(15) of Regulation (EU) 2024/1183, the use of the European Digital Identity Wallets remains voluntary. Additionally, in line with the principles of data minimisation and privacy by design and by default, payment services providers should provide, at the user's request, a possibility of authentication and identification by 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 *preferentially reused to the maximum extent* leveraged 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 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 the digital euro solutions should be open by design, relying on open standards, rules and processes to which payment service providers can easily adhere to.*
- (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 to payment service providers to facilitate 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 in view of the resolution of pre-disputes and disputes and make these mechanisms easily accessible and usable for digital euro users. Disputes may arise in a number of situations which, including those concerning the execution of a digital euro payment transaction, such*

as payments-related fraud or technical issues, or those relating to the good or service underlying a transaction. Technical disputes include inter alia 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 fraud-related 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 from digital euro users, in line with the applicable requirements from [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 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 this capacity should be established by 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 this 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 or functionalities, operated by the European Central Bank or national central banks, which governs 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. This includes the possibility of right of recourse by payment service providers against the European System of Central Banks for any loss or damage incurred as a distributor attributable to the European Central Bank's provided digital user interface. The European Central Bank is liable towards digital euro users regarding 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 a **digital euro user interface** front-end services. Those users should have the possibility to access and use **basic** digital euro payment services via **at least one** the front-end services **digital euro user interface** provided by the payment service providers, **which could be the one made available** and by the European Central Bank, **the one developed by that payment service provider directly, or** . Payment service providers should be able to choose to rely on front-end services **the digital euro user interface** provided by other stakeholders **payment service provider**, 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 **are offered the possibility to** can choose between different **digital euro user interfaces** front-end services, the decision to select a given **digital euro user interface** 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. **However, payment service providers designated by a Member State to provide basic digital euro services to natural persons who do not hold or 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 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 **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** 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 **digital euro user interface** 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.
- (63) To enable a smooth user experience, payment service providers that provide digital euro users with **a digital euro user interface** front-end services 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 functionality.** 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** front-end services, 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 shall be designed in such a way that neither the European Central Bank nor national central banks can identify a 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 of the payment 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 of any intermediation by any payment service provider or any centralised digital euro settlement infrastructure*** of updating the records of relevant digital euro holdings in the local storage devices of, respectively, the payer and the payee, irrespective of whether digital euros are recorded as holding balances or units of value, or of the technology used.
- (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 Council³². 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*** 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, ***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*** account both in both going concern situations and exceptional circumstances. ***The switching service should not result in additional data being collected data access by the European Central Bank and national central banks besides the ones they already have access to.***
- (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~~ ***must*** establish a general fraud detection and prevention mechanism to support fraud ***detection and prevention 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

³² Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment a

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 ~~front-end service~~***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*** ~~front-end services~~ for the digital euro and operators of European Digital Identity Wallets shall 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.
- (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

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

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 privacy preservation must be maintained at all times and no further processing of personal data shall 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 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

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.

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) *In the processing of the personal data required for the fulfilment of its tasks under this Regulation the European Central Bank should ensure that only the personal data specifically foreseen 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 any 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 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 Treaty on the Functioning of the European Union 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,*** and the types of

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)

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).

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 the 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** ~~holding and transaction limits for offline proximity payments~~, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (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 contributes to the fight against money laundering and terrorist financing.
- (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].

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).

Compromise Amendment A (CA A) - Chapter I Subject matter and definitions*

If CA A is adopted, the following amendments fall:

- Article 1: 81, 549-554
- Article 2: 82-100, 555-600, LIBE 30-33

* Relevant annexes are part of compromise amendment E (CA E)

Article 1

Subject matter

1. With a view to ~~adapting~~ *providing a sovereign and secure digital means of payment throughout the euro area, safeguarding public access for **Union Citizens Europeans** to central bank money in digital form, and ensuring people's freedom to choose how to pay to* technological changes and to ensuring its use as a single currency, this Regulation establishes the digital euro *as a new form of retail central bank digital currency that is a complement to cash. This Regulation* ~~and~~ lays down rules concerning, in particular, ~~its~~ *the issuance*, legal tender status, distribution, use, *privacy and data protection*, and essential technical features *of the digital euro*. (part of AM 81 Navarrete Rojas, part of AM 549 Boeselager, part of AM 551 Falcone et al., part of AM 552 Boyer et al.)
- ~~1 b. This Regulation explicitly excludes any system enabling profiling of individual retail users.~~ (Part of AM 554 Zijlstra et al.)

Article 2

Definitions

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

1. 'digital euro' means the ~~established~~ digital forms of the single currency, ~~either both offline or and online~~, (Part of AM 82 Navarrete Rojas) 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 these entities towards the digital euro users and constituting a property right of the digital euro user*(AM 556 Boyer et al., AM 557 Tridico, part of AM 624 Boyer et al., AM 625 Boeselager, part of AM 632 Falcone et al. part of AM 633 Papandreou et al.);
- ~~1-b.1 a. 'online digital euro payment functionality' means the functionality of the a digital euro based on an account-based online payment system issued by the European Central Bank or the national central banks~~ (Part of 556 Boyer et al.; part of AM 557 Tridico), *that enables requires online digital euro payment transactions to be processed and settled through the a digital euro settlement infrastructure **on in** an account-based system;* (Part of AM 84 Navarrete Rojas)
- ~~1-a.1 b. 'offline digital euro payment functionality' means the functionality of the a digital euro, that is accessible through a local storage device and that enables offline digital euro payment transactions to be is stored, processed and executed accessible through such a local storage device, where the settlement of individual transactions takes place between the local~~

~~storage devices of the payer and the payee; without recourse to the digital euro settlement infrastructure. without the need of a digital euro settlement infrastructure, representation of cash, non-account based and that is a bearer-type digital representation of cash instrument, constituting a property right non-physical (“in rem” asset) of the digital euro user (Part of AM 84 Navarrete Rojas, part of AM 559 Navarrete Rojas et al., part of AM 624 Boyer et al., part of 625 Boeselager, part of AM 632 Falcone et al., part of AM 633 Papandreou et al.), issued by the European Central Bank or the national central banks (part of 556 Boyer et al.; part of AM 557 Tridico), that is:~~

~~(a) digitally stored and accessible without the need of a digital euro settlement infrastructure through an offline digital euro local storage device;~~

~~(b) capable of being digitally and securely transferred to another offline digital euro device without the need for a centralised digital euro settlement infrastructure for final settlement of the transactions;~~

~~(c) capable of operating even if one or both offline digital euro devices temporarily or permanently have no internet connectivity; and~~

~~(d) property of digital euro users (part of AM 624 Boyer et al., part of 625 Boeselager, part of AM 632 Falcone et al., part of AM 633 Papandreou et al.) and applicable pursuant to the private law of the respective Member States.~~

~~((Part of AM 559 Navarrete Rojas et al.)~~

~~1 c. ‘Pan-European sovereign retail payment solution’ means a privately-operated European digital payment solution, which:~~

~~(a) — is accessible within the Union;~~

~~(b) — is operated by an undertaking established in the Union which is not under the controlling influence of third parties established outside the Union, and essential infrastructure of which is located within the EEA in accordance with Regulation (EU) 2019/452 of the European Parliament and of the Council⁴¹;~~

~~(c) — operates recognised Union-wide standards in accordance with Regulation (EU) No 260/2012 of the European Parliament and of the Council⁴² or is technically integrated into SEPA-compliant systems as regards credit transfers, instant payment at the point of interaction or established Union-based debit card schemes;~~

~~(d) — offers payment functionalities for natural persons;~~

~~(e) — enables payments in all euro area Member States, directly or through interoperability with other European sovereign retail payment solutions;~~

~~(f) — is subject to the oversight and supervision of the Union-level requirements by the Eurosystem in collaboration, when appropriate, with national competent authorities;~~

~~(AM 85 Navarrete Rojas, part of AM 603 Navarrete et al, part of AM 607 Zijlstra et al, part of AM 610 Bartulica et al)~~

⁴¹ Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union (OJ L 79I, 21.3.2019, p. 1, ELI: <http://data.europa.eu/eli/reg/2019/452/oj>)

⁴² 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>)

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 Council⁴³;
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;* (Part of AM 93 Navarrete Rojas, part of AM 559 Navarrete Rojas et al.,-AM 579 Boeselager)
4. ‘digital euro user’ means ~~anyone~~ *a natural or legal person* making use of a digital euro payment service in the capacity of payer, payee, or both; (part of AM 563 Papandreou et al, part of AM 564 Tridico, part of AM 565 Falcone et al).
5. ‘digital euro payment account’ means an account held by one or more digital euro users with a payment service provider to access ~~online~~ digital euro recorded in the digital euro settlement infrastructure or in an offline digital euro ~~a local storage device~~ and to initiate or receive ~~online~~ digital euro payment transactions, whether offline or, and irrespective of technology and data structure;(Part of AM 86 Navarrete Rojas, AM 567 Falcone et al., LIBE AM 30)
 - 5a. ~~‘offline digital euro device’ ‘local storage device’ means the secure element in which the offline digital euro is stored that complies with the a physical device with tamper resistant software and hardware requirements defined certified set-up by the European Central Bank to ensure the safety, resilience and integrity of offline digital euro transactions by its storage and allowing for the secure electronic storage of digital euro holdings and transaction information and offline digital euros and the secure processing and execution of its transfer through offline digital euro payment transactions;~~ (Part of AM 87 Navarrete Rojas, part of AM 598 Boeselager, part of LIBE AM 33)
6. ‘European Digital Identity Wallets’ means the **European Digital Identity Wallets as defined wallets set out in Article 6a 3, point 42, of Regulation (EU) No 910/2014 of the European Parliament and of the Council** (EUDIWR) [please insert reference — proposal for a Regulation of the European Parliament and of the Council⁴⁴ amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity — COM(2021) 281 final]; (AM 568 Zijlstra et al.)
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 public or private entity payment service provider, as referred to in Article 1(1), points (a) to (f), of the Directive (EU) 2015/2366, entrusted by a Member State to distribute provide digital euro payment account services as a service of general economic interest;* (AM 573 Boeselager)
 - 7 b. ~~*‘offline digital euro payment service’ means any of the business activities set out in Annex I;*~~ (AM 89 Navarrete Rojas)

⁴³ 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).

⁴⁴ 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>).

8. 'online digital euro payment service' means any of the business activities set out in Annex I a; (AM 90 Navarrete Rojas)
9. 'payer' means **a natural or legal person** ~~anyone~~ who has a ~~offline digital euros in an offline digital euro device and transfers them to another offline digital euro device or anyone who has an online~~ digital euro payment account and ~~allows~~ **places an online or offline digital euro payment transaction** ~~a payment order from that in using the online or offline digital euros payment functionality from a digital euro payment account, or who transfers digital euro using the offline digital euro payment functionality from a local storage device to another local storage device;~~ (Part of AM 91 Navarrete Rojas)
10. 'payee' means ~~anyone~~ **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, ~~creating meaning~~ (AM 92 Navarrete Rojas; AM 577 Zijlstra et al.) a direct liability **on the balance sheet** (Part of AM 576 Boyer et al.) 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;
14. ~~'online digital euro payment transaction' means a digital euro payment transaction where the settlement takes place in the digital euro settlement infrastructure;~~
15. ~~'offline digital euro payment transaction' means a digital euro payment transaction [, made in physical proximity] **between the offline digital euro local storage device of the payer and the offline digital euro 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 need of a digital euro settlement infrastructure and with no third-party involvement**; (Part of AM 93 Navarrete Rojas, part of AM 559 Navarrete Rojas et al., AM 578 Berg, AM 579 Boeselager)~~
16. 'residence' means the place where a natural person is legally resident in the Union as defined in Article 2, point (2), of Directive 2014/92/EU of the European Parliament and of the Council⁴⁵;
17. 'conditional digital euro payment transaction' means a ~~an online~~ (AM 94 Navarrete Rojas) 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**;
18. 'programmable money' means units of digital money with an intrinsic logic that limits each unit's full fungibility;
19. the 'digital euro ~~the settlement infrastructure of the online digital euro payment transactions~~' means the ~~digital euro~~ settlement infrastructure of the ~~online~~ digital euro adopted by the Eurosystem **European Central Bank, national central banks, or both, for the processing of digital euro payment transactions using the online digital euro payment functionality**; (Part of AM 95 Navarrete Rojas, AM 583 Tridico)
20. ~~'front end service' means all components necessary to provide services to digital euro users that interact via defined interfaces with back end solutions and other front end services;~~

⁴⁵ 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).

- 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. *‘third country’ means a country that is not a member of the European Union;*
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. *‘Member State whose currency is not the euro’ means a Member State in respect of which the Council has not decided that it fulfils the necessary conditions for the adoption of the euro in accordance with Article 140 TFEU;*
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, including comprising both international and domestic consumer debit card schemes that are usable can be used by consumers at the point of sale and in e-commerce debit card payment and instant payment at the point of interaction but excluding credit transfer and direct debit that are not initiated at the point of interaction; (AM 96 Navarrete Rojas)*
26. *‘switching’ means, upon a an-online digital euro user’s request, transferring from one payment service provider to another either the information about all or some online digital euro payment services, including recurring payments, executed on a an-online digital euro payment account using the online digital euro payment functionality, including recurring payments, or the digital euro holdings from one online digital euro payment account to the other, or both, with or without closing the former online digital euro payment account, while maintaining the same account identifier; (AM 97 Navarrete Rojas)*
27. *‘user identifier’ means a unique identifier created generated by a payment service provider distributing the online digital euro that unambiguously differentiates 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; (AM 98 Navarrete Rojas, Part of AM 587 Crosetto et al., part of AM 588 Falcone et al., AM 589 Papandreou et al.)*
28. *‘user alias’ means a unique pseudonymous identifier and, upon request by the digital euro users, additional proxies, used to protect the user’s identity when processing online digital euro payments payment transactions, that can only be attributable to an identifiable natural or legal person by the payment service provider distributing the online digital euro or by the digital euro user; (Part of AM 99 Navarrete Rojas, part of AM 592 Boeselager, part of LIBE 31)*
29. *‘user authentication’ means a procedure authentication as defined in article Article 4, paragraph 29 point (29) of Regulation 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; (Part of AM 593 Falcone et al.)*
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, such as smartcards. (Part of AM 598 Boeselager, part of LIBE 32)*

- 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. **This includes,** including vending machines, ticketing machines, parking meters, self-service fuel and charging stations, and other similar systems. (AM 599 Boyer et al.)

Compromise Amendment B (CA B) - Chapter II Establishment and issuance of the digital euro

If CA B is adopted, the following amendments fall:

- Article 3: 101-105, 601-611
- Article 3a: 612, 613, 638
- Article 4: 106-109, 614-636
- Article 4a: 637
- Article 5: 110 - 112, 639-651, LIBE 34-35
- Article 6: 113-115, 652-657, LIBE 36-37

Article 3

Establishment of the digital euro

1. The *offline* digital euro is hereby established as the **a** digital form of the single currency. (~~Part of AM 101 Navarrete Rojas, part of AM 602 Bartulica et al, part of AM 601 Zijlstra et al~~)

~~1 a. The establishment of the online digital euro as a digital form of the single currency shall be subject to the condition set out in paragraphs 1b and 1c. (AM 102 Navarrete Rojas, AM 609 Bartulica et al.)~~

~~1 b. The European Central Bank shall inform the Commission of the completion of the preparatory work for the issue of the offline digital euro referred to in Article 4(2a) immediately after its completion.~~

~~Taking into account the European Central Bank's information or, at the latest by the last quarter of 2028, the Commission shall assess whether a pan-European sovereign retail payment solution operates and enables payments in all euro area Member States with regard to person-to-person, point-of-sale and e-commerce payments, either directly or through interoperability with other European sovereign retail payment solutions.~~

~~Within six months of receipt of the European Central Bank's information pursuant to the first subparagraph, the Commission shall submit a report to the European Parliament and to the Council, setting out the conclusions of its assessment pursuant to the second subparagraph.~~

~~In the report referred to in the third subparagraph, the Commission shall also assess:~~

~~(a) the progress of Pan-European sovereign payment solutions with regard to providing greater European sovereignty and resilience in payments,~~

~~(b) the impact of Pan-European sovereign payment solutions on competition and innovation on the payment markets.~~

~~(AM 103 Navarrete Rojas, part of AM 603 Navarrete et al, AM 607 Zijlstra et al., AM 610 Bartulica et al.)~~

~~1 c. In the event the report referred to in paragraph 1b, third subparagraph concludes a negative assessment for a pan-European sovereign retail payment solution pursuant to paragraph 1b, second subparagraph, the Commission is empowered to adopt a delegated act to declare that absence. Without prejudice to Article 4(2b), the online digital euro shall be considered to be established on the date of entry into force of that delegated act. (AM 104 Navarrete Rojas; part of AM 611 Bartulica et al.)~~

~~1 d. The Commission shall adopt any such delegated act within six months of submitting its report to the European Parliament and the Council pursuant to paragraph 1b, third subparagraph. (AM 105 Navarrete Rojas)~~

~~1 e. Where the assessment referred to in paragraph 1(b) concludes that a pan-European sovereign retail payment solution operates in accordance with the definition laid down in Article 2(1)(c), such conclusion shall be deemed valid only for as long as that solution continues to comply fully and continuously with all the conditions set out in points (a) to (f) of that provision.~~

~~Should any of those conditions cease to be fulfilled at any moment during the operation of the pan-European sovereign retail payment solution, the conclusion of the Commission's assessment pursuant to paragraph 1(b) shall be considered no longer valid. In such a case, the procedure laid down in Article 4(1) shall be deemed automatically reactivated, and the European Central Bank may proceed, in accordance with this Regulation, with the issuance of the online digital euro based on an ECB ledger payments infrastructure.~~

~~The Commission shall, for this purpose, establish a mechanism for continuous monitoring of compliance with Article 2(1)(c), and shall promptly inform the European Parliament, the Council and the European Central Bank of any event capable of affecting such compliance. (AM 608 Navarrete Rojas et al.)~~

Article 3a

~~Separation of the supervisory and digital euro tasks of the European Central Bank~~ Prevention of conflicts of interest

The European Central Bank shall **adopt take** all necessary measures to avoid any potential conflict of **interests 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.

~~1. A clear separation shall be established between the monetary, supervisory and payment systems oversight tasks of the European Central Bank in accordance with Articles 119 to 144, 219 and 282 to 284 of the Treaty on the Functioning of the European Union, and its activities in relation to the digital euro payment system.~~

~~2. For that purpose, a dedicated unit shall be established within the European Central Bank. This unit shall have exclusive competence to carry out the tasks of the European Central Bank related to the operation and management of a digital euro payment system and infrastructure.~~

~~3. The unit shall be independent in terms of accounting, organisation, and decision-making processes with regard to the ECB's payment systems oversight tasks.~~

(Part of AM 613 Ferber, Part of AM 638 Zijlstra)

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 the digital euro~~ **as a form of central bank digital currency for retail use.** (AM 106 Navarrete Rojas, AM 619 Tridico et al., AM 620 Falcone et al., part of AM 621 Papandreou et al.)

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 date of issuance shall be at least two years after the date of the announcement.

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. ~~The digital~~ **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.** (Part of AM 624 Boyer et al., AM 625 Boeselager, part of AM 626 Papandreou et al, part of AM 627 Falcone et al, AM 628 Tridico, part of AM 631 Tridico, part of AM 632 Falcone et al., part of AM 633 Papandreou et al.)

- 2 a. ~~The European Central Bank shall conduct without delay all the preparatory work, the technical and organisational~~ **arrangements tasks and the testing for the issue issuance of the digital euro, in particular:**

- (a) *the completion of the scheme rulebook;*
- (b) *the necessary infrastructure development and deployment;*
- ~~(c) all the organisational arrangements;~~
- (d) *governance provisions; and*
- (e) *a pilot testing with real end users in a controlled test environment, in accordance with Article 4a and the transmission of the report referred to in Article 4a(4) to the European Parliament, the Council and the Commission prior to any decision pursuant to Article 4(1); and*
- (f) **the development of clear liability rules in accordance with Article 27. for financial damage arising from system dysfunctions, cyber attacks, or other operational failures, including compensation mechanisms for affected users, allocation of responsibility between the ECB, payment service providers, and Member State authorities, and mandatory insurance or reserve funds, to be finalized and reported to the European Parliament and Council prior to issuance.**

(Part of AM 107 Navarrete Rojas, AM 108 Navarrete Rojas, part of AM 630 Bartulica et al., part of AM 635 Zijlstra et al., AM 636 Doherty, part of AM 612 Niedermayer et al.)

- 2 b. **After the authorisation of the issue of the digital euro, the European Central Bank shall provide for a roll-out phase of at least 24 months, for both the offline and the online forms, to ensure readiness for a secure, resilient and gradual adaptation by the Eurosystem, payment service providers and digital euro users.** (Part of AM 109 Navarrete Rojas, part of AM 611 Bartulica et al)

Article 4a
Pilot testing

1. ~~Before taking a decision pursuant to Article 4(1) to authorise the first issuance of the digital euro, the European Central Bank shall ensure that the digital euro has undergone conduct pilot testing in a controlled real-life environment for a sufficient time. The pilot shall include both online and offline functionalities, with particular attention to offline-specific cyber risks, including double-spending prevention, device integrity, cryptographic key protection and the resilience of secure elements.~~
2. ~~The pilot shall involve a selection of payment service providers established in Member States whose currency is the euro, as well as and a selection of merchants and end users. Participation to the pilot testing shall be voluntary. The pilot shall reflect a diversity of technological environments, network conditions, device types and user profiles, in order to test the system's cyber-resilience, operational resilience, and user security awareness.~~
3. ~~The pilot shall include a dedicated security validation phase, where the ECB shall allocate sufficient time — at least six months — for independent third-party organisations with specific hacking expertise to conduct comprehensive penetration testing ('red team' exercises) on the offline digital euro's devices, infrastructure, and protocols, aiming to verify unbreakability against unauthorised access, with findings publicly reported to the European Parliament and Council prior to finalising the rulebook.~~
43. ~~The pilot may shall explicitly include a representative sample of elderly persons and persons with limited digital skills or disabilities, with a view to ensuring that the offline digital euro is usable for all population groups, including those who are digitally excluded or rely heavily on cash.~~
54. ~~Upon completion of the pilot, and before any decision pursuant to Article 4(1), the European Central Bank shall publish a report summarising the results of the pilot, 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.~~

~~The report shall also provide:~~

- ~~(a) an assessment of cyber-security and operational resilience performance and of preparedness for emerging threats;~~
- ~~(b) an assessment of security dependencies and risks stemming from third-party service providers, including cloud-service providers;~~
- ~~(c) the measures taken to ensure that the digital euro infrastructure embeds in its design and operation the highest standards for privacy protection, including state-of-the-art cryptographic and encryption technical features.~~

(Part of AM 637 Boeselager; part of AM 630 Bartulica et al.)

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 11, 14, 16a, 33, 34, and 35, 36 and 37**, and by the implementing acts that the Commission is empowered to adopt pursuant to ~~Article 37~~. (AM 110 Navarrete Rojas)
- 1 a. **The provision of digital euro payment services shall not affect Member States' need obligation to ensure sufficient and effective access to cash, in particular in rural, remote or**

underserved areas, in accordance with Regulation (EU) .../... [please insert reference – proposal for a Regulation on the legal tender of euro banknotes and coins – COM/2023/364].*

(Part of AM 642 Papandreou et al.)

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.* (AM 643 Boeselager, part of LIBE 35)

- 2 a. *The European Central Bank shall set up an advisory governance 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 ~~or~~ 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 ~~be based on the principle of self-regulation and shall help to establish the functional scope, common minimum standards and rules for certain digital euro payment services requiring interoperability between payment service providers or with the digital euro settlement infrastructure.~~ The ECB shall provide public transparency on the discussions of the advisory platform.* (Part of AM 644 Ferber)

3. In accordance with Article 4(25) of Directive (EU) 2015/2366 [PSD3/PSR] of the European Parliament and of the Council, of 25 November 2015, on payment services in the internal market, as replaced by Directive (EU) [please insert reference – proposal for a Directive on payment services and electronic money services in the internal market – COM/2023/366 final] and Regulation (EU) [please insert reference – proposal for a Regulation on payment services in the internal market – COM/2023/367 final] of the European Parliament and of the Council, of XX/XX/2023, the provisions of that Directive 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) *thesethose provisions of that Directive and Regulation [PSD3/PSR] that allow Member States the possibility of setting to-set additional rules.*

(AM 645 Boyer et al.)

4. In accordance with Article 2(10) of Regulation (EU) 2021/1230 of the European Parliament and of the Council of 14 July 2021 on cross-border payments in the Union, as amended by Regulation (EU) [please insert reference – proposal for a Regulation on the provision of digital euro services by payment services providers incorporated in Member States whose currency is not the euro – COM/2023/368 final], the provisions of that Regulation shall apply to digital euro payment transactions. (AM 111 Navarrete Rojas, part of AM 646 Boyer et al, AM 647 Zijlstra et al.)

5. Without prejudice to Articles ~~Article~~ 37 of this Regulation, Directive (EU) 2024/1640 2015/849 of the European Parliament and of the Council, of 20 May 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and

** 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.

Regulation (EU) ~~2023/1113~~ 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds shall apply to digital euro payment transactions *transaction services*. (AM 112 Navarrete Rojas, AM 648 Zijlstra et al., AM 649 Boyer et al.)

- 5 a. *Regulation (EU) 2022/2554 shall apply to payment service providers providing digital euro payment services. (AM 650 Boyer et al.)*
- 5 ab. *The **legal legislative** acts referred to in paragraphs 2 to **5 5a** shall apply to the extent that the matter is not covered by this Regulation, and insofar as they are compatible with it. Where a matter is covered by both this Regulation and those **Union legislative** acts, this Regulation shall prevail. (AM 651 Boyer et al.)*

Article 6 Competent authorities

1. ~~The Member States whose currency is the euro shall designate one or more competent authorities to ensure compliance with Chapter III and Article 17 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. (part of AM 652 Tridico)

The Member States *whose currency is the euro* shall lay down the rules on penalties applicable to infringements of Chapter III and Article 17. *Member States shall lay down the rules on penalties applicable to infringements of Article 17.* They and shall take all measures necessary to ensure that these rules are implemented, including the power of competent authorities to access the necessary data. The penalties provided for shall be effective, proportionate and dissuasive. Member States 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. (part of AM 653 Tridico)
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.
- 2 a. *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 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.* (AM 654 Boeselager, LIBE AM 37)
3. *Regulation (EU) 2024/1624 and Directive (EU) 2024/1640 and Regulation (EU) 2024/1624* 2015/849 as replaced by Directive (EU) [please insert reference — proposal for Anti Money Laundering Directive — COM/2021/423 final] shall govern the supervision by competent authorities, the *enforcement* sanctions regime and supervisory arrangements between the competent authorities of the home Member States and of the host Member States, concerning the activities of Payment Services Providers in relation to the digital euro for the purpose of

ensuring compliance with Chapter IX of *this* Regulation (EU) No [x] on the establishment of the digital euro. (AM 113 Navarrete Rojas, part of AM 655 Tridico)

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 the successful completion of the pilot testing~~, Member States shall take ensure that, ~~after the successful completion of the pilot~~, adequate measures are in place to raise awareness among ~~citizens the public and merchants~~ about the availability and features of the ~~offline~~ digital euro, and ~~as well as about the possibilities of access to it, and its use to the offline digital euro, and its impact on resilience, inclusiveness, and accessibility after the successful completion of the pilot.~~ ~~This 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. (Part of AM 114 Navarrete Rojas, part of AM 115 Navarrete Rojas, part of AM 656 Boyer et al., part of AM 657 Papandreou et al.)

Compromise Amendment BA (CA BA) – Conditionality

(The remainder of Articles 2 and 3 are respectively included in CA A and CA B.)

Article 2 Definitions

- 1 c. ~~‘Pan-European sovereign retail payment solution’ means a privately-operated European digital payment solution, which:~~
- ~~(a) — is accessible within the Union;~~
 - ~~(b) — is operated by an undertaking established in the Union which is not under the controlling influence of third parties established outside the Union, and essential infrastructure of which is located within the EEA in accordance with Regulation (EU) 2019/452 of the European Parliament and of the Council⁴⁶;~~
 - ~~(c) — operates recognised Union-wide standards in accordance with Regulation (EU) No 260/2012 of the European Parliament and of the Council⁴⁷ or is technically integrated into SEPA-compliant systems as regards credit transfers, instant payment at the point of interaction or established Union-based debit card schemes;~~
 - ~~(d) — offers payment functionalities for natural persons;~~
 - ~~(e) — enables payments in all euro area Member States, directly or through interoperability with other European sovereign retail payment solutions;~~
 - ~~(f) — is subject to the oversight and supervision of the Union-level requirements by the Eurosystem in collaboration, when appropriate, with national competent authorities;~~

⁴⁶ Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union (OJ L 79I, 21.3.2019, p. 1, ELI: <http://data.europa.eu/eli/reg/2019/452/oj>)

⁴⁷ 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>)

(AM 85 Navarrete Rojas, part of AM 603 Navarrete et al, part of AM 607 Zijlstra et al, part of AM 610 Bartulica et al)

Article 3

Establishment of the digital euro

~~1 a. — The establishment of the online digital euro as a digital form of the single currency shall be subject to the condition set out in paragraphs 1b and 1c. (AM 102 Navarrete Rojas, AM 609 Bartulica et al.)~~

~~1 b. — The European Central Bank shall inform the Commission of the completion of the preparatory work for the issue of the offline digital euro referred to in Article 4(2a) immediately after its completion.~~

~~Taking into account the European Central Bank's information or, at the latest by the last quarter of 2028, the Commission shall assess whether a pan-European sovereign retail payment solution operates and enables payments in all euro area Member States with regard to person-to-person, point-of-sale and e-commerce payments, either directly or through interoperability with other European sovereign retail payment solutions.~~

~~Within six months of receipt of the European Central Bank's information pursuant to the first subparagraph, the Commission shall submit a report to the European Parliament and to the Council, setting out the conclusions of its assessment pursuant to the second subparagraph.~~

~~In the report referred to in the third subparagraph, the Commission shall also assess:~~

- ~~(a) — the progress of Pan-European sovereign payment solutions with regard to providing greater European sovereignty and resilience in payments,~~
- ~~(b) — the impact of Pan-European sovereign payment solutions on competition and innovation on the payment markets.~~

~~(AM 103 Navarrete Rojas, part of AM 603 Navarrete et al, AM 607 Zijlstra et al., AM 610 Bartulica et al.)~~

~~1 c. — In the event the report referred to in paragraph 1b, third subparagraph concludes a negative assessment for a pan-European sovereign retail payment solution pursuant to paragraph 1b, second subparagraph, the Commission is empowered to adopt a delegated act to declare that absence. Without prejudice to Article 4(2b), the online digital euro shall be considered to be established on the date of entry into force of that delegated act. (AM 104 Navarrete Rojas; part of AM 611 Bartulica et al.)~~

~~1 d. — The Commission shall adopt any such delegated act within six months of submitting its report to the European Parliament and the Council pursuant to paragraph 1b, third subparagraph. (AM 105 Navarrete Rojas)~~

~~1 e. — Where the assessment referred to in paragraph 1(b) concludes that a pan-European sovereign retail payment solution operates in accordance with the definition laid down in Article 2(1)(e), such conclusion shall be deemed valid only for as long as that solution continues to comply fully and continuously with all the conditions set out in points (a) to (f) of that provision.~~

~~Should any of those conditions cease to be fulfilled at any moment during the operation of the pan-European sovereign retail payment solution, the conclusion of the Commission's assessment pursuant to paragraph 1(b) shall be considered no longer valid. In such a case, the procedure laid down in Article 4(1) shall be deemed automatically reactivated, and the~~

~~European Central Bank may proceed, in accordance with this Regulation, with the issuance of the online digital euro based on an ECB ledger payments infrastructure.~~

~~The Commission shall, for this purpose, establish a mechanism for continuous monitoring of compliance with Article 2(1)(e), and shall promptly inform the European Parliament, the Council and the European Central Bank of any event capable of affecting such compliance.~~

(AM 608 Navarrete Rojas et al.)

Compromise Amendment C (CA C) - Chapter III Legal tender

If CA C is adopted, the following amendments fall:

- Article 7: 658-665, LIBE 38
- Article 8: 116, 117, 666-675
- Article 9: 118, 119, 676-695
- Article 10: 120, 696-699
- Article 11: 121, 122, 700-703
- Article 12: 706

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. **For this purpose To that end, where the payee is obliged to accept both online and offline the digital euro, the payer shall be entitled to choose between an online and offline digital euro payment transaction.** (AM 661 Ferber, part of AM 662 Papandreou et al., AM 671 Papandreou et al., part of AM 673 Tridico, part of AM 674 Pietikäinen, part of AM 675 Boyer et al.)
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. **The legal tender status of the digital euro, as established in paragraph 1, requires that its full face value be preserved in all basic digital euro payment services set out in payment transactions in accordance with Annex II.** (Part of AM 663 Papandreou et al.)

Article 8

Territorial scope of legal tender status

1. ~~The digital euro shall have legal tender status for offline payments of a monetary debt denominated in euro that take place within the euro area.~~ (AM 116 Navarrete Rojas)

2. **Without prejudice to the legal tender status of euro banknotes and coins in accordance with as laid down in Regulation (EU) .../... * [Regulation on the legal tender of euro banknotes and coins],** (AM 668 Boeselager) ~~The~~ **the** digital euro shall have legal tender status for online (AM 117 Navarrete Rojas) 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:

- (a) where the payee is a **small or micro** enterprise ~~as defined in the Article 2(2) of Commission recommendation 2003/1422 and any subsequent amendments~~ which employs fewer than 10 persons or whose annual turnover or annual balance sheet total does not exceed EUR 2 million (Part of AM 118 Navarrete Rojas, part of AM 683 Ferber, part of LIBE AM 38), or is a non-profit legal entity as defined in ~~in~~ Article 2, point (18), of Regulation (EU) 2021/695 of the European Parliament and of the Council (~~part of AM 679 Zijlstra et al.~~), unless it accepts **in the same manner other comparable** digital means of payment; (Part of AM 664 Eroglu, part of AM 665 Ferber, part of AM 672 Papandreou et al., part of AM 673 Tridico, part of AM 674 Pietikäinen, part of AM 675 Boyer et al.; part of AM 687 Papandreou et al.)
- (b) where a refusal is made in good faith and where such refusal is based on legitimate, **technical** (AM 688 Niedermayer) 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 ~~if~~ the payee accepts in the same manner other comparable digital means of payment; or**
 - in the course of a purely personal or household activity.
- (AM 119 Navarrete Rojas, part of 678 Falcone et al., part of AM 680 Ecke, part of AM 681 Eroglu, part of AM 682 Tridico, part of AM 684 Boeselager, part of AM 689 Zijlstra et al., part of AM 690 Tridico)
- (d) where, prior to the payment, the payee has agreed with the payer on a different means of payment, subject to Article 10.
- (d a) where the point of sale is at an unmanned point of sale that does not accept any other digital means of payment.** (Part of AM 692 Eroglu, AM 693 Boyer et al.)

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.

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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** shall not use contractual terms that have not been individually negotiated or commercial practices which have the object or the effect to exclude **of excluding** the use of the digital euro by the payers of monetary debts denominated in euro, **shall be negotiated individually**. Such contractual terms shall not be binding on the payer. A contractual term shall be regarded as not **having been negotiated** individually negotiated where it has **they have** been drafted in advance and where the payer has therefore not been able to influence the **their** substance of the term, particularly in the context of a pre-formulated standard **form** contract. **For the purposes of this paragraph, a consumer 'consumer' means any natural person who is acting for purposes which are outside his or her trade, business, craft or profession.**

Payees as referred to in the first subparagraph shall not use commercial practices that have the object or effect of excluding the use of 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.

(AM 697 Navarrete Rojas et al., part of AM 698 Eroglu, AM 699 Boyer et al.)

Article 11

Additional exceptions of a monetary law nature

The Commission is empowered to adopt delegated acts in accordance with Article 38 to supplement this Regulation by identifying additional exceptions of a monetary law nature to the principle of mandatory acceptance. Those exceptions shall be justified by an objective of public interest and proportionate to that aim, shall not undermine the effectiveness of the legal tender status of the digital euro, and shall only be permitted provided that other means for the payment of monetary debts are available. When preparing those delegated acts, the Commission shall consult the European Central Bank.

(AM 700 Ferber, AM 701 Fernández et al.)

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. ~~Conversion between cash and digital euro shall be possible at any time, instantly and without fees. Payment services providers that provide cash services shall provide conversion services between digital euro and euro banknotes and coins and without fees, in the same manner subject to the same terms and conditions in which they provide such services for non-digital euro payment accounts.~~ (part of AM 706 Laykova et al.)
2. Payees of a monetary debt denominated in euro shall accept payments in digital euro according to the provisions of this Regulation, irrespective of whether they accept payments in euro banknotes and coins in accordance with Regulation (EU) .../...* [please insert reference]

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proposal on the legal tender status of euro banknotes and coins – COM (2023) 364 final]. Where the acceptance of euro banknotes and coins and of the digital euro is mandatory in accordance with the provisions of this Regulation and Regulation (EU) .../...**** (XXX on the legal tender of euro banknotes and coins), the payer is entitled to choose the means of payment.

Compromise Amendment D (CA D) - Chapter IV Distribution and digital euro services

If CA D is adopted, the following amendments fall:

- Article 13: 123-136, 704-798, LIBE 39-41

Article 13

Payment service providers *distributing the digital euro* (AM 707 Ecke; AM 708 Ferber)

1. Within the framework of ~~Directive 2015/2366 and Regulation (EU) .../...*** [PSD3/PSR]~~ and ~~Directive (EU) 2015/2366~~, and without prejudice to Article 14(1) and ~~14~~(2) of this Regulation (part of AM 710 Boyer et al.), payment service providers may provide the digital euro payment services set out in Annex I ~~to this Regulation for offline digital euro and in Annex Ia to this Regulation for online digital euro~~ (AM 123 Navarrete Rojas; AM 709 Navarrete Rojas et al.) to:
 - (a) natural ~~and/or~~ legal persons residing or established in ~~the~~ Member States whose currency is the euro;
 - (b) natural ~~and/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* (Part of AM 704 Boyer et al., part of AM 705 Doherty) account at the time they resided or were established in ~~these those~~ Member States ~~whose currency is the euro, but no longer reside or are established in such Member States;~~
 - (c) visitors **to the euro area**;
 - (d) natural ~~and/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 ~~and/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) **citizens of the Union who natural or legal persons reside residing or established in a Member State States whose currency is not the euro, or in a third country countries, and legal persons established in a Member State whose currency is not the euro where those these citizens natural or legal persons exercise their free movement rights in a Member State whose currency is the euro;** (Part of AM 704

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

Boyer et al., part of AM 705 Doherty, AM 719 Gronkiewicz-Waltz et al, AM 720 Györi et al.)

The European Central Bank may restrict the access to and use in time of the **online** 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 (2). Those timeframes shall be determined in relation to the residence or visiting status of the digital euro users. (AM 124 Navarrete Rojas; AM 731 Navarrete Rojas et al.)

For the purpose of point (a) **of the first subparagraph, the term** residents '**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. — Payment service providers that provide servicing payment services within the meaning of Directive (EU) 2015/2366 shall enable: (a) — online digital euro users to manually or automatically fund or defund their online digital euro payment accounts, whether held within the same or another payment service provider, from or to non-digital euro payment accounts, or local storage offline digital euro device, at any point in time, or euro banknotes and coins when a payment services provider provides cash services, subject to any limitations that the European Central Bank may adopt in accordance with laid down in Article 16 of this Regulation; In particular, payment service providers shall enable: (Part of AM 126 Navarrete Rojas; AM 742 Navarrete Rojas et al.; part of AM 743 Crosetto et al.)~~

~~2a. — Payment service providers that provide servicing payment services within the meaning of Directive (EU) 2015/2366 shall enable online digital euro users to automatically fund or defund their online digital euro payment accounts held within the same payment service provider, from or to non-digital euro payment accounts, subject to any limitations laid down in Article 16 of this Regulation. (AM 127 Navarrete Rojas; AM 745 Navarrete Rojas et al.)~~

~~2b2 a.(b)(aa) — Payment service providers shall make available manual funding and defunding functionalities to natural persons using the offline digital euro to manually or automatically fund or defund their local storage device from cash, an online a digital euro account, at any point in time or any non-digital euro payment account designated by the offline digital euro user, or euro banknotes and coins when a payment services provider provides cash services, subject to any limitations laid down in Articles 16 and 37;. (AM 128 Navarrete Rojas; AM 746 Navarrete Rojas et al.)~~

~~2e2 b.(c)(ab) — Payment service providers shall enable their merchant clients to automatically defund their local storage digital euro holdings devices to non-digital euro payment accounts designated by the merchant, at any point in time. (AM 129 Navarrete Rojas; AM 747 Navarrete Rojas et al.)~~

~~For the purposes of this paragraph point (a), cash funding and defunding functionalities for digital euro payment accounts shall be provided in the same manner as the payment service provider's provision of cash services in respect of non-digital euro payment accounts.~~

~~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 to 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 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 as set out in Annex IIa.*

Payment service providers ~~which 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 ~~the~~ basic digital euro payment services as set out in Annex II (AM 721 Tridico, AM 722 Pietikäinen, AM 723 Falcone, AM 727 Boyer.)

*Payment service providers ~~which 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 ~~the~~ mandatory digital euro acquiring services as set out in Annex IIa. (AM 721 Tridico, AM 722 Pietikäinen, AM 725 Falcone, AM 728 Boyer)*

~~3. Payment service providers shall make **available the** funding and defunding functionalities **mentioned in the previous paragraph available** to digital euro users:~~

- ~~(a) at any point in time, on a continuous basis, where funding and defunding take place through non-digital euro payment accounts, **through offline digital euro local storage devices or online digital euro payment accounts**; (AM 130 Navarrete Rojas; AM 750 Navarrete Rojas et al.)~~
- ~~(b) when a payment service provider provides cash services where funding and defunding take place through euro banknotes and coins.~~

4. Payment service providers **that provide providing** account servicing payment services within the meaning of Directive (EU) 2015/2366 shall enable **online** digital euro users: (Part AM 131 Navarrete Rojas; Part AM 760 Navarrete Rojas et al.)

- (a) to have their **online** (part of AM 132 Navarrete Rojas and AM 764 Navarrete Rojas et al.) digital euros in excess of any limitations **adopted** the European Central Bank may adopt in accordance with Article 16 automatically defunded to a non-digital euro payment account, where an online digital euro payment transaction is received; (AM 132 Navarrete Rojas; part of AM 762 Ferber; AM 764 Navarrete Rojas et al)

- (b) to make an online digital euro payment transaction where the transaction amount exceeds their digital euro holdings ~~limits as referred to in Article 16~~ (Part of AM 767 Papandreou et al.).

For the purpose of ~~the first subparagraph~~ points (a) and (b), and upon prior approval by the digital euro users, payment service providers shall link each ~~online~~ 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 ~~online~~ digital euro payment account is held. (AM 133 Navarrete Rojas, part of AM 774 Navarrete Rojas et al.)

~~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~~ For the purposes of point (b) of the first subparagraph, these services shall only be provided to ~~that user consumers among different payment services providers if~~ where a voluntary contractual arrangement exists between ~~such the~~ payment service providers ~~exists~~ concerned.

For ~~the other~~ purposes other than those ~~apart from~~ of points (a) and (b) of the first subparagraph, automatic funding and defunding shall take place ~~be held~~ within the same or with a different payment service provider (part of AM 774 Navarrete Rojas et al.). ~~This is without prejudice from Such~~ These Those services shall only be provided among ~~being offered between different payment service providers shall happen on if~~ where a voluntary basis through contractual arrangements between such payment service providers exists.

- 4a. ~~For the purpose of~~ When providing digital euro payment services to legal persons merchants ~~under subject to~~ the obligation to accept the digital euro pursuant to Chapter III of this Regulation, payment service providers shall ~~provide~~ offer to those merchants, upon request, the possibility of initiating and executing ~~to initiate~~ refund transactions. (Part of AM 779 Boeselager)
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.
- 6a. ~~Natural persons shall not have more than one offline digital euro local storage device~~ (AM 134 Navarrete Rojas; AM 785 Navarrete Rojas et al.).
7. Digital euro users may have one or several ~~more~~ ~~online~~ digital euro payment accounts, with the same or different payment service providers. (AM 135 Navarrete Rojas; AM 789 Navarrete Rojas et al.)
8. ~~From the date of issuance of the digital euro,~~ Payment ~~payment~~ service providers shall make available to ~~the public~~ their clients, free of charge, accessible information about the specific features of digital euro payment services and the conditions of their distribution. (AM 136 Navarrete Rojas; AM 792 Navarrete Rojas et al.)
- 8a. ~~Payment service providers distributing the digital euro shall implement cost-efficient systems and processes for basic digital euro payment services. The European Central Bank may issue technical standards and operational guidelines to promote efficiency, interoperability, and cost~~ ~~minimisation~~ ~~minimization~~ in the provision of digital euro

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

- (a) sharing **anonymised/anonymized** 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/minimize** duplicative costs.

(AM 794 Papandreou et al)

Compromise Amendment H (CA H) - Articles 14 to 15

If CA H is adopted, the following amendments fall:

- Article 14: 137-141; 799-846; LIBE 42-46
- Article 15: 142-143; 847-860

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 of their clients, ~~provide them~~ those persons with all basic digital euro payment services as referred to in Annex II. (Part of AM 802 Boyer et al.)
 - 1a. **For the purpose of distributing the digital euro to legal persons or self-employed natural persons referred to in Article 13(1), 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 mandatory acquiring services referred to in Annex IIa provided that they already provide them with acquiring services in accordance with Directive (EU) 2015/2366 for comparable means of payment.** (AM 804 Pietikäinen, AM 807 Falcone et al, part of AM 808 Boyer et al, part of AM 809 Tridico)
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** the ~~authorities referred to in Article 1, point (f), of the Directive (EU) 2015/2366, or one or more payment service providers which participate in a public procurement procedure for that purpose, or post office giro institutions referred to in Article 1, point (e), of the Directive (EU) 2015/2366 and may designate one or more payment service providers, following a public procurement procedure~~ to: ~~(AM 822 Pietikäinen)~~

- (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 be provided face-to-face in physical proximity** to persons with disabilities, functional limitations or limited digital skills, and **to the** elderly people.

Member States may, by mutual agreement, designate an authority in another Member State to act as the authority providing such services 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.

(AM 139 Navarrete Rojas, part of AM 817 Boeselager, part of AM 826 Tridico, AM 831 Niedermayer)

- 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 **For the purpose of** paragraph 3, point (b), 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 ~~using~~ **make use of** all basic digital **payment** euro services **listed in Annex II.** (AM 835 Tridico, AM 837 Falcone et al.)~~
- 5. ~~The anti-money laundering authority of the Union ('AMLA') established under **Within one year from the entry into force of this** 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] **after consulting with all relevant stakeholders, the Authority for Anti-Money Laundering and Countering the Financing of Terrorism** and the European Banking Authority shall jointly **develop draft regulatory standards** 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. **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 in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.

(Part of AM 141 Navarrete Rojas, part of AM 838 Boeselager)

- 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) **The disparities in distribution levels between Member States;**
- (d) **Considerations for improving accessibility and ease of use in the process of opening a digital euro account for citizens.**

(Part of AM 840 Boyer)

Article 14a

Possibility to adopt certain measures in exceptional circumstances

~~1. In situations of widespread and severe disruption to the continuity of digital payments, including digital euro payment operations, or in the event of a credible and imminent risk thereof affecting, in whole or in part, a Member State or the euro area, the ECB Commission may, upon request of a Member State, adopt one or more of the following exceptional measures to safeguard uninterrupted access for users:~~

~~(a) temporary increase of limits for online and offline transactions or holdings; and~~

~~(b) temporary reinforcement of the distribution of the digital euro where necessary to maintain accessibility.~~

~~2. Requests for exceptional measures shall include evidence of the disruption and its impact. The Commission shall assess the request and adopt a decision within an expedited timeframe not exceeding 48 hours from its submission.~~

~~The measures referred to in this Article shall be limited in time, duly justified, and proportionate. They shall apply only for the period necessary in view of the exceptional circumstances that justify their adoption.~~

~~3. Exceptional measures adopted under this Article shall be strictly limited in scope and duration, duly justified, shall not exceed a period of three months, and may be renewed only where the conditions justifying their adoption persist. Such measures shall comply with the principles of necessity, proportionality, financial stability, and the applicable requirements on data protection and cybersecurity.~~

(AM 844 Saudargas et al., AM 1149 Boyer et al.)

Article 15

Principles

1. With a view to enabling **ensuring access to and the useability of central bank money in the digital age for both** natural and legal persons to access and use digital euro, to defining and implementing, **while supporting** monetary policy, and **safeguarding monetary sovereignty and** to contributing to the **mitigating risks to the** stability of the financial system, the use of the digital euro as a store of value **may shall** be subject to **holding** limits **that will be the same across all euro area Member States and respect the principle of proportionality.** (Part of AM 142 Navarrete Rojas, part of AM 848 Boeselager, AM 852 Boyer et al., part of AM 854 Boeselager)

2. With a view to ensuring **the accessibility and usability** an effective use 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 payments **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 or merchants for basic digital euro payment services. (AM 143 Navarrete Rojas, AM 856 Papandreou et al., part of AM 858 Boyer et al., part of AM 859 Falcone et al., part of AM 860 Tridico et al.)

Compromise Amendment G (CA G) - Article 16 Limits to the use of digital euro

If CA G is adopted, the following amendments fall:

- Article 16: 144-168; 861-955, LIBE 47-49
- Article 16a: 956-958
- Article 16b: 959

~~Article 16~~

~~Transitional Period~~

- ~~1. For the purposes of ensuring a staged and secure rollout of the digital euro payment system, while immediately enhancing the resilience of the payment system and facilitating the uptake of digital euro payment accounts by payment service providers and users, the holding limits applicable to users holding a digital euro account with a payment services provider shall be set at zero euros, for a transitional period of at least two years after the first issuance of the digital euro.~~
- ~~2. The transitional period set out in the previous paragraph shall cease to apply at the moment the delegated act adopted pursuant to Article 16 (3b) enters into force.~~

(Part of AM 958 Boeselager)

Article 16

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

~~-1 For the purpose of Article 15(1), legal persons shall not maintain any digital euro holdings. In the event of a temporary network disruption due to force majeure events, legal persons may temporarily maintain holdings digital euro with no limits. As soon as the network disruption has come to an end, automatic defunding in accordance with Article 13(2)(e) shall be provided. (AM 144 Navarrete Rojas, part of AM 863 Gomart, part of AM 864 Zijlstra et al., 865 Navarrete et al.)~~

1. For the purpose of Article 15(1), the European Central Bank ~~the holdings of digital euro that natural persons may hold~~ shall ~~define quantitative limits to digital euro holdings and, in addition, may develop other instruments to limit the use of the digital euro as a store of value be limited. Such limits, and any other necessary~~ develop instruments developed to apply them, shall comply with the principle of proportionality to achieve the objectives outlined in Article 15(1), in particular the stability of the financial system across the euro area. to limit the use of the digital euro as a store of value and shall decide on their parameters and use, in accordance with the framework set out in this Article. PSPs providing account servicing payment services within the meaning of Directive 2015/2366 to natural and legal persons referred to in Article 12(1) shall apply these limits to digital euro payment accounts. (AM 145 Navarrete Rojas, part of AM 866 Tridico et al., part of AM 869 Niedermayer, part of AM 870 Falcone et al., AM 877 Navarrete Rojas et al., part of AM 878 Boeselager, part of AM 880 Hadjipantela, AM 885 Hadjipantela)

For the purpose of Article 15(1), legal persons shall not maintain any digital euro holdings. When acting as payees in digital euro payment transactions, and pursuant to Article 13 (2) (ab), legal persons 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 (part of AM 779 Boeselager).

By way of derogation from the previous paragraph, in the event of a temporary network disruption due to force majeure events, legal persons may temporarily maintain holdings with no limits. As soon as the network disruption has come to an end, automatic defunding in accordance with Article 13(2)(ab) shall be provided. (AM 144 Navarrete Rojas, part of AM 863 Gomart, part of AM 864 Zijlstra et al., 865 Navarrete et al.)

Temporary digital euro holdings referred to in the second subparagraph and holdings that legal persons may accumulate in the context of force majeure events mentioned in the previous subparagraph shall not be considered in breach of the holding limit set pursuant to this Article or to Article 37.

~~1 a. When defining the holding limits and developing other instruments referred to in paragraph 1, the European Central Bank shall decide on the level of the holding limits per digital euro user and on the parameters and use of any other instruments, in accordance with the framework set out in this Article.~~

~~1 a. Digital euro payment service providers shall apply the limits to digital euro payment accounts as established in this Regulation. The Eurosystem shall provide payment service providers with the all the information necessary for them to apply such limits, in particular when a digital euro user has digital euro payment accounts with different payment service providers. (Part of AM 869 Niedermayer, part of AM 868 Boeselager)~~

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

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 a specific quantitative holding limit applicable exclusively to natural persons and other parameters and use of the instruments to limit the use of the digital euro as a store of value. The report shall be applicable exclusively to natural persons.*

2a. *The quantitative limits to digital euro holdings and other parameters and use of the instruments to limit the use of the digital euro as a store of value referred to in paragraph 1 shall: (AM 145 Navarrete Rojas, part of AM 877 Navarrete Rojas et al.)*

- (a) *safeguard the objectives set out in Article 15(1), in particular the financial stability of the financial system across the euro area and each Member State; (AM 146 Navarrete Rojas, AM 882 Navarrete et al.)*
- (b) *ensure the usability and acceptance of the digital euro as a legal tender instrument; (AM 147 Navarrete Rojas, AM 888 Navarrete et al.)*
- (c) *respect the principle of proportionality; (AM 148 Navarrete Rojas, AM 893 Navarrete et al., AM 894 Boeselager et al.)*
- (d) *take into account the evolving architecture of the financial system and the impact of such holding limits and any other instruments, at EU and Member State levels, on different business models of EU 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 EU 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.

~~2 a. — The limits referred to in paragraphs 1 and 1 shall not restrict users' ability to make payments, which shall be ensured as set out in Article 13(4), points (a) and (b). (Part of AM 875 Papandreou et al.)~~

3. The ~~quantitative limits to digital euro holdings and other parameters and use of the instruments to limit the use of the digital euro as a store of value~~ referred to in paragraph 1 ~~The European Central Bank~~ shall, be applied in a non-discriminatory manner and uniformly across ~~after consulting the European Systemic Risk Board and with the involvement of relevant stakeholders, including payment service providers, prepare a report, on the impact of different theoretical holding limits for natural persons on the financial stability of the euro area and its Member states and prepare a recommendation on a specific quantitative holding limit applicable exclusively to natural persons. The report and the recommendation shall detail:~~

~~(a) the methodology employed for the corresponding calculations and any limitations on it or on the data used that may impact the conclusions reached;~~

~~(b) for each different theoretical holding limit, its impact on the financial stability and on the competitiveness and resilience of credit institutions and non-financial corporations;~~

~~(c) in particular for the recommended specific quantitative holding limit applicable exclusively to natural persons, the grounds upon which the ECB considers that its implementation would not result in any credit institution bank in the EU Union being identified as subject to under severe stressed financial conditions, including liquidity stress under a stress test defined by ECB.~~

~~The European Central Bank shall submit the report and the recommendation on a specific quantitative holding limit applicable exclusively to natural persons to the Commission, the European Parliament and the Council within six months of the first issuance of the digital euro~~

~~(Part of AM 149 Navarrete Rojas, part of AM 150 Navarrete Rojas, part of AM 151 Navarrete Rojas, AM 152 Navarrete Rojas, part of AM 874 Crosetto et al., part of AM 901 Navarrete et al., part of AM 902 Laykova et al., part of AM 906 Papandreou et al., part of AM 907 Navarrete et al., part of AM 908 Navarrete et al, part of , AM 909 Navarrete et al., part of AM 914 Falcione et al., part of 915 Tridico et al.)~~

~~3 a. — After the reception of the report and the recommendation of the European Central Bank referred to in paragraph 3 and prior to the adoption of the delegated act referred to in paragraph 3b, the Commission shall prepare a report with a detailed explanation of the risk tolerance to residual financial stability risk. (Part of AM 153 Navarrete Rojas, part of AM 912 Navarrete et al., part of AM 913 Zijlstra et al.)~~

~~The Commission shall present the report to the European Parliament and to the Council at least one month prior to the adoption of the delegated act pursuant to paragraph 3b. (Part of AM 154 Navarrete Rojas, AM 920 Navarrete et al.)~~

~~3 b. — The Commission is empowered to adopt a delegated act to set up the initial holding limits for natural persons, taking into account the report and the recommendation of the ECB referred to in paragraph 3. The delegated act shall be adopted no later than 18 months after the first issuance of the digital euro. The delegated act shall be duly reasoned and substantiated, in particular where the Commission departs from the recommendation of the European Central Bank. The delegated act shall in no circumstance enter into force before two years after the first issuance of the digital euro.~~

~~The holding limits for natural persons set out in the delegated act shall ensure that the introduction of the digital euro is not expected to result in any stressed financial conditions, including liquidity stress, for any individual credit institutions in the euro area.~~

(Part of AM 155 Navarrete Rojas, part of AM 156 Navarrete Rojas, part of AM 867 Boyer et al., part of AM 927 Navarrete et al., part of AM 928 Navarrete et al.)

~~3 d. — The Commission is empowered to adopt a delegated act revising the holding limits for natural persons downwards, after consulting the European Central Bank and the European Systemic Risk Board, whenever it deems this to be appropriate. (AM 159 Navarrete Rojas, AM 931 Navarrete et al.)~~

~~3 e. — Where the Commission considers that an upward revision of the holding limits for natural persons is not expected to result in stressed financial conditions, including liquidity stress, for individual credit institutions in the euro area, it shall, where appropriate, propose a legislative amendment to revise those limits upwards. That proposal shall be accompanied by an impact assessment supporting the Commission's conclusions. (Part of AM 160 Navarrete Rojas, Part of AM 932 Navarrete et al.)~~

~~3 f. — Without prejudice to paragraphs 3c and 3d, the Commission shall be empowered to adopt a delegated act to adjust the holding limit for natural persons in line with the annual change in the Harmonised Index of Consumer Prices (HICP) in the euro area over the corresponding period. Where the annual change in the HICP does not imply an adjustment, the holding limit for natural persons shall remain unchanged. (Part of AM 923 Niedermayer)~~

~~3 g. — The holding limits referred to in paragraph 3b shall be applied in a non-discriminatory manner and uniformly across the euro area. (AM 161 Navarrete Rojas)~~

4. Any holding limits on digital euro payment accounts adopted pursuant to paragraph 1 shall apply to both ~~offline and online~~ **and offline** holdings. ~~For natural persons, where~~ **Where** a digital euro user uses both ~~the offline and online digital euro and offline~~ **digital euro functionalities**, the limit that applies to ~~the~~ **the** online digital euro ~~holdings~~ **holdings** shall equal the ~~specific quantitative overall holding~~ **limit determined in paragraph 3b defined** by the European Central Bank minus the holding limit for ~~the~~ **the** offline digital euro ~~holdings set determined~~ **by digital euro users. For that purpose, A** a digital euro user may set its ~~limits to~~ **limits to** offline ~~digital euro holdings~~ **holding limit** at any amount between zero and the holding limit set in accordance with Article 37. (Part of AM 163 Navarrete Rojas, part of AM 917 Hadjipantela, part of AM 941 Navarrete et al.)

5. Visitors ~~and natural and legal persons~~ to the euro area as referred to in Article 13(1), ~~points (b), (d), (e) and (ea),~~ point (c), and natural and legal persons as referred to in Article 13(1), points (b), (d), (e) and (ea) (e), shall be subject to limits as regards ~~to~~ the use of the euro as a store of value that are not higher than ~~those the ones~~ **those** effectively implemented in the euro area for natural and legal persons residing or established in Member States whose currency is the euro. The parameters and use of the instruments ~~Those holding limits~~ shall be applied in a non-discriminatory manner and uniformly across Member States whose currency is not the euro. When deciding on the ~~holding limits and other limits, the Commission~~ use of the instruments in those Member States and setting the parameters, the European Central Bank shall consult ~~the European Central Bank and~~ **the** national central banks of Member States whose currency is not the euro. (AM 164 Navarrete Rojas, AM 943 Navarrete et al.)

6. ~~In case a~~ **Where a** digital euro user has multiple digital euro payment accounts, the digital euro user shall ~~be able to allocate their individual holding limits across their accounts in accordance with the holding limit established pursuant to paragraph 3b~~ specify to the payment service providers with which the digital euro payment accounts are held how the individual holding limit is to be allocated between the different digital euro payment accounts ~~and local storage devices.~~ (Part of AM 165 Navarrete Rojas, AM 945 Navarrete et al.)

7. Where a digital euro payment account is held *jointly* by more than one digital euro user, any holding limit on the related *such* digital euro payment account adopted pursuant to paragraph 1 ~~3b~~ shall amount *be equal* to the sum of the individual holding limits allocated to *it by each of* its users. (AM 166 Navarrete Rojas, AM 946 Navarrete et al.)
- 7 a. *Payment service providers providing account servicing payment services within the meaning of Directive and Regulation [PSD3/PSR] to natural and legal persons referred to in Article 13(1) shall apply the limits and instruments pursuant to this Article to digital euro payment accounts. For that purpose, they shall use the single access point referred to in Article 35(8).*
- ~~7a. The Commission is empowered to adopt delegated acts, at the request of the European Central Bank, proposing additional limits to the use of the digital euro for the purpose of safeguarding financial stability and the stable funding of credit institutions and their lending capacity to the economy, while ensuring the usability and acceptance of the digital euro as a legal tender instrument and respecting the principle of proportionality. (AM 167 Navarrete Rojas, AM 947 Navarrete et al.)~~
8. ~~Within the framework of this Regulation, the~~ *The* digital euro shall not bear interest. (AM 168 Navarrete Rojas, AM 950 Hadjipantela, AM 951 Boyer et al., AM 952 Ferber, AM 953 Navarrete et al.)

Article 16a

Overall ceiling for the holding limits

1. *The holding limits for natural persons referred to in Article 16(1) shall be subject to an overall ceiling as set in accordance with this Article.*
2. *The European Central Bank shall publicly announce the envisaged date of the first issuance of the digital euro in accordance with Article 4 of this Regulation at least two years prior to such envisaged date. At least one year before the envisaged date of the first issuance of the digital euro, the European Central Bank shall publish the technical report on a specific quantitative holding limit according to Article 16(2) and shall submit a recommendation to the Commission, European Parliament and the Council, on the overall ceiling for the holding limits referred to in Article 16 (1b).*
3. *The Commission shall be empowered to adopt a delegated act, in accordance with Article 38, within {three} months from the reception of the recommendation of the European Central Bank, to set the overall ceiling for the holding limits referred to in Article 16 (1b), which shall respect the principles-criteria laid down in Article ~~articles~~ 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 holding limit according to Article 16(2) in accordance with its technical report.*
5. *The overall ceiling shall be reviewed at least every two years. To that end, at least {six} months before the end of every two-years period after the entry into force of the delegated act mentioned in paragraph 3, the European Central Bank shall publish a new recommendation on the overall ceiling for the holding limits referred to in Article 16 (1b). The Commission*

shall be empowered to adopt delegated acts, in accordance with Article 38, revising the overall ceiling for the holding limits referred to in Article 16 (1b).

- The European Central Bank shall without delay adjust the holding limits set in accordance with Article 16 to comply with the overall ceiling established in the delegated act.*

Compromise Amendment F (CA F) - Compensation model

If CA F is adopted, the following amendments fall:

- **Article 17: 169-180, 960-1048, LIBE 50**
- **Article 17a: 181, 1049-1053**
- **Article 17b: 1054-1055**
- **Article 17c: 1056**
- **Article 17d: 1057**

Article 17

Fees on and charges for the provision of digital euro payment services (AM 169 Navarrete Rojas, AM 960 Navarrete et al.)

- For the purpose of Article 15(2), without prejudice to any possible fees charged on other *ensuring an effective use of the digital euro as a legal tender means of payment services*, payment services service providers shall not *neither* charge fees, *whether direct, indirect or bundled*, to natural persons as referred to in Article 13(1), points (a), (b) and (c), for the provision of the basic digital euro payment services referred to in ~~Annex 2~~ *Annex II to natural persons referred to in Article 13(1), points (a), (b) and (c), and to natural persons acting as self-employed in a commercial activity in their capacity as payer, and nor for the provision of mandatory acquiring services referred to in Annex IIa, points (a) and (b), automatic defunding from an offline digital euro a local storage device to a non-digital euro account for to merchants. This is without prejudice to fees that the payment service providers may charge for the provision of value-added additional digital euro payment services not included in Annex II and Annex IIa, points (a) and (b).* (AM 170 Navarrete Rojas, part of AM 961 Nikos Papandreou et al., part of AM 962 Boyer et al., part of AM 964 Laykova et al., AM 965 Papandreou et al.)

Any merchant service charges and inter-payment service provider fees in relation to online digital euro payment transactions shall comply with the principle of proportionality and shall be subject to caps, pursuant to Article 15(2) and this Article. (Part of AM 172 Navarrete Rojas, part of AM 972 Navarrete Rojas et al.)

By derogation from the first subparagraph, Digital euro payment accounts being used by natural persons for commercial activities in their capacity as payees shall not be considered as basic digital euro payment services. To prevent the use of natural persons' digital euro payment accounts for business purposes from being covered under the basic digital euro payment services in Annex II, If a natural person obtained basic digital euro payment services by providing incorrect information that would otherwise have precluded such basic digital euro payment services, payment services providers shall be allowed to verify or cross-check the activity to determine if there is a natural person using the account for receiving payments in commercial activities and therefore to restrict or block the account of such

natural persons, and, where appropriate, to terminate their contractual relationship or to establish a proportionate limit on the number of received and issued payment transactions that are free-of-charge, and they shall be allowed to charge the exceeding ones according to paragraph 2 of this Article. (Part of AM 171 Navarrete Rojas, AM 963 Navarrete Rojas et al.)

Natural persons ~~can~~ may hold, transfer, and receive digital euros without direct transaction costs.

Payment service providers ~~may~~ shall not impose indirect charges through account maintenance fees, minimum balance requirements, or similar mechanisms tied to digital euro usage. (Part of AM 995 Papandreou et al.)

By derogation from the first subparagraph, payment service providers may charge a reasonable fee for the provision of an additional payment instrument that is provided upon request of the user as referred to in Annex II(g). This reasonable fee shall only cover those functionalities that are already provided by the other payment instruments provided free of charge. Digital forms of a payment instrument chosen shall not be regarded as an additional payment instrument. (Part of AM 968 Boyer et al.)

By derogation from the first subparagraph, cash funding and defunding functionalities for digital euro payment accounts referred to in Article 13(2) shall not be charged more than what the same payment service provider charges for the provision, in the same manner, of cash services in respect of non-digital euro payment accounts.

1 a. ~~No additional services shall be added in the future to the list of basic digital euro services referred to in Annex II. (AM 970 Crosetto et al.)~~

1 b. Any fees for value-added additional services provided beyond the basic services referred to in Annex II shall be clearly disclosed in advance, separately itemized from basic services and set contractually. (Part of AM 1012 Papandreou et al.)

2. ~~For the purpose of Article 15(2), any Any merchant service charge or inter-PSP charges and inter-payment service provider fees fee in relation to online digital euro payment transactions shall comply with the principle of proportionality and shall be subject to caps, pursuant to Article 15(2) and this Article. To ensure a better-off no worse-off principle for all EU merchants, any Any inter-payment service provider fee or merchant service charge or inter-PSP fee levied by a payment service provider on a payment service provider or merchant in respect to online digital euro payment services shall not:~~

(a) ~~not exceed the lowest of the following two amounts: amount be higher than of the respective inter-payment service provider fee or merchant service charge levied by that payment service provider on that specific payment service provider or merchant for comparable means of payment such as international and domestic debit cards as well as instant payments usable at the point of interaction.; and~~

(b) ~~be, in addition, deducted from the cost of the scheme used for the comparable means of payment, considering the absence of scheme fees charged by the Eurosystem.~~

Payment service providers may charge the Eurosystem according to Article 17c as compensation for the application of the better-off principle. Merchant service charges and inter-payment service provider fees shall be set contractually, provided they comply with the above-mentioned principle in direct negotiations between payment service providers and merchants.

(AM 172 Navarrete Rojas, AM 972 Navarrete Rojas et al., part of AM 973 Boyer et al., AM 974 Ferber, AM 975 Boeselager, part of AM 989 Falcione et al., AM 990 Tridico et al.)

~~(a) — the relevant costs incurred by payment services providers for the provision of digital euro payments, including a reasonable margin of profit; (AM 173 Navarrete Rojas, AM 979 Ferber, AM 980 Boeselager, AM 981 Navarrete Rojas et al., AM 982 Papandreou et al., AM 983 Boyer et al.)~~

~~(b) — fees or charges requested for comparable digital means of payment. (AM 174 Navarrete Rojas, AM 984 Boyer et al., AM 985 Boeselager, AM 986 Ferber, AM 987 Navarrete Rojas et al., AM 988 Papandreou et al.)~~

~~***For the purpose of Article 15(2), any merchant service charge in relation to mandatory value added offline digital euro payment transactions as referred to in Annex X shall comply with the principle of proportionality. Merchant service charges levied by a payment service provider on a merchant in respect of offline digital euro payment services shall not be higher than merchant service charges levied by that payment service provider on that merchant, with regard to comparable means of payment. (AM 175 Navarrete Rojas, AM 991 Navarrete Rojas et al.)***~~

~~***Merchant service charges shall be set in direct negotiations between payment service providers and merchants. (AM 977 Doherty)***~~

~~**2 a. — Natural persons can hold, transfer, and receive digital euros without direct transaction costs.**~~

~~***Payment service providers may not impose indirect charges through account maintenance fees, minimum balance requirements, or similar mechanisms tied to digital euro usage.***~~

~~(AM 995 Papandreou et al.)~~

~~**2 b. — Any fees for value added services provided beyond the basic services referred to in Annex II shall be clearly disclosed in advance, separately itemized from basic services and set contractually. (Part of AM 1012 Papandreou et al.)**~~

2. c 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, in accordance with Article 39, be empowered to determine, publish and periodically review the euro-area uniform caps for both the inter-payment service provider fees and the 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 mentioned in the first previous subparagraph shall:

(a) be based on comparable digital means of payments covering both international and domestic debit card schemes that are usable at the point of sale and in e-commerce;

(b) provide that 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 twelve-month 12-month-period, relative to the aggregate value of payment transactions in that period; and

(c) assess the need ~~account~~ for an adjustment factor to the value of the weighted average fee and charge level referred to in point (b) having regard to ~~consider~~:

(i) the costs for payment service providers associated with connecting to the digital euro payment infrastructure; ~~and~~

(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 taking into account that they have not to pay for scheme fees [and processing fees] to the Eurosystem.*

2. d *By way of derogation to the previous paragraph, to ensure a no worse-off principle for all merchants, the inter-payment service provider fees or merchant service charges levied by a payment service provider on a payment service provider or merchant in respect to digital euro payment services shall correspond to the amount of the inter-payment service provider fee or merchant service charge levied by that payment service provider on that specific payment service provider or merchant for both international and domestic debit card schemes that are usable at the point of sale and in e-commerce, insofar as this amount is lower than the euro-area uniform caps referred to in the previous paragraph.*

To ensure a no worse-off principle for 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, ~~in collaboration with the technical assistance of the~~ European Central Bank, shall ~~provide technical assistance to the Commission by means of collecting collect~~ regularly monitor the information *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 comparable means of payment as well as inter-payment service provider fees and the merchant service charges levied on digital euro transactions* that is relevant for the purposes of the amounts referred to in paragraph 2, and publish periodically the *aggregate* amounts resulting from that monitoring with an explanatory report. (AM 176 Navarrete Rojas, AM 1005 Navarrete Rojas et al., part of AM 1008 Doherty)

~~3 a. Any fees for value added services provided beyond the basic services referred to in Annex II shall be:~~

~~(a) clearly disclosed in advance, and separately itemized from basic services and;~~

~~(b) subject to negotiation between the payment service provider and customer~~

~~(Part of AM 1012 Papandreou et al.)~~

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 ~~them~~. *The information requested by the Commission must be proportionate and directly relevant for its monitoring of compliance, while minimising the reporting burden, by relying as much as possible on existing reporting obligations under Directive (EU) 2015/2366 [PSD3/PSR] and data sources, and avoiding duplication. No specific pricing models and methodologies are to be requested by the Commission.* Any information requested shall be sent by payment service providers within the time limit *in a timely manner* set by ~~to~~ the Commission ~~European Central Bank~~. *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*. (AM 177 Navarrete Rojas, AM 1014 Navarrete Rojas et al.,

Part of AM 1015 Doherty, part of AM 1016 Tridico et al., AM 1017 Falcone et al., Part of LIBE AM 50)

4 a. ***Where the information The information referred to in paragraph 4 concerns personal data, the Commission shall not require only the include personal data that is strictly necessary for the purposes of the processing, in full implementation of in line with the principle of data minimisation.*** (Part of AM 1018 Boeselager)

5. ~~The methodology to be developed by the European Central Bank for the monitoring and the calculations of the amounts referred to in paragraphs 2 and 3 shall be based on the following parameters:~~

~~(a) the amount of inter-PSP fees and merchant service charges as referred to in paragraph 2(a) shall be based on the relevant costs incurred for providing digital euro payment services by the most cost efficient payment service providers representing collectively one fourth of digital euro distributed across the euro area in a given year, as reported to the European Central Bank by payment service providers, including a reasonable margin of profit;~~

~~(b) the reasonable margin of profit included in the maximum amount referred to in paragraph 2(a), shall be calculated on the basis of the margin of profit of the payment service providers charging the lowest margin of profit representing collectively one fourth of the digital euro distributed in the euro area in a given year, as reported to the European Central Bank by payment service providers;~~

~~(c) the amount of inter-PSPs fees and merchant service charges as referred to in paragraph 2(b) shall be based on a representative group of payment services providers providing comparable digital means of payment in the euro area;~~

~~(d) the amounts referred to in paragraph 2 shall be uniform and applied in a nondiscriminatory manner across the euro area.~~

(AM 178 Navarrete Rojas, AM 1019 Boeselager, AM 1020 Crosetto et al., AM 1021 Boyer et al., AM 1022 Ferber, AM 1023 Zijlstra et al., AM 1024 Papandreou et al., AM 1025 Navarrete Rojas et al., AM 1026 Papandreou et al., AM 1029 Papandreou et al., AM 1032 Papandreou et al.)

6. ~~The merchant service charge shall incorporate all the fees and charges charged to the merchant per transaction in relation with the provision of acquiring services, except dispute services, and, regardless of their price structure, be expressed as a percentage of the total monetary amount transacted in a given period of time be the only charge per transaction that payment service providers may apply to merchants. Payment service providers may charge a fee for dispute services as long as it does not exceed the fee charged for such service for a comparable means of payment.~~ Payment service providers shall not charge merchants for the funding and *automatic* defunding of the digital euro, including digital euro payment transactions referred to in Article 13(4) ~~when the defunding goes to a non-digital euro payment account held with the same payment service provider~~. Payment service providers shall ~~For the purpose of implementing the 'no worse-off' principle eap to the merchant service charge as referred to in Article 17(2d), payment service providers shall disclose to their clients in a standardised format that is clear, simple and easily understandable and helps comparing information about the fees charged for the provision of acquiring services with comparable means of payment for that specific merchant.~~ include costs associated with funding and defunding in the relevant costs referred to in paragraph 2(a). (AM 179 Navarrete Rojas, AM 1038 Navarrete Rojas, Part of AM 1039 Boyer et al., part of 1041 Zijlstra et al., AM 1042 Tridico et al.)

7. ~~No inter-PSP inter-payment service providers fee shall apply to:~~

~~(a) the funding and defunding from or to merchants' digital euro payment account (Part of AM 1046 Boyer et al.);~~

~~(b)(a) to offline digital euro transactions; or~~

~~(e) (b) to the funding and or defunding of the online digital euro accounts, including from or to a non-digital euro payment account held with within the same payment service provider belonging to the same group. transactions referred to in Article 13(4).~~

(Part of AM 180 Navarrete Rojas, part of AM 1047 Navarrete Rojas et al.)

Article 17a

~~Review clause on~~ Evaluation and revision of the fees and charges for the provision of digital euro payment services

1. ~~As soon as possible and no later than~~ ~~By ten years from the issuance of the digital euro, the Commission shall assess if 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;~~

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

No later than 5 years from the issuance of the digital euro, ~~the~~ 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 ~~whether the compensation model referred to in Article 17 should be replaced with~~ and a cost-based compensation model referred to in the paragraph 3.

The Commission shall carry out the review and submit the report mentioned in the previous subparagraph before the period mentioned therein, 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 for its conclusions taking into consideration the conditions set out in the previous subparagraph.

(Part of AM 181 Navarrete Rojas, part of AM 1051 Gotink, part of AM 1056 Boyer et al.)

~~2. If the report mentioned in the previous paragraph concludes that a cost-based cap on fees and charges compensation model for the inter-payment service provider fees and merchant service charges is deemed to provides lower costs for all EU merchants, greater efficiency and competition in the payment markets and avoids cross-subsidies among different merchants' business models or within the European payments ecosystem, the Commission~~

~~shall adopt a an implementing delegated act in accordance with Article 38 39(2) for a new model of fees and charges for the provision of digital euro payment services.~~

~~The new model of fees and charges, referred to in the previous paragraph, shall not result in any merchant service charge and inter-PSP fee exceeding the relevant costs incurred by payment services providers for the provision of digital euro payment services, including a reasonable margin of profit. These limits shall be uniform and applied in a non-discriminatory manner across the euro area. The European Central Bank shall periodically provide the Commission with the data that are necessary for calculating the caps referred to in this subparagraph.~~

~~A cost-based compensation model pursuant to the previous subparagraph shall comply with the following features conditions:~~

- ~~(a) no merchant service charges or inter-PSP inter-payment service provider fees shall be determined by exceed 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 caps 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 or~~
- ~~(c) without prejudice to model shall provide for proportionate treatment for small-value transactions and for small merchants, including the possibility for a flat rate or per transaction fee, so as to avoid disproportionate cost burdens.~~

~~The European Central Bank shall periodically provide technical assistance to the Commission with the data necessary for calculating the caps referred to in the previous subparagraph.~~

~~(Part of AM 996 Boyer et al., part of AM 1004 Boyer et al., AM 1010 Boyer et al.)~~

3.2a. *The report referred to in the previous 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, adopt an implementing act, in accordance with Article 39, to establish uniform conditions for a new cost based compensation model, which will replace the compensation model referred to in Article 17, unless the report carried out in accordance with paragraph 1 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.*

A cost-based compensation model pursuant to the previous subparagraph shall comply with the following features:

- (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 and for 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 previous subparagraph.

(Part of AM 181 Navarrete Rojas, part of AM 996 Boyer et al., part of AM 1004 Boyer et al., AM 1010 Boyer et al., part of AM 1055 Falcone et al., part of AM 1056 Boyer et al.)

4. *The reasonable margin of profit referred to in paragraph 3 2 and paragraph 3, subparagraph 2, point a, shall be 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, 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 as referred to in Article 17(3), ~~aggregating and validating data for the purposes of this Article.~~ Such data shall be updated annually by the European Central Bank and published in aggregated form to promote transparency. ~~and well-functioning market conditions.~~*
6. ~~*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, while minimising the reporting burden, by relying as much as possible on existing reporting obligations and data sources, and avoiding duplication. 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.*~~
7. ~~*If, based on the evaluation report, the Commission concludes that the conditions set out in paragraph 2, subparagraph 1, are not complied with, it shall provide the reasons for such conclusion.*~~

~~(Part of AM 181 Navarrete Rojas, AM 1055 Falcone et al., Part of AM 1056 Boyer et al.)~~

6. 8. *In the event ~~a delegated~~ an implementing act is not adopted pursuant to paragraph 3 2, the Commission shall perform the review set out in paragraph 1 at least every ~~five~~two years as of the first review until ~~a delegated~~ an implementing act is adopted pursuant to paragraph 3 2. Paragraphs 2 to 5 7 shall apply accordingly.*
7. 9. *At least every five years from the adoption of the ~~delegated~~ implementing act referred to in paragraph 3 2, the Commission, with the technical assistance of the European Central Bank, shall evaluate the data available according to subparagraph 3 of paragraph 3 2. 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 ~~delegated~~ act accordingly.*

The empowerment to amend the implementing ~~delegated~~ act set out in the previous subparagraph shall only be valid until the Commission adopts an amending implementing ~~delegated~~ 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.

~~*This paragraph shall apply without prejudice to the annual adjustment of the costs in line with inflation, on the basis of the Harmonised Index of Consumer Prices (HICP) for the euro area.*~~

Article 17b

Zero fees clause non circumvention for basic services

1. *Payment service providers shall not impose, among others ~~indicatively but not exclusively~~, account maintenance fees, inactivity fees, minimum balance requirements, or similar charges on digital euro accounts ~~or offline digital euro devices~~ used for basic payment services.*
2. *Payment service providers shall not bundle basic digital euro services with ~~value added~~ 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 ~~zero-fee~~ services through reduced service quality, delayed processing, or other means to prevent circumvention.*
4. *Member States' competent authorities shall monitor compliance and impose effective, proportionate, and dissuasive penalties for violations, including orders to refund improperly charged fees with interest.*
5. ~~*Value added services beyond the basic digital euro services, shall be provided by common agreement of the parties.*~~
6. 5. ~~*The cost of equipment and service levels shall be subject to the right to contract and subject to agreements between the transacting parties.*~~

(Part of AM 1049 Papandreou et al.)

Article 17e

Compensation of payment service providers

~~*Where payment service providers are mandated under this Regulation to distribute or provide digital euro services, they may charge the Eurosystem a temporary fee to compensate for the costs associated with connecting to the digital euro payment infrastructure, and to incentivise the distribution of the digital euro by payment service providers. This fee should be based on the number of digital euro accounts distributed and be the same for all payment service providers. This fee should only be accrued during the first 5 years from the issuance of the digital euro or the entry into force of the delegated act referred to in Article 17a paragraph, whichever occurs first. The amount of fees received by each payment service provider should not exceed the certified costs associated with the set-up and connection of IT systems and processes to the digital euro payment infrastructure provided by the Eurosystem.*~~

Compromise Amendment I CA I - Chapter VI Distribution outside the euro area

If CA I is adopted, the following amendments fall:

- Article 18:182; 1058-1063; LIBE 51-53

- Article 19: 183, 184; 1064; LIBE 54
- Article 20: 1065
- Article 21: 1066-1068; LIBE 55

Article 18

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

1. Payment service providers may ~~only~~ distribute the digital euro **only** (AM 1059 Niedermayer) 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~~ **agreement** (AM 1058 Boyer et al.) to that effect.
2. The signing of the ~~arrangement~~ **agreement** (AM 1060 Boyer et al.) 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 conclude an agreement with the European Central Bank that shall include at least the following requirements** (AM 1061 Boyer et al.):
 - (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~~ ~~16(4)~~ on the use of the digital euro by natural and legal persons residing or established in Member States whose currency is not the euro, which are applicable in those Member States. (Part of AM 182 Navarrete Rojas)
- 4a. **Where the European Central Bank refuses to sign the agreement referred to in paragraph 2, it shall provide the European Commission with a reasoned explanation of the grounds for such refusal.** (AM 1063 Niedermayer)

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. *This equivalence shall be verified by an equivalence decision in the form of an implementing act of the Commission.* (AM 1064 Papandreou et al.)
3. The agreement between the Union and the third country *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, 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~~ **29** of Regulation (EU) 2024/1624 [~~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~~ **30** of *that* 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. (AM 183 Navarrete Rojas)
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~~ **16(5)** on the use of the digital euro by natural and legal persons residing or established in the third country, which are applicable in that country. (Part of AM 184 Navarrete Rojas)

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 interoperable payments *to the extent that is possible* (AM 1067 Doherty) between the digital euro and other currencies.

Compromise Amendment J (CA J) – Article 22 to 27

If CA J is adopted, the following amendments fall:

- Article 22: 185-187; 1069-1106; LIBE 56
- Article 23: 188-190; 1107-1125; LIBE 57
- Article 24: 191-193; 1126-1152
- Article 25: 194; 1153-1162; LIBE 58
- Article 26: 195-198; 1163-1174; LIBE 59
- Article 27: 199-200; 1175-1186; LIBE AM 60

Article 22

Accessibility and use

1. The digital euro shall:
 - (a) have usage and service features that are *accessible, visible*, (Part of AM 1069 Papanderou et al., AM 1070 Gotink) 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 ~~services~~ *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 line with paragraph 1.* (Part of AM 1076 Papandreou et al.)

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. (Part of AM 186 Navarrete Rojas)
5. Payment service providers shall **may** allow the use of **a** digital euro payment account by more than one digital euro **user** users. (AM 1083 Hadjipantela)

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** (AM 1113 Doherty), between each other **and with respect to electronic money and scriptural money** (AM 189 Navarrete Rojas), ~~at the request of the digital euro users.~~ (AM 1112 Boeselager)
3. ~~Before initiating~~ **The payee and the payer shall be able to identify whether** 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 takes place~~ ~~offline or online or offline.~~ (Part of AM 1115 Hadjipantela, AM 1116 Ferber, Part of AM 1117 Papandreou et al.)
- 3a. **Digital euro users shall be able to choose whether their digital euro payments in proximity shall be offline or online. This choice may be made by the setting of a default mode in the front-end digital euro interface application.** (Part of AM 1119 Hadjipantela, Part of AM 1120 Ferber)
- 3b. **An offline digital euro payment transaction shall be executed even if one or both local storage devices temporarily or permanently 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, including advanced cryptography, 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;~~
 - (b) **ensure the security, continuity and integrity of the settlement infrastructure, its resilience against cyber-threats, while ensuring readiness of back-up solutions;**
 - (c) **minimise dependencies from third country providers.**
2. **For the purpose of this Article, the European Central Bank shall monitor technological developments, including innovation designed to strengthening privacy, data protection, cyber-security, operational resilience, and 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, interoperability with existing infrastructure, and their impact on the safety, integrity, efficiency, innovation of the digital euro settlement infrastructure.

(Part of AM 1125 Boeselager; part of AM 1136 Tridico; part of AM 1137 Tridico, part of AM 1142 Papandreou et al., part of AM 1143 Heinäluoma, part of AM 1144 Kulmuni, AM 1145 Zijlstra et al., part of AM 1146 Falcone et al., part of AM 1147 Boyer et al., AM 1148 Saramo)

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, ~~together in consultation with the advisory platform for the digital euro scheme rulebook referred to in Article 5 paragraph 2a, shall~~ may (AM 1127 Ferber, AM 1128 Boeselager):
 - (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 ~~and payments via distributed ledgers.~~ (AM 1134 Ferber)
2. The digital euro shall not be programmable money. ~~In particular, the transactions referred to in paragraph 1 shall not create, directly or indirectly, programmable restrictions on lawful spending, nor allow individual expiry dates or behaviour-dependent limitations. The freedom of users to dispose of their funds without external conditions shall be guaranteed at all times.~~ (part of AM 1129 Laykova et al.)

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 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. *Such exceptional measures 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 shall include evidence of the disruption and its impact. The Commission shall assess the request and adopt a decision within an expedited timeframe not exceeding 48 hours from its submission.*
4. *Exceptional measures adopted under this Article shall be strictly limited in scope and duration, shall not exceed a period of three months, and may be renewed only where the conditions justifying their adoption persist. Such 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.*

(AM 1149 Boyer et al., Part of AM 1152 Tridico, part of AM 1251 Saramo, part of AM 1252 Boeselager)

Article 24b

Operational resilience of the digital euro settlement infrastructure

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, of the European Parliament and of the Council, of 14 December 2022.*
3. *The ECB shall establish software and hardware requirements 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, including an appropriate certification process.*
4. *Payment service providers shall ensure that devices supporting the offline functionality comply with the technical standards established by the ECB.*

(part of AM 1150 Boyer et al.; part of AM 1151 Pietikäinen)

Article 25

User authentication and European Digital Identity Wallets

1. *Payment services providers shall offer ~~Identification and any authentication method as defined in Article 3 (34) of PSR for the purposes of the provision of for digital euro~~ front-end services, ~~such as for the purposes of onboarding users and authorising transactions~~, shall be interoperable with or integrated in ~~User authentication shall be possible with~~ the European Digital Identity Wallets. (Part of AM 1157 Boeselager).*
2. *On request by digital euro users, Payment service providers distributing ~~providing~~ the digital euro ~~payment services~~ shall ensure that those ~~offer their~~ users ~~the possibility to~~ can rely on the functionalities of their European Digital Identity Wallets in accordance with Article 6a 5a of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 910/2014 No 910/2014 as regards establishing a framework for a European Digital Identity – COM(2021) 281 final]. (AM 194 Navarrete Rojas, 1161 Boeselager)*
- 2a. *Payment services providers shall offer their users ~~the possibility of integrating their digital euro payment account in their European Digital Identity Wallets~~. (AM 1162 Boeselager)*

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. (AM 1162 Boeselager)

Article 26

Existing infrastructures and interoperability Interoperability (AM 195 Navarrete Rojas, AM 1163 Gomart)

1. *The European Central Bank shall seek to ensure ~~use~~ to the extent possible the interoperability of standards governing digital euro payment services with relevant and, ~~where appropriate, the existing infrastructures, protocols and~~ standards governing private digital means of payment, ~~including the use of open standards~~. 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 ~~and especially those underpinning instant payments, including the full implementation of the principles of data protection by design and by default, as defined in Regulation (EU) 2016/679~~. (AM 196 Navarrete Rojas, AM 1164 Gomart, 1165 Zijlstra et al., part of 1166 Boyer et al.; part of AM 1167 Papandreou et al., LIBE AM 59)*

For the purpose of the first subparagraph, interoperability may be supported inter alia by the use of open standards. (AM 198 Navarrete Rojas)

2. ~~For the purpose of paragraph 1, where~~ **Where the ECB concludes that there is the need to develop new infrastructures, protocols or standards for digital euro payment services, it existing standards governing private digital means of payment cannot be reused, the European Central Bank shall ensure its interoperability to the extent possible by the use of open standards to allow their use by private digital means of payment.** (AM 198 Navarrete Rojas, part of AM 1167 Papandreou et al., part of AM 1169 Berg, AM 1170 Boeselager, AM 1171 Gomart, AM 1172 Boyer et al.)

Article 27

Dispute mechanism

1. Without prejudice to ~~any~~ the disputes concerning ~~relating to~~ the lawfulness of the processing of personal data ~~processing, payment service providers shall establish and apply appropriate and effective procedures for handling and resolving complaints from digital euro users. Those procedures shall offer a level of protection that is at least equivalent to that available for comparable payment instruments.~~ (AM 1176 Tridico, AM 1177 Falcone et al.) **Directive (EU) 2020/1828 of the European Parliament and of the Council⁴⁸ shall apply to the representative actions brought against concerning infringements of provisions of this Regulation that harm or may harm the collective interests of consumers.** (AM 199 Navarrete Rojas, AM 1176 Tridico)
2. The European Central Bank and the national central banks ~~may~~ **shall ensure that** ~~make~~ mechanisms ~~are~~ available for payment services providers 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 mechanisms shall be easily accessible and usable for digital euro users** (AM 1181 Papandreou et al., part of LIBE AM 60). **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 ~~not~~ act as ~~the dispute-settlement body for a party in any of the disputes referred to in paragraphs 1 and 2 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 this capacity shall be established by contract between the European Central Bank and all payment service providers distributing the digital euro. To 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.~~ (AM 200 Navarrete Rojas)
- 3a. ~~The European Central Bank~~ **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 directly or indirectly operated by the ECB or the national central banks governing the operation of the digital euro.** (Part of AM 1186 Crosetto et al.) **The provision of front-end services the digital euro user interface by payment service providers in their role in the digital euro distribution as laid down in Article 13 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** ~~European Central Bank for any loss or damage attributable to the ECB-provided digital euro user interface front-end service.~~ (Part of AM 1217 Navarrete Rojas et al.)
- 3b. **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 value**

⁴⁸ **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>).**

online digital euro holdings shall be borne by the user as a result of such disruptions. (Part of AM 1124 Boeselager)

Compromise Amendment K (CA K) - Chapter VII Technical features

If CA K is adopted, the following amendments fall:

- Article 28: 201-209; 1188-1227
- Article 29: 210-213; 1228-1230
- Article 30: 214; 1231-1234; LIBE 61-62
- Article 31: 215-216; 1235-1253; LIBE 63
- Article 32: 217-219; 1254-1264; LIBE 64-66
- Article 33: 220; 1265-1297; LIBE 67

Article 28

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

1. Payment service providers distributing the digital euro shall provide digital euro users with ~~the choice of using the following digital~~ **at least one option of digital euro user interface front-end services, whether made available by the European Central Bank, their own digital euro user interfaces front-end services or digital euro user interfaces front-end services 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**. (AM 1188 Navarrete Rojas et al., part of AM 1191 Pietikäinen, part of AM 1192 Boyer et al., AM 1197 Boyer et al., AM 1202 Boyer et al., AM 1203 Pietikäinen; AM 1215 Falcone et al.)

Designated payment service providers as referred to in Article 14(3) of this Regulation shall provide digital euro users with the user interface made available by the European Central Bank ~~and national central banks~~. They may offer additional digital euro user interfaces.

(a) ~~front end~~ **Digital euro user interfaces ~~Front-end~~ services made available** developed 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 functionalities.**; ~~and~~ (part of AM 1197 Boyer et al., AM 1198 Tridico, AM 1199 Falcone et al.)

(b) ~~front end services developed by the European Central Bank.~~ (AM 203 Navarrete Rojas; AM 1200 Navarrete Rojas et al., AM 1201 Boeselager)

~~Where a payment service provider does not offer a digital euro front-end service, a European Central Bank's service shall be used by such payment service provider.~~ (AM 205 Navarrete Rojas; AM 1207 Pietikäinen, AM 1208 Zijlstra et al., AM 1209 Navarrete Rojas et al., AM 1210 Eroglu, AM 1211 Boyer et al.)

2. ~~Front-end services provided by the European Central bank referred to in paragraph 1, point (b), shall not provide for customer relationships, that shall solely be provided by payment service providers in their role in the digital euro distribution as laid down in Article 13 and under Directive (EU) 2015/2366. The European Central Bank shall not have access to any personal data in relation to the front-end services digital euro user interfaces developed by the European Central Bank and used by the payment services providers.~~ (AM 1216 Boeselager)
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

Compliance with Union sanctions Digital euro services and sanctions adopted by the Union or third countries in accordance with Article 215 TFEU

1. Payment Service Providers ~~executing~~ **offering** digital euro payment transactions shall verify whether any of their digital euro users are listed 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 or amended restrictive measures, **and immediately after the entry into force of any amendment to such targeted financial measures** adopted in accordance with Article 215 TFEU providing for asset freeze or prohibition of making funds or economic resources available, and at least once every calendar day. (AM 1228 Boyer et al.)
 - 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 terrorist financing.* (AM 1229 Boyer et al.)
 - 1 b. *Persons or entities falling within the scope of the “Blocking Statute” in accordance with Council Regulation (EC) No 2271/96 may be offered digital euro services by public authorities under the conditions set up in Article 14(3) of this Regulation. In the event of an undue interruption, restriction or denial of access to digital payments affecting a natural person or legal entity, 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 2271/96, 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 the persons or entities referred to in this paragraph.*
 - 1 c. *Requests for exceptional measures referred to in the previous paragraph shall include evidence that the affected person or entity 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.*
 - 1 d. *Exceptional measures referred to in paragraph 1b shall be strictly limited in scope and duration, shall apply only to the affected natural person or legal entity, and shall not exceed what is necessary to protect EU operators from the effects of the extra-territorial application of sanctions listed in the Annex to Council Regulation (EC) No 2271/96. They may be renewed only where the conditions justifying their adoption persist.*
 - 1 e. *Exceptional measures 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.*

They shall be without prejudice to Union restrictive measures and shall not permit the circumvention of 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 listed persons or entities **subject to targeted financial restrictive measures** (AM 1230 Boyer et al.) 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 national central banks can identify a digital euro user attribute data to an identified or identifiable digital euro user.** (AM 1231 Boyer et al.; AM 1232 Berg, AM 1234 Boeselager; part of LIBE 62)
3. Final settlement of offline digital euro payment transactions shall occur at the moment when the records of 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 or the need for a centralised digital euro settlement infrastructure for final settlement** holdings concerned in the local storage devices of the payer and payee are updated. (AM 214 Navarrete Rojas, AM 559 Navarrete Rojas)

Article 31

Switching of digital euro payment accounts

1. Payment service providers shall, **either at the user's request or enable digital euro users at their request to with the user's their consent,** switch their **the provision of** digital euro payment services accounts to other payment service providers **without undue delay.** while maintaining the same account identifiers **When switching is carried out in accordance with this Article, the digital euro payment account number shall be maintained.** (AM 1236 Saudergas et al.)
 - 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.** (AM 1238 Saudergas et al.)
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 for a prolonged period of time, or has lost the digital euro payment account-related data concerned, the European Central Bank **and or the relevant national central bank banks** 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 data access by the European Central Bank and national central banks besides the ones they already have access to.** (AM 1243 Boeselager, AM 1244 Berg)

Article 32

General fraud detection and prevention mechanism

1. ~~Before the issuance of the digital euro, the~~ The European Central Bank shall ensure ~~establish~~ may facilitate the fraud detection and prevention tasks that payment service providers shall may perform under Directive (EU) 2015/2366 by establishing **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 Payment Services Regulation and** to ensure the smooth and efficient functioning of the digital euro ecosystem, ~~while at the same time provide~~ **providing necessary safeguards to make the processing compliant with the principles of necessity and proportionality and in respect to of appropriate storage limitation.** (AM LIBE 64). 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. (AM 217 Navarrete Rojas, AM 1254 Boeselager)
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 (AM 1255 Boeselager, AM LIBE 65).
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;** (AM 1256 Boeselager)
 - (b) support payment service providers **in securing payment information and** in detecting fraudulent transactions in online digital euro payment transactions that have been settled (AM 1257 Boeselager).
 - (b a) **offer an information sharing arrangement in line with Articles 83(3) and 83(4) of Regulation [PSR];** (AM 1259 Ferber)
 - (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;** (AM 1258 Boeselager)
 - (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.** (AM 1260 Boeselager)
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 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 service **services** shall not be able to ~~directly or indirectly~~ identify the digital euro users on the basis of the information provided to the fraud detection and prevention mechanism. (AM 218 Navarrete Rojas, AM 1261 Boeselager, part of AM 1264 Doherty)
 - 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.** (AM 219 Navarrete Rojas)
 - 4 b. **When implementing the technical and organisational measures referred to in paragraphs 4 and 4a, 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.** (AM LIBE 66)
 - 4 bc. **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 digital euro in fraudulent or illicit transactions, as well as the effectiveness of safeguards and mitigation measures applied.** (AM 1262 Doherty)

Fair, reasonable and non-discriminatory access to mobile devices

1. Without prejudice to Article 6 paragraph (7) of Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828, original equipment manufacturers of mobile devices and providers of electronic communications services *as defined in* within the meaning of Article 2(1) of Directive (EU) 2018/1972⁴⁹ of the European Parliament and of the Council shall allow *ensure that* providers of *the digital euro user interface* front-end services and providers of European Digital Identity Wallets, *as well as third-party technical service providers acting on their behalf, are able to interoperate effectively with, and obtain* effective interoperability with, and access for the purposes of 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* features necessary for storing and transferring data to process online or offline digital euro *payment* transactions, on fair, reasonable and non-discriminatory terms. (AM 220 Navarrete Rojas, AM 1266 Tridico, AM 1268 Falcone et al., AM 1269 Papandreou et al., AM 1271 Pietikäinen, AM 1272 Boeselager, AM 1273 Boyer et al.)
2. *As part of the detailed measures, rules and standards* Original equipment manufacturers of mobile devices and providers of electronic communication services referred to in *Article 5(2) and 23a, the European Central Bank, paragraph 1* shall not be prevented from taking strictly necessary and proportionate measures to ensure that *adopt the reference standards, technical specifications and procedures within six months after the authorisation of the issue of the digital euro referred to in Article 4(1)* interoperability does not compromise the integrity of the *this Regulation* hardware and software features concerned by the interoperability obligation provided that such measures are duly justified. (Part of AM 1277 Boeselager, part of AM 1278 Papandreou et al., part of AM 1279 Hadjipantela, part of AM 1280 Boyer et al., part of AM 1281 Falcone et al.)
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.
- 3a. *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 paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39. The Commission shall adopt implementing acts within six months after the authorisation of the issue of the digital euro referred to in Article 4(1).* (AM 1283 Boeselager AM1284 Hadjipantela, AM 1285 Boyer et al., AM1286 Papandreou et al., AM 1287 Falcone et al.)
- 3b. *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.* (AM 1283 Boeselager, AM1288 Falcone et al., AM 1289 Boyer et al., AM 1290 Hadjipantela, AM 1292 Papandreou et al.)

Compromise Amendment L (CA L) - Chapter VIII Privacy and data protection - Chapter IX anti-money laundering

⁴⁹ 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.

If CA L is adopted, the following amendments fall:

- Article 34: 221-228; 1298-1326; LIBE 68-74
- Article 35: 229-239; 1327-1335; LIBE 75-82
- Article 36: 240-245; 1336-1344; LIBE 83-86
- Article 37: 246-253; 1345-1386; LIBE 87-91

Article 34

Processing personal data (AM 221 Navarrete Rojas) by payment service providers

1. Payment service providers **comply with a legal obligation under Article 6(1)(c) GDPR** ~~perform a task in the public interest~~ where they process personal data **that is strictly necessary** for the following purposes (AM 1298 Boeselager, AM 1299 Berg, part of AM 1300 Papandreou et al., AM 1301 Ferber, AM 1312 Boyer et al., AM LIBE 68):
 - (a) the enforcement of limits, including the verification of whether prospective or existing digital euro users have ~~a local storage device or~~ digital euro accounts with another **PSP payment service provider**, as referred to in Article 16; (AM 222 Navarrete Rojas)
 - (b) funding and defunding as referred to in Article 13 (2a) ~~and to~~ (AM 223 Navarrete Rojas) (32b), and digital euro payment transactions as referred to in Article 13(4);
 - (c) the provision of offline digital euro, ~~including the registration and de-registration of the local storage devices as referred to in letter (b)~~ **point (ga)** of Annex II I; (AM 224 Navarrete Rojas)
 - (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** (AM 1309 Doherty) **and no further processing of personal data shall be allowed.** (AM 1310 Boeselager)

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.** (Part of AM LIBE 71)
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~~ III (AM 226 Navarrete Rojas).

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** (AM 1320 Doherty) 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 **or link them to specific transactions** (AM 228 Navarrete Rojas, AM 1317 Berg, AM 1318 Ferber, AM 1322 Schirdewan et al., AM LIBE 73) **and to ensure that data about digital euro users is never unlawfully transferred to third country authorities or entities.** (AM 1321 Gotink) **These measures shall be subject to regular review and updating to ensure that privacy preservation remains at the most advanced and comprehensive level.** (AM 1320 Doherty)

- 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 Regulation 2016/679. Compliance of such processing with Regulation (EU) 2016/679 shall be demonstrated.* (AM 1319 Boeselager)
- 4 b. *The purposes of processing of personal data shall be limited to legal obligations under this Regulation and there shall not be further processing of personal data for other purposes and no data sharing with third parties.* (AM 1324 Papandreou et al.)
- 4 c. *This Article is without prejudice to additional digital euro payment services developed and provided by payment service providers on top of basic digital euro payment services, for which Article 6(1)(a) or (b) of Regulation (EU) 2016/679 would apply, considering that these services are subject to Directive (EU) 2015/2366.* (AM 1323 Boeselager, AM LIBE 74)
- 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, both biometric and non-biometric upon clients' request, authentication and identification by non-biometric methods.* (Part of AM 1325 Berg, part of AM 1326 Boeselager)

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 fully comply with Article 6(1)(e) GDPR and with Article 5(1)(a) of Regulation (EU) 2018/1725* perform a task in the public interest or exercise official authority where they process personal data *that is strictly necessary* for the following purposes: (Part of AM 1327 Zijlstra et al., AM LIBE 75)
- (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 front-end services;* (AM 230 Navarrete Rojas)
- (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 ; (AM 231 Navarrete Rojas)
- (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)~~ ~~34(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 digital euro settlement infrastructure infrastructures shall be designed in such a way that neither so that no personal data of natural persons is accessible to the ECB, or national central banks, or intermediaries, except for the purposes of the previous paragraph. the European Central Bank nor the national central banks can identify a digital euro user.* (Part of AM 1327 Zijlstra et al.)
2. For the purposes referred to in paragraph 1, Annex ~~IV~~ ~~IV~~ lays down the types of personal data, *that may be processed.* (AM 234 Navarrete Rojas, AM LIBE 77)
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~~ ~~IV~~, *while maintaining a complete and closed list of personal data to be processed for the stated purpose.* (AM 235 Navarrete Rojas, AM LIBE 78)
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 directly identify individual digital euro users *or link them to specific transactions*. (AM 236 Navarrete Rojas, AM 1331 Boeselager, AM 1332 Schirdewan et al.) **Privacy protection shall be of paramount importance at all times. These aforementioned measures shall be subject to regular review and updating to ensure that privacy preservation remains at the most advanced and comprehensive level.** (AM 1330 Doherty) **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.** (AM LIBE 79)

5. The European Central Bank shall be considered the controller of personal data ~~under~~ (AM 237 Navarrete Rojas, AM LIBE 80) 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 ~~§ VII~~ (AM 238 Navarrete Rojas) subject to the requirements referred to in paragraph 4 of this Article.
8. For purpose of supporting the task of payment service providers to enforce the ~~holding~~ limits in accordance ~~to~~ **with** Article ~~16(1)~~ **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 ~~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. (AM 239 Navarrete Rojas) **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.** (AM 1334 Boeselager, AM LIBE 82) **These measures shall be subject to regular review and updating to ensure that privacy preservation remains at the most advanced and comprehensive level.** (AM 1335 Doherty)

Article 36

Processing personal data (AM 240 Navarrete Rojas) 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 PSPs **payment service providers** (AM 241 Navarrete Rojas). In such a situation, ~~payment service providers~~ **providers of support services shall solely process personal data where they** perform a task in the public interest **pursuant to Article 6(1)(e) of Regulation (EU) 2016/679, which are limited to,** ~~where they process personal data for the following purposes~~ (AM 1336 Berg, AM LIBE 83):
 - (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 ~~VII~~ (AM 242 Navarrete Rojas) 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 supports services, via delegated acts in accordance with paragraph 3.** (AM LIBE 84)
 - 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 to define the types of personal data. Those types of data shall be lay down in Annex V (AM 1337 Berg)

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 ~~VII~~, *while maintaining a complete and closed list of personal data to be processed for the stated purpose.* (AM 243 Navarrete Rojas, AM LIBE 85)
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* (AM 1338 Doherty) privacy-preserving measures are implemented to ensure that the providers of support services cannot ~~directly~~ (AM 244 Navarrete Rojas, AM 1339 Schirdewan et al., AM 1340 Doherty) identify individual digital euro users *or link them to specific transactions.* (AM 244 Navarrete Rojas) *These measures shall be subject to regular review and updating to ensure that privacy preservation remains at the most advanced and comprehensive level.* (AM 1338 Doherty)
- 4 a. *Providers of support services designated under this Article shall be subject to the Directive (EU) 2022/2556 and Regulation (EU) 2022/2554 on digital operational resilience for the financial sector.* (AM 1341 Berg)
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 PSPs *payment service providers* (AM 245 Navarrete Rojas) and auditing of the service performance level without processing any personal data.

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. ~~and to online digital euro payment transactions at the point of sale that are below the individual transaction limit referred to in paragraph 5.~~ (Part of AM 1351 Ferber; AM 1353 Schirdewan et al.)
2. Transaction data *relating to offline digital euro transactions and online transactions that fall below the threshold referred to in paragraph 5* (part of AM 1354 Boeselager, AM 1355 Ferber) shall not be retained by payment service providers, *providers of support services* (AM LIBE 87) or by the ~~European central banks~~ *European Central Bank* and the national central banks, (AM 246 Navarrete Rojas, AM 1355 Ferber) *and shall not be stored on the local storage device unless upon request of the digital euro user.* (part of AM 1354 Boeselager).
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(31 44) of Regulation ~~2024/1624~~[please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final]. (AM 247 Navarrete Rojas)
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 or non-digital-euro* accounts numbers used for funding and defunding. (AM 249 Navarrete Rojas)
5. The Commission is empowered to adopt ~~implementing~~ *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.* Those ~~implementing~~ *delegated* acts shall be adopted in accordance with the ~~examination procedure referred to in Article 38 39.~~

The applicable holding limit shall be the lower of:

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

(AM 251 Navarrete Rojas, part of AM LIBE 88)

5 a. *No later than six months after the 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;*
- (c) ~~*risk-mitigating conditions under which simplified due diligence or exemption from simplified due diligence obligations may be applied with respect to the offline payment instrument.*~~

(part of AM 1364 Boeselager)

6. Transaction and holding limits shall take into account the need to prevent money laundering and terrorist financing while not unduly restricting the use of the offline digital euro as a means of payment. The Commission, when drawing up the implementing *delegated* (AM 251 Navarrete Rojas, AM LIBE 89) acts referred to in paragraph 5, shall take into account *the AMLA recommendation and* (AM 1368 Boeselager) in particular the following:

- (a) an assessment of the money laundering and terrorist financing threats, vulnerabilities and risks of the *offline* digital euro *functionality* when funding and defunding their payment instrument *and its risk profile when used for transactions*; (AM 252 Navarrete Rojas)
- (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;
- (c a) *the objective of introducing a payment instrument offering a similar level of privacy to banknotes and coins.* (AM 1380 Boeselager, AM LIBE 90, part of AM 1367 Laykova et al.)

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.

Compromise Amendment M (CA M) - Chapter X Final Provisions

If CA M is adopted, the following amendments fall:

- Article 38: 254-257; 1387-1399; LIBE 92-94
- Article 39: 258
- Article 40: 259-269; 1400-1429
- Article 41: 270-271; 1430-1435
- Article 42: 1436

Exercise of delegation—Delegated acts (AM 254 Navarrete Rojas)

1. The power to adopt delegated acts is conferred on the ~~Commission~~ **Commission** subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in ~~Articles 11, 14, 16a, 33, 34, and 35, 36 and 37~~ shall be conferred on the Commission for an ~~indefinite~~ period of **time 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 not 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.*** (AM 255 Navarrete Rojas)
3. The power to adopt the delegated acts referred to in ~~Articles 11, 14, 16a, 33, 34, and 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 11, 14, 16a, 33, 34, and 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 ~~one~~ **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 ~~two~~ **three** months at the initiative of the European Parliament or of the Council. (AM 257 Navarrete Rojas)

Article 39

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 40

Reports

1. The accountability arrangements of Article 15~~(1)~~ and ~~(3)~~ of the Statute of the ESCB and of the European Central Bank shall apply to the issuance and use of the digital euro.

For that purpose, the European Central Bank shall report on the digital euro development and its **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: (AM 259 Navarrete Rojas)

(-a) the effects of the introduction of the digital euro on the innovation, technological development and competition in of the progress made in the Union's payments landscape market, including an analysis on the progress made towards the creation of a pan-European retail payment solution instrument; (AM 260 Navarrete Rojas)

~~(a) the level of fees or charges to be paid by merchants to payment service providers, or paid between payment service providers;~~ (AM 1401 Falcone et al.)

- (aa) *the costs incurred by the European Central Bank and the national central banks for the establishment and, the operation, and the management of the digital euro payment system infrastructure, including the operation of the settlement infrastructure;* (AM 1402 Zijlstra)
 - (b) ~~the interoperability of the digital euro with other currencies in Member States whose currency is not the euro and in third countries;~~ (AM 1403 Falcone et al.)
 - (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;* (AM 261 Navarrete Rojas)
 - (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 ~~improvement of the~~ Rulebook to improve the functioning of the digital euro.* (AM 262 Navarrete Rojas)
 - (dc) *the development of existing and emergence of new technologies which might be of relevance for the digital euro infrastructure.* (AM 1407 Papandreou et al.)
 - (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;* (AM 1408 Boeselager)
- 1a. *In addition to the reporting pursuant to the previous paragraph, the European Central bank shall publish the following reports mentioned in this Regulation:*
- (a) *the report summarising the results of the pilot testing with the elements 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 digital euro as a store of value, pursuant to Article 16 (2);*
 - (c) *the report assessing the use of digital euro in fraudulent or illicit transactions, as well as the effectiveness of safeguards and mitigation measures applied, pursuant to Article 32 (4b);*
2. ~~Before the planned issuance of the digital euro and ahead of the implementation of any changes of the parameters and use of the instruments referred to in Article 16 or at least every three years after the issuance of the digital euro, the European Central Bank shall provide to the European Parliament, the Council and the Commission:~~
- (a) ~~information on the instruments to limit the use of the digital euro as referred to in Article 16 and the parameters that the European Central Bank plans to adopt in view of the prevailing financial and monetary environment;~~
 - (b) ~~an analysis on how the instruments and the parameters referred to in point (a) are expected to meet the objective of safeguarding financial stability.~~
- (AM 263 Navarrete Rojas, AM 1410 Falcone et al., AM 1413 Falcone et al.)
3. One year after the first issuance of the digital euro and every three years thereafter, the Commission shall submit to the European Parliament and to the Council a report analysing the impact of the parameters and the use of instruments *limits* referred to in Article 16 on:
- (-a) *the financial stability;* (AM 265 Navarrete Rojas)
 - (a) the role of financial intermediaries in the financing of the economy;
 - (b) liquidity requirements laid down in *Regulation (EU) 575/2013* of the European Parliament and the Council; (AM 266 Navarrete Rojas)
 - (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, in specific, an analysis on the following:*
- (a) whether there is a sufficient and effective access to and acceptance of the digital euro in the euro area (AM 270 Navarrete Rojas) and on the evolution of the business model of credit institutions; (AM 1433 Boyer et al.)*
 - (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 its 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. (part of AM 1430 Ferber, part of 1431 Navarrete Rojas et al.)

- 3aa. *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.*

- 3ab. *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).*

- ~~3 b. *By three years from the first issuance of the digital euro, the Commission shall submit to the European Parliament and to the Council a report on whether there is a sufficient and effective access to and acceptance of the digital euro in the euro area (AM 270 Navarrete Rojas) and on the evolution of the business model of credit institutions. (AM 1433 Boyer et al.)*~~

- ~~3c. *By three years from the first issuance of the digital euro, the Commission shall submit a report on the effective use of the digital euro to the European Parliament and to the Council. (AM 271 Navarrete Rojas)*~~

- 3d. *By [X] 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 to take place when the two local storage devices of the payer and the payee are not in proximity. The report shall assess, in particular:*

- (a) The technical feasibility of such solution;*
- (b) The adequate and satisfactory AML/CFT safeguards to mitigate the increased risks associated with such solution.*

The European Central Bank shall provide to the Commission all the required technical support related with point (a) above.

The Authority for Anti-Money Laundering and Countering the Financing of Terrorism shall provide to the Commission all the required technical support related with point (b) above.

- 3e. *By [X] 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 to apply a special AML regime in-line with Article 37 of this Regulation 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 profiles of this type of transactions., in proportion to adequate risk mitigation and improved accessibility of the digital euro.*

The Authority for Anti-Money Laundering and Countering the Financing of Terrorism shall provide to the Commission all the required technical support related with the previous 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*; (AM 267 Navarrete Rojas)
- (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 ~~Articles~~ *Article* 14(2) and ~~14(3)~~; (AM 268 Navarrete Rojas)
- (e) the proportion of applications that have been refused by payment service providers referred to in ~~Articles~~ *Article* 14(2) and ~~14(3)~~. (AM 269 Navarrete Rojas)

Article 41

Review

- ~~1. By one year from the first issuance of the digital euro, and every three years thereafter, the Commission shall present to the European Parliament and to the Council a report on the application of this Regulation. When preparing its report, the Commission shall take into account the reports by European Central Bank referred in Article 40 and any opinion and views expressed by the European Central Bank.~~
2. By one year from the date of application of this Regulation, the Commission shall present to the European Parliament and to the Council a report on the developments of retail central bank digital currencies in Member States whose currency is not the euro and the impact of this Regulation on the internal market, accompanied where appropriate by proposals for amending legislative acts governing the use of retail central bank digital currencies across the Union.
- ~~3. By 3 years from the first issuance of the digital euro, the Commission shall present to the European Parliament and to the Council a report on whether there is a sufficient and effective access to and acceptance of the digital euro in the euro area.~~
4. *The report reports mentioned in Article 40(3d) and 40(3e) shall, where appropriate, be accompanied by a proposal for amending 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.

Compromise Amendment E (CA E) - Annexes on payment services

If CA E is adopted, the following amendments fall:

- Annex I: 272, 1437-1452
- Annex Ia: 273
- Annex II: 274, 1453-1498, LIBE 95-98
- Annex IIa: 275, 1499-1502

- Annex Va: AM 1524
- Annex Vb: AM 1525

ANNEX I

Digital euro payment services

Digital euro payment services consist ~~of~~ ~~in~~:

- (a) enabling digital euro users to access and use the digital euro, without prejudice to possible limitations set out in ~~by the Commission~~ ~~European Central Bank~~ in accordance with 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' ~~online~~ digital euro payment accounts;
- (d) ~~conducting~~ ~~enabling~~ funding and defunding ~~functionalities~~ ~~operations~~ in accordance with Article 13; and
- (e) providing additional ~~value-added~~ digital euro payment services on top of basic digital euro ~~payment~~ services pursuant to Annex II.

(Part of AM 273 Navarrete Rojas; AM 1444 Crosetto et al.)

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 of a~~ ~~online~~ digital euro payment account; (Part of AM 1454 Boyer et al., part of AM 1456 Falcone et al., part of AM 1457 Pietikäinen)
- (aa) **providing front-end services through an ECB interface**; (Part of AM 275 Navarrete Rojas)
- (ab) **regularly updating the ECB's software for local storage offline digital euro devices**; (Part of AM 275 Navarrete Rojas)
- (ac) **switching of payment service provider that provides digital euro payment services in accordance with Article 31(1)**; (AM 1455 Berg, AM 1458 Boeselager, AM 1459 Boyer, AM 1460 Pietikäinen, AM 1464 Papandreou et al., AM 1465 Falcone et al., LIBE AM 96)
- (b) **possibility to consult** ~~consulting~~ balances and ~~online~~ transactions **records** (part of AM 1454 Boyer et al., part of AM 1456 Falcone et al., part of AM 1457 Pietikäinen),
- (c) **providing functionality to manually fund and defund** ~~manual~~ ~~non-automated funding and defunding~~ from ~~or into~~ a non-digital euro payment account; (part of AM 274 Navarrete Rojas, part of AM 275 Navarrete Rojas, part of AM 1466 Boyer et al., part of AM 1467 Falcone et al., part of AM 1468 Pietikäinen, AM 1469 Boeselager; Part of LIBE AM 97)
- (cb) **manual funding and defunding providing functionality to manually fund and defund from or to an offline digital euro a local storage device into a ~~an~~ online digital euro payment**

~~account and from an online digital euro payment account into an offline digital euro device;~~ (part of AM 274 Navarrete Rojas, part of AM 275 Navarrete Rojas)

- (cba) ~~automated funding and defunding of 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) ~~automated funding and defunding of online providing functionality to automatically defund digital euro payment accounts, including funding and defunding operations 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 a different the same payment service providers provider;~~ (Part of AM 275 Navarrete Rojas, part of AM 1466 Boyer et al., part of AM 1467 Falcone et al., part of AM 1468 Pietikäinen, part of AM 1469 Boeselager)
- (d) ~~manual funding and defunding from/into cash from or to euro banknotes and coins if the distributing payment service providers provides such services for non-digital euro payment accounts;~~ (part of AM 275 Navarrete Rojas, part of AM 1471 Boyer et al., part of AM 1472 Boeselager)
- (e) ~~providing the possibility to initiate or receive initiation and reception of offline~~ (part of AM 1477 Papandreou et al.) ~~digital euro payment transactions including standing orders and pre-authorisation services for digital euro payment transactions by means of an electronic payment instrument, to the exclusion of conditional digital euro payment transactions other than standing orders,~~ (part of AM 274 Navarrete Rojas) ~~in the following use cases:~~
- ~~person-to-person people digital euro payment transactions;~~
- ~~point-of-interaction digital euro payment transactions, including point-of-sale and e-commerce;~~
- ~~government-to-person and person-to-government digital euro payment transactions.~~
- (Part of AM 274 Navarrete Rojas, Part of AM 275 Navarrete Rojas, AM 1482 Pietikäinen, AM 1483 Boyer et al.)
- (ea) ~~initiation and reception of online~~ (Part of AM 1477 Papandreou et al.) ~~digital euro payment transactions, to the exclusion of conditional digital euro payment transactions other than standing orders, in the following use cases:~~
- ~~— person-to-person digital euro payment transactions;~~
- ~~— point-of-interaction digital euro payment transactions, including point-of-sale and e-commerce;~~
- (Part of AM 275 Navarrete Rojas)
- (f) ~~digital euro payment transactions referred to in Article 13(4) and;~~
- (g) ~~providing, upon request of the user, provision of at least one electronic payment instrument, such as a payment card, for the execution of both online and offline digital euro payment transactions such as referred to in letters (e) and (ea), of which should allow for the initiation and reception of both online and offline digital euro payment transactions;~~ (part of AM 275 Navarrete Rojas, AM 1485 Boyer et al., AM 1486 Falcone et al.; Part of AM 1497 Boeselager)
- (ga) ~~providing, maintaining and life-cycle managing one local storage offline digital euro 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; (AM 274 Navarrete Rojas)

- (gb) providing dispute settlement services on technical and fraud-related disputes as referred to in Articles XX5(3) and 27.* (part of AM 1488 Papandreou et al., AM 1489 Boyer et al., AM 1490 Boeselager, AM 1491 Falcone et al., AM 1492 Pietikäinen)
- (gc) providing pre-dispute settlement services as referred to in Article XX 2(31a);* (part of AM 1488 Papandreou et al., AM 1493 Boyer et al., AM 1494 Falcone et al., AM 1495 Pietikäinen)
- (gd) providing inclusiveness support in accordance with Articles 14 and 22; and* (AM 1496 Papandreou et al., AM 1498 Berg)
- ~~*(ge) providing, upon request of the user, a payment card;*~~ (AM 1497 Boeselager)

ANNEX IIa

Mandatory digital euro acquiring services

Mandatory digital euro acquiring services shall consist of:

- (a) opening, holding, managing and closing of digital euro payment accounts, including consulting balances and transactions;*
- 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 initiating refund transactions;*
- (e) providing pre-dispute settlement services as referred to in Article XX;*
- (f) providing dispute settlement services on technical and fraud-related disputes as referred to in Article XX.*

(Part of AM 1499 Boyer et al., AM 1500 Tridico, AM 1501 Pietikäinen, AM 1502 Falcone et al.)

Compromise Amendment N (CA N) - Annexes III, IV, V Privacy and data protection

If CA N is adopted, the following amendments fall:

- Annex III: AM 276-278; AM 1503-1510; AM LIBE 99-107
- Annex IV: AM 279-280; AM 1511-1517; AM LIBE 108-114
- Annex V: 281; AM 1518-1525; AM LIBE 115-118

ANNEX III

Personal data processed by ~~PSPs~~ *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~~ ~~an~~ 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 ~~34(8)~~**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.

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