Digital Euro, COM(2023)369

Modified for the 2026 Mid-Atlantic EU Simulation: ECOFIN Council

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The unlabeled (amendable) articles included in this document are:

- Articles 1-4
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HAVE ADOPTED THIS REGULATION:

CHAPTER I
SUBJECT MATTER AND DEFINITIONS

Article 1
Subject matter

With a view to adapting the euro to technological changes and to ensuring its use as a single currency, this Regulation establishes the digital euro and lays down rules concerning in particular its legal tender status, distribution, use, and essential technical features.

Article 2
Definitions

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

1. 'digital euro' means the digital form of the single currency available to natural and legal persons;

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 Council[42];

3. 'digital euro payment transaction' means an act, initiated by a payer or on his or her behalf, or by the payee, of placing, transferring or withdrawing digital euro, irrespective of any underlying obligations between the payer and the payee;

4. 'digital euro user' means anyone making use of a digital euro payment service in the capacity of payer, payee, or both;

5. ‘digital euro payment account’ means an account held by one or more digital euro users with a payment service provider to access digital euro recorded in the digital euro settlement infrastructure or in an offline digital euro device and to initiate or receive digital euro payment transactions, whether offline or online, and irrespective of technology and data structure;

6. ‘European Digital Identity Wallets’ means the wallets set out in Article 6a of Regulation (EUDIWR) [please insert reference – proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity – COM(2021) 281 final];

7. ‘payment service provider’ means a payment service provider as defined in Article 4, point (11) of Directive 2015/2366;

8. 'digital euro payment service’ means any of the business activities set out in Annex I;

9. ‘payer’ means anyone who has a digital euro payment account and allows a payment order from that digital euro payment account;

10. ‘payee’ means anyone who is the intended recipient of funds which have been the subject of a digital euro payment transaction;

11. ‘funding’ means the process whereby a digital euro user acquires digital euros, in exchange for either cash or other funds, creating a direct liability of the European Central Bank or a national central bank towards that digital euro user;

12. ‘defunding’ means the process whereby a digital euro user exchanges digital euro with 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, where authorisation and settlement take place in the local storage devices of both payer and payee;

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 Council[43];

17. ‘conditional digital euro payment transaction’ means a digital euro payment transaction which is instructed automatically upon fulfilment of pre-defined conditions agreed by the payer and by the payee;

18. ‘programmable money’ means units of digital money with an intrinsic logic that limits each unit’s full fungibility;

19. the ‘digital euro settlement infrastructure’ means the settlement infrastructure of the digital euro adopted by the Eurosystem;

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;

21. ‘third country’ means a country that is not a member of the European Union;

22. ‘visitor’ means a natural person who does not have its domicile or residence in a Member State whose currency is the euro, and who is travelling to and staying in one of those Member States, including for tourism, business or education and training purposes;

23. ‘Member State whose currency is not the euro’ means a Member State in respect of which the Council has not decided that it fulfils the necessary conditions for the adoption of the euro in accordance with Article 140 TFEU;

24. ‘merchant service charge’ means a fee paid by the payee to a payment service provider when acquiring a digital euro payment transaction;

25. ‘comparable digital means of payment’ means digital means payment, including debit card payment and instant payment at the point of interaction but excluding credit transfer and direct debit that are not initiated at the point of interaction;

26. ‘switching’ means, upon a digital euro user’s request, transferring from one payment service provider to another either the information about all or some digital euro payment services, including recurring payments, executed on a digital euro payment account, or the digital euro holdings from one digital euro payment account to the other, or both, with or without closing the former digital euro payment account, while maintaining the same account identifier;

27. ‘user identifier’ means a unique identifier created by a payment service provider distributing the digital euro that unambiguously differentiates, for online digital euro purposes, digital euro users but that is not attributable to an identifiable natural or legal person by the European Central Bank and the national central banks;

28. ‘user alias’ means a unique pseudonymous identifier used to protect user’s identity when processing digital euro payments that can only be attributable to an identifiable natural or legal person by the payment service provider distributing the digital euro or by the digital euro user;

29. ‘user authentication’ means a unique piece of information created by the payment service provider distributing the digital euro that together with the user identifier allows a digital euro user to prove ownership of the online digital euro holdings recorded in the digital euro settlement infrastructure;

30. ‘providers of support services’ means one or more entities, appointed by the European Central Bank, that provide services to all payment service providers distributing the digital euro that are aimed at facilitating the smooth functioning of digital euro payment transactions;

31. ‘mobile device’ means a device that enables digital euro users to authorise digital euro payment transactions online or offline including in particular smart phones, tablets, smart watches and wearables of all kind.

42 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).

43 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).

CHAPTER II
ESTABLISHMENT AND ISSUANCE OF THE DIGITAL EURO

Article 3
Establishment of the digital euro

The digital euro is hereby established as the digital form of the single currency.

Article 4
Issuance of the digital euro

1. In accordance with the Treaties, the European Central Bank shall have the exclusive right to authorise the issue of the digital euro, and the European Central Bank and the national central banks may issue the digital euro.

2. The digital euro shall be a direct liability of the European Central Bank or of national central banks towards digital euro users.

Only to be debated if time is remaining.

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, 33, 34, 35 and 38, and by the implementing acts that the Commission is empowered to adopt pursuant to Article 37.

2. Within the framework of this Regulation, the digital euro shall also be governed by the detailed measures, rules and standards that may be adopted by the European Central Bank pursuant to its own competences. Where these detailed measures, rules and standards have an impact on the protection of individuals' rights and freedom with regard to the processing of personal data, the European Central Bank shall consult the European Data Protection Supervisor prior to their adoption.

3. In accordance with Article 4(25) of Directive (EU) 2015/2366 of the European Parliament and of the Council, of 25 November 2015, on payment services in the internal market, as replaced by Directive (EU) [please insert reference – proposal for a Directive on payment services and electronic money services in the internal market - COM/2023/366 final] and Regulation (EU) [please insert reference – proposal for a Regulation on payment services in the internal market - COM/2023/367 final] of the European Parliament and of the Council, of XX/XX/2023, the provisions of that Directive shall apply to digital euro payment transactions.

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.

5. Without prejudice to Articles 37 of this Regulation, Directive (EU) 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 Regulation (EU) 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.

Only to be debated if time is remaining.

Article 6
Competent authorities

1. The Member States shall designate one or more competent authorities to ensure compliance with Chapter III and Article 17 in their territory. They shall inform the Commission thereof, indicating any division of functions and duties.

   The Member States shall lay down the rules on penalties applicable to infringements of Chapter III and Article 17 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.

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.

3. Directive (EU) 2015/849 as replaced by Directive (EU) [please insert reference – proposal for Anti-Money Laundering Directive - COM/2021/423 final] shall govern the supervision by competent authorities, the sanctions 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 Regulation (EU) No [x] on the establishment of the digital euro.

4. For the purposes of supervising compliance with Chapters IV, V and VII of this Regulation, the competent authorities referred to in paragraph 2 shall cooperate with the European Central Bank.

5. Member States shall ensure that adequate measures are in place to raise awareness among the public about the availability and features of the digital euro and possibilities of access to the digital euro.

CHAPTER III
LEGAL TENDER

Article 7
Legal tender status

1. The digital euro shall have legal tender status.

2. The legal tender status of the digital euro shall entail its mandatory acceptance, at full face value, with the power to discharge from a payment obligation.

3. In accordance with the mandatory acceptance of the digital euro, the payee shall not refuse digital euro tendered in payment to comply with that obligation.

4. In accordance with the acceptance at full face value of the digital euro, the monetary value of digital euro tendered in payment of a debt shall be equal to the value of the monetary debt. Surcharges on the payment of debt with the digital euro shall be prohibited.

5. In accordance with the power of the digital euro to discharge from a payment obligation, a payer shall be able to discharge himself from a payment obligation by tendering digital euro to the payee.

Article 8
Territorial scope of legal tender status

1. The digital euro shall have legal tender status for offline payments of a monetary debt denominated in euro that take place within the euro area.

2. The digital euro shall have legal tender status for online 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 an enterprise which employs fewer than 10 persons or whose annual turnover or annual balance sheet total does not exceed EUR 2 million, or is a non-profit legal entity as defined in in Article 2, point (18), of Regulation (EU) 2021/695 of the European Parliament and of the Council[44], unless it accepts comparable digital means of payment;

(b) where a refusal is made in good faith and where such refusal is based on legitimate and temporary grounds in line with the principle of proportionality in view of concrete circumstances beyond the control of the payee;

(c) where the payee is a natural person acting in the course of a purely personal or household activity;

(d) where, prior to the payment, the payee has agreed with the payer on a different means of payment, subject to Article 10.

For the purposes of point (b), the burden of proof to establish that legitimate and temporary grounds existed in a particular case and that the refusal was proportionate shall be on the payee.

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

Article 10
Prohibition of the unilateral exclusion of payments in the digital euro

Payees subject to the obligation to accept the digital euro shall not use contractual terms that have not been individually negotiated or commercial practices which have the object or the effect to exclude the use of the digital euro by the payers of monetary debts denominated in euro. Such contractual terms or commercial practices shall not be binding on the payer. A contractual term shall be regarded as not individually negotiated where it has been drafted in advance and where the payer has therefore not been able to influence the substance of the term, particularly in the context of a pre-formulated standard contract.

Only to be debated if time is remaining.

Article 11
Additional exceptions of a monetary law nature

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

Article 12
Interaction between the digital euro and euro banknotes and coins

1. The digital euro shall be convertible with euro banknotes and coins at par.

2. Payees of a monetary debt denominated in euro shall accept payments in digital euro according to the provisions of this Regulation, irrespective of whether they accept payments in euro banknotes and coins in accordance with Regulation (EU) [please insert reference – proposal on the legal tender status of euro banknotes and coins – COM

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

CHAPTER IV
DISTRIBUTION

Article 13
Payment service providers

1. Within the framework of Directive 2015/2366, payment service providers may provide the digital euro payment services set out in Annex I to:

   (a) natural and legal persons residing or established in the Member States whose currency is the euro;

   (b) natural and legal persons who opened a digital euro account at the time they resided or were established in the Member States whose currency is the euro, but no longer reside or are established in such Member States;

   (c) visitors;

   (d) natural and legal persons residing or established in Member States whose currency is not the euro, subject to the conditions laid down in Article 18;

   (e) natural and legal persons residing or established in third countries, including territories under a monetary agreement with the Union, subject to the conditions laid down in Articles 19 and 20.

   The European Central Bank may restrict the access to and use in time of the digital euro for the digital euro users referred to in points (b) and (c) subject to the conditions laid down in Article 16 (2). Those timeframes shall be determined in relation to the residence or visiting status of the digital euro users.

   For the purpose of point (a), residents shall include both Union citizens and third country nationals who benefit from residence rights pursuant to Union law or national law.

2. Payment service providers that provide servicing payment services within the meaning of Directive 2015/2366 shall enable digital euro users to manually or automatically fund or defund their digital euro payment accounts from or to non- digital euro payment accounts, 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 Article 16 of this Regulation.

3. Payment service providers shall make available funding and defunding functionalities 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;

(b) when a payment service provider provides cash services where funding and defunding take place through euro banknotes and coins.

4. Payment service providers providing account servicing payment services within the meaning of Directive 2015/2366 shall enable digital euro users:

(a) to have their digital euros in excess of any limitations the European Central Bank may adopt in accordance with Article 16 automatically defunded to a non-digital euro payment account, where an online digital euro payment transaction is received;

(b) to make an online digital euro payment transaction where the transaction amount exceeds their digital euro holdings.

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

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

6. For the purpose of digital euro payment services, digital euro users shall only enter into a contractual relationship with PSPs. Digital euro users shall not have any contractual relationship with the European Central Bank or the national central banks.

7. Digital euro users may have one or several digital euro payment accounts with the same or different payment service providers.

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

Article 14
Access to the digital euro in Member States whose currency is the euro

1. For the purpose of distributing the digital euro to natural persons referred to in Article 13(1)(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, upon request of their clients, provide those persons with all basic digital euro payment services as referred to in Annex II.

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 the authorities referred to in Article 1, point (f), of the Directive (EU) 2015/2366, or post office giro institutions referred to in Article 1, point (c), of the Directive (EU) 2015/2366 to:

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

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

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

5. The anti-money laundering authority of the Union ('AMLA') established under Regulation (EU) [please insert reference - proposal for a Regulation creating an EU Authority for anti-money laundering and countering the financing of terrorism ('AMLA') - COM/2021/421 final)] and the European Banking Authority shall jointly issue guidelines specifying the interaction between AML/CFT requirements and the provision of basic digital euro payment services with a particular focus on financial inclusion of vulnerable groups including asylum seekers or beneficiaries of international protection, individuals with no fixed address or third country nationals who are not granted a residence permit but whose expulsion is impossible for legal or factual reasons.

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

Article 15
Principles

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

2. With a view to ensuring an effective use of the digital euro as a legal tender means of payment, and to avoiding excessive charges for merchants subject to the obligation to accept the digital euro under Chapter II while providing compensation for the relevant costs incurred by payment services providers for the provision of digital euro payments, 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.

Article 16
Limits to the use of the digital euro as a store of value

1. For the purpose of Article 15(1), the European Central Bank shall develop instruments to limit the use of the digital euro as a store of value and shall decide on their parameters and use, in accordance with the framework set out in this Article. PSPs providing account servicing payment services within the meaning of Directive 2015/2366 to natural and legal persons referred to in Article 12(1) shall apply these limits to digital euro payment accounts.

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

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

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

   (c) respect the principle of proportionality.

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

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

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

6. In case a digital euro user has multiple digital euro payment accounts, the digital euro user shall specify to the payment service providers with which the digital euro payment accounts are held how the individual holding limit is to be allocated between the different digital euro payment accounts.

7. Where a digital euro payment account is held by more than one digital euro user, any holding limit on the related digital euro payment account adopted pursuant to paragraph 1 shall amount to the sum of the individual holding limits allocated to its users.

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

Article 17
Fees on digital euro payment services

1. For the purpose of Article 15(2), without prejudice to any possible fees charged on other digital euro payment services, payment services providers shall not charge fees 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.

2. For the purpose of Article 15(2), any merchant service charge or inter-PSP fee in relation to digital euro payment transactions shall comply with the principle of proportionality. Any merchant service charge or inter-PSP fee shall not exceed the lowest of the following two amounts:

   (a) the relevant costs incurred by payment services providers for the provision of digital euro payments, including a reasonable margin of profit;

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

3. The European Central Bank shall regularly monitor the information that is relevant for the purposes of the amounts referred to in paragraph 2, and publish periodically the amounts resulting from that monitoring with an explanatory report.

4. The European Central Bank may require payment service providers to provide all information necessary for the application of this Article and to verify compliance with it. Any information requested shall be sent by payment service providers within the time limit set by the European Central Bank. The European Central Bank may require that such information is certified by an independent auditor.

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 non-discriminatory manner across the euro area.

6. The merchant service charge shall be the only charge per transaction that payment service providers may apply to merchants. Payment service providers shall not charge merchants for the funding and defunding of the digital euro, including digital euro payment transactions referred to in Article 13(4). Payment service providers shall include costs associated with funding and defunding in the relevant costs referred to in paragraph 2(a).

7. No inter-PSP fee shall apply to the funding and defunding of the digital euro, including digital euro payment transactions referred to in Article 13(4).

CHAPTER VI
DISTRIBUTION OF THE DIGITAL EURO OUTSIDE THE EURO AREA

Only to be debated if time is remaining.

Article 18
Distribution of the digital euro to natural and legal persons residing or established in Member States whose currency is not the euro

1. Payment service providers may only distribute the digital euro to natural and legal persons residing or established in a Member State whose currency is not the euro if the European Central Bank and the national central bank of that Member State have signed an arrangement to that effect.

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

(a) the Member State whose currency is not the euro has notified to the other Member States, 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:

(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 1shall 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(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.

Only to be debated if time is remaining.

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.

3. The agreement between the Union and the third country shall specify the necessary implementing measures and procedures, and the cases under which the agreement may be restricted, suspended, or terminated, in particular where the third country has been identified as a third country with significant strategic deficiencies in its national anti-money laundering and combating the financing of terrorism regime as referred to in Article 23 of Regulation [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final] or as a third country with compliance weaknesses in

its national anti-money laundering and combating the financing of terrorism regime as referred to in Article 24 of Regulation [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final]. That agreement shall be complemented by an arrangement between the European Central Bank and the national central bank and, where appropriate, the national competent authority of the third country.

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(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.

Only to be debated if time is remaining.

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[45] and Council Regulation (EC) No 974/98[46], 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.

45 Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro (OJ L 162, 19.6.1997, p. 1).

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

Only to be debated if time is remaining.

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 between the digital euro and other currencies.

CHAPTER VII
TECHNICAL FEATURES
SECTION 1
DIGITAL EURO FUNCTIONALITIES

Article 22
Accessibility and use

1. The digital euro shall:

(a) have usage and service features that are 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 providers for the provision of digital euro payment services, digital euro users shall not be required to have or open non-digital euro payment accounts or accept other non-digital euro products.

3. Each digital euro payment account shall have a unique digital euro payment account number.

4. Each digital euro payment account may be linked to one or more non-digital euro payment accounts that shall be designated by the digital euro user. For the purpose of Article 13(4), each digital euro payment account may only be linked to one non- digital payment account.

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

Article 23
Offline and online digital euro payment transactions

1. The digital euro shall be available for both online and offline digital euro payment transactions as of the first issuance of the digital euro.

2. The digital euro, held online or offline, shall be convertible at par between each other, at the request of the digital euro users.

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

Article 24
Conditional digital euro payment transactions

1. To ensure that payment service providers and digital euro users can use conditional digital euro payment transactions, the European Central Bank may:

   (a) adopt detailed measures, rules and standards in accordance with Article 5(2) that payment service providers can use to ensure interoperable conditional digital euro payment transactions;

   (b) provide the functionalities in the digital euro settlement infrastructure necessary for the execution of conditional digital euro payment transactions, including for the reservation of funds.

2. The digital euro shall not be programmable money.

SECTION 2
MODALITIES OF DISTRIBUTION

Only to be debated if time is remaining.

Article 25
European Digital Identity Wallets

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

2. On request by digital euro users, payment service providers distributing the digital euro shall ensure that those users can rely on the functionalities of their European Digital Identity Wallets in accordance with Article 6a of Regulation (EU) [please insert reference – proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity – COM(2021) 281 final];

Only to be debated if time is remaining.

Article 26
Interoperability

The European Central Bank shall seek to ensure to the extent possible the interoperability of standards governing digital euro payment services with relevant standards governing private digital means of payment. The European Central Bank shall seek to enable, to the extent possible and where appropriate, private digital means of payment to use rules, standards and processes governing the digital euro payment services.

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

Only to be debated if time is remaining.

Article 27
Dispute mechanism

1. Without prejudice to the disputes concerning the lawfulness of the processing of personal data, disputes shall be governed by Directive 2015/2366. Directive (EU) 2020/1828 shall apply to the representative actions brought against infringements of provisions of this Regulation that harm or may harm the collective interests of consumers.

2. The European Central Bank and the national central banks may make mechanisms available for payment services providers to facilitate the exchange of messages for the resolution of disputes. Those mechanisms may be operated directly by the European Central Bank or by the providers of support services designated by the European Central Bank.

3. The European Central Bank shall not act as a party in any of the disputes referred to in paragraphs 1 and 2.

Article 28
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 front-end services to allow digital euro users to access and use digital euro payment services:

   (a) front-end services developed by payment service providers; and

   (b) front-end services developed by the European Central Bank.

   Where a payment service provider does not offer a digital euro front-end service, a European Central Bank's service shall be used by such payment service provider.

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 2015/2366. The European Central Bank shall not have access to any personal data in relation to the front-end services developed by the European Central Bank and used by the payment services providers.

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.

Only to be debated if time is remaining.

Article 29
Compliance with Union sanctions adopted in accordance with Article 215 TFEU

1. Payment Service Providers executing digital euro payment transactions shall verify whether any of their digital euro users are listed persons or entities. Payment service providers shall carry out such verifications immediately after the entry into force of any new or amended restrictive 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.

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 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.

Only to be debated if time is remaining.

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.

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

Only to be debated if time is remaining.

Article 31
Switching of digital euro payment accounts

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

2. In exceptional circumstances 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 national central banks may authorise 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.

Only to be debated if time is remaining.

Article 32
General fraud detection and prevention mechanism

1. The European Central Bank may facilitate the fraud detection and prevention tasks that payment service providers shall perform under Directive 2015/2366 by establishing a general fraud detection and prevention mechanism for online digital euro transactions to ensure the smooth and efficient functioning of the digital euro. That general fraud detection and prevention mechanism may be operated directly by the European Central Bank or by the providers of support services designated by the European Central Bank.

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

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;

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

4. For the purpose of this Article, payment service providers shall provide the fraud detection and prevention mechanism with information referred to in Annex 5. Payment service providers shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the support service shall not be able to directly identify the digital euro users on the basis of the information provided to the fraud detection and prevention mechanism.

Only to be debated if time is remaining.

Article 33
Fair, reasonable and non-discriminatory access to mobile devices

1. Without prejudice to Article 6 paragraph (7) of Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828, original equipment manufacturers of mobile devices and providers of electronic communication services within the meaning of Article 2 (1) Directive (EU) 2018/1972[47] shall allow providers of front end services and providers of European Digital Identity Wallets effective interoperability with, and access for the purposes of interoperability to, the hardware features and software features necessary for storing and transferring data to process online or offline digital euro transactions, on fair, reasonable and non-discriminatory terms.

2. Original equipment manufacturers of mobile devices and providers of electronic communication services referred to in paragraph 1 shall not be prevented from taking strictly necessary and proportionate measures to ensure that interoperability does not compromise the integrity of the hardware and software features concerned by the interoperability obligation provided that such measures are duly justified.

3. For the purpose of applying fair, reasonable and non-discriminatory terms pursuant to paragraph 1, original equipment manufacturers of mobile devices and providers of electronic communication services referred to in paragraph 1 shall publish general conditions of effective interoperability and access. 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.

47 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.

CHAPTER VIII
PRIVACY AND DATA PROTECTION

Article 34
Processing by payment service providers

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

   (a) the enforcement of limits, including the verification of whether prospective or existing digital euro users have digital euro accounts with another PSP, as referred to in Article 16;

   (b) funding and defunding as referred to in Article 13 (2) and (3), and digital euro payment transactions as referred to in Article 13(4);

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

(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.

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

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

Payment service providers shall be considered to be the controllers of personal data as regards the purposes referred to in paragraph 1 of this Article. Where a digital euro payment account held by one payment service provider is linked with a non- digital euro payment account held by another payment service provider in accordance with Article 13(4), these payment service providers shall be joint controllers.

4. Payment service providers shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that any data communicated to the European Central Bank and the national central banks or to providers of support services do not directly identify individual digital euro users.

Article 35

Processing of personal data by the European Central Bank and the national central banks

1. The European Central Bank and the national central banks perform a task in the public interest or exercise official authority where they process personal data for the following purposes:

(a) provision of access for payment service providers to the digital euro settlement infrastructure and support the exchange of messages between payment service providers;

(b) settlement of online digital euro payment transactions;

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

(d) supporting verification by payment service providers of whether a prospective user already has digital euro payment accounts with other payment service providers in order to prevent the circumvention of limits in accordance with Article 16;

(e) in exceptional circumstances as defined in Article 31 (2), authorising payment service providers in switching digital euro payment accounts held with a payment services provider to another payment service providers designated by the digital euro user.

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

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

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

5. The European Central Bank shall be considered the controller of personal data under as regards to the purposes referred to in paragraphs 1 and 8 of this Article. When the European Central Bank carries out a task referred to in paragraphs 1 and 8 jointly with the national central banks, they shall be joint controllers for that task.

6. This Article is without prejudice to the processing of personal data involved in the performance of the other tasks and powers, including for the supervision of credit institutions and the oversight of payment systems, of the European Central Bank and the national central banks.

7. Where the European Central Bank decides not to confer tasks referred to in Articles 27 and 32 upon providers of support services, the European Central Bank may process the types of personal data referred to in Annex 5 subject to the requirements referred to in paragraph 4 of this Article.

8. For purpose of supporting the task of payment service providers to enforce the holding limits in accordance to Article 16(1) and ensuring the emergency switching upon the request of the user in accordance with Article 31(2), the ECB may alone or jointly with national central banks establish a single access point of digital euro user identifiers and the related digital euro holding limits as referred to in point (4) of Annex 4. The European Central Bank shall implement appropriate technical and organisational measures including state-of-the-art security and privacy-preserving measures to ensure that the identity of individual digital euro users cannot be inferred from the information accessed via the single access point by entities other than payment service providers whose customer or potential customer is the digital euro user.

Article 36
Processing 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. In such a situation, payment service providers perform a task in the public interest, where they process personal data for the following purposes:

   (a) supporting the prevention and detection of fraud across payment service providers in accordance with Article 32;

   (b) supporting the exchange of messages for the resolution of disputes in accordance with Article 27.

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

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.

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

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 and auditing of the service performance level without processing any personal data.

CHAPTER IX
ANTI-MONEY LAUNDERING

Article 37
Anti-money laundering rules applying to offline digital euro payment transactions

1. Payment services providers shall apply paragraphs 2 to 6 to offline digital euro payment transactions.

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

3. Payment service providers shall retain data of funding and defunding for storing digital euros on payment instruments in accordance with Article 40 of Directive (EU) 2015/849 and national provisions transposing that Article. Payment service providers shall, upon request, make those data available to the Financial Intelligence Unit and other competent authorities as referred in Article 2(31) of Regulation [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final].

4. For the purposes of paragraph 3, the funding and defunding data means the following:

(a) the amount funded or defunded;

(b) the identifier of the local storage device for offline digital euro payment;

(c) the date and hour of the funding and defunding transaction;

(d) the accounts numbers used for funding and defunding.

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

6. Transaction and holding limits shall take into account the need to prevent money laundering and terrorist financing while not unduly restricting the use of the offline digital euro as a means of payment. The Commission, when drawing up the implementing acts referred to in paragraph 5, shall take into account in particular the following:

(a) an assessment of the money laundering and terrorist financing threats, vulnerabilities and risks of the digital euro when funding and defunding their payment instrument;

(b) relevant recommendations and reports drawn up by international organisations and standard setters with competence in the field of preventing money laundering and combating terrorist financing;

(c) the objective of ensuring the usability and acceptance of the digital euro as a legal tender instrument.

For the purposes of point (a), the Commission may request AMLA to adopt an opinion assessing the level of money laundering and terrorist financing threats associated with the offline digital euro and its vulnerabilities. The Commission may consult the European Data Protection Board.

CHAPTER X
FINAL PROVISIONS

Only to be debated if time is remaining.

Article 38
Delegated acts

1. The power to adopt delegated acts is conferred on the Commision subject to the conditions laid down in this Article.

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

3. The power to adopt the delegated acts referred to in Articles 11, 33, 34 and 35 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall

put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

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, 33, 34 and 35 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of one month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Only to be debated if time is remaining.

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.

Only to be debated if time is remaining.

Article 40
Reports

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

   For that purpose, the European Central Bank shall report on the digital euro development and its use. The report shall cover the contribution of the European Central Bank in the implementation of the provisions of this Regulation, including on the following elements:

   (a) the level of fees or charges to be paid by merchants to payment service providers, or paid between payment service providers;

   (b) the interoperability of the digital euro with other currencies in Member States whose currency is not the euro and in third countries;

(c) the development of central bank digital currencies other than the digital euro in Member States whose currency is not the euro and in relevant third countries, and the relevance of these developments for the euro area;

(d) market trends in payments and relevance of such trends for innovative use cases.

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.

3. One year after the first issuance of the digital euro and every three years thereafter, the Commission shall submit to the European Parliament and to the Council a report analysing the impact of the parameters and the use of instruments referred to in Article 16 on:

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

(b) liquidity requirements laid down in Regulation 575/2013 of the European Parliament and the Council.

4. Member States shall, one year after the first issuance of the digital euro and every two years thereafter, provide the Commission with information on all of the following:

(a) the penalties applied pursuant to Article 6(1);

(b) the number of digital euro accounts which have been opened;

(c) the number of payment service providers that provide digital euro basic services to natural persons as referred to in Articles 14(2) and 14(3);

(d) the number of digital euro payment accounts that have been opened by payment service providers referred to in Articles 14(2) and 14(3).

the proportion of applications that have been refused by payment service providers referred to in Articles 14(2) and 14(3)

Only to be debated if time is remaining.

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.

Only to be debated if time is remaining.

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.

Done at Brussels,

For the European Parliament For the Council The President The President