

Introduction

These amendments, by Finance Estonia, Finance Latvia, Finance Lithuania, and Finance Sweden should be read in connection with the Joint banking sector position paper on a digital euro.

Key priorities for the signatories:

- Digital euro infrastructure as a service by the Eurosystem
- Phased implementation
- Low holding limits
- Clear allocation of costs, compensation, and responsibilities
- Reuse of existing infrastructure

The key priorities in these amendments are operationalised in legal text that could be amended to the proposed digital euro regulation ([COM\(2023\)0369](#)).

Digital euro infrastructure as a service by the Eurosystem

Amendment 1

New Recital (54b)

(45b) In order to facilitate rapid and broad participation by payment service providers, minimise implementation costs and support a consistent user experience throughout the euro area, digital euro-specific services should, as a general principle, be provided through common Eurosystem infrastructure accessible via standardised interfaces. Considering geopolitical and cyber risks such an approach would strengthen operational resilience and reduce the number of potential points of failure within the digital euro ecosystem.

Amendment 2

New Article 26b

As a general principle, digital euro-specific services shall be provided through common Eurosystem infrastructure accessible to payment service providers via standardised interfaces.

The European Central Bank may require alternative arrangements only where this is necessary to achieve materially higher levels of security, operational resilience, functionality or efficiency.

Phased Introduction of the Digital Euro

Amendment 1

New Recital (30a)

(30a) In order to avoid disproportionate implementation costs, the gradual introduction of digital euro services should, where appropriate, allow payment service providers, merchants and infrastructure operators to align investments with normal replacement and upgrade cycles. Particular consideration should be given to infrastructure with long replacement cycles, including automated teller machines, self-service devices and payment acceptance terminals.

Amendment 2

Article 23(1)

Commission text

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

Proposed amendment

The digital euro shall be available for both online and offline digital euro payment transactions as of the first issuance of the digital euro, unless otherwise determined by the ECB pursuant to Article 24a where necessary to ensure operational resilience, technical reliability, cyber-security or cost-efficient implementation, including the efficient adaptation of payment acceptance infrastructure, automated teller machines and other relevant systems.

Justification

This preserves the Commission's default rule while creating a narrowly tailored derogation where justified by implementation, security or operational considerations.

Amendment 3

Article 24a

In exercising its powers under this Regulation, the ECB shall provide for the phased introduction of digital euro functionalities, technical standards, acceptance requirements and payment channels where this is necessary or appropriate to ensure operational resilience, technical reliability, cyber-security or cost-efficient implementation. Such phased introduction shall include different implementation dates for different functionalities and initial deployment in one or more participating Member States before subsequent deployment throughout the euro area. All functionalities of the digital euro must be provided for within 60 months after the introduction of the digital euro.

Consequential Amendment

Annex II

New introductory sentence

The services listed in this Annex shall be provided without prejudice to implementation timelines established by the ECB pursuant to Article 24a.

Justification

Without this amendment, Annex II could indirectly require all functionalities to be available from day one, thereby undermining the phased introduction mechanism.

Low holding limits

New Recital 32a

(32a) There should be an overall ceiling, to be determined by the European Parliament and the Council, for the definition of the holding limits by the European Central Bank.

The overall ceiling should aim at safeguarding financial stability of the euro area while allowing an effective use of the digital euro and an effective implementation of the single monetary policy.

Given its potential impact on bank funding, credit provision and the financing of the real economy, the overall ceiling should also preserve the capacity of credit institutions to finance households and businesses.

The European Central Bank should be able to establish holding limits below that ceiling where necessary to safeguard financial stability, preserve the smooth functioning of the payment system or support the effective operation of the digital euro.

Article 16a

Overall ceiling for the holding limits

The European Parliament and the Council shall determine an overall ceiling applicable to digital euro holdings.

The European Central Bank shall determine holding limits within that overall ceiling.

The European Central Bank may establish holding limits below the overall ceiling where necessary to safeguard financial stability, preserve the smooth functioning of the payment system or support the effective operation of the digital euro.

Clear allocation of costs, compensation, and responsibilities

Amendment 1 (revised)

New Recital (47a)

(47a) Payment service providers required under this Regulation to provide digital euro services contribute to objectives of general public interest, including preserving access to central bank money in digital form, promoting financial inclusion and supporting the resilience and effective functioning of the Union payment system. Where the remuneration arrangements established under this Regulation do not cater for the recovery of efficiently incurred costs arising from those obligations, additional compensation should be made available, taking account of relevant revenues and a reasonable profit.

The parameters on the basis of which compensation is calculated should be established in advance in an objective and transparent manner. In determining the amount of compensation, regard should be given to the costs of a typical well-run and adequately equipped payment service provider capable of complying with the obligations laid down in this Regulation.

Amendment 3

New Article 17a Compensation mechanism

- 1. Where payment service providers are required by this Regulation to provide digital euro services and the remuneration arrangements established under this Regulation do not permit recovery of efficiently incurred costs, the European Central Bank shall determine the amount of compensation, taking account of relevant revenues and a reasonable profit.**
- 2. The parameters on the basis of which compensation is calculated shall be established in advance in an objective and transparent manner.**
- 3. In determining the level of such compensation, the European Central Bank shall have regard to the costs of a typical well-run and adequately equipped payment service provider capable of complying with the obligations laid down in this Regulation.**
- 4. Compensation shall not exceed what is necessary to cover the net cost of the obligations imposed, taking account of relevant revenues and a reasonable profit.**

Justification

The European Central Bank is best placed, by virtue of its technical expertise, to determine the compensation needed to cover payment service providers' net costs. A mandatory, uncapped payment obligation imposed on the European Central Bank risks being viewed as incompatible with its financial independence. However, the European Central Bank should calculate the costs which should be borne by the Union budget.

Consequential amendment to the Review Clause

New point in Article 40

(1f) whether the remuneration arrangements established under this Regulation enable payment service providers subject to mandatory digital euro distribution obligations to recover efficiently incurred costs arising from those obligations;

(1g) the effectiveness of the compensation mechanisms established pursuant to Article 17a, including whether those mechanisms adequately address undercompensation while preventing overcompensation.

Reuse of Existing Infrastructure and Standards

Amendment 1

New Recital 54a

(54a) In order to ensure cost-efficient implementation, operational resilience and interoperability, the digital euro should, where appropriate, build on existing European payment infrastructures, standards, rulebooks and processes. The digital euro should complement existing payment solutions and avoid unnecessary duplication of existing functionalities.

Justification

Establishes a general principle that existing European payment arrangements should be used where appropriate. This can reduce implementation costs, facilitate interoperability and support faster deployment.

Amendment 2

New Article 26a

In exercising its powers under this Regulation, the ECB shall give preference, where appropriate, to the use, adaptation or extension of existing European payment infrastructures, standards, rulebooks and processes in order to promote interoperability, operational resilience and cost-efficient implementation and to avoid unnecessary duplication of existing arrangements. The ECB may introduce or require the use of dedicated digital euro-specific arrangements where it considers that such arrangements would provide significant benefits in terms of functionality, resilience, security, efficiency or user experience.

Justification

Creates a clear presumption in favour of reusing existing European payment infrastructure, standards and rulebooks, while preserving the ECB's ability to develop dedicated digital euro solutions where these provide significant additional benefits.

Amendment 3

New Article 26b

The digital euro rulebook shall, where appropriate, be aligned with existing European payment rulebooks and standards in order to facilitate interoperability and reduce implementation costs.

Justification

Allows PSPs to leverage existing operational processes, messaging standards and technical investments while reducing unnecessary complexity.
