4 August 2026

From vision to value: recommendations for the Digital Euro trilogues

Executive summary

The Digital Euro represents a major transformation of Europe's payments ecosystem and will require significant investment by payment service providers (PSPs) and other market participants to develop, deploy and operate the necessary infrastructure.[1] The final text of the Digital Euro Regulation should therefore provide legal certainty, a balanced governance framework and the right economic incentives to ensure a successful rollout.[2]

In the context of the trilogue negotiations, DIGITALEUROPE urges the EU co-legislators to adopt the following recommendations:

- Allow all stakeholders involved in the distribution of the Digital Euro to be adequately compensated for the costs incurred in delivering the relevant services
- Ensure that holding limits address unintended consequences on financial stability
- Leverage existing standards, protocols and infrastructure developed by the industry for the deployment of the Digital Euro
- Ensure a clear separation of the European Central Bank's (ECB) roles as Digital Euro issuer, supervisor of financial institutions and provider of clearing and settlement services
- Provide the industry with a clear timeline for the issuance of the Digital Euro, allowing sufficient time to make the necessary investments

[1] See DIGITALEUROPE, *Integrating the Digital Euro into Europe's existing payment landscape*, available at https://www.digitaleurope.org/resources/integrating-the-digital-euro-into-europes-existing-payment-landscape/

[2] COM (2023) 369 final

DIGITALEUROPE
Rue de la Science, 37, B-1040 Brussels
+32 2 609 53 10 ▶ Info@digitaleurope.org
▶ www.digitaleurope.org
EU Transparency Register: 64270747023-20

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Compensation model

The introduction of a Digital Euro will require significant investment by the industry to develop, deploy and distribute this new form of public money. Therefore, the compensation model, including the establishment of caps on inter-PSP fees and merchant service charges (MSC), is a key element for the successful roll-out of the Digital Euro.

The compensation model should be aligned with the Digital Euro distribution model and ensure that all stakeholders involved in the provision of Digital Euro services can sustainably recover the incremental costs incurred, including operational, compliance, cybersecurity and funding-related costs. The framework should also preserve incentives for investment and innovation, encourage broad market participation and support the long-term sustainability of the Digital Euro ecosystem.

In this context, we acknowledge the Parliament’s intention to introduce a transitional phase of five years from the issuance of Digital Euro, requiring the Commission to evaluate the compensation model established by Art. 17 of the Regulation. [3]

During the transitional phase, we recommend avoiding the introduction of an EU-wide cap applied to inter-PSP fees and MSC and instead relying only on a bilateral "no-worse-off" clause, as proposed by the Parliament. Whilst the Council’s and Parliament's approaches both represent an improvement over the Commission's proposal, an EU-wide cap would impose significant reporting and compliance obligations on all market participants. By contrast, a bilateral “no-worse-off” mechanism would substantially reduce administrative burdens whilst preserving appropriate incentives to ensure fair commercial outcomes during the transitional period.

We are also strongly opposed to the Parliament’s Art. 17(1)(b), which would make certain acquiring services free of charge. PSPs should be allowed to be remunerated for the provision of acquiring services, as they are for comparable payment instruments. This is essential to ensure that Digital Euro acquiring services remain economically viable for PSPs, therefore supporting core policy objectives of universal acceptance, innovation and competition. Opening and managing a merchant account is more complex, risk-intensive and costly than providing consumer payment accounts.

Finally, any calibration of the compensation model should be based on robust evidence and objective criteria taking into account cost recovery, investment amortisation, market uptake and the long-term sustainability of the Digital Euro distribution model.

Holding limits

Holding limits are a fundamental design feature of the Digital Euro and should be calibrated in a prudent and evidence-based manner to safeguard financial stability, whilst ensuring that the Digital Euro functions as a means of payment and not as a store of value. Their calibration and subsequent review should therefore be based on a robust governance, underpinned by objective evidence and a comprehensive assessment of their impact on bank funding, liquidity management, financial stability and the financing of the real economy.

We strongly support the Council's approach, in particular Arts. 16 and 16a, which establish a clear and balanced governance framework for determining and adjusting holding limits. [4] By defining a structured

[3] A10-0185/2026

[4] Doc. 16695/25

procedure and appropriately allocating responsibilities between the ECB, the European Commission and the Member States, the Council's proposal better ensures that decisions on this critical policy parameter benefit from both technical expertise and balanced institutional participation.

In addition, the holding limit for legal persons should remain set at zero euro in order to mitigate risks to financial stability. We therefore support the European Parliament’s Art. 16(3a), which states that legal persons shall not maintain any Digital Euro holdings.

Interoperability

The Digital Euro should build on, and leverage to the greatest extent possible, existing payment infrastructures, industry standards and established technical protocols. Avoiding unnecessary duplication will reduce implementation costs, drive adoption and facilitate interoperability, whilst supporting a seamless user experience. [5]

We therefore support the Parliament's approach, in particular Art. 26, which more clearly establishes the ECB's responsibility to reuse existing payment infrastructures, protocols and standards developed and successfully deployed by the private sector.

The role of the ECB

The ECB performs multiple functions within the European financial ecosystem, including issuing central bank money, overseeing systemically important payment systems, supervising significant financial institutions and providing clearing and settlement services.

The introduction of the Digital Euro further expands these responsibilities, making a clear governance framework essential. We therefore support the Parliament's proposal in Art.3a to introduce specific safeguards requiring the ECB to prevent conflicts of interest in the exercise of its different functions.

Co-legislators should build on this approach by establishing preventive safeguards that ensure a clear functional separation between the ECB's role as issuer of the digital euro and its existing supervisory and operational responsibilities, rather than relying solely on measures applied after a conflict of interest has arisen.

With regard to the governance of the Digital Euro rulebook, the Parliament also proposes the establishment of a multi-stakeholder advisory group. Whilst introducing stronger checks and balances in the Regulation would be the preferred approach to ensure greater transparency and accountability, the establishment of such an advisory group represents a welcome first step towards more inclusive, transparent and balanced rulebook governance. We therefore support the Parliament's amendment to Art. 5(2a).

Issuance and distribution

We acknowledge the Parliament’s Art. 4(2b), which provides for a two-year roll-out phase following the decision to issue the Digital Euro. A staggered approach would help the industry reduce operational risks, facilitate customer adoption and enable market participants to manage risks. However, we recommend that

[5] Existing relevant standards include the Single Euro Payment Area (SEPA) Instant Credit Transfer (SCT Inst) developed by the European Payment Council.

the implementation timeline is clearly defined in the Regulation, rather than being specified by the ECB at a later stage.

A clear, predictable, and sufficiently detailed timeline for the roll-out defined in the law would provide the industry with a regulatory certainty needed to prepare for compliance and to plan the investments necessary to provide online Digital Euro services and interfacing services for the offline Digital Euro.

Within this framework, the initial issuance of the Digital Euro should be limited to basic Digital Euro services, with additional functionalities introduced at a later stage in accordance with the implementation roadmap set out in the Regulation.

Personal data processing and transfer

Art. 34(4b) of the Parliament's text prohibits intermediaries from transferring personal data to third parties. We strongly support robust data protection and privacy safeguards that are fully aligned with existing EU legislation. However, the processing and sharing of personal data relating to Digital Euro transactions should not be subject to different rules than those applicable to other payment instruments. The EU is strengthening its fraud prevention framework to respond to increasingly sophisticated fraud threats and data sharing is a key element of these efforts.[6] Notably, the forthcoming Payment Services Regulation (PSR) will require PSPs to enter into agreements to share fraud-related information, with these requirements applying across all payment instruments. [7]

Prohibiting PSPs from sharing data relating to Digital Euro transactions would exclude Digital Euro payment solutions, such as Digital Euro wallets, from this fraud prevention framework and undermine broader industry efforts to combat fraud. It could also impair PSPs' ability to comply with their anti-money laundering and counter-terrorist financing (AML/CFT) obligations. At a minimum, the Digital Euro Regulation should clarify that PSPs may process and share data relating to Digital Euro transactions under the same conditions as for other payment instruments, where this is permitted under existing EU law.

Open Banking

The Digital Euro Regulation should allow third-party providers authorised under the Payment Service Directive 2 (PSD2) to offer both account information and payment initiation services.[8] We are concerned about the Council’s and Parliament’s position in Art. 5(3), which would limit third-party providers to offering only account information services. As a result, payment initiation services in the context of the Digital Euro would depend on bilateral agreements between third-party providers and banks.

Such an approach would create legal uncertainty by undermining alignment between the existing payment regulatory framework and the Digital Euro Regulation and would increase market fragmentation. It would also limit access to payment initiation services for both individuals and businesses. We therefore support the Commission’s proposal, which does not impose this a limitation.

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[6] See DIGITALEUROPE, *A safe and future-proof digital payments ecosystem: Recommendations for PSR and PSD3 trilogues*, available at https://cdn.digitaleurope.org/uploads/2025/09/2025-08-12-A-safe-and-future-proof-digital-payments-ecosystem-Recommendations-for-PSR-and-PSD3-trilogues.pdf

[7] COM(2023) 367 final

[8] Directive (EU) 2366/2015

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FOR MORE INFORMATION, PLEASE CONTACT:

Federico Di Benedetto

Senior Manager for Digital Transformation of Financial Services

federico.dibenedetto@digitaleurope.org / +32 493 12 34 88

Vincenzo Renda

Director for Digital Transformation Policy

vincenzo.renda@digitaleurope.org / +32 490 11 42 15

About DIGITALEUROPE

DIGITALEUROPE is the leading trade association representing digitally transforming industries in Europe. We stand for a regulatory environment that enables European businesses and citizens to prosper from digital technologies. We wish Europe to grow, attract and sustain the world's best digital talents and technology companies. Together with our members, we shape the industry policy positions on all relevant legislative matters and contribute to the development and implementation of relevant EU policies. Our membership represents over 45,000 businesses who operate and invest in Europe. It includes corporations which are global leaders in their field of activity, as well as national trade associations from across Europe.