

Make digital euro fee fair for merchants and citizens

EUROCOMMERCE – THE ASSOCIATION REPRESENTING EUROPEAN RETAILERS AND WHOLESALERS IN BRUSSELS – CALLS ON MEMBERS OF THE EUROPEAN PARLIAMENT TO ENSURE THE DIGITAL EURO FEE MODEL WORKS FOR MERCHANTS AND THEIR CUSTOMERS

Promising ideas not reflected in wording of draft compromises

Looking at the recent direction of the digital euro Article 17 negotiations in the European Parliament, European merchants are deeply concerned that the digital euro fee model will fail to make it attractive for **merchants**, especially smaller businesses and their **customers** - European citizens. Small merchants are the key line of defence in the battle for European payment sovereignty. The current fee model will only add more pressure on increasing costs and low margins, which they may not be able to absorb in the future.

Mid-April, EuroCommerce welcomed the principle of merchants being **'better off'** with the digital euro, when it was introduced in the negotiations. 'Better off' is logical as:

- the acceptance of the digital euro will be mandatory for retailers;
- there will be no ECB schemes or processing fees, and
- no credit risks for the Payment Service Providers (PSPs).

Merchants also welcomed that transactions with the **offline digital euro will not attract any fees** because PSPs are not involved in those transactions.

Atze Faas, Payments Adviser at EuroCommerce, stated: *"The latest proposed provisions, seemingly ignore previous improvements for merchants favouring banks and PSPs instead of EU businesses and citizens, leading to **unnecessarily high fees and complexity**. The current proposal will not help lower the average cost of payments nor help consumers with their cost of living. We need better provisions to realise the potential of the digital euro to **strengthen EU payments and resilience**."*

"MEPs must make a bigger effort to **deliver** on the promise of 'better regulation' for businesses and citizens", adds Mr. Faas.

Europe needs a **cost-efficient, strong and resilient digital euro** that will benefit merchants, customers and ultimately European society. *"We look forward to engaging with the co-legislators, as well as the European Commission and the European Central Bank to **ensure a***

more balanced outcome during further negotiations including trilogue and make the digital euro a success for Europe and its citizens”, concluded Mr. Faas.

EUROCOMMERCE’S CALL ON MEPS: Vote for a negotiation mandate that includes a fee model that makes the digital euro attractive to merchants and consumers!

This must include:

- a) a fixed fee of 0,1% for transactions up to 40 euro and 4 cents per transaction for 40 euro and up as robust safeguard to protect merchants from banks or PSPs or schemes, who are setting and already increasing prices of ‘comparable digital means of payment’.
- b) if ‘comparable digital means of payments’ is to be used, defining them as **consumer** debit cards, i.e. excluding commercial cards, but including popular account-to-account payment methods.
- c) guarantees that the benefit from the absence of ECB schemes or processing fees is passed on to merchants and consumers.
- d) more realistic, simple and transparent provisions ensuring merchants are ‘better off’ with digital euro fees compared to what they pay for their cheapest digital means of payment. These provisions would not be needed, if a simple 0.1% fee for transactions with a maximum of 4 cent would be used.
- e) no fees at all for offline digital euro transactions.
- f) no fees for any funding or defunding of their digital euro account from or to their commercial bank account(s) by merchants.

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See Annex for further details

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 28 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of businesses and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.