

TEMPLATE: PARTICIPATION AGREEMENT BETWEEN [INSERT PARTICIPATING NCB] AND [INSERT PILOT PAYMENT SERVICE PROVIDER] FOR THE DIGITAL EURO PILOT

This Agreement (the “**Participation Agreement**”) is made BETWEEN:

[INSERT THE NAME OF THE RELEVANT EUROSYSTEM CENTRAL BANK PARTICIPATING IN THE PILOT] (the “**Participating NCB**”),

AND

[INSERT THE NAME OF THE RELEVANT SELECTED PAYMENT SERVICE PROVIDER] (the “**Pilot PSP**”)

(hereinafter referred to jointly as the “**Parties**” and each of them, individually as the “**Party**”).

Whereas:

- A. On 29 October 2025, the Governing Council of the ECB decided that the Eurosystem central banks will continue preparations and move to the next phase of the Digital Euro Project. During this phase, the Eurosystem central banks will start developing the technical specifications of the Digital Euro, including the initial system set-up and the validation of functionalities of the Digital Euro, through the Pilot.
- B. The focus of the Pilot should be on evaluating the business and technological readiness of those Digital Euro Service Platform (**DESP**) components, interfaces, processes, and interactions across the Prioritised Use Cases (as described in Article [4]).
- C. The European Central Bank (**ECB**), in cooperation with the Eurosystem national central banks (“**NCBs**”), has carried out a selection of payment services providers (“**PSPs**”) participating in the Pilot. In this process, the Pilot PSP was selected to provide payment services to [Select applicable option: Business End-Users and Individual End-Users / Business End-Users / Individual End-Users] for the purposes of the Pilot.
- D. During the Pilot, the Pilot PSP and Business End-Users will evaluate the business readiness of their processes and systems in view of the potential issuance of the Digital Euro.
- E. The Pilot is intended to be executed in a controlled environment, combining both remote and on-site activities at the premises of the ECB and the relevant participating NCBs. The Pilot will involve a limited number of End-Users and PSPs. The Individual End-Users will be selected from the staff (potentially including trainees) of the ECB and the relevant

participating NCBs. The ECB and the relevant participating NCBs will select their respective Business End-Users and the selected PSPs will provide them with the facilities necessary for the acceptance of digital means of payment issued by the Eurosystem central banks during the Pilot, following the ECB Governing Council's decision. The Pilot will consist of transactions with limited volumes and values, performed by End-Users across the Prioritised Use Cases.

- F. The digital means of payment issued during the Pilot, as described in Article 4(4) of this Participation Agreement, is not a legal tender means of payment, and should therefore be consistently referred to as the "Beta Digital Euro" in all activities related to the Pilot, including in all related communication and branding, to ensure clear differentiation from the Digital Euro to be established under the proposed regulation of the European Parliament and of the Council on the establishment of the Digital Euro.¹
- G. This Participation Agreement outlines the respective roles and responsibilities of the Parties during the Pilot.
- H. This Participation Agreement does not intend to override the obligations of the Parties under Guideline (EU) 2022/912 of the European Central Bank (ECB/2022/8)², its implementing measures by Eurosystem central banks or any other legal framework that has been or may be established between the Parties.
- I. This Participation Agreement is not intended to prejudice the Pilot PSP's obligations under applicable laws and regulations, including but not limited to Directive (EU) 2015/2366 of the European Parliament and of the Council³, Regulation (EU) 2016/679 of the European Parliament and of the Council⁴ and Regulation (EU) 2024/1624 of the European Parliament and of the Council⁵.

Article 1

Definitions

For the purpose of this Participation Agreement:

¹ COM(2023) 369 final.

² Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022 on a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET) and repealing Guideline ECB/2012/27 (OJ L 163, 17.6.2022, p. 84, ELI: <http://data.europa.eu/eli/guideline/2022/912/oj>).

³ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35, ELI: <http://data.europa.eu/eli/dir/2015/2366/oj>).

⁴ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>).

⁵ Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (OJ L, 2024/1624, 19.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1624/oj>).

1. **“Pilot”** means the set of joint ECB and Participating NCBs’ activities to validate, operate, and improve the technological readiness of the DESP components, interfaces, processes, and interactions across the Prioritised Use Cases, in a controlled environment with the Beta Digital Euro, in preparation for the possible issuance of the Digital Euro;
2. **“Beta Digital Euro”** means the digital means of payment issued by the Eurosystem central banks during the Pilot in line with the relevant Governing Council decision of 29 October 2025;
3. **“Individual End-User”** means staff members of, and trainees engaged by, the ECB and the Participating NCBs, who are selected by the ECB or the Participating NCBs to participate in the Pilot;
4. **“Business End-User”** means a legal or natural person offering goods, services or both as part of an economic activity to Individual End-Users participating in the Pilot, and which is selected by the ECB or the Participating NCB to participate in the Pilot;
5. **“End-User”** means Business End-Users and Individual End-Users;
6. **“Distributing PSP”** means a Pilot PSP offering Pilot Payment Services to Individual End-Users;
7. **“Acquiring PSP”** means a Pilot PSP offering Pilot Payment Services to Business End-Users;
8. **“Participant”** means the Pilot PSPs, Business End-Users and Individual End-Users participating in the Pilot;
9. **“Prioritised Use Cases”** means the set of use cases to be tested during the Pilot, as listed in Article 4;
10. **“Pilot Payment Services”** means the services included in Appendices [choose [1.1] or[1.2] or[1.1 and 1.2]];
11. **“TARGET”** means the Trans-European Automated Real-time Gross Settlement Express Transfer system for processing large-value euro payments in real time, as owned and operated by the Eurosystem central banks;
12. **“DESP DCA”** means an account in central bank money, owned and/or used by a Pilot PSP, held with a Participating NCB, for the purpose of enabling Beta Digital Euro funding and defunding at the request of and on behalf of Individual End-Users;
13. **“Digital Euro Service Platform” (“DESP”)** means the technical platform, owned by the Eurosystem central banks, enabling the issuance and redemption of Beta Digital Euro and providing functions (e.g. settlement) that cannot be accomplished by an individual intermediary on its own;
14. **“DESP testing and production environment”** means the set of technical interfaces and related infrastructure made available through the DESP to Pilot PSPs, including connectivity to the DESP DCA, for the purpose of enabling and providing Pilot Payment Services;

15. **“Pilot Preparation Phase”** means the phase within the Pilot starting with the launch of the Call for Expression of Interest and ending with the signature of the Participation Agreements;
16. **“Pilot Development Phase”** means the phase within the Pilot starting upon the signature of Participation Agreements, and ending with the completion of development, integration and testing of Pilot-related functionalities, as specified in the PSP Pilot Documentation Package;
17. **“Pilot Operational Phase”** means the phase within the Pilot starting with the issuance of the Beta Digital Euro to End-Users in accordance with the dates set out in the PSP Pilot Documentation Package (A.2G Pilot timeline), and ending with the closing of the Pilot;
18. **“Confidential Information”** means any sensitive, secret or confidential information or know-how information, data or documents that (a) the Participating NCB or the ECB has classified, orally or in writing, as restricted, confidential, secret [*or insert the relevant classification according to the internal rules of the Participating NCB*], or (b) the Pilot PSP has classified as ‘confidential’, or (c) in each case which a reasonable third party would consider to be confidential. Confidential information shall not include: (i) information which is, or becomes, publicly available, except through a breach of confidentiality by a Party or any other circumstance for which the Party is responsible for, or (ii) information for which the other Party has given written authorisation for disclosure;
19. **“User Testing”** means an activity undertaken by the Pilot PSP during the Pilot Development Phase and coordinated by the Participating NCB, with the support of the ECB, to test and validate interoperability between the Pilot PSP’s payment infrastructure and the DESP;
20. **“PSP Pilot Documentation Package”** means the documents set out to this Participation Agreement as Annex 2:
 - *Appendix 2.A* PSP Documentation Package Scope
 - *Appendix 2.B* Functional Requirements
 - *Appendix 2.C* Pilot Business Architecture
 - *Appendix 2.D* High-level indicative overview for Onboarding
 - *Appendix 2.E* User Journeys & Minimum UX Requirements
 - *Appendix 2.F* End-to-End Process Flows
 - *Appendix 2.G* Pilot timeline;
21. **“Level 0 Service Desk”** means the first point of contact for DESP users for Incidents and service requests in view of maintaining the DESP services in close collaboration with component-specific Level 1 service desks;
22. **“Level 1 Service Desk”** means the component-specific point of contact for Level 0 Service Desk in case of operational or technical issues, which are operated by the providers of the respective components;

23. **“Near-Field-Communication” (“NFC”)** means a wireless communication technology that allows devices to exchange data over very short distances, typically within about four centimetres, simply by bringing them close together or tapping them;
24. **“Software Point of Sale” (“SoftPOS”)** means a software-based solution facilitating contactless payment acceptance via a commercial off-the-shelf device, for example a smartphone;
25. **“User Alias”** means a unique pseudonymous identifier used to protect the user’s identity when processing payments that can only be attributed to an identifiable natural or legal person by the payment service provider distributing the Beta Digital Euro or by the Beta Digital Euro End-User;
26. **“Digital Euro Access Number” (“DEAN”)** means the unique account number assigned to an Individual End-User’s Beta Digital Euro account, enabling the identification of both the Individual End-User and their account, and facilitating transactions between Individual End-Users and Business End-Users.

Article 2

Scope and general principles

1. This Participation Agreement governs the relationship between the Participating NCB and the Pilot PSP for the participation of the Pilot PSP in the Pilot, providing Pilot Payment Services to [Select applicable option: Business End-Users and Individual End-Users / Business End-Users / Individual End-Users]. For the avoidance of doubt, the Participation Agreement shall include its Annexes as set out under Article 3(1).
2. This Participation Agreement is specific to the Pilot and does not predetermine the final design, features, or scope of the potential Digital Euro.
3. The Parties shall cooperate closely and transparently in their contractual relations as laid down in this Participation Agreement and shall exercise their rights and perform their obligations under this Participation Agreement in good faith.
4. The Pilot PSP acknowledges and agrees that it shall not, at any time, receive any remuneration, incentives, or benefits, whether financial or non-financial, for its participation in the Pilot. The Participating NCB shall not reimburse any expenses incurred by the Pilot PSP in connection with its involvement in the Pilot, unless specified in this Participation Agreement.
5. The Pilot PSP shall not receive any financial compensation from End-Users for the provision of Pilot Payment Services. For the avoidance of doubt, the opening or management of a commercial bank money account by the Pilot PSP for the End-User strictly for the purposes of the Pilot shall not be subject to fees or charges when used for the Pilot Payment Services.

6. The Pilot PSP acknowledges that its selection to participate in the Pilot shall not grant it any future rights vis-à-vis the Eurosystem central banks.
7. The Pilot PSP acknowledges and agrees that certain tasks, or activities assigned to the Participating NCB under this Participation Agreement may be carried out by the ECB. Notwithstanding, the Pilot PSP expressly acknowledges and agrees that the Participating NCB shall be the sole contractual party responsible for the performance of obligations under the Participation Agreement.
8. The tasks to be undertaken by the Pilot PSP under this Participation Agreement are described in general terms in Articles 5, *[insert the number of the Article titled **Role-specific obligations of the Distributing PSP** and/or of the Article titled **Role-specific obligations of the Acquiring PSP**]* and *[insert the number of the Article titled **Closing of the Pilot**]* and in the Annexes. These descriptions serve as high-level outlines of the obligations, activities, and deliverables required of the Pilot PSP during the Pilot.
9. The Participating NCB may, within reasonable limits and within the limits of the scope stipulated in this Participation Agreement, specify the scope of the obligations of the Pilot PSP and how they are to be performed by means of instructions, including additional specifications to the PSP Pilot Documentation Package as described in Annex 2. The Pilot PSP shall comply with such instructions.
10. The Participating NCB shall have the right to amend the high-level outlines of the obligations and related requirements included in Articles 5, *[insert the number of the Article titled **Role-specific obligations of the Distributing PSP** and/or of the Article titled **Role-specific obligations of the Acquiring PSP**]* and *[insert the number of the Article titled **Closing of the Pilot**]* and in the Annexes to this Participation Agreement, in response to evolving needs, technical developments, or operational considerations of the Pilot whilst taking account of its limited duration. Any such amendments shall be communicated to the Pilot PSP in writing, along with reasonable notice to implement the changes.
11. The Pilot PSP shall have the right to object to the proposed amendments referred to in paragraph 10 above within 21 calendar days from the date of receiving the written communication from the Participating NCB. The objection shall be reasoned and submitted to the Participating NCB in writing, specifying the potential impact on the Pilot PSP's operations. Following an objection, the Parties shall cooperate in good faith to resolve the matter amicably. If no amicable solution is reached within 30 calendar days from the date of submission of the objection, the Pilot PSP shall have the option to terminate this Participation Agreement in accordance with the terms set out in Article *[insert the number of the Article titled **Duration, review and termination**]*.

12. The Pilot PSP agrees to implement the necessary adjustments to fulfil the updated tasks and requirements, as communicated by the Participating NCB pursuant to paragraph 10, within the timeframe specified in the notification.
13. The Pilot PSP represents and warrants that it is, and shall at all times remain, compliant with all applicable legal, regulatory, and operational requirements, including but not limited to Directive (EU) 2015/2366, Regulation (EU) 2016/679, and Regulation (EU) 2024/1624. Failure to comply with all applicable legal, regulatory, and operational requirements may result in consequences as set out in this Participation Agreement in Article *[insert the number of the Article titled **Liability**]*, including potential termination of the Pilot PSP's participation in the Pilot as set out in Article *[insert the number of the Article titled **Duration, review and termination**]*.

Article 3

Annexes

1. The following Annexes form an integral part of this Participation Agreement:
 - Annex 1: Pilot Payment Services
 - o *[insert if the Pilot PSP will provide distributing services]*: Appendix 1.1 for Distributing PSPs[, and/or]
 - o *[insert if the Pilot PSP will provide acquiring services]*: Appendix 1.2 for Acquiring PSPs]
 - Annex 2: PSP Pilot Documentation Package
 - Annex 3: Pilot PSP Feedback Framework
 - Annex 4: Communication Guidelines
2. The Pilot PSP shall also comply with the provisions contained in the Annexes.
3. The Parties shall endeavour to ensure consistency between the provisions of this Participation Agreement and its Annexes at all times.
4. In the event of any inconsistencies between the provisions of this Participation Agreement and its Annexes, the provisions of the Participation Agreement shall prevail, unless explicitly stated otherwise in the relevant Annex. In the event of any inconsistencies between the provisions contained in the Annexes, the following order of precedence shall apply:
 - i. Annex 1: Pilot Payment Services
 - ii. Annex 2: *Appendix 2.B* Functional Requirements
 - iii. Annex 2: *Appendix 2.E* User Journeys & Minimum UX Requirements
 - iv. Annex 2: *Appendix 2.F* End-to-End Process Flows

- v. Annex 2: *Appendix 2.C* Pilot Business Architecture
- vi. Annex 2: *Appendix 2.D* High-level indicative overview for Onboarding
- vii. Annex 2: *Appendix 2.G* Pilot timeline
- viii. Annex 2: *Appendix 2.A* PSP Documentation Package Scope
- ix. Annex 3: Pilot PSP Feedback Framework
- x. Annex 4: Communication Guidelines

Article 4

General description of the Pilot

1. The Parties shall validate, operate and improve the technological readiness of the DESP components, interfaces, processes, and interactions across the Prioritised Use Cases, to onboard the Pilot PSP and to settle payment transactions made with the Beta Digital Euro in a controlled environment.
2. The Prioritised Use Cases for the Pilot are described in Annex 1. They are:
 - Online person-to-person (P2P) transactions with a User Alias and DEAN;
 - Offline P2P transactions with NFC;
 - Online person-to-business (P2B) transactions (SoftPOS) with NFC;
 - o Online business-to-person (B2P) refund transactions;
 - Online remote P2B transactions with a User Alias and DEAN;
 - o Online B2P refund transactions.
3. The Pilot will be carried out over a period of 12 (twelve) months, in accordance with the dates set out in the PSP Pilot Documentation Package. This period may be extended unilaterally by the Participating NCB under the same conditions for an additional period of up to six (6) months, subject to prior written notice from the Participating NCB to the Pilot PSP at least three (3) months before the start of the extension.
4. The Pilot will involve real-world transactions leveraging the Beta Digital Euro which:
 - i. is intended to fall under the definition of “funds”, as scriptural money, in Article 4(25) of Directive (EU) 2015/2366 and will be subject to the rules for cashless payment transfers.
 - ii. will represent a Eurosystem liability (book-entry representation of value in the books of the Eurosystem) issued for the benefit of End-Users upon conversion of End-Users’ commercial bank deposits for the sole purpose of making payment transactions during the Pilot, without legal tender status.
 - iii. will only be accessed and transacted through accounts opened with the Pilot PSP.
5. The Beta Digital Euro will not:

- i. have legal tender status (regardless of whether the proposed regulation of the European Parliament and of the Council on the establishment of the Digital Euro will or will not have entered into force during the Pilot);
- ii. central bank money in physical form, i.e. cash;
- iii. entail a claim on the Pilot PSP or on the opening of an account held by the End-User with the Participating NCB, the ECB or with any other Eurosystem central bank.

Article 5

General obligations of the Pilot PSP

1. The responsibilities of the Pilot PSP shall depend on the role assigned to it (distributing and/or acquiring). The Pilot PSP shall perform the tasks applicable to its role, including supporting End-User onboarding, executing online transactions where relevant, distributing the Beta Digital Euro, and supporting P2B acceptance, as specified in the PSP Pilot Documentation Package.
2. The Pilot PSP shall conclude the development of the Pilot scope functionalities in line with the PSP Pilot Documentation Package. The Pilot PSP shall ensure the successful completion of the DESP validation process in the User Testing environment. The Participating NCB shall, in cooperation with the ECB, provide support and guidance for the User Testing activities of the Pilot PSP as needed. The Pilot PSP shall report its testing progress and results to the Participating NCB. Operational procedures will be shared with the Pilot PSP during the Pilot Development Phase. The Pilot PSP shall report to the Level 0 Service Desk any incident encountered during User Testing in line with the operational procedures applicable to the User Testing environment.
3. For the purpose of onboarding activities, the Pilot PSP shall connect to the DESP production environment after the successful completion of the DESP back-end validation process in the User Testing, including end-to-end testing and after being onboarded to the DESP production environment by the Participating NCB.
4. The Pilot PSP shall successfully complete the activities mentioned in paragraphs 1 to 3 before the start of the Pilot Operational Phase and in accordance with the timelines set out for the Pilot in the PSP Pilot Documentation Package.
5. The Pilot PSP shall provide first-level support services to address operational incidents occurring to its onboarded End-Users during the Pilot Operational Phase. The Pilot PSP shall operate a help desk and incident reporting system for its End-Users, train internal resources to provide such support, and adapt one of the support channels available for payment products currently offered (e.g. in-app chat, call centre) to support its onboarded End-Users during the Pilot Operational Phase.

6. The Pilot PSP shall act as the point of contact for issues concerning its End-Users during the Pilot, performing first-line troubleshooting to resolve issues where possible or following the adequate operational procedures applicable to Pilot operations if further action is required.
7. The Pilot PSP shall collect and transmit the necessary data to the entity designated by the Participating NCB to provide feedback, in accordance with the timelines and procedures set out in the Pilot PSP Feedback Framework (Annex 3), before the start, during and after the Pilot.

[include this Article if the Pilot PSP will provide distributing services:]

Article [insert number]

Role-specific obligations of the Distributing PSP

1. The Pilot PSP participates in the Pilot activities as a Distributing PSP.
2. The Distributing PSP shall provide the Pilot Payment Services included in Appendix 1.1 to its Individual End-Users.
3. The Distributing PSP shall carry out the onboarding processes of its Individual End-Users, with whom it has a contract, as indicated by the Participating NCB, ensuring their operational readiness to participate in the Pilot. The Distributing PSP shall perform the onboarding of the indicated Individual End-Users in accordance with all applicable regulatory requirements.
4. The Distributing PSP shall release the functionalities detailed in the business scope of the Pilot, as included in Appendix 1.1, in line with the PSP Pilot Documentation Package.
5. The Distributing PSP shall apply its preferred delivery methodology for the release of functionalities, as detailed in Appendix 1.1.
6. The Distributing PSP shall successfully complete the activities mentioned in paragraphs 2 to 5 before the start of the Pilot Operational Phase and in accordance with the timelines set out for the Pilot in the PSP Pilot Documentation Package.
7. The Distributing PSP shall carry out the offboarding processes of Individual End-Users from the Pilot Payment Services in the event of termination of this Participation Agreement or when any Individual End-User requests offboarding. Before finalising the offboarding processes, the Distributing PSP shall ensure that Individual End-Users' online balances held through such PSP are cleared and shall take all reasonable efforts to ensure that offline balances are cleared by notifying the Individual End-Users of the need to take the appropriate measures to that end. Positive online balances may be

cleared by the Distributing PSP causing a transfer of the equivalent amount in euro as the amount of Beta Digital Euro, upon instruction by its End-User, to the latter's payment account or, if the End-User fails to issue such an instruction within 30 calendar days from being notified by the Distributing PSP, by the Distributing PSP causes a transfer of the online balance on its own initiative to the payment account associated with the End-User. To this end, the Distributing PSP shall ensure that this possibility is provided for in its contractual relationship with the End-User.]

[include this Article if the PSP will provide acquiring services

Article [insert number]

Role-specific obligations of the Acquiring PSP

1. The Pilot PSP participates in the Pilot activities as an Acquiring PSP.
2. The Acquiring PSP shall provide the Pilot Payment Services included in Appendix 1.2 to its Business End-Users.
3. Before the start of the Pilot, the Acquiring PSP shall either enter into a contract with the Business End-Users selected by the ECB or the Participating NCB, enabling them to receive acquiring services for the purposes of the Pilot, or amend its existing contracts to integrate the Business End-User's participation in the Pilot.
4. The Acquiring PSP shall carry out the onboarding processes of Business End-Users, ensuring their compliance with the terms and conditions of the Pilot and their access to the Pilot Payment Services specified in the Appendix 1.2, including integrating payment acceptance infrastructure for the Prioritised Use Cases and executing P2B transactions in line with the Prioritised Use Cases.
5. The Acquiring PSP shall take all reasonable measures to ensure that the onboarded Business End-Users are adequately prepared to undertake the Pilot activities. The following measures may be considered reasonable:
 - For proximity P2B transactions, the Acquiring PSP shall provide the Business End-User with a SoftPOS software;
 - For remote P2B transactions, the Acquiring PSP shall facilitate the integration of Pilot Payment Services into the payment gateway used for web shops or mobile applications.
6. The Acquiring PSP shall implement the business scope of the Pilot as detailed in Appendix 1.2.
7. The Acquiring PSP shall develop the functionalities to be released during the Pilot and conclude the development before the release of each functionality, as described in Appendix 1.2.

8. The Acquiring PSP shall apply its preferred delivery methodology for the release of functionalities as detailed in Appendix 1.2.
9. The Acquiring PSP shall successfully complete the activities mentioned in paragraphs 2 to 8 before the start of the Pilot Operational Phase and in accordance with the timelines set out for the Pilot in the PSP Pilot Documentation Package.
10. The Acquiring PSP shall carry out the offboarding processes of Business End-Users in the event of termination of this Participation Agreement or when a Business End-User requests offboarding, ensuring their compliance with the terms and conditions of the Pilot and their access to Pilot Payment Services specified in Appendix 1.2.]

Article [insert number]

Obligations of the Participating NCB

1. The Participating NCB shall support the Pilot PSP readiness via targeted communication to the extent necessary.
2. The Participating NCB shall onboard the Pilot PSP to the DESP testing and production environments in line with the onboarding documentation (included in the PSP Pilot Documentation Package) and applicable procedures. The Participating NCB, with support from the ECB where applicable, shall facilitate the access of the Pilot PSP to the DESP testing and production environments, along with access to any necessary tools.
3. The Participating NCB shall validate the onboarding documentation (e.g. reference data forms). The Participating NCB shall monitor and update the onboarding status of the Pilot PSP.
4. The Participating NCB shall operate the Participating NCB service desk and manage contractual relationships with the Pilot PSPs.
5. The Participating NCB shall assist Pilot PSPs in performing User Testing activities, including mandatory DESP back-end validation test cases, with the support of the ECB.
6. The Participating NCB shall provide the documentation outlined in Article 1.20 to the Pilot PSP.
7. *[insert if the Pilot PSP will provide acquiring Services]* The Participating NCB shall assist the Pilot PSPs in onboarding Business End-Users within its jurisdiction. For Business End-Users outside its jurisdiction, such assistance shall be subject to the support of the participating NCB in the relevant jurisdiction, with which those Business End-Users have contracted.
8. Further operational and technical support to Pilot PSPs shall be provided in accordance with the operational procedures applicable to User Testing and operations, respectively.

9. *[insert if the Pilot PSP accesses TARGET directly]* If necessary and subject to the legal framework applicable to the relevant TARGET component system, the Participating NCB shall support the Pilot PSP in executing Pilot-related liquidity transfers in TARGET, based on the operational procedures applicable to the Pilot Operational Phase.
10. The Participating NCB shall remain exclusively responsible for its business and contractual relations with the Pilot PSP that holds and/or uses a DESP DCA in its TARGET national component. Pilot PSP, its counterparties, End-Users, and third parties in general shall not derive any contractual rights from this Participation Agreement against the Participating NCB with regard to the holding and use of the DESP DCA. Any such rights shall instead arise exclusively from the applicable legal framework governing the DESP DCA.
11. The Participating NCB shall also fulfil the obligations set out in the above paragraphs 1 to 10 before the start of the Pilot Operational Phase.
12. The Participating NCB shall offboard the Pilot PSP from the DESP testing and production environments in the event of termination of this Participation Agreement.
13. The roles and obligations of the Participating NCBs in relation to feedback collection, data transmission and support provided to Pilot PSPs are further specified in the Pilot PSP Feedback Framework (Annex 3)

Article [insert number]

Closing of the Pilot

1. The Pilot PSP shall be offboarded from the DESP by the Participating NCB at the conclusion of the Pilot. The Participating NCB shall communicate the detailed procedures for closing the Pilot during the Pilot Development Phase.
2. Prior to the offboarding in line with paragraph 1 above, the Pilot PSP shall offboard all its End-Users from the Pilot Payment Services.
3. *[insert if the Pilot PSP will provide distributing services]* The Pilot PSP undertakes to clear the Individual End-Users' online balances held through such PSP and to take all reasonable efforts to ensure that offline balances are cleared in accordance with Article *[insert the number of the Article titled **Role-specific obligations of the Distributing PSP]*** (7) of this Participation Agreement.
4. *[insert if the Pilot PSP accesses TARGET directly]* The Participating NCB shall close the relevant DESP DCA held by the Pilot PSP.
5. Notwithstanding this Article, the Pilot PSP may apply to participate in the subsequent phase of the Digital Euro Project. Should the Pilot PSP be selected for participation in the subsequent phase, the onboarding arrangements established during the Pilot may

be maintained, subject to confirmation by the Participating NCB and any additional technical requirements or amendments applicable to the subsequent phase.

Article [insert number]

Liability

1. No Party shall be liable to the other Party for any loss or damage unless explicitly agreed otherwise in this Article *[insert the number of the Article titled **Liability**]*.
2. Each party shall only be liable to the other Party for any loss or damage resulting from its wilful misconduct (including fraud) or gross negligence in the performance of its duties and obligations under this Participation Agreement.
3. When a loss occurs under paragraphs 2 of this Article, the Party to which such loss is attributable shall ensure its full remedy without undue delay.
4. No Party shall be liable to the other Party for a failure to perform any of its obligations under this Participation Agreement insofar as such failure is due to conditions beyond its reasonable control which result from: (a) force majeure; or (b) acts or omissions by any third party to the extent that such third party's acts or omissions were beyond the reasonable control of the non-performing Party.
5. The Parties shall take all reasonable and practicable steps to mitigate any damage or loss referred to in this Article.
6. The Parties shall attempt to resolve disputes involving the Participating NCB and the Pilot PSP, and which arise out of or relate to this Participation Agreement, in a constructive manner that reflects their respective concerns and legitimate interests and seek to find an amicable solution to resolve the dispute. The first attempt to resolve a dispute shall be, as soon as the circumstances allow, through negotiations between the Participation NCB and the Pilot PSP.

Article [insert number]

Communication policy

1. The Participating NCB shall provide general terms of reference in the communication guidelines (Annex 4), which shall apply to all marketing and communication activities and materials produced by the Pilot PSP in relation to its involvement in the Pilot.
2. Any communication by the Pilot PSP beyond or divergent from paragraph 1 shall be subject to the prior written consent of the Participating NCB.

3. The Participating NCB shall support the Pilot PSP reactively by addressing communication-related queries and providing assistance in the local language.

Article [insert number]

Data Protection

1. The Parties shall ensure their continued compliance with the data protection obligations specified under Regulation (EU) 2016/679 and Regulation (EU) 2018/1725 for what concerns the processing of personal data that takes place under this Participation Agreement.
2. The Pilot PSP shall be considered an independent controller for the activities it conducts in line with its general and role specific obligations set forth in Articles 5 [choose [and] or [,]] [insert the number of the Article titled **Role-specific obligations of the Distributing PSP** and/or of the Article titled **Role-specific obligations of the Acquiring PSP**].
3. The Pilot PSP shall not transfer personal data that it processes for the purposes of this Participation Agreement to the ECB or to the Participating NCB unless the data subjects concerned explicitly consent to the sharing of their personal data in accordance with Regulation (EU) 2016/679.

Article [insert number]

Intellectual property

1. Unless expressly agreed otherwise in writing by the Parties, all intellectual property rights, including but not limited to copyright and related rights, in and to any works, materials, data, content or other outputs created, developed or produced by a Party in the course of, or in connection with, the Participation Agreement ("**Works**") shall remain vested in the Party that created or produced such Works.
2. Nothing in the Participation Agreement shall be construed as transferring ownership of intellectual property rights between the Parties, except where explicitly stated. Notwithstanding the foregoing, the ECB or the Participating NCB may grant to the Pilot PSP a non-exclusive, limited licence or usage right in respect of certain Works, for example, for communication, promotional, or informational purposes, provided that the scope, duration and purpose of such usage rights are expressly defined in writing.
3. By providing feedback as stated under Articles 5.2 and 5.7 of the Participation Agreement, the Pilot PSP grants the Eurosystem central banks a perpetual, non-

exclusive, royalty-free, worldwide, and sublicensable right to use, reproduce, modify, distribute, and otherwise utilise the feedback and any related intellectual property for any lawful purpose, including but not limited to improving the Pilot.

Article [insert number]

Subcontracting

1. The Pilot PSP may enter into subcontracting arrangements with other PSPs or technical service providers (“**TSPs**”) for the purpose of facilitating its participation in the Pilot, subject to the terms and conditions outlined in this Article. Subcontracting shall at all times remain compliant with all applicable legal, regulatory, and operational requirements.
2. The Pilot PSP shall remain fully responsible and liable vis-à-vis the Participating NCB and the End-Users for the fulfilment of its obligations under this Participation Agreement, regardless of any subcontracting.
3. Subcontracting shall align with the objectives of the Pilot and shall not compromise the integrity, security, or operational functionality of the Pilot activities.

Article [insert number]

Confidentiality

1. The Parties shall keep confidential all Confidential Information and shall not disclose it to any third party without the express, prior and written consent of the other Party concerned.
2. By derogation from paragraph 1, the Pilot PSP agrees that the Participating NCB may disclose Confidential Information related to the Pilot to other Eurosystem central banks, as well as to other Participants, provided that such disclosure is relevant for the purposes of the objectives of the Pilot.
3. Parties shall restrict access to Confidential Information to their relevant (technical) staff, and such access shall only be permitted in cases of explicit operational need.
4. The Pilot PSP shall establish appropriate measures to prevent access to Confidential Information by persons other than the relevant technical staff.
5. The Pilot PSP shall ensure that all its staff members, employees, subcontractor, subcontractor’s staff member, agents, or any other individuals involved in the execution of the Participation Agreement and having access to Confidential Information fully understand and adhere to this confidentiality requirement.

6. The duties of confidentiality under this Article do not apply where disclosure is:
 - a) warranted by the defence of a Party's legitimate interests in court proceedings, arbitration or similar legal proceedings; or
 - b) required under the applicable legislation.
7. The disclosing Party shall, subject to applicable legislation, inform the other Party reasonably in advance in writing in order to enable them to take precautionary measures.
8. The confidentiality obligations under this Article shall continue to apply after the Participation Agreement has ended.
9. On termination of the Participation Agreement, the Pilot PSP shall retain copies (in whatever form) of any Confidential Information it has produced or received in connection with the Participation Agreement only for the purpose of complying with its statutory obligations, including audit obligations, to retain such information, and shall not use such copies for any other purpose. Notwithstanding the foregoing, the Pilot PSP shall delete all Confidential Information owned by the Participating NCB within ten (10) working days after termination of the Participation Agreement.

Article [insert number]

Notices

1. Except where otherwise provided in this Participation Agreement, all notices required or permitted pursuant to the Participation Agreement shall be sent by registered post, or by electronic means if agreed bilaterally, or otherwise in writing. Notices to the *[insert name of the Participating NCB]* shall be submitted to the head of the *[insert payment systems department or relevant Participating NCB unit]* of *[insert name of the Participating NCB]*, at *[include relevant address of the Participating NCB]* or to the *[insert BIC address of the Participating NCB]*, or to *[insert if relevant any other electronic means that are bilaterally agreed]*. Notices to the Pilot PSP shall be sent to its address, or to *[insert relevant information if other electronic means are bilaterally agreed]*, or to its BIC address, as the Pilot PSP may from time to time notify to the *[insert name of the Participating NCB]*.
2. To prove that a notice has been sent, it shall be sufficient to prove that the notice was sent either physically or by electronic means to the relevant addressee.
3. All notices shall be given in *[insert relevant national language and/or 'English']*.

Article [insert number]

Severability

1. If a provision of this Participation Agreement is or becomes invalid, illegal or unenforceable, the other provisions of this Participation Agreement shall remain valid, legal and enforceable.
2. In place of the invalid, illegal or unenforceable provision, the Parties shall negotiate a valid, legal and enforceable provision that comes as close as possible to the intent of the invalid, illegal or unenforceable provision. If no agreement can be reached, the invalid, illegal or unenforceable provision shall be replaced on the basis of the relevant statutory provisions.

Article [insert number]

Governing law, jurisdiction and place of performance

1. This Participation Agreement shall be governed by [insert Member State adjective] law.
2. Without prejudice to the competence of the Court of Justice of the European Union, any dispute arising from a matter relating to this Participation Agreement falls under the competence of the competent courts of [insert place of the seat of the Participating NCB].
3. The place of performance concerning the legal relationship between the [insert reference to the Participating NCB] and the Pilot PSP shall be [insert place of the seat of the Participating NCB].

Article [insert number]

Duration, review and termination

1. This Participation Agreement shall take effect upon its signing by both Parties.
2. This Participation Agreement will terminate automatically six months after the conclusion of the Pilot. For the avoidance of doubt, the procedure for the closure of the Pilot shall be communicated by the Participating NCB to the Pilot PSP during the Pilot Development Phase, in accordance with Article [insert the number of the Article titled **Closing of the Pilot**]. The conclusion of the Pilot shall be formally confirmed in writing by the Participating NCB, which shall serve as the official reference point for the commencement of the six-month termination period stipulated in this Article.
3. Either Party may terminate this Participation Agreement at any time forthwith by written notice to the other Party if such other Party breaches any material term or condition of

this Participation Agreement, including, among others, a material failure to comply with the updated requirements referred to in Article 2(10), (11), and (12), and fails to cure such breach (if capable of remedy) within 21 days after receipt of written notice of the same (a “**Material Breach**”).

4. Furthermore, the Participating NCB may terminate this Participation Agreement immediately by written notice to the Pilot PSP if the Pilot PSP:
 - a) becomes insolvent, is unable to meet its financial obligations as they fall due, or ceases to operate in the ordinary course of business;
 - b) is subject to any proceeding or action related to bankruptcy, insolvency, administration, or liquidation, including the appointment of a receiver, trustee, or similar officer over its assets;
 - c) initiates or is subject to any arrangement, composition, or reorganisation with its creditors; or
 - d) is subject to any proceeding under the applicable law of the relevant jurisdiction or any equivalent event which materially affects the ability of the Pilot PSP to fulfil its obligations under this Participation Agreement.
5. The Participating NCB may extraordinarily terminate this Participation Agreement without notice in the event of an emergency which cannot be resolved with reasonable endeavours while continuing the Pilot, including but not limited to situations that involve (i) unacceptable risks to TARGET services and/or any of the TARGET component systems and/or the DESP, or (ii) serious reputational risk for the Eurosystem central banks, the Participating NCB or TARGET services. Such termination will be without prejudice to the continuation of the Pilot. In the event of an extraordinary termination of this Participation Agreement, Participants will only be informed thereof after such termination.
6. The expiry or termination of this Participation Agreement for any reason shall not per se give either Party the right to claim any compensation, indemnity or reimbursement whatsoever from the other Party by reason of such termination, but termination shall be without prejudice to any rights or remedies available to, or any obligations or liabilities accrued to, either Party at the effective date of expiry or termination. Provisions in this Participation Agreement that expressly or impliedly have effect after expiry or termination (e.g. Data Protection, Confidentiality, Intellectual Property) shall remain in full force and continue to have effect notwithstanding expiry or termination of this Participation Agreement.
7. In any case of termination of this Participation Agreement, the Parties shall continue to fulfil their duties and obligations under the same Agreement in good faith for as long as it is required to ensure that Pilot activities are ceased orderly and timely.

8. Except as otherwise expressly stated in paragraphs 10 and 11 of Article 2 of this Participation Agreement, no amendment or modification of the Participation Agreement shall be effective unless it is made in writing and executed by each of the Parties. Documents not expressly incorporated herein shall not form part of this Participation Agreement.

[Insert any clause required or necessary in the specific jurisdiction of the Participating NCB]

Signed at *[insert location(s)]* on *[date Month YYYY]* *[in two original copies each in the English language and signed]* by the Parties' duly authorised representatives.

For *[insert name of the Participating NCB]*

Full name and signature:

For *[insert name of the Pilot PSP]*

Full name and signature: