

# **New Regulations in Payments Services**

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- ☐ Regulation (UE) no. 260/2012 – SEPA Regulation
- ☐ EC Payment Legislative Package Proposal
- ☐ Bank Accounts Directive Proposal
- ☐ EC Green Paper - Towards an integrated European market for card, Internet and mobile payments
- ☐ ECB Recommendations for the Security of Internet Payments
- ☐ ECB Recommendations for “Payments Account Access” Services
- ☐ EC SEPA Governance Proposal – still pending

**1 February 2014**

SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) are mandatory for the euro zone  
BIC will not be required for domestic euro payments

**1 February 2016**

BIC will not be required for cross-border euro payments

**31 October 2016**

SEPA Credit Transfer (SCT) și SEPA Direct Debit (SDD) are mandatory for the non-euro zone

### **There is no Plan B**

Migration to SCT and SDD is required by law, not only for PSPs, but also for big billers, SMEs, public administrations and consumers

Migration is in the responsibility of the national communities and the political authorities



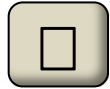
**Revision of Payments Services Directive – PSD2**

- implementing a harmonized legal framework at the EU level in order to create an integrated payments market and improving the level of accessibility for all implied parts in the payments area
- defining norms regarding the transparency of conditions and requirements for information for the payments services, as well as the rights and obligations of users and providers of the payments services

**New Regulation on interchange fees for cards transactions**

## PSD2 – Extended application domain

- payments services provided in the EU, where the providers of the payments services (of the payer, of the beneficiary or the unique provider implied in payment) are located in the EU
- payments transactions where one of the payments services providers is located in the EU, for the payments provided in the EU
- payments services in any currency (euro or currency of a member state outside the euro zone)
- EU member states will adopt and publish latest in two years from the Directive adoption the legislative acts in order to comply with PSD2



## EC Proposals on the scope of PSD2

- **Significant limitations** for the existing commercial agent and the addressing of problem generated by limited network and by downloadable digital devices
  - ✓ According to EC interpretation, present legal requirements can be considered as ambiguous and can be interpreted in a much general sense by the market players
- **Extension of PSD area of application** in order to include transactions where one of the PSP's is located in EC and also transactions in all currencies (including non-EU currencies)
  - ✓ New players in payment services area will qualify as TSP's (Third Party Payment Services Providers) that would initiate payments and release information on payment accounts

# CEC Bank Payments Services Directive–PSD2

- **Expanding the scope of the PSD**

- ✓ The inclusion of two new activities: “payments origination services” and “accounts information services”

- **The threshold for low level payments institutions**

- ✓ According to the Explanatory Memorandum of the EC, the goal of the new regime is to extend coverage over a larger number of low level payments institutions
- ✓ Changes to be applied to the threshold change are related to the maximum average volume of transactions representing payments over a period of 12 months, decreasing the value from 3 mil. EUR to 1 mil. EUR per month

- **Management of complaints**

- ✓ Introduction of a processing and resolution framework of the complaints, assuming providing written answers to complainants within 15 days and, if this is not possible, providing a waiting answer and returning with a final answer within 30 days

# CEC Bank Payments Services Directive–PSD2

- **Strong authentication of clients**

- ✓ EC introduces the concept of a "rigorous" procedure to validate payment instruments, which must be composed of at least two elements of validation independent of each other; this item is of interest especially for companies working in the field of mobile payments technologies, for transactions with lower values when the business model requires a delicate balance between ease of access and security

- **Exchange commissions**

- ✓ In order to increase competitiveness, proposals that allow traders to guide clients to the use of certain payment instruments through various incentives and commissions, in a manner consistent with the commission's proposals on the exchange;
- ✓ new rules will give consumers more options for improving the various types of payment services and services.



## Threats and opportunities: elements that should be considered by the market players

- ❑ **For innovators** (from both traditional banks and from technological areas)
  - ✓ The possibility to identify new opportunities based on the EC support to the account and payment initiating services conglomerates
- ❑ **For existing operators**
  - ✓ The possible impact over businesses and respectively over operations as generated based on the EU support on the account and payment initiating services conglomerates
- ❑ **Payment service providers involved in mobile payments services**
  - ✓ Preparations for revisions on administration of errors in the interface with consumers and security risks, fraud and AML, together with technological disruptions and externalization risks

## Threats and Opportunities: elements that should be taken into account by market players

- ❑ **Any party involved in payment card (merchants, cardholders, banks issuing cards, etc.)**
  - ✓ the manner in which exchange fees proposed by the EC and proposals to support traders choice will impact the economy and possibly long-term future of card-based payment
- ❑ **Existing payment service providers**
  - ✓ DSP2 proposals impact on client rigorous protocols authentication, managing claims and reimbursement management (for direct debit services, the borrower will not be entitled to refund if the goods have been delivered or services consumed)



### EC Proposal for Banks Account Directive – three areas

- Transparency and comparability of payment account fees
- Payment account switching
- Access to payment accounts



### Objectives

- ✓ **cheaper** bank accounts
- ✓ **more transparent** bank accounts
- ✓ **more accessible** bank accounts to all consumers



## **Inter-bank agreements for adopting the SEPA schemes for national currency payments**

- ✓ SEPA Credit Transfer RON – 5 September 2012
- ✓ SEPA Core Direct Debit RON, SEPA B2B Direct Debit RON – November 2013



## **Set-up of the Scheme Management Committee for the SEPA RON Schemes**

- ✓ responsibility for administering and monitoring the SEPA RON Schemes adherence process



## **Romanian Banking Association took over the role of governance authority for SEPA RON Schemes**

- ✓ at the request of National Bank of Romania