

THE (NEW) EUROPEAN PAYMENT SERVICES DIRECTIVE: MAIN CHANGES AND IMPACTS

Francisco Linares

Head of the Payment Services to Other Institutions
Division

REGIONAL PAYMENTS WEEK 2019

Willemstad, Curaçao

18-22 November 2019



AGENDA

1. The Directive in context
2. Main changes
3. Potential impacts

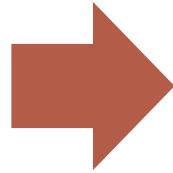
The Payment Services Directive (**original PSD**)*

- ✓ Provision of payment services (**payment institutions**)
- ✓ **Transparency** and information requirements
- ✓ **Rights and obligations** of users and providers



harmonization
level playing-field
competition
transparency
legal certainty

(*) Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007L0064&from=ES>)

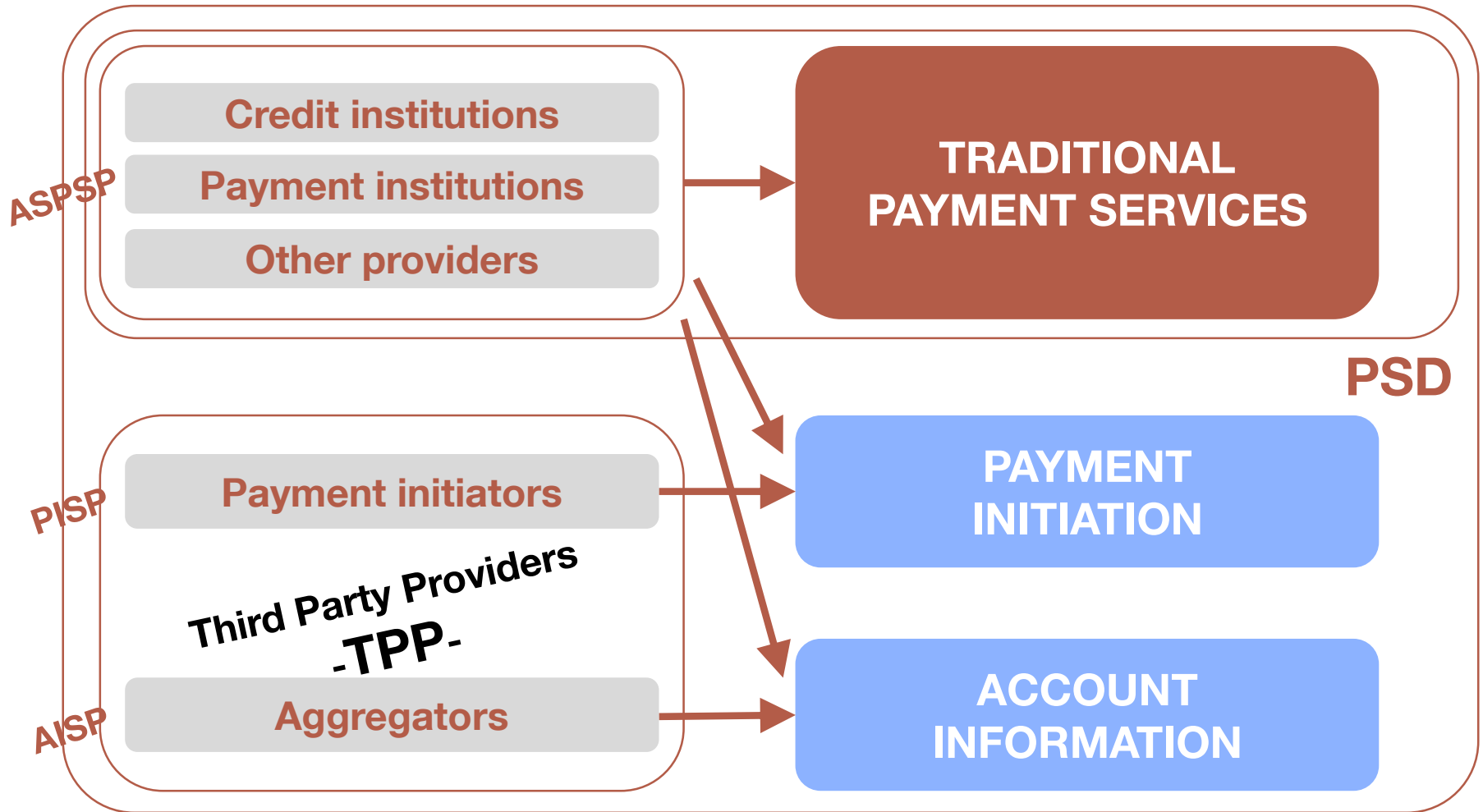


PSD2

The New Payment Services Directive*

- **PSD2 objectives**
- **Implementation calendar**
- **Main changes**
 - ... **“fine tuning”**
 - Scope of application
 - Limitation of exemptions and options; new definitions
 - Access to payment systems
 - ... regulation of **new services**
 - ... in the field of **security of payment transactions**

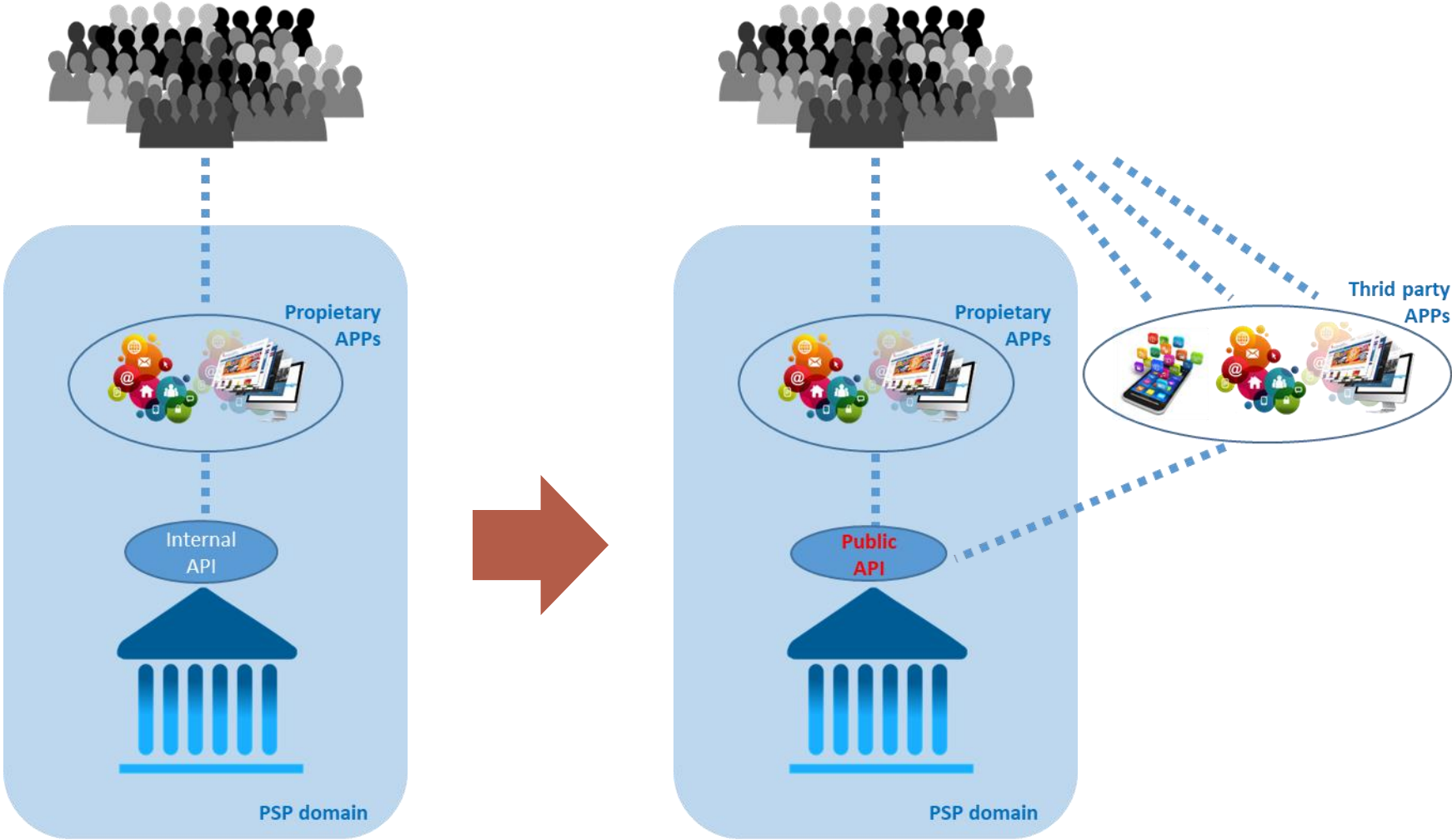
(*) Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015L2366&from=EN>)



ASPSP: Account-servicing Payment Service Provider

PISP: Payment Initiation Service Provider

AISP: Account Information Service Provider



Prudential requirements for payment services providers

Criteria	ASPSP	PISP	AISP
Payment services	All	Payment initiation	Account information
Possession of customer funds	YES	NO	NO
Capital (€)	125.000	50.000	NO
Own funds	YES	NO	NO
Insurance policy (or comparable guarantee)	NO	YES	YES
Authorization	YES	YES	NO
Registry	YES	YES	YES
Passport	YES	YES	YES
Organizational requirements	All	All	Security and continuity
PSD2 application	YES	YES	Limited
Possibility of exceptions	YES	NO	YES

Operational framework applicable to PISP and AISP

Criteria	PISP	AISP
Service linked to the existence of an on-line account	YES	YES
Contractual relation with the ASPSP	NO	NO
Obligation of identification with the ASPSP	YES	YES
Possible use of credentials and authentication procedures of the ASPSP	YES	YES
Strong Customer Authentication	YES	YES
...with dynamic element	YES	NO
Use of open, common and secure communication standards	YES	YES
Safekeeping of information and credentials	YES	YES
Existence of master agreement with payer	NO	YES
Possibility for the ASPSP of denying access	Only with objective and documented reasons	
Discrimination of orders by the ASPSP	NO	NO

Changes regarding the **security of payment operations**

Strong Customer Authentication -SCA-

... using two or more **security elements**

- *Something only the user knows (**knowledge**)*
- *Something that only the user possesses (**possession**)*
- *Something that "the user is" (**inherence**)*

... **independents** (the breach of one of them does not compromise the rest), which does not imply the requirement of different devices

... provided to the customer by the payment service provider with **personalized security credentials**

... and **dynamic** (for remote electronic payment transactions or transactions involving a third party initiating the payment)

Strong Customer Authentication -SCA-

... **mandatory** for

- *Online access to payment accounts*
- *Electronic payments*
- *Risky remote operations*
- *Involving third-party providers (TPP)*

... with the possibility of applying **exemptions** (*depending on the level of risk, the amount or the channel*)

... and with the application of operation **monitoring mechanisms**

Separation of “account servicing” and “payment services”

Potential conflicts of interest

Possible asymmetries

By Agents

Challenges and opportunities

THANKS FOR YOUR ATTENTION

