

BEYOND PSD2: NEW DIGITAL PAYMENTS

***Kick-off meeting €Isoba
European legal strategies for payment systems in the Open Banking age***

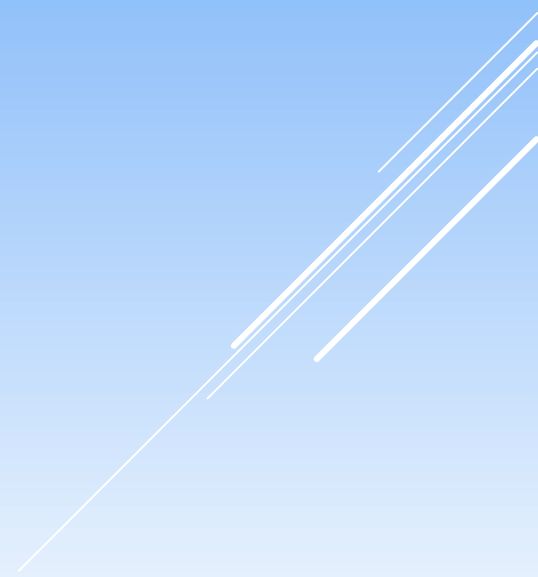


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Overview:

- 1. From PSD1 to PSD2*
 - 2. PSD2: the open banking*
 - 3. Retail payment strategy of the European Commission*
 - 3.1 Instant Payments*
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 - 3.4 Data driven*
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From PSD1 to PSD2



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2002 Monetary union

2007 First Payment Services Directive (PSD1):

- Payment Institutions: introduction of a new category of payment services provider
- Uniform rules for payment services :
 - transparency and information requirements
 - rights and obligations diritti e obblighi delle parti

2007 TARGET2

2014 End date migration to SEPA (euro area) (2016 non euro area)

2015 Second Payment Services Directive

PSD2:

- the online payment account is open to Third party providers (TPPs)
- New payment services are regulated: payment initiation service (PIS) account information service (AIS)
- New rules for PIS providers e AIS providers: professional indemnity insurance or comparable guarantee
- Strong customer authentication
- Greater role of the European Banking Authority (guidelines, technical standards and IPs european register)

New retail payment strategy of the European Commission



24 September 2020:

the Digital finance package was published containing the Retail payment strategy 2020/2024:

- Review of PSD2
- Open banking → economy data driven
- Instant payments
- Stablecoins
- Central bank digital currency (CBDC)

Retail payments strategy



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Instant payments

«an EU-wide cross-border instant payment solution would complement current card schemes, reducing the risk of external disruption and making the EU more efficient but also more autonomous»

With Instant payments, funds are immediately available to the payee

- Amendment to PSD2 to take account of the instant payment as regards consumer protection, costs, prevention new types of fraud.
- Uniform rules for intermediaries: schemes SCT Instant are required within 2021

Stablecoins

- Big Techs have become active in the payment sector: new payment solutions based on encryption and distributed ledger technology (DLT).
- Competition with payment services offered by regulated players (Payments service providers, payment systems and payment schemes).
- Same business, same risks, same rules: ensuring a full level playing field.
- New EU legislative framework for crypto-asset: Proposal for a regulation of crypto-asset Market (MICA) including asset-referenced tokens (stablecoins)

Central bank digital currency (CBDC)

- European Commission supports the EBC in order to evaluate the issue of a euro retail CBDC: further work is needed to assess the potential impact of CBDC on monetary policy, financial stability and competition.
- CBDC would work together with payment solutions developed by the private sector
- CBDC would be added to banknotes and coins.
- European Parliament Resolution with recommendations
- ECB Report on digital euro

PSD2 and big data

- Confirmed the open banking system : sharing and using customer-permissioned data by banks and third party providers to create new services.
- Promoting data-driven innovation in finance by establishing a common financial data space.
- Promoting innovative IT tools to facilitate reporting (RegTech) and supervision (SupTech) for supervisory reporting by regulated entities and supervision by authorities.

Thanks for your attention



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