

NOTE ON THE REVISED EU PAYMENT SERVICES DIRECTIVE II

A political agreement was reached on 5 May following trilogue negotiations between the Commission, the European Parliament and the Council of Ministers.

The revised Payment Services Directive (known as PSD2) brings a number of new important elements and improvements to the EU payment market.

The agreed proposal aims to improve consumer protection against fraud, possible abuses and payment incidents, such as disputed transactions. The new measures will also ensure that all payment providers active in the EU are subject to supervision and appropriate rules.

This should create the right incentives for the emergence of new players and the development of innovative mobile and internet payments in Europe. This means more choice and better conditions for consumers and businesses. It is to be expected that this package will have a positive impact also on remittances transfers.

The new legislation is expected to enter into force after the summer.

The revised Payment Services Directive as part of its payment package in July 2013 (see IP/13/730 and MEMO/13/719). Although significant progress has been made in integrating retail payments in the EU into the current legislative framework on payments, several important areas of the payments market – such as card, internet and mobile payments - are still fragmented along national borders.

With its proposal the European Commission aimed to 1) Improve consumer protection against fraud, possible abuses and payment incidents through enhanced security requirements that make strong customer authentication for online payments compulsory and 2) Promote competition through a regulatory framework conducive to the emergence of new players and the development of innovative mobile and internet payments in Europe.

For more information please consult:

http://ec.europa.eu/finance/payments/framework/index_en.htm