

WORKSHOP ON IMPLEMENTATION OF INSTANT PAYMENTS REGULATION

30 April 2024

QUESTIONS ON SCOPE

SCOPE OF THE IPR, SCOPE OF THE OBLIGATION TO PROVIDE INSTANT CREDIT TRANSFERS, ARTICLES 5a(1) AND 5a(2)

No	Article	Question
1.	5a, 5c	The IP Regulation is based on EURO IPs. How should be Article 5c understood so that it refers to all "credit transfers" (EURO is not mentioned in Art 5c)? Should it be assumed from the context of the IP Regulation that only EURO "credit transfers" are covered?
2.	1(2), point (a) (SEPA)	Is this provision from the initial SEPA Regulation still valid within IPR? "2 This Regulation shall not apply to (a) payment transactions carried out between and within PSPs, including their agents or branches, for their own account;"
3.	5a(1) of IPR and 1(2)(b) of SEPA	Considering the exemption of payment transactions processed and settled through <i>large value payment systems</i> in the SEPA regulation (Art.1(2), point (b)), will the entities processing their euro transactions only through such systems be also out of the scope of Instant Payments regulation? (i.e. shall PSPs using only TARGET be obliged to offer Instant Payments in euro and provide with the service of Confirmation of Payee?)
4.	5a(1)	We would appreciate the confirmation that the Regulation does not require a transfer in EUR to be made specifically as an instant payment, but the customer still has a choice (SEPA, TARGET, SCT Inst.)? What will be the primacy of the provisions over Regulation 260/2012, which also forces payments in EUR to be directed to SEPA?
5.	5a(1)	Are savings and cooperative banks in the scope of the regulation, which is impacting the go-to-market plans in some specific countries?
6.	5a(1)	Does this include fiduciary accounts and pledged accounts or can these be excluded?
7.	5a(1)	Do PSPs, that provide only a savings account to their customers that has one fixed contra current account with another bank, and where beneficiary and originator are the same person, have to comply with the Instant Payment Regulation?
8.	5a(1)	An EMI offers payment services to its clients that consist of: issuance, distribution and redemption of electronic money. (i) In practice, clients can exchange electronic money or make purchases with electronic money by means of a specific E-wallet, and transactions can only take place between EMI's clients (either consumer to consumer or consumer to business) via the respective E-wallets.

No	Article	Question
		<p>EMI does not provide to its clients the possibility of exchanging funds via a SEPA Credit Transfer (SCT). SCT is only used by EMI itself as a technical payment method in those particular scenarios:</p> <ul style="list-style-type: none"> (ii) Electronic money redemption: EMI performs a Sepa Credit Transfer to transfer funds from the consumers' E-wallet to their bank account; (iii) Electronic money issuing: consumers can perform a Sepa Credit Transfer from their bank account to a EMI's bank account to fund their E-wallet; (iv) Merchant payout: in the case of customers who run a business (merchants) and use the EMI as a means of payment collection, funds are periodically transferred through a Sepa Credit Transfer from the merchants' E-wallet to their bank account. <p>In those cases, SCTs are executed exclusively to or from previously verified IBANs associated with the respective customers' account with EMI.</p>
9.	Scope of IPR and PAD	<p>In light of the Instant Payment Regulation, are instant credit transfers to be considered equivalent to non-instant credit transfers for the purpose of art. 17(1)(d)(iii) of Directive 2014/92/EU – Payment Account Directive?</p> <p>If so, should instant credit transfers be included in the minimum number of operations to be offered under the specific pricing rules provided for payment accounts with basic features?</p>
10.	Recital (7)	<p><i>PSPs providing the payment service of sending and receiving credit transfers in euro to their PSUs should be required to offer the payment service of sending and receiving instant credit transfers in euro to all of their PSUs.</i></p> <p>We understand that PSPs referred to are ASPSPs.</p>
11.	5a(1)	<p>PIs and EMIs are now in scope of the IPR - does that mean only PIs and EMIs that have joined payment systems directly or ALL?</p>
12.	5a(1)	<p><i>How shall PSPs which were not able to obtain access to an SFD system (e.g. due to rules of the system) fulfil their obligation to offer instant payments in euro?</i></p> <p>Only the fact that the Settlement Finality Directive will allow non-banking PSPs to join settlement systems with finality does not necessarily mean that they will fulfil the rules of the system and will join an SFD system. The rules of settlement system are set by the system operator. The rules might be difficult to fulfil for some non-banking PSPs due to several requirements etc. Therefore, it means that only several mostly significant non-banking PSPs will be able to use their right to access = not all non-banking PSPs are expected to join SFD systems and fulfil their obligation under IPR.</p>
13.	Scope of IPR and scope of SFD	<p>IPR seems to be applicable also to PSPs which cannot be participant of SFD systems (small payment institutions and small e-money institutions). How shall these PSPs fulfil their obligation to offer instant payments in euro?</p> <p>While IPR sets out obligations for all PSPs, including small payment and e-money institutions, it only ensures access to payment systems for payment and e-money institutions, not those that benefit from the exemption under Article 32 of</p>

No	Article	Question
		PSD2 by referring to Article 4(4) of PSD2 and Article 2(1) of EMD2 (see Recital 15 and Art. 4 of IPR).
14.	5a(2)	If a Central Bank (acting as monetary authority) decides to offer instant credit transfers but not on a 24/7 basis, wouldn't it be a breach with the current EPC Rulebook?
15.	5a(1)	Can the Commission confirm that the scope of the obligation to include foreign currency payment accounts is limited to EEA countries' currencies?
16.	5a(1)	Do PSPs in the euro area have to offer instant payments in euro from/to 'non-EUR' denominated accounts 24/7/365?
17.	Recital (4)	Given that the Instant Payment Regulation introduces amendments to Directive 98/26/EC ("SFD") which might be interpreted to have an effect on Member States whose currency is the euro. Given the wording in recital (4), would it be possible to clarify the intention of said recital in relation to the SFD for Member States whose currency is not the euro?
18.	5a(2)	On which criteria will competent authorities base their assessments of a PSP's access to liquidity in euro? May competent authorities consider the impact of non-euro-PSPs' currency exchange risk that this article imposes, when making that assessment?
19.	5a(2)	Article 5a(2) contains an exception for PSPs located in a Member State whose currency is not the euro to offer the service of sending instant credit transfers in euro beyond a limit per transaction. What does this exception mean: does it mean that the PSP is not obliged to offer both the service of sending and receiving instant credit transfers in euro or only the service of sending instant credit transfers in euro? Or should we understand this in the meaning that PSPs are not obliged to offer the service of sending instant credit transfers in euro but they have to offer the service in the currency of the Member State in which they are located?
20.	5a(1)	Must the scope of application of the definition of "credit transfer" also include recurring credit transfers and must PSUs therefore be offered the possibility of arranging an instantaneous recurring credit transfer?
21.	5a(1)	Does the requirement to receive and send instant payments apply to a central bank's own payments, e.g. salary payments, payments for CB's suppliers, etc. (i.e. when CB simultaneously acts both as PSP and PSU)?

QUESTIONS ON THE REMAINING PARAGRAPHS OF ARTICLE 5a

No	Article	Question
1.	5a(3)	What is the exact starting time of the 10 seconds mentioned in the IPR? From the payer's PSP (initiation of the order) or the payee's PSP side?
2.	5a(3)	Article 5a(3), first subparagraph: "Notwithstanding Article 78(1), second subparagraph, of Directive (EU) 2015/2366, the time of receipt of a payment order for an instant credit transfer shall be the moment it has been received by the payer's PSP, regardless of the hour or calendar day". <u>Question:</u> Could the Commission clarify what is meant by the time of receipt? <u>Proposed solution:</u> As written, and in combination with other articles, we understand the time of receipt is the moment after the customer has entered the amount, the name and the IBAN of the payee, the VoP has been performed and the customer has confirmed the information, possibly the SCA has been made by the payer's PSP. Is this the correct interpretation?
3.	5a(3) and 5c(1)	Is the time of receipt (for the payer's PSP) the moment when the payer authorises the payment, i.e. after the CoP process?
4.	5a(3), third subparagraph, point (a)	(i) Are we correct in our assessment that payment orders from telephone banking, by fax, and also bulk payments authorised via paper-based instructions fall into that category? (ii) In some cases, the order data are submitted electronically (usually by third party providers) and later authorised by the customer. Is it correct that the time of receipt is to be regarded as the authorisation by the customer?
5.	5a(3)	"Notwithstanding Article 78(2) of Directive (EU) 2015/2366, if the payer and the payer's PSP agree that execution of the payment order for an instant credit transfer is to take place at a specific time on a specific day or at the moment when the payer has put funds at the disposal of the PSP, the time of receipt of the payment order for an instant credit transfer shall be deemed to be the agreed time, regardless of the hour or calendar day." Can we confirm that this is <i>an added value feature</i> (i.e. offered based on a non-mandatory agreement between the payer's PSP and the payer's PSU)?
6.	Recital (13)	"...taking into account any capacity constraints of a retail payment system which have been communicated to the payer's PSP". Please clarify what is meant by the text "taking into account any capacity constraints of a retail payment system"
7.	Recital (13)	"without prejudice to possible solutions to be provided by retail payment systems which allow for the conversion of multiple payment orders for instant credit transfers as packages into individual instant credit transfer transactions". Please clarify what is meant by the text "without prejudice to possible solutions to be provided by retail payment systems".
8.	5a(3), third	In case of a SEPA Instant Payment Transfer in Euro initiated from an account that is not denominated in Euro (e.g. Dollar), by when must the payment transaction be executed?

No	Article	Question
	subparagr aph, point (c)	
9.	5a(3), third subparagr aph, point (c) and 5a(4), point (c)	There is no distinction stated between currencies of European union countries and others? Should we offer currency conversion for Euro Instant incoming Credit Transfer towards accounts in all currencies?
10.	5a(3), third subparagr aph, point (c) and 5a(4), point (c)	Does it mean that we have to provide the currency conversion on incoming euro instant transactions within the 10 seconds of the instant payment.
11.	5a(3), third subparagr aph, point (c) and 5a(4), point (c)	Are we allowed to reject the incoming euro instant transaction if the currency conversion can not be done within the 10 second timeframe (i.e. liquidity in the other currency, opening hours of the markets,...)
12.	5a(4), point (c)	What impact does a currency conversion have on the 10-second period (regulated in Article 5a(4), point (c)) until the payment amount is available on the payee's account? If a foreign currency account is accessible for incoming SEPA credit transfers - and thus for instant credit transfers, this results: - If it is a currency conversion between the euro and a currency of a non-EEA country (e.g. receipt of an euro instant payment transfer to a USD account), the payment amount is not to be made available within 10 seconds. The credit (booking) may be delayed by the reasonable duration of the conversion process in accordance with Art 87 (2) PSD II
13.	5a(4),	The provision implies that we reserve the amount <i>while getting back to the payer for further information that the paper-based</i>

No	Article	Question
	point (b)	<p><i>payment order lacks before we can send the IP Euro payment transaction, impacting PSU available funds. Please clarify.</i></p> <p>The rule provides for a check of the execution requirements including the required account funds and immediate sending to the payee's PSP.</p> <p><i>Are we correct in assuming that these times can be added to the execution time of 10 seconds or has the execution time to be reduced?</i></p>
14.	5a(4), point (e)	<p>How can the obligation to immediately inform the payer whether the amount of the payment transaction has been made available on the payee's payment account be met in case of instructions where the payer is not present, and therefore not available for the information to be shared in real-time with the payer (see in particular Article 5a(4), point (e))?</p> <p>Our interpretation is that for transactions initiated by the payer where the payer is not present nor waiting for confirmation (for instance paper-based, electronic asynchronous connection, or future dated transactions), the usual ways the PSP provides (or makes available to) the payer with the information required according to PSD2's information requirements for payment services should be considered as adequate for that purpose.</p>
15.	5a(4), point (c) and 5a(4), point (e)	<p>The SCT Inst scheme (at least currently) does not envisage the confirmation by the PSP of the payee to the PSP of the payer that the funds have been credited to payee's account.</p> <p>However (as per current practice) the PSP of the payee shall confirm prior to the interbank settlement to the CSM (clearing and settlement mechanism) that it will credit the payee's account (upon successful settlement).</p> <p>Furthermore, some CSMs (e.g. TIPS) notify both PSPs (of the payer and of the payee) on the successful settlement.</p> <p>Question: can the aforementioned notification on successful settlement be understood as a confirmation of the completion of the payment transaction to the payer's PSP (Article 5a(4), point (c)) and as a confirmation of the PSP of the payee, that the funds were made available on the payee's payment account (Article 5a(5))?</p>
16.	5a(4), point (c)	<p>With regard to informing the payer, is it sufficient to make the information available to the payer to be collected at his discretion (like it is done today in case EBICS is used) or does it have to be actively sent?"</p>
17.	5a(4), point (e)	<p>How should the obligation of immediate information of the payer by the PSP be interpreted in case of execution of multiple transfers in the form of a package through interbank corporate banking?</p>
18.	5a(4), point (e)	<p>Can the European Commission confirm whether the final text agreed on Article 5a(4), point (e), will require ASPSPs to implement changes to their dedicated interfaces for PIS with real-time notifications on execution, if they don't already do this?</p>
19.	Recital	<p><i>To ensure that all PSUs have access to instant credit transfers in euro, there should be no difference in terms of the payment</i></p>

No	Article	Question
	(11)	<i>initiation channels through which PSUs can place payment orders for instant credit transfers and other credit transfers.</i> We understand that PSPs referred to in this recital are all regulated PSPs including PISPs.
20.	5a(5)	<p>(i) We note that the obligation of the payer's PSP is triggered by the non-receipt of the confirmation by the payee's PSP within 10 seconds and thus in a situation of uncertainty as to the correct execution of the transaction. The reference to Article 89 of Directive (EU) 2015/2366 seems to be sufficient to regulate the cases in which the payment transaction was not actually executed.</p> <p>(ii) However, we wonder what rules should apply if the funds have nevertheless been made available on the account of the payee, but confirmation has not been received within 10 seconds; that is, in the case of a mere delay of confirmation. Indeed, such a case does not seem to be covered by Article 89.</p> <p>In such situations can the payer's PSP recover the funds from the payer's account and, if so, by what procedures? If not, there would be an unjustified enrichment of the payer. Is the payee's PSP liable towards the payer's PSP for the delay? However, the delay could also be due to factors unrelated to both the payer's PSP and the payee's PSP.</p> <p>Finally, there may be also the risk of unintended duplications, e.g. when the payer, relying on the (apparent) non-execution of the first payment, has ordered a new payment.</p>
21.	5a(5)	<p>Under the current SCT Inst Scheme Rulebook, when the Originator (i.e., the payer) PSP has not received any confirmation message from the Beneficiary (i.e., the payee) PSP the latest after 25 seconds, the Originator PSP cannot unilaterally reject the transaction.</p> <p>The Originator PSP needs a confirmation from the Beneficiary PSP, received via the intermediary CSMs or from the intermediary CSMs themselves, about the settlement status of the payment transaction.</p> <p>Article 5a(5) is not in line with current approach of SEPA Inst Scheme Rulebook.</p> <p>A way forward to close this gap could be to set an appropriate timeline for the Originator PSP after the 10 seconds to enquire the actual settlement status.</p>
22.	5a(4), point (a)	We'd very much welcome clarification whether "other credit transfers" means transfers in euro (non-immediate --> SEPA) and not e.g. transfers in national currency in the case of non-euro zone Member States.
23.	5a(5)	<p>Depending on the interpretation of this rule there could be a mismatch between article 5a(4) and 5a(5), at the very least, however, this regulation could also lead to a significant risk for the payer's PSP.</p> <p>After the payee's PSP has credited the transfer to the payee, it is possible for various reasons that the confirmation does not reach the payer's PSP within the 10 seconds. The EPC has outlined the associated problems and risks in its document EPC 287-23. This requirement is not covered by the existing IP procedure. In exceptional cases, the current IP procedure provides for the payer's PSP to maintain the reservation of the amount until clarification. A practicable technical solution to fulfil the requirement and reduce this new risk as far as possible has not yet been identified.</p>

No	Article	Question
		<p>We therefore understand this regulation to mean that, as a rule, the payer must be informed of the execution within 10 seconds of the time of receipt.</p> <p>If the Payee's PSP fails to provide feedback, a restoration in accordance with the current EPC Rulebook is to be assessed as an immediate refund <i>once the transaction has been clarified within few minutes</i>. Have we interpreted this requirement correctly?"</p>
24.	5a(6)	Is this obligation of service only for instant euro credit transfer or should we also implement it for non-instant euro credit transfer
25.	Recital (19), 5a(6)	<p>Today the SCT Inst scheme allows transfers up to €100,000 per transaction but the PSPs have the possibility to set their own limit.</p> <p>However, a default maximum amount is not at all mentioned in the Regulation. It means the limit will be the amount of EUR 999 999 999,99?</p> <p>If our understanding is correct, that implies implicitly that the PSPs should be able to cap the amount per transactions et per day as security measures for their payment service users? Indeed, the PSPs may typically set different caps based on their risks policies and customer needs.</p>
26.	5a(6)	Can PSPs apply cool-off periods for the changes to come into effect as a fraud prevention mechanism. Clarifications would be welcome.
27.	5a(6)	<p>No threshold is mentioned anymore in the regulation, should we interpret it as a removal of any external threshold for SCT Inst (or an alignment with the SCT threshold).</p> <p>Can we confirm that it impacts not only the PSP and that in order for PSP to adapt, the limitation at CSM level will also need to be adapted.</p>
28.	5a(6)	<p>PSPs have for security reasons amount limits put by initiation channel and possibly type of customer.</p> <p>Can the Commission confirm that the limit the PSU can request will take place within the limits put by the PSP? E.g. if a PSP put a maximum of 5.000 € par transaction for an initiation made by the PSP's app, that a payer cannot impose to this PSP a limit of 10.000 €.</p>
29.	5a(6)	In accordance with Article 5a(6), the PSP shall offer a PSU the possibility of determining a maximum amount that is able to be transferred by means of instant credit transfer.

No	Article	Question
		<p>(a) How does this work in practice? How can the PSU indicate its request to change the limit? What are the security measures/safeguards in a context of fraud prevention?</p> <p>(b) When the PSU places an instant payment order and he does not mention a request to change the maximum amount (i.e. in case of silence from the PSU), does this mean that the last limit previously set is still valid?</p>
30.	5a(6)	<p>Should the possibility to determine a maximum amount be granted to the PSU through any channel on which the instant credit transfer can be initiated?</p> <p>Or can the PSP identify a single channel through which limits can be set (e.g., internet banking)?</p>
31.	5a(6)	<p>The article introduces the possibility for the customer to set a maximum transferable limit. The customer could then set this maximum amount to zero, independently and at any time, e.g., from home banking.</p> <p>However, in case a fraudster got hold of the payer's credentials, he could change this limit in a similar way. To prevent such a risk, in order to protect the PSU, the question arises whether – if the customer does not want to dispose of the SCT Inst service in any way – <i>it is possible for the ASPSP to proceed to disable (even temporarily or in any case always revocable) this service.</i></p>
32.	Recital (18)	<p><i>“A PSU should be able to set an individual limit fixing a maximum amount, either on a daily or per transaction basis, that it can send by means of instant credit transfers. PSUs should be able to modify or lift those individual limits at any time, without difficulty and with immediate effect. “</i></p> <p>Is this obligation intended for ASPSPs or would it also apply to PISPs that do not handle payment accounts?</p>
33.	Recital(13)	<p>In our Member State the IP CSM also processes instantly SEPA credit transfers. This is an AOS under SCT (see https://www.europeanpaymentscouncil.eu/what-we-do/epc-payment-schemes/sepa-credit-transfer/sepa-credit-transfer-additional-optional).</p> <p>These non time-critical payments (which are identified with local instrument code INSTNT01) are for 99.9 % processed within 10 seconds. The only difference with instant payments is that there is no hard time-out deadline applicable based on which any of the parties is to reject the Instant processed SEPA Credit Transfer for any of the specified cases as mentioned in the SEPA Instant Credit Transfer Rulebook.</p> <p><i>When a PSP receives multiple payment orders for instant credit transfers as a package, will it be allowed to send these payments as individual non time-critical payments?</i></p>
34.	5a(4),	<p>We'd appreciate specifying in detail the rules for the operation of the service during transitional periods (especially when the</p>

No	Article	Question
	point (a)	<p>ordering party is in the euro zone and the completing party is located outside the euro zone - what is the deadline for adjustment?).</p> <p>Does this include pain.001 messages transmitted via SWIFT? How should the order execution deadlines be calculated (how should the "time of receipt" for such an order be treated, and can it be considered a "non-electronic payment order"?)</p>
35.	5a(8)	<p>According to the final IPR text, (e.g.) in the euro-zone, the implementation by PSPs of all paragraphs (3) to (7) additional obligations related to the service of receiving instant credit transfers would be subject to the 9-months term referred to in paragraph (8), and all additional obligations related to the service of sending instant credit transfers would be subject to the 18-months term referred to in the same paragraph (8).</p> <p>While the above is a straightforward assessment for the obligations that are clearly imposed on either the Originator PSP or the Beneficiary PSP, certain IPR provisions (such as Article 5a, par. (5)) include mixed obligations, entailing the participation of both PSPs to be fulfilled. With respect to such provisions, we would welcome clarification as regards implementation deadlines.</p>
36.	5a(8) & 5a(4)(c)	<p>Article 5a 4 (c): <i>Notwithstanding Article 83 and Article 87(2) of Directive (EU) 2015/2366, the payee's PSP shall, within 10 seconds of the time of receipt of the payment order for an instant credit transfer by the payer's PSP, make the amount of the payment transaction available on the payee's payment account in the currency in which the payee's account is denominated and confirm the completion of the payment transaction to the payer's PSP;</i></p> <p>When will this new time lap apply to Instant Payment – When IPR enters into force? After 9 months, when mandatory reception applies? After 18 months, when mandatory sending applies?</p>
37.	5a(6)	<p>What is the interplay between the provision of Article 5a, paragraph 2 and the deadline set in Article 5a, paragraph 8, third subparagraph and, more precisely, are payment service providers outside the eurozone allowed to offer instant credit transfers in euro below the 25,000 euro limit before the deadline set in Article 5a, paragraph 8, third subparagraph?</p>
38.	5a(8)	<p>The regulation provides for different deadlines for implementation:</p> <ul style="list-style-type: none"> - 18 months for Member States with euro currency (IP can be commissioned via all channels); and - 33 months for Member States with other national currencies (passive accessibility for IP) <p>Question: How should the different deadlines be handled to avoid rejections/discrepancies/timing out/lack of confirmation? Example: If an IP payment is ordered to a recipient who is not yet reachable via IP, the order is rejected with corresponding information to the payer.</p>

No	Article	Question
39.	5a(8)	<p>Is it correct to assume that, for example, in a non euro area Member State, the deadline for implementing the <i>service of sending</i> instant payments in EUR from accounts kept in EUR, NOK, SEK (...) (24/7) and national currency of the Member State (only during working hours) is 39 months, and only from accounts kept in the national currency (outside business hours) is it 50 months?</p> <p>In other words, the shorter deadline also covers currency conversion, also outside business hours, only with the exception of currency conversion from national currency to EUR – if so, what is the justification for the shorter implementation deadline for credit transfers with currency conversion other than the national currency?</p>
40.	5a(8)	<p>Shall the payer’s PSPs comply with the obligations set in article 5a(4) and (5) as from the deadlines indicated in article 5a(8)?</p> <p>Or will these provisions enter into force as from the date when a PSP decides to offer the service of sending or receiving instant payments, if at an earlier time than the deadlines indicated in article 5a(8)?”</p>
41.	5a(8)	<p>When considering a PSP that operates as a Branch in a Member State whose currency is the euro, but the Head Office is a PSP located in a Member State whose currency is not the euro, which time limit is applied to the Branch?</p>
42.	5a(8)	<p>According to the proposed regulation, all Electronic Money Institutions (EMIs) within the Eurozone should be able to receive and send instant payments within 36 months (36/39 months for receiving/sending respectively for non-eurozone EMIs) from the date of application of the Regulation.</p> <p>However, from the text of the law, it is <i>not clear the exact timeline for the implementation of the rest of the obligations (i.e., Pricing, Sanctions screening/AML systems-processes & IBAN verification system) set forth therein.</i></p>
43.	5a(8)	<p>What about PIs and EMIs that already only receive (but not send) instant payments? Are they submitted to the same requirements and calendar as CIs? Will they be supposed to send after 18 months or 36 months?”</p>
44.	5a(6)	<p>IPR versus SCT Inst Scheme: SCT Inst EPC scheme has defined a maximal amount of €100,000. This IPR doesn’t define any maximum amount.</p> <p>Question: When will the removal of the maximum amount apply to PSPs?</p>

SERVICE ENSURING VERIFICATION OF THE PAYEE

ARTICLE 5c

No	Article	Question
1.	Recital (20)	What would be the conditions for a PSP to be allowed to reject an instant payment due to fraud suspicion?
2.	Recital (21)	In respect with the GDPR, the names of natural person are sensitive data. However, recital 21 does not comply with the GDPR because in the case of an almost match, the payer's PSP should provide the name of the payee. As a result, GDPR should not then apply in first instance?"
3.	5c(1)	Considering the recital (6) of the SEPA regulation: Money remittance, <i>internally processed payments</i> , large-value payment transactions, payments between payment service providers (PSPs) for their own account and payments via mobile phone or any other means of telecommunication or digital or IT device should not fall within the scope of those rules since those payment services are not comparable to credit transfers or direct debits Do PSPs have to apply the IPR, eg CoP, on the on-us credit transfers?
4.	5c(1)	Do PSPs have to apply CoP to whitelisted beneficiaries for which the payer has already made payments in the past (before IPR)? Does the PSP have to possibility not to apply CoP to whitelisted beneficiaries (ie apply CoP only once)?
5.	5c(1)(d)	Regarding Art. 5c.1.(d), what is the mandatory point in time at which validation must take place: should it be understood as immediately prior to ordering the execution of each payment order or can a validation serve for future payment orders to the same payee? The article states that the payer must validate the payee before authorizing the credit transfer, but it is not entirely clear <i>whether this wording implies a prior validation for each payment order or whether it can be for several payment orders to the same payee.</i>
6.	5c(1)	How does this entire article 5c combine with the requirements of article 50 and 57 of PSR and possible requests to EBA's RTSS? We think that this all subject should be taken out of PSR

No	Article	Question
7.	5c(1)	<p>Is it allowed for PSPs outside the EU and SEPA to participate in the Verification of Payee (VoP) system for cross-border transfers?</p> <p>If yes, do they also have to support VoP as responding PSP (answering requests from SEPA banks)?</p>
8.	5c(1) & 5c(8)	<p>About SEPA countries which do not belong to the EEA (UK, Switzerland, etc.), what will be the responsibility of the payer PSP which sends a transfer to a payee PSP outside the EEA without having been able to carry out the VoP.</p>
9.	5c(1)	<p>Is Iban name check an obligation for PI/EMI?</p> <p>If both the bank and the PI facilitate the transaction, whose responsibility, is it?</p>
10.	5c(1)	<p>Art. 5c of the amended Regulation (EU) No. 260/2012 obliges a PSP to provide the payer with a service that enables verification of the payee's name. Is it sufficient if this verification of the payee is provided to the person who authorizes the payment order?</p> <p>Background to the question:</p> <p>In Art 5c Instant Payment Regulation, the person to whom a PSP must offer the verification of the payee is referred to as the payer or payment service user (PSU). According to the definition in Article 2(3) of Regulation (EU) 260/2012, a payer is "a natural or legal person who holds a payment account and authorizes a payment order from that payment account or, if there is no payer's payment account, a natural or legal person who gives a payment order to a payee's payment account". In line with this, Article 2(9) of this Regulation defines a payment service user as "a natural or legal person who makes use of a payment service as payer or payee".</p> <p>Based on the definition of the payer, it follows that the verification of the payee must therefore be provided for the account holder ("holder of an account"). Accordingly, even if a payment order is authorized by an authorized signatory or another person authorized by the account holder, only the account holder should be able to obtain information about the verification of the payee. However, this would make it impossible to effectively verify the payee in cases where a payment transaction is not carried out by the account holder but by an authorized signatory or another person authorized by the account holder.</p>
11.	5c(1)	<p>If a payer provides commercial trade name of the payee, should verification of payee service include the verification of trade name against the actual trade name?</p>
12.	5c(1)	<p>In case a (local or global) central database of all account holders is put in place.</p> <p>Is – when provisioning "verification of the payee" service - querying such database instead of requesting the PSP of the payee to verify that the IBAN and name of the payee match compliant with Article 5c?</p>
13.	5c(1)	<p>In case of a 'close match', the payer must be informed of the correct name of the recipient who is the account holder of the specified IBAN.</p> <p>Question: If the recipient account is a joint account: Is one name sufficient or must the names of all account holders then be transmitted in this case?.</p>

No	Article	Question
14.	5c(1)(a)	If a CB (acting as monetary authority) decides to offer IP is it also obliged to first provide this service and second also in both directions?
15.	5c(1)(a)	<p>What qualifies as an “almost match”?</p> <p>Retail mass market payments are managed by IT systems that need to complete the IP in 10 sec. and there needs to be a programmable rule on “almost match” to trigger a reply to the payer.</p>
16.	5c(1)(a) & 5c(8)	<p>Article 5c 1. (a) obliges the PSP of the payee to provide information:</p> <p><i>“Upon the request of the payer’s PSP, the payee’s PSP shall verify whether the payment account identifier specified in point (1)(a) of the Annex and the name of the payee provided by the payer match.”</i></p> <p>If the payee’s PSP does not fulfil the obligation, he shall be liable in accordance with. Article 5c 8. for any resulting damage:</p> <p><i>“Where the failure to comply occurs because the payee’s PSP, or the payment initiation service provider, failed to comply with its obligations under this Article, the payee’s PSP or, where relevant, the payment initiation service provider, shall compensate the payer’s PSP for the financial damage caused to the payer’s PSP by that failure.”</i></p> <p>Mutual pricing between payment service providers would be a major hurdle with regard to the required short-term implementation.</p> <p>Are we correct in our assessment that, since this is a legal obligation, the payee’s PSP is not allowed to charge payer’s PSP a fee?</p>
17.	5c(1)(b)	In case LEI number (or other identifier) is provided, is it sufficient to check it as foreseen in Art 5c(1)(b)? Or this check should be done in addition to the verification of the provided name?
18.	5c(1)(b) and 5c(1)(c)	Should the pattern of operation (assessment of the level of matching, returning existing data in case of almost complete matching, warning in case of lack of matching) in the case of an account kept for a legal person identified with data other than name or for multiple payees be the same as for an account kept for one payee?
19.	5c(1)(c)	<p>How shall be IBAN check provided in case of PSPs which maintain only omnibus account and each client is identified by specific symbol?</p> <p>Some non-banking PSPs do not maintain payment account with particular IBAN for each client. They only hold omnibus account by credit institution (identified by IBAN) and each client is determined by their specific symbol which is included in the payment order.</p>
20.	5c(1)(c)	Could you please clarify the difference between “maintaining an account” vs. “holding an account”?

No	Article	Question
21.	5c(1)(c)	Is this article referring to 3 PSPs? – 1) payer’s PSP; 2) PSP that holds the account and 3) PSP that maintains the account?
22.	5c(1)(c)	We would like to see clarified which ‘additional information’ is supposed to be provided by the payer to the payer’s PSP if the payee indicated by the payer is among the multiple payees on whose behalf the payment account is maintained or held. Moreover, it should be detailed when and how this information should be provided by the payer, having in mind that the verification should be done in few seconds and based on automatic procedures.
23.	5c(1)(c)	Which logic shall apply if the name of the payee provided by the payer creates a close match and the recipient account is held by a PSP on behalf of multiple payees? Is the PSP of the payer supposed to indicate to the payer the name/s of the/all payee/s associated with the payment account identifier, as stated in Art 5c/1 lit a) and/or only that the payee provided by the payer is “likely/possibly” among the account holders, as stated in Art 5c/1 lit c)?
24.	5c(1)(c)	Article 5c: In general, the following phenomenon is brought to attention. There are certain PSPs that offer a payment service using as the destination IBAN always and only the same IBAN as the PSP. For example, a PSP offers a service of issuing prepaid cards (sometimes even anonymous) and for reloading uses the method of receiving a wire transfer to the IBAN of the PSP indicating as the reason for the PAN of the card to be reloaded. Or, in another case, the PSP offers the service of issuing SDDs also coming from the same IBAN of the PSP. (i) In the case of VoP, the payer who in good faith introduces the name of the final payee will always have a knockout compared to the match with the PSP’s IBAN. (ii) Whether the PSP using a single IBAN can or should respond to the VoP request with the end payee information (iii) If the end payee is allowed to be anonymous and therefore the PSU still accepts the payment with a KO, any fraud falls on the payer or ASPSP
25.	5c(1)(d)	Art. 5c(1)(d) (on the case where PSU is not required to provide IBAN and name of the payee) last sentence states that “the PSP shall inform the payer in a way that allows the payer to validate the payee before authorising the credit transfer.” In this case, what is a meaning of “validate the payee”? Is it referring to the possibility of the payer to check if the name provided is correct?
26.	5c(1)(d)	How does the payer PSP inform the payer on the identity of the payee if only the account identifier and not the name is used - i.e. where the payer PSP does not know who the payee is?
27.	5c(1)(d)	Article 5c(1), points (a), (b) and (c) lays down the rules for the “service ensuring verification” in a variety of cases. Point (d) appears to be the residual rule applicable to cases not covered by the preceding points (a), (b) and (c) and, in particular, “where a PSP provides a payment initiation channel which does not require the payer to insert both the payment account identifier [...] and the name of the payee”.

No	Article	Question
		<p>Art. 5c(1), point (d), therefore, seems to apply to cases where the payer has not (for whatever reason) inserted both the payment account identifier and the name of the payee; in other words, to cases where the “comparison” at the core of the “service ensuring verification” cannot prima facie be performed.</p> <p>We wonder what practical steps the payer’s PSP must take to fulfil its obligation.</p> <p>Should the payer's PSP ask the payee's PSP for the payee's name (or the payee’s payment account identifier) and show it to the payer? Or does point (d) apply only to cases where there is a predetermined list of payees (as is the case, for example, with certain payment options to public administrations in some countries)?</p>
28.	5c(3)	<p>Art. 5(c)3 states that PSPs should maintain robust internal procedures to ensure that the information concerning payees is correct.</p> <p>In this regard, are there specific rules that should be understood as complying with the Regulation on this issue, or should it be understood that each PSP is free to define its internal procedures? It should be noted that there is no definition of "robust internal procedures" in the articles or in the whereas of the Regulation.</p>
29.	5c(8)	<p>Central banks can provide the EUR instant payments service within specific time frames.</p> <p>What about providing verification of the payee – whether these services should be treated separately? Does a central bank have to provide verification of the payee 24/7/365?</p>
30.	5c(1) and (2)	<p>PISPs offering services where a PSP provides a payment initiation channel which does not require the payer to insert both the payment account identifier specified in point (1)(a) of the Annex and the name of the payee, the PSP shall ensure that the payee to whom the payer intends to send a credit transfer is correctly identified. For that purpose, the PSP shall inform the payer in a way that allows the payer to validate the payee before authorising the credit transfer.</p> <p>We understand that providing to the payer the name of the payee before confirmation of the payment order would comply to this obligation.</p>
31.	5c(2)	<p>(i) In the case where a payment order is initiated through a PISP it must ensure (to the ASPSP) that the payee information (we mean name/surname or company name and associated IBAN) is correct. Therefore, it is the PISP that has to do the VoP and not the ASPSP, which will have to rely on what is sent by the PISP, which, moreover, has the interface with the user in any case and therefore is the only one able to show the PSU any discrepancies with the payee name. Consider especially the embedded method (in which the ASPSP interface never appears).</p>

No	Article	Question
		<p>(ii) The wording of the article, let it be understood that a PISP may also not perform in real time for each payment a VoP although required to ensure precisely the correctness of the data. Consider, e.g., a scenario where the PISP acts as a payment enabler for an e-commerce where the PSU does not know the exact name of the payee and so the PISP sends them to the payer's PSP in lieu of the PSU. In this scenario it would also make little sense for the PISP to make a VoP for each purchase, since the payee is always the same moreover contracted with the PISP.</p> <p>(iii) Similar case in which the PISP offers services to a PSU that acts as a payer (e.g., an apartment building manager who manages the accounts of several apartment buildings). Even then, it is the PISP that is required to perform VoP or otherwise ensure the correctness of the data of the various payees.</p> <p>(iv) By way of analogy, it is believed that the ASPSP may also be deemed exempt from VoP for each payment in certain circumstances where there is already acquired certainty of the correspondence between the payee and IBAN.</p>
32.	5c(2)	<p>According to Article 5c(2), no recipient verification is to be carried out by the payer's payment service provider if the IBAN or the recipient's name was provided by the PISP.</p> <p>Question: We assume that the XS2A interfaces for recipient verification will not be adapted?</p>
33.	Recital (21)	<p>The PSP should indicate to the payer the name of the payee associated with the payment account identifier provided by the payer in a manner which ensures compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council.</p> <p>We understand that PSPs providing the name of the payee to the payer instructing the payment order before confirmation of the transaction, would comply with this obligation.</p>
34.	5a(3), third subparagraph, point (b)	<p>Article 5a(3), third subparagraph, point (b): For an individual payment order for an instant credit transfer belonging to a package as referred to in paragraph 7 of that Article, where the conversion of that package into individual payment transactions is carried out by the payer's PSP, the moment when the ensuing payment transaction has been unpacked by the payer's PSP; the payer's PSP shall start the conversion of the package immediately after it has been placed by the payer with the payer's PSP and complete that conversion as soon as possible;</p> <p><u>Question:</u> How does this combine with new article 5a(3), point (c), [conversion] and possibly new article 5c [VoP]?</p>
35.	5c(6)	<p>(i). Can PSUs that are not consumers also opt out from receiving the service when submitting single payment orders?</p> <p>(ii). What about single payment orders that are submitted via an initiation channel without real-time interaction between the payer and the PSP and the payment orders are already authorised when they are submitted? These payment orders should be</p>

No	Article	Question
		treated in the same way as paper-based orders where the payer is not present.
36.	5c(6)	<p>Article 5c, paragraph 6 of the Regulation (EU) No 260/2012 provides that “PSPs shall provide PSUs that are not consumers with the means to opt out from receiving the service ensuring verification when submitting multiple payment orders as a package.” Conditions for opt out of consumers are not provided.</p> <p>We wonder how this should be interpreted and implemented in practice:</p> <p>1) Is PSP allowed to provide means to opt out from verification of payee to consumers and other PSUs that are not consumers for single payment orders? or</p> <p>2) Is PSP allowed to provide means to opt out from verification of payee only to PSUs which are not consumers and only when they are submitting multiple payment orders as a package?</p>
37.	5c(6)	May micro-enterprises opt out from receiving the service described in paragraph 1 of article 5c according to article 5c(6) or are they included in the consumers’ category?
38.	5c(6)	<p>What about the Iban Name check of batch payments?</p> <p>As per our understanding, the final text clarifies that <i>PSPs can opt-out</i> from offering customer verification checks when a business submits a batch of payment orders (see Art. 5C point 6).</p>
39.	5c(5)	Should this provision be interpreted as meaning that, in the event of a malfunction of the verification service, the customer must still be able to authorise the transfer? In this case, which liability regime would apply?
40.	5c(5)	In the event that the PSU, in the event of a malfunction of the verification service, decides to arrange the transfer anyway and it is credited to an "unforeseen" beneficiary, the payer's PSP is still held responsible for the incorrect execution of the transfer operation?
41.	5c(5)	<p>To ensure compliance with what is indicated in the article, how should the customer's desire to authorize the transfer be traced even in the absence of verification or in the presence of a response of non-consistency between the IBAN and the name of the beneficiary?</p> <p>Is a confirmation of acknowledgment by the PSU sufficient (e.g. by checking a flag)?</p>
42.	5c(8)	What applies if the creditor's ASPSP cannot be reached for technical reasons in order to provide the VoP service? .
43.	5c(1)	<p>The payer is only present when <i>the standing order</i> is created. During the recurring execution of the respective payment, the payer is not present. This means that the payer cannot be informed of the result of the payee verification when the payment order is executed and recipient verification cannot be disclosed to the payer.</p> <p>Proposed solution: We propose that the recipient verification is to be carried out when the standing order is created and not when the payment order is executed on a recurring basis.</p>

No	Article	Question
44.	5c(4)	<p>(i). In article 5c(4), is the notion of “paper-based payment orders” the same as “non-electronic payment orders” [art. 5a(3)(a)]?</p> <p>(ii). Can the payer be considered present only when physically at the premises of the PSP or also when in direct and immediate contact with the PSP (e.g., on the telephone)?</p> <p>Moreover, it is not clear whether the condition of the payer’s presence is required in order to perform the check at all or it only implies a particular timing for such a service (i.e. when the payment order is entered into the payer's system as per art. 5a(3)(a) instead of immediately after the payer provides the information about the payee).</p>
45.	5c(4)	<p>(i)We assume that if paper-based payment orders are not presented for immediate recording by an employee, but are instead deposited in a letterbox, for example, it can generally be assumed that the customer is not present. This is irrespective of the fact that the customer may still be in the business premises for advice on other matters. Is this assumption correct?</p> <p>How are other forms of order to be assessed for which the order has already been authorised and for which the customer can no longer be informed promptly?</p> <p>(ii) This applies, for example, to standing orders which are authorised once for all following payments. We can imagine a check when a new order is created. Existing standing orders should be exempt from the obligation to check. The customer could initiate a check at any time by cancelling and creating a new order.</p> <p>(iii) Another example is if the orders have been scheduled for the future. Usually the customer cannot be reached soon at the time of execution. A instant dialog with the costumer as it is needed for the verification would only be possible at the moment the customer submits the payment order.</p>
46.	5c(4)	<p>(i). Does it mean that the time of receipt is the time of the manual insertion of the order?</p> <p>(ii). What are the PSP's obligations for the CoP when the payer is not present?</p>
47.	5c(9)	<p>Different deadlines have also been set for <u>recipient verification</u>: 18 months for Member States with the euro currency and 39 months for Member States with another national currencies.</p> <p><u>This raises the following questions:</u> Question: How is recipient verification handled if payment orders are to be sent between countries with different deadlines? Question: What information is issued to the originator of the payment? Question: How is liability regulated in this case?</p>
48.	5c(9)	<p>Verification of Payee is to be started 18 months after entry into force, so, is it correct we still have a situation, where SCT Inst need to be in place on the receiving side, while 9 months later the VOP will need to be put in place?</p>

SANCTIONS SCREENING OBLIGATIONS

ARTICLE 5d

No	Article	Question
1.	Recitals (25) and (26)	Are the PSPs referred to include PISP that do not have the capacity to freeze funds as they do not handle any funds?
2.	5d	<p>While provisions are in place to hold non-compliant PSPs accountable for financial losses of other PSPs, there are a number of other inherent risks in this new approach that require legal certainty.</p> <p>What will happen if updates to sanctions lists happen between the daily checkpoints, resulting in transactions being processed to recently designated targets? Can financial institutions invoke indemnity based on the legal requirement to use this method?</p>
3.	5d(1)	If a CB (acting as monetary authority) decides to offer IP is it also obliged to provide this service?
4.	5d(1)	PSPs should periodically, and at least daily, verify whether their PSUs are persons or entities subject to targeted financial restrictive measures. Against what sanction list or lists must the PSUs be checked by a PSP?
5.	5d(1)	Does the screening requirements apply during business days only or 24/7/365?
6.	5d(1)	<p>The IPR contains provisions that read as being in stark contrast with recent guidance on EU restrictive measures.</p> <p>Question: How do the IPR provisions reconcile with the “EBA Consultation paper on Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures” whose Section 4.1.5, Para. 20 provides that “PSPs and CASPs should screen all transfers of funds and crypto-assets prior to their completion [...]”?</p>
7.	5d(1)	<p>Not all entities mentioned in EU sanctions regulations lists concern asset freezes (e.g. there are entities with whom you are prohibited to engage in financial transactions with but to whom no freezing obligations apply, there are also specific entities that are listed for exemption purposes, etc.). It is common practice to filter out transactions containing any and all of those names to assess if sanctions restrictions are applicable for that particular transaction.</p> <p>Question: How should Financial Institutions deal with transactions involving entities such as those set out under Annex XIX ex vi Article 5aa(1)(b) of Council Regulation (EU) 833/2014 (as amended) – e.g. Rosneft?</p>
8.	5d(1)	To prevent the initiation of instant credit transfers from payment accounts belonging to persons or entities subject to targeted

No	Article	Question
		<p>financial restrictive measures and to immediately freeze funds sent to such payment accounts, PSPs should carry out verifications of their PSUs <i>immediately following the entry into force of a new targeted financial restrictive measure</i>.</p> <p>Can you please concretely specify how fast "immediately" is?</p>
9.	5d(1)	<p>Once a customer name generates an alert against EU lists, are the PSPs expected to suspend instant payment services for this customer until the alert is assessed as being a false positive?</p> <p>In addition, it is noted that the obligation to screen the customer database at least once per calendar day, <i>does not mean that PSPs should ascertain on the very same day whether flagged PSUs are actually subject to an EU asset freeze. The analysis of the alerts is executed only during business days.</i> As a consequence, PSPs are allowed to suspend/reject (originator side/beneficiary side) payment services, including instant credit transfers, for flagged PSUs during the time required for this verification to avoid transactions in breach of restrictive measures.</p>
10.	5d(1)	<p>Do provisions of Article 5d (screening) apply also for non-time critical instant payments (NTC payments), which may become an important solution for the settlement of bulk payments in the future? NTC payments are payments which are (usually) not submitted (by the payer to it's PSP) as instant payments. In inter-PSP space they are cleared and settled in the same way as instant payments, whereas NTC IP do not completely fit the definition of instant payments (i.e. in some cases they are not executed immediately) but still endeavour to meet the timeline from SCT Inst and vast majority of NTC IP does meet it.</p>
11.	5d(1)	<p>Banks cannot so far use the EU consolidated list of persons, groups and entities subject to EU financial sanctions provided by the European Commission as it contains the following disclaimer of the European Commission: "While every effort is made to ensure that the database and the consolidated list correctly reproduce all relevant data of the officially adopted texts published in the Official Journal of the European Union, the European Commission doesn't accept any liability for possible omissions of relevant data or mistakes, and for any use made of the database or of the consolidated list. Only the information published in the Official Journal of the EU is deemed authentic."</p> <p>Thus, banks have to apply an EU consolidated list offered by external private providers which aren't probably able to update their consolidated list in due course after the publication of new or restrictive measures, e.g. in the late evening. Therefore, banks will have no alternative instrument than using the EU consolidated list provided by the European Commission, but they need a version without the above-mentioned disclaimer of the Commission.</p> <p>Would it possible for the European Commission to omit the above disclaimer in the electronic list and to provide immediate updates in the list after the publication of new sanctions.</p>
12.	5d(1)	<p>Certain local authorities have long set out that the verification of whether existing client relationships are subject to new targeted financial restrictive measures should be conducted "<i>without delay</i>". This has long been interpreted as having a different meaning than that of "<i>immediately</i>".</p>

No	Article	Question
		Is Article 5d superseding this local understanding and creating new standalone screening obligations for the screening of clients immediately after the entry into force of new financial sanctions regulations and immediately after the amendment to existing financial sanctions regulations?
13.	5d(1)	If a PSP has already conducted a daily check of its PSUs and if on the same day a new entry is added on a sanction list, is the expectation to conduct a secondary screening of its customers that very same day?
14.	5d(2)	What about the other (additional) screening lists that are applied by banks to secure the transactions? Are these also not allowed to be checked during an Instant Payment transaction?
15.	5d(2)	Does the second sentence in Article 5d(2) allow transactions to be scanned against sanction lists of non-EU authorities, e.g. OFAC SDN, lists of national authorities?
16.	5d(2)	<p>There is an additional risk that a payer's or payee's PSP may not be an EU person, so therefore cannot be expected to verify whether its client are persons or entities subject to EU targeted financial restrictive measures.</p> <p>Is the expectation to still not screen this transaction? (Inbound or Outbound.) What protection is there for an EU financial institution which processes such a payment should it transpire that the payer or payee is an EU designated person?</p>
17.	5d(2)	Could you please explain how to understand the second subparagraph of Article 5d point 2 in relation to sanctions adopted by the United Nations Security Council. According to our understanding sanctions adopted by the United Nations Security Council are implemented in the EU consolidated list of persons, groups and entities subject to EU financial sanctions and therefore PSPs are aligned with Article 5d point 1 – PSPs verify whether any of their PSUs are persons or entities subject to targeted financial restrictive measures and are not obliged to screen instant credit transfers against United Nations Security Council sanctions list.
18.	5d(2)	<p>My understanding is that Instant Payments within the EU in Euro are not be screened anymore on a transaction basis. Instead, it is considered whether the corresponding payer and/or payee involved are listed on sanction lists, which are to be updated daily by the PSPs. To what extent, however, is such screening necessary when funds are transferred to or from:</p> <p>(i) The European Economic Area?</p> <p>(ii) Additional EFTA members (Switzerland)?</p> <p>(iii) The UK?</p>
19.	5d(3)	<p>Article 5d doesn't have a date for non-euro Member States to implement.</p> <p>We assume that by majority of reasoning it should be 9 January of 2027 but we wonder if in fact it is to be 9 January of 2025 and there is some reasoning behind? Or, for the PSPs of non-euro Countries these rules don't apply?</p>
20.	5d(3)	Is Article 5d applicable to all PSPs by 9 months from the date of entry into force of this amending Regulation, including to PSPs

No	Article	Question
		whose currency is not euro and which are not obliged to implement instant payments in euro earlier than 33 months from the date of entry into force of this amending Regulation?

OTHER QUESTIONS ON IPR PROVISIONS

CHARGES IN RESPECT OF INSTANT CREDIT TRANSFERS (ARTICLE 5b), PENALTIES, REPORTS

No	Article	Question
1.	Recital (17)	For the purposes of equalizing commissions, what criteria can be referred to for identifying the corresponding type of bank transfer in Euro? In recital 17, how should the reference to the "customer position" be interpreted?
2.	5b(1)	<p>Could please clarify how to identify the most correct charge for Instant SEPA payments based on a new regulation? Charges for sending Instant SEPA payment are in the middle of other credit transfers. We got some credit transfer types that more expensive then Instant SEPA and Credit transfer type that is cheaper then Instant SEPA.</p> <p>Shall the charge for Instant SEPA be equal to the cheapest other credit transfer type?</p> <p>Example: charges for outgoing payments: SWIFT payment – 7 EUR Instant SEPA – 6 EUR SEPA – 5 EUR</p> <p>Shall as per new regulation charge for instant SEPA decrease to 5 EUR?</p>
3.	5b(1)	Can you confirm that an SCT Inst cannot be priced higher than a normal SCT, 9 months after entry into force of the regulation?
4.	5b(1)	Does this apply to other European payments or comparable international and cross-currency payments.
5.	5b(1)	<p>We'd appreciate the confirmation that "other credit transfers of corresponding type" means credit transfers in euro (non-immediate --> SEPA).</p> <p>For providers located in a Member State whose currency is not the euro, should the equivalent type of credit transfer for imposing instant credit transfer fees be an instant credit transfer in the national currency of that Member State?</p>
6.	2(1a)	Definition of instant credit transfer: How does the provision relate to TARGET system? Is it assumed that still between e.g. 6:00 p.m. on Friday and 8:00 a.m. on Monday will banks not be able to top up the TIPS sub-account?
7.	11(1c)	<p>If information about planned maintenance is not distributed to other PSPs it can't be relayed to PSUs of beneficiary PSP.</p> <p>Can you confirm that in case of planned maintenance PSP is not required to inform other PSPs about planned activity and shall inform only its own PSUs?</p>

No	Article	Question
8.	11(1c)	What can be considered as "short" in terms of planned maintenance? How long in advance must the PSUs be informed?
9.	15(3)	<p>It is foreseen that EBA will prepare ITS for the collection of data about charges for credit transfers, instant credit transfers and payment accounts.</p> <p>Can competent authorities use other sources of information, if available, instead of yearly collection of data from PSPs using EBA's defined templates?</p>
10.	15(3)	<p>In paragraph 3, point (a), what is meant by "payment account fees"?</p> <p>Do we have to wait for instructions from our competent authority to provide this information? How will this form of reporting be coordinated with the annual survey of current account costs?</p>
11.	15(3)	<p>Article 15(3)(b) of the IPR now provides that PSPs must report to their competent authorities the "share of rejections, separately for national and cross-border payment transactions, due to the application of targeted financial restrictive measures".</p> <p>Question: Could you explain (a) what is meant by "rejection" here?</p>
12.	15(3) and (5)	<p>PSPs shall submit such reports every 12 months. The first report shall include information on the level of charges and on rejections during the period starting on 26 October 2022 until the end of preceding calendar year.</p> <p>This is understandable when determining the share of rejections. The level of charges is usually calculated as of the reporting date.</p> <p>Should an average price for the period be determined here or which reporting date should be used as a basis?</p>

QUESTIONS ON AMENDMENTS TO SFD, PSD2, CBPR

No	Article	Question
1.	Recital (15)	<p><i>“It is therefore justified to amend Directive 98/26/EC in order to include payment institutions and electronic money institutions in the list of entities which fall under the definition of the term ‘institution’ in that Directive, but only for the purpose of defining participants of a payment system.”</i></p> <p>We understand that PISPs that do not handle payment accounts are not included in the Payment institutions mentioned in this provision.</p>
2.	Scope of IPR and scope of SFD	<p>Directive 98/26/EC is amended by adding payment institutions and electronic money institutions to the definition of "institutions" thus allowing their direct participation in payments systems designated in accordance with Directive 98/26/EC. We understand that the focus here is on payment institutions and electronic money institutions licensed within the single market of the European Economic Area (EEA).</p> <p>Will this new regulation in any way affect the participation of non-EEA SEPA country payment service providers in the SEPA area? Or this regulation will have no direct impact on non-EEA SEPA country payment service providers and non-EEA SEPA country payment institutions and electronic money institutions will also have no opportunity to directly participate in designated payments systems?</p>
3.	SFD	<p>Are Clearing & Settlement Mechanisms (CSMs) obliged to comply to the SFD regulation, and must allow access to non-banks as a direct participant to CSM services?</p>
4.	SFD	<p>Is SFD update only applicable to IP CSM and not the batch CSM?</p> <p>According to our understanding, the SFD amendment opens the door for non-banks to have access to the necessary infrastructure to settle a payment order, subject to meeting certain conditions. Since the amendment itself does not specify for what types of clearing mechanisms it would be applicable to, we would assume that it's both.</p>
5.	General	<p>What are the liquidity requirements for a PI/EMI licensed entity, willing to directly access the settlement ecosystem?</p>
6.	Art 6(2) of CBPR	<p>Art. 2 - Amendments to Regulation (EU) 2021/1230</p> <p>Art. 6 para 2:</p> <p><i>The payment service provider may charge additional fees to those charged under Article 3(1) of this Regulation to the payment service user if the payment service user requests the payment service provider to execute a cross-border payment without communicating the IBAN and, where applicable and in accordance with Regulation (EU) No 260/2012, the relevant BIC of the payment account in the other Member State. These fees shall be appropriate and correspond to the costs. They shall be agreed between the payment service provider and the payment service user. The payment service provider shall inform the user of the amount of the additional fees in good time before the payment service user is bound by such an agreement.</i></p>

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		Question: The use case is described where the payer resorts to the option of arranging an instant cross-border transfer without providing the IBAN or BIC/ SWIFT information. The use case and how a payment can be routed without such information is not clear.
7.	10 of PSD2	Safeguard requirements/separate accounts (article 3 (1)) – The amendment to article 10(1) of PSD2 keeps essentially the requirements already laid down in that disposition, but, concerning separate accounts it establishes that the funds of PSU” shall be deposited in a separate account in a credit institution or in a central bank at the discretion of that central bank”. We would like to obtain further information on the sense of the expression “at the discretion of that central bank”. Does it imply that the provision of these accounts to PI in order to safeguard PSU funds would be at the discretion of central banks?
8.	35a of PSD2	Article 35a(1), letter (g) provides that the governance arrangements and internal control mechanisms shall include a description of the way outsourced functions are monitored and controlled so as to avoid impairment of the quality of the internal controls of the payment institution or electronic money institution. Please clarify whether the above mentioned description refers only to outsourced internal control functions (eg. compliance, risk management, etc.) or to all the outsourced functions of a PI/EMI.
9.	35a of PSD2	There seems to be a discrepancy between the description of the measures taken for safeguarding of funds where they are deposited in a separate account in a credit institution or safeguarded through an insurance policy or comparable guarantee. In particular, it seems that, in the first case, the PI/EMI shall submit to the CA a copy of the draft contract with the credit institution while, in the second case, it shall submit either a copy of the insurance agreement or comparable guarantee, either the draft agreement. We ask the Commission to please clarify if there is a reason for differentiating the wording of the two provisions.
10.	35a of PSD2	(i) Please provide clarity on what type of evidence will be required by the authorities from e-money and payment institutions to demonstrate compliance with the safeguarding of funds, adequate internal controls and governance arrangements, and winding-up plan requirements detailed in Article 35a(1)? (ii) Regarding winding-up plans specifically: We are not aware of specific (in particular EU - harmonised) requirements for PIs’/EMIs’ winding-up plans. What are the minimum expectations from the EU legislator/Commission on what such plans should comprise? Are there existing reference standards from which national authorities could draw their requirements? (iii) Could the European Commission please confirm that, even in the case where the payment institution/e-money institution provides a “self-assessment”, the competent authority will also issue an explicit decision or otherwise acknowledge the self-assessment publicly, such that third parties could rely on this assurance?
11.	35a of PSD2	It is assumed that compliance of PIs/EMIs with this provision will be assessed on an ongoing basis by relevant authorities (similar to how compliance is assessed for banks for similar requirements).

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		<p>If this assumption is correct, which authority/ies will be the competent authority to assess compliance of PIs/EMIs with the measures set out in this provision on an ongoing basis?</p> <p>How will compliance / non-compliance with such requirements on an initial and an ongoing basis be made known to payment system operators (e.g., would public information be made available in supervisory registers and/or would a notification to operators be sent?)?</p>
12.	35a(1) of PSD2	Does the Commission consider that the safeguarding requirements are compatible with payment institution / e-money institution participation in SFD-designated payment systems?
13.	35a of PSD2	Can payment systems' operators require non-bank PSP applicants to demonstrate their compliance with financial conduct/supervisory requirements, other than listed in the PSD2 Art. 35a (e.g. compliance with AML requirements)?
14.	35a of PSD2	<p>Conditions for requesting participation in designated payment systems (article 35a of the PSD2) – now added – will establish a set of conditions for payment institutions and electronic money institutions to access designated payment systems.</p> <p>Notwithstanding, there is some degree of coincidence between the conditions listed in said Article and some of the legal requirements that must be complied with at the time of the initial authorisation (contained in both Article 5 of PSD2 and EBA's Guidelines on authorisation and registration under PSD2) and whose compliance must be ensured at all times by the institutions (under the terms of Article 13(1)(c) of PSD2).</p> <p>Therefore, it is important to clarify, with reference to these cases of "coincidence of requirements", what kind of intervention is expected from the respective NCA, given that compliance by the institution will have already been demonstrated and ensured at the time of initial authorisation, not to mention the fact that institutions are legally obliged to comply with these criteria on an ongoing basis, under the terms of article 13(1)(c) of PSD2.</p>
15.	35(2) of PSD2	Does the deletion of Article 35, paragraph 2 (a) of PSD2 mean that all payment systems with settlement finality, <i>including those operated by central banks</i> , are required to allow payment institutions and electronic money institutions to be direct participants, and as such ensure that payment institutions and electronic money institutions can open settlement accounts at the relevant central bank?
16.	35(1) of PSD2	<p>Is Article 35(1) of PSD2 with regard to amendment of Article 35(2) applicable also to small payment institutions and small e-money institutions as they cannot be SFD system participants?</p> <p>Article 35(1) of PSD2 will be applicable also to SFD systems now. The question is whether "non-discriminatory rules" in paragraph 1 apply also to that PSPs which are not entitled to obtain access to SFD systems</p>