

Additional Information – Questions 10 and 45:

MB NET main features:

MB NET is a service designed with the purpose of preventing the increase of fraud levels in e-commerce and to be resilient to card data compromise, phishing, malwares and data breaches. The service was introduced to the market in 2001 and in 2016 it was integrated in the MB WAY App, thus improving security by supporting SCA in card generation.

Main features:

- 3-D Secure Virtual Card
- Single or Multiple Purchase on the same merchant
- Consumer has control over the maximum amount allowed and the expiration date of the card;
- SCA is used in all steps that lead to the creation of the virtual card

When comparing the fraud data of the MB NET service with the fraud data of card purchases (total) – card-present and card-not-present purchases – this service demonstrates its capacity in both reducing fraud and increasing confidence on online purchases, in line with the Commission Delegated Regulation (EU) 2018/389 (RTS on SCA and CSC), which previews the possibility of SCA exemption under Article 18.

The main reason that led to changes in a service that objectively offered such security level relates to the strict requirements laid down on Articles 19 Commission Delegated Regulation (EU) 2018/389 (RTS on SCA and CSC) and its related Annex.

If the regulation was based on outcomes and not specific processes or technologies, it would reduce the risk of considering payment solutions as non-compliant when they have proven to be effective to deter and prevent fraud, even if they don't fit exactly in the detailed rules. An alternative mean could be to evaluate exemptions to SCA based on a payment solution fraud rate, instead of the overall fraud rate of a PSP.

