Payment Services Directive 2

What's in it for you?

Webinar for corporate treasurers
A short introduction to PSD2...

- Context and background PSD2
- Scope of PSD2: What is it about?
- The impact and benefits of PSD2 for you
- Examples of Access to the account
- Timelines and next steps
PSD2 is a revision on PSD

The Payment Services Directive (PSD)

2009

The European Commission proposed to review the PSD

2013

Revised Payment Services Directive (PSD2) to be transposed into national law by Member States

13 Jan 2018
The ambition of PSD2 is to provide a sustainable, fair level market place for user centric and innovative solutions

Ambition:
• Increase pan-European competition and participation in payments in commerce
• Harmonise the consumer protection and the rights/obligations for payment service providers and users
• Integrate and regulate new actors on the market: the Third party Providers (TPPs) were yet unregulated

Rapid growth in the number of electronic and mobile transactions

Emergence of new online types of payments services

Regulation driven by consumers: Need foster innovation, open up the market and ensure consumer protection
PSD2 applies to payments in the European Economic Area

Target group
- Consumer & Business

Accounts
- Those used for the direct execution of payments E.g.
  - current accounts
  - e-money accounts
  - flexible savings accounts
  - credit card accounts

Payment types
- Domestic, Sepa and International payments
- Card payments

Channels
- Interactive channels
- File based
- Manual (i.e. post, counter, call)

Member states
- Switzerland is not a member state of the EEA and not in scope of PSD
- UK is a member state and in scope of PSD2
PSD 2 has impacts on various aspects...

1. Access to accounts
2. Scope Extension
3. Transparency and information
4. Liability
5. Operations and Complaint resolution
Although regulatory timelines are continuously shifting, ING will implement the first changes of PSD2 as of Jan 2018.

**Updated Terms and Conditions**

**Incoming international payments**
- Faster availability ('D')
- Improved and simplified COT

International payments within EEA (two leg)
- Cost of transactions are shared (SHA)

**IMPLEMENTATION TIMELINE**

- **PSD2 partly in force**
  - JAN18
  - Liability, transparency, scope extension
  - PSD2 transposed in national law in majority Member States

- **PSD2 fully in force**
  - APRIL19 (or later)
  - Access to bank accounts with client consent
  - All players technically compliant to Access to the Account

- Use **Payment Initiation Services or Account Information Services** as means to centralise

- Become a Payment Initiation Provider or Account Information provider yourself as means to integrate your clients payment with purchase
PSD2 will bring many opportunities and advantages for corporates

Benefits

- **Faster** processing of payments
- More **simplified** pricing
- **Simplified** Cut Off Times
- **Increased** innovation and competition
- Development of **new** payment solutions
PSD2 ‘access to account’ will open up bank accounts for third parties

Access to account before PSD2

Clients

Bank domain

Online and mobile

Bank accounts

After PSD2

Clients

Online and mobile

Bank accounts

Third parties