

Payment services and electronic money services in the Internal Market

2023/0209(COD) - 21/02/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Ondej KOVAÍK (Renew, CZ) on the proposal for a directive of the European Parliament and of the Council on payment services and electronic money services in the Internal Market amending Directive 98/26/EC and repealing Directives 2015/2366/EU and 2009/110/EC.

The proposed Directive lays down rules concerning: (a) access to the activity of providing payment services and electronic money services, within the Union, by payment institutions; (b) supervisory powers and tools for the supervision of payment institutions.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Applications for authorisation

Undertakings intending to provide any of the payment services referred to in Annex I to the Directive, or electronic money services, should obtain authorisation from the competent authorities of their home Member State for the provision of those services. Member States should require institutions applying for authorisation to provide the payment services referred to in Annex I, point 6 (payment initiation services), as a precondition for such authorisation, to have professional indemnity insurance covering the territories in which they offer services or another comparable guarantee against liability, which may, for the initial authorisation period only, include a minimum initial capital of EUR 50 000.

Within a maximum of two months of receipt of an application for authorisation, the competent authorities should inform the applicant whether the authorisation is granted or refused.

Initial capital

Where the payment institution provides electronic money services, its capital should at no time be less than **EUR 350 000**.

Application to exercise the right of establishment and freedom to provide services

Member States should ensure that any payment institution wishing to provide payment or electronic money services for the first time in a Member State other than its home Member State, including via an establishment in a third Member State, in the exercise of the right of establishment or the freedom to provide services, should communicate certain information to the competent authorities in its home Member State.

Within **10 business days** of receipt of all of the information, the competent authorities of the home Member State should send that information to the competent authorities of the host Member State. Where the services are provided via a third Member State, the Member State to be notified should be the one where the services are provided to payment service users.

Within **15 business days** of receipt of the information from the competent authorities of the home Member State, the competent authorities of the host Member State should assess that information and

provide the competent authorities of the home Member State with relevant information about the intended provision of payment or electronic money services by the relevant payment institution in the exercise of the freedom of establishment or the freedom to provide services. Within **30 business days** of receipt of the information, the competent authorities of the home Member State should communicate their decision to the competent authorities of the host Member State and to the payment institution.

The Commission should create a **dedicated internet website** with all of the information in one place on how payment institutions can register in each Member State.

Services where cash is provided in retail stores without a purchase

Member States should exempt from the application of this Directive natural or legal persons providing cash in retail stores independently of any purchase provided the following conditions are met:

- the service is offered at its premises by a natural or legal person selling goods or services as a regular occupation;
- the amount of cash provided does **not exceed EUR 100** or the equivalent amount in the currency of the Member State concerned, per withdrawal.
- the client's withdrawal is **non-anonymised** and requires the use of customer authentication.

Services enabling cash withdrawals offered by ATM deployers not servicing payment accounts

Natural or legal persons providing cash withdrawal services and who do not service payment accounts and do not provide other payment services referred to in Annex I, should not be subject to authorisation but should register with a competent authority of the home Member State before taking up activity.

The natural or legal persons providing the services should comply with the requirements on transparency of fees and charges laid down in the Payment Services Regulation, and in particular should ensure that such fees and charges are displayed at the initiation of the provision of the services.

Transitional provisions

Member States should allow payment institutions that have been authorised pursuant to Article 11 of Directive (EU) 2015/2366 by 18 months after the date of entry into force of this Directive to continue to provide and execute the payment services for which they have been authorised, without having to having to seek a new authorisation.

If those institutions fail to comply with the requirements laid down in Title II of the Directive no later than 24 months after the date of entry into force of this Directive, they should be **suspended** from the provision of payment services until they provide the relevant competent authority with the additional information required to ensure compliance with Title II and that competent authority has verified the accuracy of that information and duly authorised the payment service provider.

Competent authorities may exceptionally decide to extend the period before specific payment institutions and electronic money institutions are prohibited from providing services when those institutions provided the information required and the competent authority has not been able to process it within the applicable deadline.