












Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation 2023/0210(COD)	Awaiting Council's 1st reading position
Payment services in the internal market Amending Regulation 2010/1093 2009/0142(COD)	
Subject 2.50.04 Banks and credit 2.50.04.02 Electronic money and payments, cross-border credit transfers 4.60.08 Safety of products and services, product liability	
Legislative priorities Joint Declaration 2023-24	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Economic and Monetary Affairs	 BELKA Marek	19/07/2023
		Shadow rapporteur	
		 PEREIRA Lúdia	
		 KOVÁŘÍK Ondřej	
		 GRUFFAT Claude	
		 BECK Gunnar	
		 JURZYCA Eugen	
		 MACMANUS Chris	
		Committee for opinion	Rapporteur for opinion
	 Internal Market and Consumer Protection	The committee decided not to give an opinion.	
	 Legal Affairs	The committee decided not to give an opinion.	
	 Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.	
Council of the European Union	Commission DG	Commissioner	
European Commission			

Key events

28/06/2023	Legislative proposal published	COM(2023)0367	Summary
11/09/2023	Committee referral announced in Parliament, 1st reading		
14/02/2024	Vote in committee, 1st reading		
22/02/2024	Committee report tabled for plenary, 1st reading	A9-0052/2024	Summary
23/04/2024	Decision by Parliament, 1st reading	T9-0298/2024	

Technical information

Procedure reference	2023/0210(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation 2010/1093 2009/0142(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Council's 1st reading position
Committee dossier	ECON/9/12430

Documentation gateway

Legislative proposal	COM(2023)0367	28/06/2023	EC	Summary
Document attached to the procedure	SEC(2023)0256	29/06/2023	EC	
Document attached to the procedure	SWD(2023)0231	29/06/2023	EC	
Document attached to the procedure	SWD(2023)0232	29/06/2023	EC	
Document attached to the procedure	N9-0086/2023 OJ C 000 16.11.2023, p. 0000	22/08/2023	EDPS	
Committee draft report	PE755.995	13/11/2023	EP	
Amendments tabled in committee	PE757.115	04/12/2023	EP	
Amendments tabled in committee	PE757.126	04/12/2023	EP	
Economic and Social Committee: opinion, report	CES3611/2023	13/12/2023	ESC	
Committee report tabled for plenary, 1st reading/single reading	A9-0052/2024	22/02/2024	EP	Summary
Text adopted by Parliament, 1st reading/single reading	T9-0298/2024	23/04/2024	EP	

Payment services in the internal market

PURPOSE: to lay down rules on payment services in the internal market.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the second Payment Services Directive (PSD2) provides a legal framework for all retail payments in the EU, both Euro and other currencies, domestic and cross-border. PSD2 has tackled the barriers to access to new types of payment services and improved the level of consumer protection and security. PSD2 contains both rules on the provision of payment services by payment service providers (PSPs) and rules on the authorisation and supervision of a specific category of financial service providers, namely payment institutions.

The review of PSD2 has led the Commission to decide to propose legislative changes to PSD2 in order to improve its functioning. These changes are set out in two proposals, this proposal for a Regulation on payment services in the EU and a [proposal for a Directive](#) on payment and e-money services, focusing on the authorisation and supervision of payment institutions (and amending certain other Directives).

The impact assessment accompanying this proposal (as well as the proposal for a Directive on payment and e-money services) found that there are four key problems in the EU payment market, despite the achievements of PSD2: (i) consumers are at risk of fraud and lack confidence in payments; (ii) the open banking sector functions imperfectly; (iii) supervisors in EU Member States have inconsistent powers and obligations; (iv) there is an unlevel playing field between banks and non-bank PSPs.

The proposal will amend and modernise the current Payment Services Regulation (PSR). It will ensure consumers can continue to safely and securely make electronic payments and transactions in the EU, domestically or cross-border, in euro and non-euro.

CONTENT: the proposed Regulation lays down rules applicable to payment services providers related to payments. It lays down uniform requirements on the provision of payment services and electronic money services, as regards:

- the transparency of conditions and information requirements for payment services and electronic money services;
- the respective rights and obligations of payment and electronic money service users, and of payment and electronic money service providers in relation to the provision of payment services and electronic money services.

It will apply to payment services provided within the Union by the following categories of payment service providers:

- credit institutions, including branches thereof where such branches are located in the Union, whether the head offices of those are located within the Union or outside the Union;
- post office giro institutions which are entitled under national law to provide payment services;
- payment institutions;
- the ECB and national central banks when not acting in their capacity as monetary authority or other public authorities;
- Member States or their regional or local authorities when not acting in their capacity as public authorities.

More specifically, it consists of a package of measures which:

- combat and mitigate payment fraud, by enabling payment service providers to share fraud-related information between themselves, increasing consumers' awareness, strengthening customer authentication rules, extending refund rights of consumers who fall victim to fraud and making a system for checking alignment of payees' IBAN numbers with their account names mandatory for all credit transfers;
- improve consumer rights, in cases for example where their funds are temporarily blocked, improve transparency on their account statements and provide more transparent information on ATM charges;
- further levelling the playing field between banks and non-banks, in particular by allowing non-bank payment service providers access to all EU payment systems, with appropriate safeguards, and securing those providers' rights to a bank account;
- improve the functioning of open banking, by removing remaining obstacles to providing open banking services and improving customers' control over their payment data, enabling new innovative services to enter the market;
- improve the availability of cash in shops and via ATMs, by allowing retailers to provide cash services to customers without requiring a purchase and clarifying the rules for independent ATM operators;
- strengthen harmonisation and enforcement, by enacting most payment rules in a directly applicable regulation and reinforcing provisions on implementation and penalties.

Payment services in the internal market

The Committee on Economic and Monetary Affairs adopted the report by Marek BELKA (S&D, PL) on the proposal for a regulation of the European Parliament and of the Council on payment services in the internal market and amending Regulation (EU) No 1093/2010.

The proposed Regulation lays down uniform requirements on the provision of payment services and electronic money services, as regards: (a) the transparency of conditions and information requirements for payment services and electronic money services; (b) the respective rights and obligations of payment and electronic money service users, and of payment and electronic money service providers in relation to the provision of payment services and electronic money services.

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:

Transparency of conditions and information requirements

The amended text specifies that where a currency conversion service is offered prior to the initiation of the payment transaction and where that currency conversion service is offered at an ATM, at the point of sale or by the payee, the party offering the currency conversion service to the payer should disclose to the payer all charges and the exchange rate to be used for converting the payment transaction.

Information on charges and the exchange rate should be provided in a prominent and transparent manner prior to authorisation of the payment transaction by the payer.

Where, for the use of a given payment instrument, the payee requests a charge or offers a reduction, the payee should inform the payer thereof prior to the initiation of the payment transaction, in a clear, transparent and accessible format.

Rights and obligations in relation to the provision and use of payment services

When an operator of an automatic teller machine (ATM) is authorised as a credit institution or payment service provider in the Union, and provides cash withdrawal services, that operator should provide or make available information about any fixed fee applicable at the initiation of the withdrawal process, specifically at or before the moment the users card is inserted into, or tapped against, the ATM. Any such fixed fee should be displayed in monetary value and ensure that the user is informed in a transparent, distinguishable and understandable way of any fixed fees charged by that ATM operator for the cash withdrawal, regardless of the provenance of the ATM card used.

The payment service provider should not prevent the payee from offering the payer a reduction or otherwise steering the payer towards the use of a given payment instrument.

Provision by credit institutions of payment accounts to payment institutions

A credit institution should only refuse to open or should only close a payment account for a payment institution for its agents or distributors or for an applicant for a license as a payment institution in cases where it is justified on objective, non-discriminatory and proportionate grounds.

Where a credit institution decides to close a payment account in accordance with this paragraph, the account closure should take effect upon the expiry of a notice period which should not be less than four months, unless the payment account is closed due to fraud-related reasons or reasons connected to illegal activities.

Limits and blocking of the use of the payment instrument

Where a specific payment instrument is used for the purposes of giving permission, the payer and the payers payment service provider should offer to the payment service user the possibility of setting fair and proportionate spending limits for payment transactions executed through that payment instrument.

Payment service providers should block the payment instrument in the case of objectively justified risks relating to the security of the payment instrument, the suspicion of unauthorised or fraudulent use of the payment instrument. Where such blocking does not take place despite reasonable grounds for suspecting fraud, the payer should not bear any financial consequences, except where the payer has acted fraudulently.

Means of communication

In order for the payment service user to have an easier access to the payment service provider, the latter should create and serve a communication channel to enable the payment service user to make a notification or to request unblocking of the payment instrument as provided for in this Regulation. That channel should also make it possible for the payment service user to make a notification about a fraudulent transaction, to receive qualified advice when suspecting to be victim of a fraud attack and to notify problematic issues concerning conducted payments, such as errors of the payment machines during the payments.

Payment service providers liability for unauthorised payment transactions

Where the payers payment service provider had reasonable grounds for suspecting fraud committed by the payer, the payers payment service provider should, within 14 business days after noting or being notified of the transaction, do either of the following: (a) refund the payer the amount of the unauthorised payment transaction if the payers payment service provider has concluded, after further investigation, that no fraud has been committed by the payer.

Educational measures

Electronic communications service providers should have in place all necessary educational measures, including alerts to their customers via all appropriate means and media when new forms of online scams emerge, taking into account the needs of their most vulnerable groups of customers. The service providers should: (i) give their customers clear indications as to how to identify fraudulent attempts and warn them as to the necessary actions and precautions to be taken to avoid falling victim to fraudulent actions targeting them; (ii) inform their customers of the procedure for reporting fraudulent actions and how to rapidly obtain fraud-related information.

Member States should allocate substantial means to investing in education on payment-related fraud. Such education may take the form of a media campaign or lessons at schools.

Fair, reasonable and non-discriminatory access to mobile devices

Original equipment manufacturers of mobile devices and electronic communications service providers should not be prevented from taking strictly necessary and proportionate measures to ensure that interoperability does not compromise the integrity of the hardware and software features concerned by the interoperability obligation provided that such measures are duly justified.

Transparency				
JORON Virginie	Shadow rapporteur for opinion	IMCO	11/12/2023	ARCTURUS GROUP

BELKA Marek	Rapporteur	ECON	28/11/2023	European Parliamentary Financial Services Forum
BELKA Marek	Rapporteur	ECON	24/11/2023	EuroCommerce
BELKA Marek	Rapporteur	ECON	22/11/2023	EDENRED
BELKA Marek	Rapporteur	ECON	14/11/2023	Association of Credit Card Issuers in Europe
BELKA Marek	Rapporteur	ECON	17/10/2023	European Payment Institutions Federation
KOVA?ÍK Ond?ej	Shadow rapporteur	ECON	10/10/2023	The European Digital Payments Industry Alliance
KOVA?ÍK Ond?ej	Shadow rapporteur	ECON	03/10/2023	Fédération bancaire française
BELKA Marek	Rapporteur	ECON	28/09/2023	European Third Party Providers Association
BELKA Marek	Rapporteur	ECON	27/09/2023	Bureau Européen des Unions de Consommateurs
SANT Alfred	Member	13/02/2024	BOUYGUES EUROPE	
FERNÁNDEZ Jonás	Member	12/02/2024	Telefonica, S.A.	
FERBER Markus	Member	31/01/2024	IC Cash	
KELLEHER Billy	Member	24/01/2024	IACTA Limited	
FERNÁNDEZ Jonás	Member	12/12/2023	Social Vouchers International Association	
	Member	28/11/2023	Gide Loyrette Nouel	
KARAS Othmar	Member	27/11/2023	Wirtschaftskammer Österreich	
GARCÍA-MARGALLO Y MARFIL José Manuel	Member	24/11/2023	Asociación Española de Banca	
KELLEHER Billy	Member	16/11/2023	Banking & Payments Federation Ireland	
FITZGERALD Frances	Member	30/08/2023	Expedia Group	