

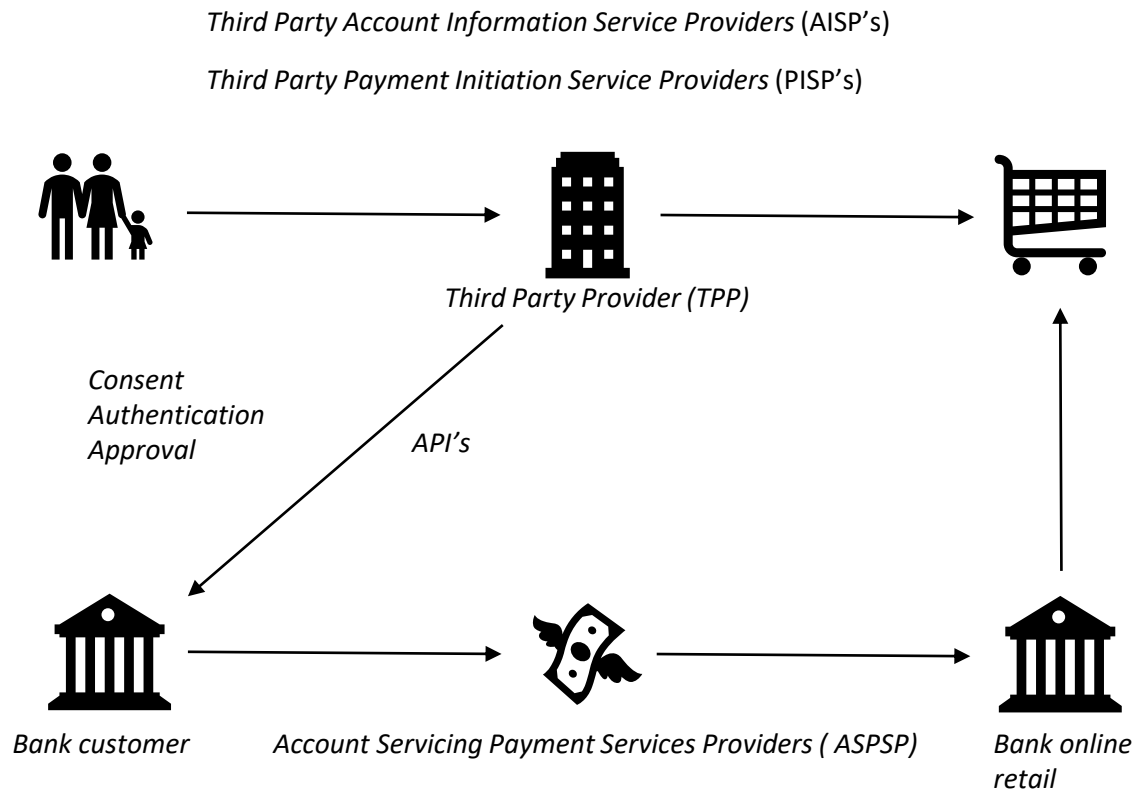
A hand is holding a blue credit card. The card is slightly out of focus, but the text 'PSD2' is clearly visible in the center. The background is a blurred blue and white pattern, possibly representing a city or a modern architectural structure. The text 'PSD2' is in a bold, blue, sans-serif font. The overall image has a professional and modern feel, emphasizing financial technology and regulatory compliance.

**PSD2**

# Table of content PSD2

Involved parties PSD2	3
PSD2 Directives structure	4
Overview PSD2 RTS/GL related to involved parties	5
Explanation Regulatory Technical Standards and Guidelines	6
Standards and guidance for auditing purposes	9
Annex I Regulatory Technical Standards and Guidelines	10

# Involved Parties PSD2



## Payment Services Directive 2

PSD2 is a European regulation for electronic payment services. PSD2's innovation is opening banking payment services to third parties, known as Third Party Payment Service Providers (TPPs). This means that other companies will have access to customers' bank accounts as long as the latter give their express consent, in addition to being able to make payments on their behalf. This will be accomplished by means of an API that will facilitate communication between the company and the bank, which will allow the business/establishment to perform payments on behalf of the customer through his bank account.

PSD2 regulates and harmonizes two types of services that were already in existence when the first PSD was adopted in 2007, but which have become more popular in recent years: on the one hand, the Payment Initiation Services (PIS); and Account Information Services (AIS) on the other.

## Third Party Account Information Services

Account Information Services (AIS) include the collection and storage of information from a customer's different bank accounts in a single place, allowing customers to have a global view of their financial situation and easily analyze their expenses and financial needs.

## Third Party Payment Initiation Services

Meanwhile, in Payment Initiation Services (PIS) other providers facilitate the use of online banking to make payments online. These services help to initiate a payment from the consumer's account to the merchant's account by creating an interface to bridge both accounts, filling in the information needed for the bank transfer (amount of the transaction, account number, message) and informing the store of the transaction. PSD2 also allows clients to make payments to a third party from a bank's app using any of the client's accounts.

## Account Servicing Payment Service Providers

Account Servicing Payment Service Providers provide and maintain payment accounts for payment service users (PSUs). Traditionally, ASPSPs are banks and similar institutions. Under Open Banking, ASPSPs publish Read/Write APIs.

# PSD2 Directives structure

The concept of PSD2 is built on a set of guidelines covering one or more topics. Below we have pointed out the relevant articles per topic.

## Strong customer authentication

Article 4(6)	Definitions
Article 4(30)	Strong customer authentication
Article 97(1) and (2)	Authentication
Article 98(1) and (3)	RTS on authentication and communication ( <b>Annex 1</b> )

## Authorisation

Article 5	Applications for authorisation ( <b>Annex 8 and 9</b> )
Article 14	Registration in the home Member State
Article 15(1)	EBA register
Article 29	Supervision of payment institutions exercising the right of establishment and freedom to provide services ( <b>Annex 5 and 6</b> )
Article 33 (1)	Account information service providers
Article 35(1) and (2)	Access to Payment Systems
Article 36	Access to accounts maintained with a credit institution
Article 37	Prohibition of persons other than payment service providers from providing payment services and duty of notification ( <b>Annex 7</b> )

## Information and conditions

Article 33(2)	Account information service providers
Article 41	Burden of proof on information requirements
Article 42	Derogation from information requirements for low-value payment instruments and electronic money
Article 44 to 48	
Article 52	Information and conditions
Article 54	Changes in conditions of the framework contract
Article 55	Termination
Article 57	Information for the payer on individual payment transactions
Article 59	Currency and currency conversion
Article 60 (2) and (3)	Information on additional charges or reductions

## Consent

Article 64 (3)	Consent and withdrawal of consent
Article 78(2)	Receipt of payment orders
Article 80 (2) (4)	Irrevocability of a payment order

## Services offered by pips

Article 65 (1)	Confirmation on the availability of funds
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## Access to payment accounts and use of credentials

Article 66 (3b)	Rules on access to payment account in the case of payment initiation services
Article 67(2b)	Rules on access to and use of payment account information in the case of account information service
Article 69 (1a) and (2)	Obligations of the payment service user in relation to payment instruments and personalised security credentials
Article 70(1a)	Obligations of the payment service provider in relation to payment instruments
Article 97 (3)	Authentication
Article 98 (1d)	Regulatory technical standards on authentication and communication
Article 68 (5) and (6)	Limits of the use of the payment instrument and of the access to payment accounts by payment service providers

## As psp liability

Article 71 to 75

## Value date and availability of funds

Articles 82 to 87	
Article 89	Payment service providers' liability for non-execution, defective or late execution of payment transactions
Article 90	Liability in the case of payment initiation services for non-execution, defective or late execution of payment transactions

## Operational and security risks

Article 95	Management of operational and security risks ( <b>Annex 2</b> )
Article 96	Incident reporting ( <b>Annex 3 and 4</b> )
Article 101	Dispute resolution
Article 109	Transitional provision

# Overview PSD2 RTS/GL related to involved parties

## 1) Payment Services Directive (PSD2) (2015/2366/EU)

- 1) Regulatory Technical Standards on strong customer authentication and secure communication under PSD2
  - 1) Guidelines on the conditions to be met to benefit from an exemption from contingency measures
- 2) Guidelines on security measures for operational and security risks under the PSD2
- 3) Guidelines on fraud reporting under PSD2
- 4) Guidelines on major incidents reporting under PSD2
- 5) Regulatory Technical Standards on Home-Host cooperation under PSD2
- 6) Regulatory Technical Standards on central contact points under PSD2
- 7) Guidelines on the limited network exclusion under PSD2
- 8) Guidelines on authorisation and registration under PSD2
- 9) Guidelines on the criteria minimum monetary amount of the professional indemnity insurance under PSD2
- 10) Guidelines on procedures for complaints of alleged infringements of the PSD2
- 11) Technical Standards on the EBA Register under PSD2
- 12) Guidelines for complaints-handling for the securities (ESMA) and banking (EBA) sectors
- 13) Regulatory Technical Standards on passporting under PSD2

Articles	AIS	PIS	ASPSP
Article 98	V	V	V
Article 98	V	V	V
Article 95	V	V	V
Article 96(6)	-	V	V
Article 96(1/4)	V	V	V
Article 29(6)	V	V	V
Article 29(4/5)	V	V	V
Article 3/37	-	V	V
Article 5/33	V	V	V
Article 5(4)	V	V	-
Article 99/100	-	-	-
Article 15	-	-	-
Article 33	-	-	-
Article 28(5)	-	-	-

### Legenda

V = applicable appointed party, guidance audit approach is available

V = applicable appointed party, guidance audit approach is not available

- = not applicable appointed party

<https://www.eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money>

# Explanation Regulatory Technical Standards and Guidelines (1/3)

As notes on the previous sheet, PSD2 is a set of European legislation reflected in a set of technical standards and guidelines. This chapter presents the most important technical standards and guidelines.

## 1) Regulatory Technical Standards on strong customer authentication and secure communication under PSD2

The revised Payment Services Directive has introduced the requirement for payment service providers (PSPs) to apply strong customer authentication (SCA) each time a payment service user (PSU) accesses its payment account online. At the same time, the PSD2 mandated the EBA to develop regulatory technical standards (RTS) specifying, amongst others, the requirements of SCA and the exemptions to SCA, taking into account inter alia the at times competing objectives of PSD2, such as enhancing the security of payment services through additional authentication steps on the one hand, and of promoting user-friendly services on the other.

### 1) Guidelines on the conditions to be met to benefit from an exemption from contingency measures

Article 33(6) of the RTS sets out the conditions that must be met by an ASPSP that wishes to provide access via a dedicated interface in order to be exempted from the obligation to implement the contingency mechanism (fall back). The RTS calls for competent authorities (CAs) to exempt ASPSPs from the requirement to implement the fall back mechanism if the ASPSP can show that it meets the four conditions in Article 33(6) of the RTS.

## 2) Guidelines on security measures for operational and security risks under the PSD2

These Guidelines specify requirements for the establishment, implementation and monitoring of the security measures that PSPs must take, in accordance with Article 95(1) of Directive (EU) 2015/2366, to manage the operational and security risks relating to the payment services they provide.

## 3) Guidelines on fraud reporting under PSD2

These Guidelines provide detail on statistical data on fraud related to different means of payment that payment service providers have to report to their competent authorities, as well as on the aggregated data that the competent authorities have to share with the EBA and the ECB, in accordance with Article 96(6) of Directive (EU) 2015/2366 (PSD2).

## 4) Guidelines on major incidents reporting under PSD2

These Guidelines specify the criteria for the classification of major operational or security incidents by payment service providers as well as the format and procedures they should follow to communicate, as foreseen in Article 96(1) of PSD2, such incidents to the competent authority in the home Member State.

## 5) Regulatory Technical Standards on Home-Host cooperation under PSD2

To that end, Article 29(6) of PSD2 confers a mandate on the European Banking Authority (EBA) to develop draft RTS specifying the method, means and details of cooperation in the supervision of payment institutions operating on a cross-border basis. The mandate specifies that the RTS shall include the scope and treatment of information to be exchanged. The RTS shall also specify the means and details of any reporting requested by host competent authorities from payment institutions on the payment business activities carried out in their territories through agents or branches, including the frequency of such reporting.



# Explanation Regulatory Technical Standards and Guidelines (2/3)

## **6) Regulatory Technical Standards on central contact points under PSD2**

Article 29(4) of the revised Payment Services Directive, Directive (EU) 2015/2366 (PSD2), gives Member States the option to require payment institutions (PIs) that have their head office in another Member State (MS) and that operate through agents in the host MS territory under the right of establishment to establish a central contact point in the host MS's territory. According to PSD2, the purpose of these contact points is to ensure adequate communication and information reporting on compliance.

## **7) Guidelines on the limited network exclusion under PSD2**

These guidelines apply in relation to the services based on specific payment instruments that can be used only in a limited way as specified under Article 3(k) of Directive (EU) 2015/2366 that are excluded from the scope of application of PSD2. In particular, the guidelines set out criteria and factors to be taken into account by competent authorities in the assessment on whether the activities should fall under the Article 3(k) exclusions. These guidelines also apply to the notification process under Article 37(2) of PSD2, including on the calculation of the thresholds and on the information to be contained in the notification submitted to competent authorities by service providers.

## **8) Guidelines on authorisation and registration under PSD2**

These guidelines set out the information to be provided to the competent authorities in the application for the authorisation of payment institutions, in the application for registration of account information service providers and in the application for authorisation of electronic money institutions.

## **9) Guidelines on the criteria on how to stipulate the minimum monetary amount of the professional indemnity insurance under PSD2**

These guidelines specify criteria and indicators on how to stipulate the minimum monetary amount of the professional indemnity insurance (PII) or other comparable guarantee to be held by undertakings. The guidelines also set out a formula for the calculation of the minimum monetary amount of the PII or comparable guarantee.

## **10) Guidelines on procedures for complaints of alleged infringements of the PSD2**

These Guidelines apply to complaints submitted to competent authorities with regard to payment service providers' alleged infringements of Directive (EU) 2015/2366 as laid down in Article 99(1) of the Directive. These complaints are to be taken into consideration by competent authorities to ensure and monitor effective compliance with Directive (EU) 2015/2366, as referred to in Article 100(6) of the Directive. These complaints may be submitted by payment service users and other interested parties, including payment service providers that are affected by the situation(s) that gave rise to the complaint and consumer associations ('complainants').

# Explanation Regulatory Technical Standards and Guidelines (3/3)

## **11) Technical Standards on the EBA Register under PSD2**

Article 15(1) of Directive (EU) 2015/2366 on payment services in the internal market (PSD2) provides that 'EBA shall develop, operate and maintain an electronic central register that contains information as notified by competent authorities.

## **12) Guidelines for complaints-handling for the securities (ESMA) and banking (EBA) sectors**

These guidelines apply to authorities competent for supervising complaints-handling by firms in their jurisdiction, which in the banking sector include credit institutions, payment institutions and electronic money institutions. These guidelines are to the benefit of consumers, who will be able to rely on the same approach irrespective of what type of product they have purchased and where they have purchased it within the EU, thereby improving consumer confidence in financial services.

## **13) Regulatory Technical Standards on passporting under PSD2**

PSD2 aims to enhance cooperation between competent authorities where an authorised payment institution would like to provide payment services in a Member State other than its home Member State. To that end, Article 28(5) PSD2 conferred a mandate on the EBA to develop draft regulatory technical standards (RTS), specifying the method, means and details of the cross-border cooperation between competent authorities in the context of passport notifications of payment institutions.



# Standards and guidance for auditing purposes

## 1) Payment Services Directive (PSD2) (2015/2366/EU)

- 1) Regulatory Technical Standards on strong customer authentication and secure communication under PSD2
  - 1) Guidelines on the conditions to be met to benefit from an exemption from contingency measures
- 2) Guidelines on security measures for operational and security risks under the PSD2
- 3) Guidelines on fraud reporting under PSD2
- 4) Guidelines on major incidents reporting under PSD2
- 5) Regulatory Technical Standards on Home-Host cooperation under PSD2
- 6) Regulatory Technical Standards on central contact points under PSD2
- 7) Guidelines on the limited network exclusion under PSD2
- 8) Guidelines on authorisation and registration under PSD2
- 9) Guidelines on the criteria minimum monetary amount of the professional indemnity insurance under PSD2

## Audit framework (see Annex 1)

- NOREA Guidance on audit approach PSD2  
EBA Final report page 18 - 24
- NOREA Guidance on audit approach PSD2  
EBA Final report page 16 - 23
- EBA Final report page 16 - 29
- EBA Final report page 12 - 22
- EBA Final report page 9 - 12
- EBA Consultation Paper page 26 - 32
- EBA Final report page 18 - 71
- EBA Final report page 14 - 21

# Annex I Regulatory Technical Standards and Guidelines (1/2)

## **Annex 1) Regulatory Technical Standards on strong customer authentication and secure communication under PSD2**

<https://www.eba.europa.eu/sites/default/documents/files/documents/10180/2250578/4e3b9449-ecf9-4756-8006-cbbe74db6d03/Final%20Report%20on%20Guidelines%20on%20the%20exemption%20to%20the%20fall%20back.pdf?retry=1>

<https://www.norea.nl/download/?id=6238>

## **Annex 2) Guidelines on security measures for operational and security risks under the PSD2**

<https://www.eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money/guidelines-on-security-measures-for-operational-and-security-risks-under-the-psd2>

## **Annex 3) Guidelines on fraud reporting under PSD2**

<https://www.eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money/guidelines-on-fraud-reporting-under-psd2>

## **Annex 4) Guidelines on major incidents reporting under PSD2**

<https://www.eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money/guidelines-on-major-incidents-reporting-under-psd2>

## **Annex 5) Regulatory Technical Standards on Home-Host cooperation under PSD2**

<https://www.eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money/rts-on-home-host-cooperation-under-psd2>

## **Annex 6) Regulatory Technical Standards on central contact points under PSD2**

<https://www.eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money/rts-on-central-contact-points-under-psd2>

## **Annex 7) Guidelines on the limited network exclusion under PSD2**

<https://www.eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money/guidelines-limited-network-exclusion-under-psd2>

# Annex I Regulatory Technical Standards and Guidelines (2/2)

## **Annex 8) Guidelines on authorisation and registration under PSD2**

<https://www.eba.europa.eu/regulation-and-policy/payment-services-and-electronic-money/guidelines-on-authorisation-and-registration-under-psd2>

## **Annex 9) Guidelines on the criteria on how to stipulate the minimum monetary amount of the professional indemnity insurance under PSD2**

<https://www.eba.europa.eu/guidelines-on-the-criteria-on-how-to-stipulate-the-minimum-monetary-amount-of-the-professional-indemnity-insurance-under-ps-2>

## **Annex 10) Q&As EBA**

[https://www.eba.europa.eu/single-rule-book-qa/search?field\\_legal\\_act%5B%5D=517&field\\_isrb\\_q\\_a\\_review\\_resp=All&items\\_per\\_page=20](https://www.eba.europa.eu/single-rule-book-qa/search?field_legal_act%5B%5D=517&field_isrb_q_a_review_resp=All&items_per_page=20)