



Regulation: A driver to future e-payments

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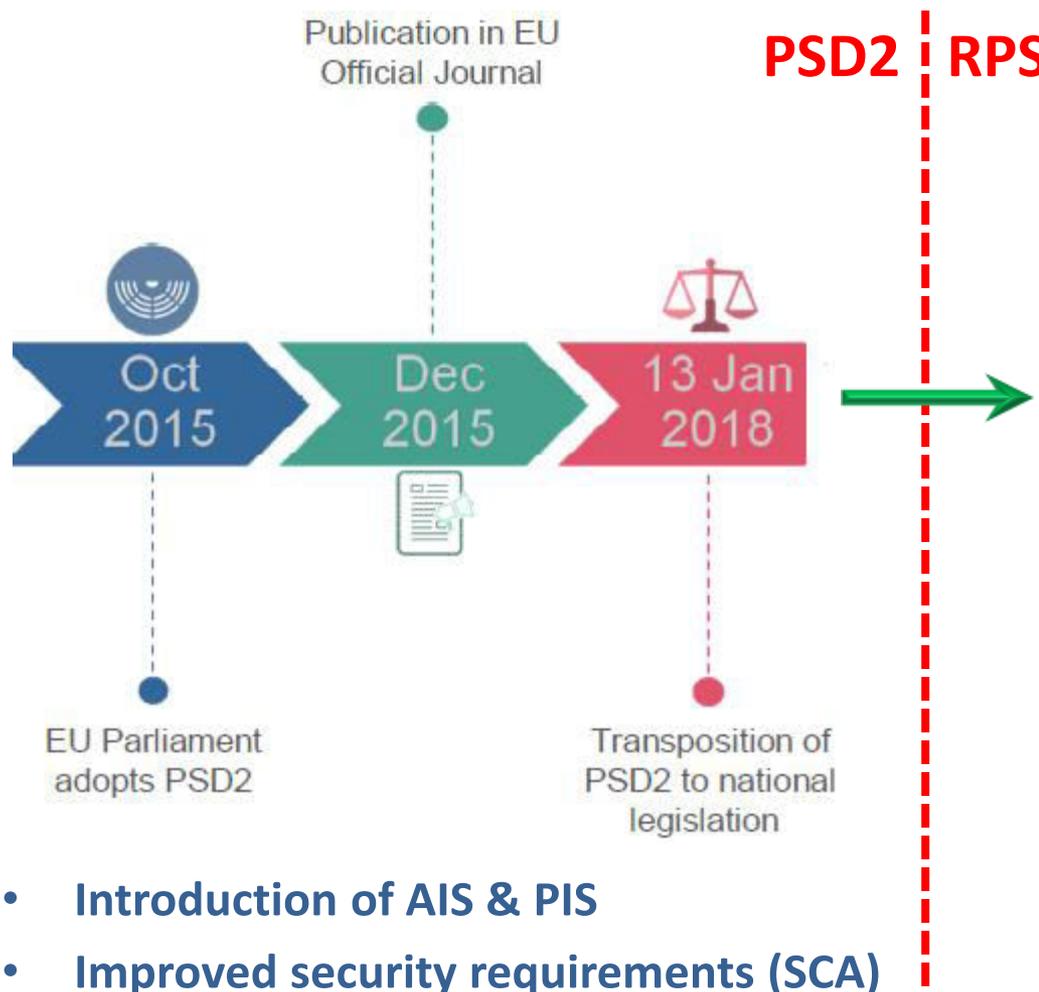
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PSD2 and EU's Retail Payments Strategy



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- Further exploits opportunities offered by digitalization

4 Pillars

- increasingly digital and instant payment solutions with pan-European reach
- innovative and competitive retail payments markets
- efficient and interoperable retail payment systems and other support infrastructures
- efficient international payments, including remittances

AIS, PIS and Open Banking (Pillar B)

- Since 2018:
 - more than 400 TPPs (in Europe) are now authorized to provide either AIS/PIS
 - an increasing number of banks are themselves offering AIS & PIS
 - the uptake of regulated services based on access to payment accounts by TPPs still challenges to regulators and stakeholders
 - the existence of many different API standards, as well as different API functionality levels, have presented challenges for TPPs
 - important clarifications have been given by the EC and EBA, via:
 - more than 100 responses provided to Q&As submitted by external stakeholders
 - [EBA Working Group on APIs](#) on requests made by the industry
 - Guidelines (e.g. [EBA Guidelines on the exemption from the fall back mechanism under the RTS on SCA and CSC](#))
 - Opinions (e.g. [EBA Opinion on obstacles to the provision of third party provider services under PSD2](#))
 - app-to-app redirection process still faces problems in user experience

SCA in e-commerce card payments (Pillar B)

- SCA is an authentication process that validates the identity of the user based on the use of two or more elements categorized as:



Something you know



Something you own



Something you are

- a dynamic link to the amount of the transaction and the account of the payee is required for all electronic remote payment transactions
- Exemptions to SCA refer to :
 - Trusted Beneficiaries (Art 13 RTS)
 - Low value Transactions (Art 16 RTS)
 - Recurring transactions (Art 14 RTS)
 - Transaction Risk Analysis (Art 18 RTS)
- Initial legal application date: 14 Sep 2019 set by the [RTS on SCA & CSC](#)
- [EBA Opinion on SCA elements](#) (06-2019)
- [EBA Opinion on deadline for SCA migration](#) until 31 Dec 2020 (11-2019)

SCA in e-commerce card payments (Pillar B)

As of April 2021 data submitted by PSPs ([EBA report](#))

- 94% of all payment cards in the EU are SCA-enabled (GR – 99.5%)
- 99% of EU merchants are able to support SCA (GR – 99.5%)
- 82% of all PSUs are enrolled into an SCA solution (GR – 89%)
- a significant reduction is present in the volume and value of fraudulent e-commerce card-based payment transactions

Remaining points of concern

- PSPs in some jurisdictions are lagging behind others in enabling SCA on their payment cards and enrolling PSUs to SCA compliant authentication solutions
- while the SCA non-compliant transactions have decreased significantly, their levels in some jurisdictions remain relatively high



Thank you!

