

REVISED PAYMENT SERVICES DIRECTIVE

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Legal Briefings - By **Clive Cunningham, Nick Bradbury, and Patricia Horton**

The Revised Payment Services Directive (**the Directive**)¹ came into effect on 12 January 2016. The revised Directive updates the current EU framework on payment services by extending its scope to include previously unregulated payment service providers, and increasing transparency and security of payment services.

EU Member States have until 13 January 2018 to transpose the Directive into national laws.

In the UK, HM Treasury is expected to consult in summer 2016 on the UK transposition of the Directive. The Financial Conduct Authority (**FCA**) is currently seeking stakeholder views on the implementation of the Directive in the UK and has released a guidance paper.²

KEY CHANGES UNDER THE DIRECTIVE

1. Introduction of two new types of payment services

- Account Information Services (**AIS**) for online services which offer a consolidated snapshot of a user's multiple payment accounts where the data is amalgamated from across one or more payment service providers.
- Payment Initiation Services (**PIS**) for entities which at the request of the user, initiate a payment transaction from an account held by the user at another payment service provider.

2. Exemptions

- A number of exemptions that are available under the current Payment Services Directive have either been amended or deleted as the European Commission believes that their application has extended beyond the originally intended scope.
- Businesses that fall within the 'Limited Network Exemption' or 'Digital Download Exemption' will need to be registered with their national competent authority (i.e. the FCA) under the Directive.

3. Scope

- The conduct of business rules have been extended to include payment transactions in all currencies where at least one payment services provider is located within the European Economic Area.

Submissions to the FCA should be made via its website³ by 23 March 2016. If you are unsure of how these proposed changes will affect your organisation, or would like assistance making a submission, please contact Herbert Smith Freehills.

ENDNOTES

- [EUR-Lex: Access to European Union law.](#)
- [Call for Input: the FCA's approach to the current payment services regime.](#)
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KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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