

Module	<b>PAYMENTS – ATTESTATION</b>
Jurisdictions	<b>EUROPEAN UNION</b>

## Module Application

Does the payment service provider comply with requirements relating to shareholding, initial capital, own funds, and safeguarding of user funds?

Does the payment service provider follow the authorised procedure for providing the use of payment services and execute payment transactions when a payment order is received?

Does the payment service provider implement measures to ensure data security and effective risk management and have a robust digital operational resilience infrastructure?

Does the payment service provider carry out instant credit transfer transactions in accordance with the specified requirements?

Does the payment service provider have a unified payment network across the EU?

Does the payment service provider that is a creditor provide standard information when advertising a credit agreement or a mortgage agreement?

Does the payment service provider that is a credit institution offer basic payment accounts to consumers on a non-discriminatory basis?

Does the payment service provider ensure that charges for cross-border payments in euro or in the national currency of participating Member States are the same as for corresponding domestic payments?

Does the payment service provider that is an electronic money institution follow general prudential rules and maintain adequate capital and own funds?

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## Module Scope

The European Union (EU) is home to an advanced payment system landscape. Payment Service Providers (PSPs) operating within the EU navigate a complex regulatory environment influenced by individual Member State legislation and overarching EU regulations and directives. The Payments – Attestation module provides a detailed coverage of the EU payment systems regime as implemented in each of the 27 member states.

EU regulations and directives do not create direct obligations for PSPs. Instead, Member States develop consistent legislation to comply with these directives. Although specific requirements may vary, the baseline standards from PSD2, SEPA, DORA, and other key legislations apply across all 27 EU countries.

PSPs operating in the EU can use this framework to:

- Confirm the adequacy of existing compliance measures and gauge the compliance burden of proposed expansions.
- Achieve full compliance at every step of entry into the European market.

Understand what must be done to meet regulatory obligations.

Major directives and regulations that govern EU payment systems landscape mapped against national transpositions in this module are:

1. Payment Services Directive 2 (PSD2): This directive governs the authorisation, prudential requirements, execution of payments, and operational and security risk management for PSPs.
2. Single Euro Payments Area (SEPA) Regulation: This regulation sets business and technical requirements for PSPs providing credit transfers and direct debits in the euro currency.
3. Consumer Credit Directive: This directive establishes rules on consumer credit agreements to protect consumers and ensure transparency in credit markets.
4. Electronic Money Directive: This directive governs the issuance, redemption, and supervision of electronic money within the EU.
5. Mortgage Credit Directive: This directive sets out requirements for mortgage credit agreements, including assessment of the consumer's ability to repay and provision of standardised information.
6. Regulation on Cross-Border Payments: This regulation standardises charges for cross-border payments within the EU and enhances transparency of currency conversion costs.
7. Payment Accounts Directive: This directive ensures transparency and comparability of fees, facilitates access to basic payment accounts, and improves the switching process for consumers within the EU.

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