



Instant Payments Regulation

Update on legislative process

AMI Pay
7 December 2023

Political agreement on Instant Payments Regulation - I

- **PSPs that provide regular credit transfers in euro will be required to provide instant credit transfers in euro**
 - ❖ **Longer application deadlines for PSPs located in Member States outside euro area**
 - ❖ **Non-bank PSPs (EMIs and PIs) included in the scope in view of amendment of Settlement Finality Directive**
- **PSPs to ensure that charges for euro instant credit transfers are not higher than charges for corresponding euro regular credit transfers**
- **Service of payee verification (IBAN-name check):**
 - ❖ **Scope extended to include euro regular credit transfers**
 - ❖ **Scope extended to include situations where information about the payee is provided not by the payers themselves, but by PSPs / PISPs**
 - ❖ **Service free of charge for all types of PSUs**

Political agreement on Instant Payments Regulation - II

➤ Sanctions screening obligations

- ❖ **Screening of own clients daily and immediately after designation of new entities and persons, with respect to restrictive measures:**
 - **pertaining to freezing of assets and not making funds available to designated entities and persons**
 - **adopted by Council Regulations under Article 215 TFEU (ie EU sanction lists)**

➤ Amendment of Settlement Finality Directive

- ❖ **EMIs and PIs included in the list of 'institutions' that can participate in designated payment systems under SFD**
- ❖ **Subject to temporary regime (to be revised by PSD3/PSR) requiring EMIs and PIs that apply for participation to have in place certain arrangements linked to:**
 - **safeguarding of client funds**
 - **governance arrangements and internal control mechanisms**
 - **winding-up plan**
- ❖ **Member States to transpose and apply SFD amendment in their national law by 12 months from the date of entry into force of Instant Payments Regulation**

Political agreement on Instant Payments Regulation - III application deadlines from date of entry into force

Requirement	Euro Area	Non-Euro Area
Receive euro IPs	9 months	33 months
Send euro IPs	18 months	39 months*
Pricing of euro IPs	9 months	33 months
Payee verification service	18 months	39 months
Screen own clients on daily basis	9 months	9 months

* *Obligation for PSPs located in non-euro area to send euro IPs outside business hours from payment accounts denominated in the national currency – 50 months*

Timeline

❖ **Oct 2022 adoption of legislative proposal by European Commission**

Negotiating mandates adopted

- ❖ **May 2023 Council**
- ❖ **July 2023 European Parliament**

Trilogue phase

- ❖ **Jul – Nov 2023**
- ❖ **7 Nov 2023: political agreement reached**

❖ **Dec 2023 – Jan 2024: lawyer linguist review**

❖ **Feb 2024 (est.): adoption of final text by Council and by European Parliament**

❖ **Publication in Official Journal**

❖ **Entry into force 20 days later (est. Mar 2024)**