



Exemption policy for the Eurosystem oversight framework for electronic payment instruments, schemes and arrangements

November 2021

1 Purpose

The present Eurosystem exemption policy complements the oversight framework for electronic payment instruments, schemes and arrangements (the PISA framework).

The policy defines the criteria used to identify the schemes/arrangements to be overseen by the Eurosystem and those which are to be monitored or are exempt, taking into account their relevance for the overall payment system. In this respect the size and market penetration of a scheme/arrangement are considered. The exemption criteria and their respective thresholds aim to be proportionate to the risks introduced by small and/or emerging schemes/arrangements and, therefore, exempt those which do not meet the defined criteria and thresholds. The Eurosystem will review this policy at least every three years to ensure it is line with market developments and experience gained over the period.

Schemes/arrangements that are already overseen according to the “Harmonised oversight approach and oversight standards for payment instruments”¹, remain under oversight until they are informed about the outcome of their assessment against the exemption criteria set out in this document and should prepare to adhere to the PISA framework as of 15 November 2022.

The process for identifying schemes/arrangements which fall within the scope of the PISA framework is outlined in Section 1, while Section 2 sets out the exemption criteria.

2 Process for identifying schemes/arrangements which fall within the scope of the PISA framework

Schemes/arrangements which fall within the scope of the PISA framework are identified by the following process.

Every three years the European Central Bank (ECB) coordinates a Eurosystem-wide exercise to identify schemes/arrangements which fall within the scope of the PISA

¹ “Harmonised oversight approach and oversight standard for payment instruments”, ECB, February 2009.

framework. For all candidate schemes/arrangements², the respective lead overseer validates and submits the data obtained either from the governance body itself or via reliable secondary sources³ to the ECB. The Eurosystem may treat several schemes/arrangements as one scheme/arrangement (e.g. where they are governed in a uniform manner or use common technical infrastructures).

The ECB then runs an exercise which assesses the data provided against the exemption criteria to identify entities which should be exempted and, in cases where the overseer has some limited discretion (see 3), asks the respective lead overseer to inform the Eurosystem of its decision.

Based on the criteria set and approved by the ECB's Governing Council, the European System of Central Banks (ESCB) Market Infrastructure and Payments Committee (MIPC) validates and agrees on the publication of the results.

The ECB maintains and publishes a list of all payment schemes/arrangements subject to Eurosystem oversight under the PISA framework on its website – specifying the respective lead overseer for each scheme/arrangement.

The respective lead overseer may assess at any time, based on the criteria approved by the ECB's Governing Council and reported in this document, whether a scheme/arrangement falls within the scope of the PISA framework, taking market developments into account, and share the outcome immediately with the MIPC for validation and agreement to include the scheme/arrangement in the published list.

The lead overseer informs the governance body of the scheme/arrangement of the results of its assessment against the exemption criteria. New schemes/arrangements that are not exempted should adhere to the PISA framework within one year, at the latest, of being informed that they fall within the scope of the framework. Once a scheme/arrangement has been assessed as falling within the scope of the PISA framework it will be overseen until the outcome of the next Eurosystem-wide exercise is known.

3 Exemption criteria

The Eurosystem applies a points system to assess a scheme/arrangement against the following four criteria:

- Criterion 1: the size of the end user or payment service provider base;
- Criterion 2: the degree of market penetration in terms of volume;
- Criterion 3: the degree of market penetration in terms of value;
- Criterion 4: geographic relevance.

² Likely not to fulfil the exemption criteria.

³ E.g. the supervision of payment service providers.

The first two criteria differentiate in their scoring between pan-European and national schemes/arrangements. A scheme/arrangement is considered to be pan-European if it provides services to end users⁴ or payment service providers in five or more euro area countries.⁵

For each criterion, a scheme/arrangement can receive from 0 to 2 points. The overall score is calculated by summing the number of points for the four criteria. The thresholds for scoring 0, 1 or 2 points per category are defined in the respective tables for each criterion and will be adapted on the basis of the development of the market over time. If two results are available for one criterion (e.g. a national and a pan-European score) the higher score is used. The thresholds for payment schemes and arrangements are identical.

All payment schemes and arrangements for which the total score is 5 points or more (from a maximum of 8) are subject to Eurosystem oversight. For cases where the total score is 3-4 points, the lead overseer has some limited discretion in deciding whether to oversee or monitor (e.g. via physical or virtual meetings and basic statistics). For cases where the total score is 1-2 points, the lead overseer has some limited discretion in deciding whether to monitor or exempt the scheme/arrangement. In each case, the lead overseer takes the potential risks into account⁶ and reports the decision to the MIPC.

The national central bank of the country where the scheme/arrangement is located may carry out such monitoring. The ECB may monitor a scheme/arrangement incorporated outside the euro area and potentially establish a cooperation with the home authorities in accordance with Responsibility E of the PFMI.

Schemes and arrangements with a score of 0 points are by default exempt from regular oversight by the Eurosystem. However, the governance body of a new or existing scheme/arrangement with significant growth potential (if there is a plausible business case indicating that the thresholds are likely to be exceeded) is encouraged to liaise with the national central bank of the euro area country in which it is legally incorporated or with the ECB if it is incorporated outside the euro area. Voluntary dialogue of this type could enable the scheme/arrangement to develop rules and infrastructure that are compatible with the oversight expectations.

Moreover, regardless of the number of points scored, a lead overseer may exempt a scheme/arrangement that maintains its own brand name but has been assessed in the context of a scheme/arrangement overseen by the Eurosystem (e.g. local rules are approved by an international payment scheme subject to oversight – a “white label” solution) and report any such decisions to the Eurosystem.

⁴ In this case, the criterion is also applied if services are provided only to payers or only to payees.

⁵ A country is only counted if the number of active end users as defined under criterion 1(A) exceeds at least 1% of its population or if the number of payment service providers as defined under criterion 1(B) exceeds at least 10% of its payment service providers.

⁶ In the case of pan-European schemes with a traditional oversight or supervisory relationship with an NCB of at least three years, the ECB will take this decision jointly with the respective NCB.

All monitored and exempted payment schemes and arrangements are encouraged to take the principles of the PISA framework into consideration.

3.1 Criterion 1: the size of the end user or payment service provider base

For this indicator either (A) the number of end users or (B) the number of payment service providers is considered, depending on which of these is more representative for a scheme/arrangement. Where such a distinction is available, only active end users, i.e. those with at least one transfer in the reporting period, need be considered. Whenever possible, schemes and arrangements should provide both indicators. The lead overseer will take the final decision as to which indicator is more representative.

Table 1
Size of end-user base

Schemes/arrangements	The number of (i) registered end users or (ii) issued electronic payment instruments/user accounts within the euro area at the end of the year (in thousands) preceding the identification exercise equals or exceeds a given threshold	1 point	2 points
Pan-European	(i) as a percentage of the population of the euro area (ii) as a percentage of payment accounts within the euro area	1%	15%
National	(i) as a percentage of the population of the country in which the governance body of the national scheme/arrangement is legally incorporated (ii) as a percentage of payment accounts within the country in which the governance body of the national scheme/arrangement is legally incorporated	15%	65%

Source: ECB.

Note: The size of the end-user base is measured by (i) the number of registered end users or (ii) the number of issued payment instruments/user accounts, depending on which figure is available and/or higher. Issued electronic instruments is of relevance in case of cards.

For the percentage of the population see Eurostat via [Payments statistics: methodological notes](#), Table 1.1 Basic statistical data – Population (number of persons).

For the percentage on payment accounts see [Payments statistics: methodological notes](#), Table 5: Institutions offering payment services to non-MFIs – Number of payment accounts (includes transferable overnight deposits and e-money accounts but excludes credit card accounts with a credit feature). Payment accounts are not identical to the wider definition of user accounts, but this figure serves as an approximation to estimate the relative importance of the number of user accounts.

If the exact number of payment accounts is not available owing to the set-up of the scheme/arrangement, the governance body should discuss with the lead overseer whether and how the number of end-user accounts can be best estimated. For example, in the case of cards, the number of issued electronic payment instruments could be divided by the average number of cards per person.

Table 2
Size of payment service provider base

Schemes/arrangements	The number of adhering payment service providers at the end of the year (single units) preceding the identification exercise equals or exceeds a given threshold	1 point	2 points
Pan-European	as a percentage of the payment service providers of the euro area	1%	25%
National	as a percentage of the payment service providers of the country in which the governance body of the national scheme/arrangement is legally incorporated	25%	50%

Source: ECB.

Note: The size of the payment service provider base is measured by dividing the number of payment service providers adhering to the scheme/arrangement by the total number of payment service providers which are eligible to adhere to the scheme/arrangement based on its rules.

For the percentage of the payment service providers see [Payments statistics: methodological notes](#), Table 4. Institutions offering payment services to non-MFIs – Number of institutions (original units; end of period).

3.2 Criterion 2: the degree of market penetration in terms of volume

Table 3
Degree of market penetration – volume

Schemes/arrangements	The number of transfers of value during the year (in millions) preceding the identification exercise equals or exceeds a given threshold	1 point	2 points
Pan-European	as a percentage of the total number of transfers of value in the euro area	0.5%	4.5%
National	as a percentage of the total number of the transfers of value of a country in which the governance body of the relevant national scheme/arrangement is legally incorporated	1%	25%

Source: ECB.

Note: The figures for the euro area/a given country should include the volume of transfers of value through payment instruments issued under schemes/arrangements in the euro area/that country and acquired/withdrawn in the euro area/same country. The figures for the euro area should include the total volume of transfers of value made through payment instruments issued under schemes/arrangements issued in the euro area, regardless of the acquiring country (payer in the euro area to payees worldwide and ATM withdrawals using cards issued by resident payment service providers in the euro area. Figures for a given euro area country should include the volume of payments and cash withdrawals through payment instruments issued under schemes/arrangements issued in that country and acquired/withdrawn in the same country. On the percentage of the total number of transfers of value see [Payments statistics: methodological notes](#), Table 6. Number of payment transactions involving non-MFIs – Total number of payments (total for the period).

For this criterion, the respondent can disregard cases that did not result in a transfer of value⁷ (where such distinction is available).

Data should be reported both from the issuing and the acquiring perspective⁸ (where applicable). From the issuing perspective, the total volume of all transactions relating to euro area payers/owners of digital payment tokens or issuers located in the euro area should be counted. From the acquiring or crypto-asset service provider perspective, the total volume of all transactions acquired or received within the euro area should be counted, regardless of where the payer/owner of the digital payment token account is located. The calculation of the criterion will be based on the indicator with the higher ratio.

For e-money transactions and digital payment tokens, cash-in and cash-out transfers of value are disregarded.

3.3 Criterion 3: the degree of market penetration in terms of value

Table 4
Degree of market penetration – value

Schemes/arrangements	The total value of transfers of value or euro equivalent during the year preceding the identification exercise equals or exceeds a given threshold (in EUR billions)	1 point	2 points
National and pan-European		10	200

Source: ECB.

For this criterion, the respondent can disregard cases that did not result in a successful transaction (where such distinction is available).

⁷ E.g. the end user does not successfully authorise the transaction by providing the respective personalised security credentials.

⁸ This includes also the corresponding perspectives relating to digital payments tokens.

Data should be reported both from the issuing and the acquiring perspective⁹ (where applicable). From the issuing perspective, the total value of all transactions made by euro area account holders or issuers located in the euro area should be counted. From the acquiring or crypto-asset service provider perspective the total value of all transactions acquired or received within the euro area should be counted, regardless of where the account holder is located. The calculation of the criterion will be based on the indicator with the higher ratio.

For e-money transactions and digital payment tokens cash-in and cash-out transfers of value are disregarded.

3.4 Criterion 4: geographic relevance

Table 5
Geographic relevance

Schemes/arrangements	The number of countries in which a payment scheme/arrangement is actively offered to end users (payers and payees) at the end of the year preceding the identification exercise	1 point	2 points
National and pan-European	or the number of countries in which a payment scheme/arrangement is actively offered to payment service providers for transfer of value at the end of the year preceding the identification exercise	3	10

Source: ECB.
Notes: "Actively offered" means that the payment scheme/arrangement allows transfers of value from a payer in one euro area country to a payee in another euro area country or within the same euro area country. A country is only counted if the number of end users as defined under criterion 1(A) exceeds at least 1% of its population or if the number of payment service providers as defined under criterion 1(B) exceeds at least 10% of its payment service providers.

⁹ This includes also the corresponding perspectives relating to digital payments tokens.

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For specific terminology please refer to the [ECB glossary](#) (available in English only).