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"I" ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on payment services in the internal market and amending Directives 2002/65/EC, 2013/36/EU and 2009/110/EC and repealing Directive 2007/64/EC <i>- Confirmation of the final compromise text with a view to agreement</i> <i>=Statements</i>

The following statements are to be entered into the minutes of Coreper:

"DECLARATION BY LUXEMBOURG

The first payment services directive (2007/64/EC) provided the legal basis for the creation of an EU-wide single market for payments and put in place a single passport for payment services providers.

The new payment services directive which repeals directive 2007/64/EC, undermines the passporting regime established by directive 2007/64/EC and the principle of home Member State supervision, and thereby reintroduces potential for market fragmentation. Such development in the area of cross-border supervision of payment institutions is in contradiction with the aim of the initial proposal which is to help developing an EU-wide market for electronic payments, and runs counter to the existing achievements in other financial services legislation. Luxembourg considers that the text does not reflect a coherent approach on cross-border supervision and on the respective balance between the powers of home and host competent authorities with regard to other financial services files.

In light of the above, Luxembourg does not support the political agreement reached on the directive on payment services in the internal market."

"DECLARATION BY THE NETHERLANDS

While the Netherlands is fully committed to the purpose of the Payments Services Directive 2 and in the spirit of compromise considers the final outcome as a balanced result, we would nonetheless like to express our concern about the level of security of Payment Initiation Services during the transitional period. The Payment Services Directive 2 seems to allow Payments Initiation Service Providers in this period to offer services under an European Passport while the technical standards of EBA ensuring the security of these payments are not yet in force. Incidents in this period due to the absence of adequate security standards, could be detrimental to the trust of the public in electronic payments."

"DECLARATION BY THE COMMISSION

Commission Declaration on the proposal for a Directive of the European Parliament and of the Council on payment services in the internal market and amending Directives 2002/65/EC, 2013/36/EU and 2009/110/EC and repealing Directive 2007/64/EC

The Commission welcomes the political agreement reached between the European Parliament and the Council on a revised set of rules to improve the internal market for payment services to ensure better consumer protection, to foster competition and to facilitate e-commerce.

However, the Commission notes with great regret that whilst the compromise text provides host Member States with extended powers in terms of supervision and monitoring of the activities conducted in their territories through networks of agents by payment institutions authorised in another Member State, those host Member States can still require those payment institutions to set up a central contact point in their territories to ensure adequate provision of information on the agents' activities. This requirement to set up a central contact point may create barriers to the proper functioning of the Internal Market, where renewed efforts to improve administrative and supervisory cooperation between the relevant competent authorities of both home Member State and host Member State would provide a proportionate response to the monitoring needs of host Member States."