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From:	General Secretariat of the Council
To:	Working Party on Financial Services and the Banking Union (Payment Services/ PSR/PSD) Financial Services Attachés
Subject:	Presidency Discussion Note: Discussion on transparency on payment card schemes fees and rules, and processing fees

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Polska Prezydencja w Radzie UE
Polish presidency of the Council of the EU
Présidence polonaise du Conseil de l'UE

Payment services package proposals (PSD3/PSR)
Brussels, 15 May 2025

Presidency Discussion Note
**Discussion on transparency on payment card schemes fees and rules, and
processing fees**

I. During the last CWP meeting on 4 April, the discussion based on the FR Note prepared for the CWP on 21 February was continued. Taking into account the comments made by some Member States, the discussion in this area pointed to the need to consider extending transparency to cover the total cost of acceptance – not just scheme fees – as long as it is broken down into acquirer margin, scheme fees and interchange fees. A majority of Member States supported extending the scope of transparency requirements to acquirers. Although some Member States and the Commission pointed out that the issue of transparency is largely regulated in the IFR, it seems that issues such as information requirements between payment card schemes and acquirers could also be regulated in the PSR to extend existing obligations.

In view of the Article 9(2) and Article 12(2) of Regulation (EU) 2015/751 (IFR), it seems important to emphasise that this act already lays down transparency requirements between acquirers and payees. However, the IFR doesn't introduce the obligation for schemes to disclose the scheme fees (and rules) they charge to acquirers in a transparent manner. From the perspective of the payment industry, and in the interests of payment users, such as merchants, the transparency of card schemes' fees and rules is essential.

There seems to be broad agreement among Member States on this direction of travel. Therefore, the Presidency is putting forward this note and drafting proposals. The additional justification for the payment card schemes' fees and rules and the above-mentioned changes have been included in a new recital 32a.

See the proposed wording in New Recital 32a and Article 31a and 108(3) PSR in the Annex

II. Although, several Member States also supported the reduction of the number of issues to be examined by the Commission when preparing its report on practices in payment card schemes (new paragraph 3 in Article 108 of the PSR), it's particularly important for some Member States that the scope of the report remains as originally proposed. In view of this, the Presidency proposes to keep the scope of the report as originally drafted, i.e. to also retain points d (the capacity of recourse given to issuers and acquirers related to the imposition of new rules and fees) and e (the competitive constraints on the international card scheme operators in the acquiring and issuing market).

See the proposed wording in Article 108(3) PSR in the Annex

III. With regard to the additional clarification of the term "in a transparent manner" most Member States supported the addition to Article 31a(1) of a clarification that information on the rules and fees imposed by payment card schemes on payment service providers providing acquiring services should be disclosed in a transparent and consistent manner that allows for comparison between payment card schemes. These "transparent and consistent" criteria would be developed in the EBA's Regulatory Technical Standards (RTS). As indicated by some Member States the RTS would help to avoid possible practical misunderstandings. According to these Member States, this would facilitate the enforcement of this provision, while at the same time requiring the EBA to consult the relevant market participants on the draft RTS earlier. In order to clarify this issue, the Presidency proposes to add a new paragraph 1a to Article 31a.

See the proposed wording in New Recital 32a and Article 31a in the Annex

IV. With regard to the confidentiality of the report prepared by the Commission and the Commission's obligation to make the full information available only to the competent national authorities, most Member States supported the approach whereby the Commission should be able to publish only a summary of the above report, in aggregated form, which would be accessible to the public.

However, issues relating to commercial secrecy would be included in a confidential version of the report, which would only be disclosed to NCAs. This would be necessary to ensure that all institutions (such as national competition authorities) have access to the information necessary to decide on the effectiveness of the proposed rules.

See the proposed wording in Article 108(3) in the Annex

V. With regard to the extension of the transparency obligation under Article 31a of the PSR to processing entities and processing fees, most Member States supported the approach proposed by the Presidency.

Taking into account the discussion in the CWP meeting on 4 April, as well as the wording of Article 7 of the IFR, which requires a clear separation between payment card schemes and processing entities, the Presidency would like to propose to introduce transparency requirements also for processing fees in the PSR. It should be emphasised that scheme fees and processing fees are not the same, and that transparency requirements apply to different entities – card scheme operators and processors. In this context, and taking into account the view of the majority of the Member States that it is desirable to ensure a maximum of transparency along the whole payment ecosystem, processing entities should also be included in the transparency obligation in order to cover the total cost of acceptance of card transactions.

See the proposed wording in Article 31a and in Article 108(3) in the Annex

Question for the Member States:

1. *Do you accept the proposed drafting of Recital 32a, Article 31a and Article 108(3) PSR?*

New Recital 32a PSR

(32a) Ensuring proper transparency and notification periods in fees charged to all business parts involved in card transactions will reduce uncertainty and improve competition in the market. It is therefore necessary to introduce enhanced transparency requirements on payment card scheme operators, payment service providers providing acquiring services and processing entities in their dealings with each other. To ensure compliance, payment card schemes, payment service providers providing acquiring services and processing entities should be required to disclose their fees in a transparent and consistent manner. Regulation (EU) 2015/751 (IFR) already lays down transparency requirements between acquirers and payees. However, the enhanced requirements laid down in this Regulation would be complementary and focus on improving how this information is provided by payment card schemes and processing entities towards payment service providers providing acquiring services, and ultimately to the end-users. From the payment industry perspective and in the interests of payment users, such as merchants, the transparency of card schemes' fees and rules and processing fees is essential. Detailed criteria for what constitutes a transparent and consistent disclosure of fees and rules should be laid down in regulatory technical standards developed by the EBA.

New Article 31a PSR – Transparent practices of payment card schemes and processing entities

1. To support business payment service users better understand their card based payment transaction acceptance costs:

~~1.~~i) ~~p~~Payment card schemes and processing entities shall ensure that the rules and fees imposed on payment service providers providing acquiring services are disclosed in a transparent and consistent manner allowing comparability of billing categories between schemes and processing entities with a sufficient notice before their implementation.

ii) payment service providers providing acquiring services shall also ensure that merchant service charges applicable to business payment service users are disclosed in a transparent and consistent manner, without prejudice to the existing information requirements set out in Article 20(c)(i).

1a. The EBA shall develop Regulatory Technical Standards to specify the criteria for what constitutes a transparent and consistent disclosure of fees and rules referred to in paragraph 1.

EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date= 18 months after the date of entry into force of this Regulation].

Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.

2. For the purposes of paragraph 1 (i), operators of payment card schemes and operators of processing entities, shall communicate, where applicable, any change in scheme and processing rules and fees unambiguously in a transparent and consistent manner to the payment service providers issuing payment cards or providing acquiring of payment transactions and to business payment services users ~~business end users of the payment card scheme~~ no later than 6 months prior to their implementation.

New paragraph 3 added to Article 108 PSR – Review clause

3. The Commission shall, by [OP please insert date = 18 months after the date of entry into force of this Regulation] and every two years thereafter submit to the European Parliament, the Council, the ECB and the European Economic and Social Committee, a report on the practices of payment card schemes, processing entities, payment service providers providing acquiring services and in particular on:

(a) The evolution of their fees in the ~~EEA~~ European Union; including:

i. Fees charged by payment card schemes and processing entities to payment service providers providing acquiring ~~to acquirers and issuers~~ by key transaction category, per Member State,

ii. ~~Rebates and incentives received by acquirers and issuers by key transaction category, per Member State~~ Fees charged by payment service providers providing acquiring services to business payment service users;

(b) The conditions related to the ~~application imposition~~ of new rules and associated fees, such as notification period of these rules and fees by payment card schemes and processing entities;

(c) The communication by payment card schemes to ~~issuers and acquirers~~ payment service providers providing acquiring services and processing entities related to rules and fees and their implementation timeline;

(d) The capacity of issuers and acquirers to negotiate ~~new~~ rules and fees proposed by payment card schemes;

(e) The competitive behaviour of the payment card schemes in the acquiring and issuing markets.

Where appropriate, the Commission shall submit a legislative proposal together with that report. A nonconfidential version of the report should be made available to the public, including but not limited to aggregate information on the evolution of fees.