

EBA/CP/2024/19

31 July 2024

Consultation Paper

Draft Implementing Technical Standards on uniform reporting templates in relation to level of charges and share of rejected transactions under the Regulation (EU) No 260/2012

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1. Responding to this consultation

The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in 5.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by dd.mm.yyyy. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the Legal notice section of the EBA website.

2. Executive Summary

The amendment of Article 15 of SEPA Regulation introduced by the Instant Payment Regulation (IPR) mandates the EBA to develop Implementing Technical Standards (ITS) to specify uniform reporting templates, instructions, and methodology for the purpose of reporting. This Consultation Paper (CP) sets out the EBA's proposals how to fulfill this mandate by standardizing reporting from Payment Service Providers (PSPs) to their National Competent Authorities (NCAs), with the ultimate aim to provide the European Commission with information necessary to assess the effects of the IPR on the pricing of accounts and credit transfers, as well as the shares of rejected transactions due to the application of EU-wide targeted financial restrictive measures.

The CP proposes that PSPs report the level of charges for regular credit transfers and instant credit transfers with breakdowns by type of transfer (domestic or cross-border), type of payment service users, type of payment initiation channels, and the party subject to the charge. The CP also proposes that PSPs report charges for payment accounts, as well as the share of instant transfers, both domestic and cross-border, that were rejected due to the application of EU-wide restrictive measures.

In developing its proposals, the EBA has sought to find the appropriate balance between the need to obtain the data required for a robust analysis of the impact of the IPR on the pricing of accounts and credit transfers, and the shares of rejected transactions, on the one hand, and the need to avoid an excessive reporting burden for the industry on the other. In so doing, the EBA has leveraged on the existing terminology and approach developed in other pieces of EU law, such as the PSD2, the ECB Regulation on payment statistics, and the Payment Account Directive (PAD), rather than defining new terms and imposing additional requirements from scratch.

Next steps

After a consultation period of 3 months, the EBA will finalise the draft ITS and submit the final draft ITS to the EU Commission, which is expected to take place by the end of 2024.

3. Background and rationale

3.1. Background

1. On 19 March 2024, the Instant Payment Regulation (IPR)¹ amending, inter alia, the SEPA Regulation² was published in the Official Journal of the European Union. The IPR's amendment of the SEPA Regulation aim is to require payment service providers (PSPs) to make instant credit transfers available to payment service users (PSUs) across the EU, at charges that must not be higher than those for non-instant credit transfers. In addition, the IPR requires PSPs to perform at least daily checks of all their PSUs against lists of sanctioned individuals, and immediate checks after the entry into force of any new or amended restrictive measures, to ensure that such necessary checks against lists of restrictive measures are performed ex-ante and do not slow down instant payments at the moment a PSU initiates such a payment.
2. More specifically, new Article 15(3) of SEPA Regulation requires PSPs to report to their competent authorities every 12 months on "(a) the level of charges for credit transfers, instant credit transfers and payment accounts; (b) the share of rejections separately for national and cross-border payment transactions, due to the application of the targeted financial restrictive measures."
3. Further, new Article 15(5) of SEPA Regulation stipulates that "The EBA shall develop draft implementing technical standards to specify uniform reporting templates, instructions and methodology on how to use those reporting templates for the purposes of reporting as referred to in paragraph 3." In the new Article 15(5), the SEPA Regulation requires the EBA to submit those implementing technical standards to the EU Commission by 9 June 2024. Subsequently, the SEPA requires the PSPs to submit reports on the level of charges and share of rejections of transactions to their NCAs every 12 months. The NCAs are then required, within 6 months to submit to the EU Commission and the EBA the information submitted by the PSPs, as well as information on "the volume and value of instant credit transfers in euro which have been sent, both national and cross-border, by PSPs established in their Member State in the course of the preceding calendar year."
4. Finally, new Article 15(2) of SEPA Regulation stipulates that by 9 October 2028, the EU Commission is required to submit to the EP and the Council a report that "shall contain an evaluation of: a) the development of charges for payment accounts as well as for national and cross-border credit transfers and instant credit transfers in euro and in the national currency of the Member State whose currency is not euro since 26 October 2022, including the impact of Article 5b(1) on those charges; and b) the scope of the provisions of Article 5d and their effectiveness in preventing unnecessary hindering of instant credit transfers."

¹ Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro.

² Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009.

5. This CP sets out how the EBA proposes to fulfil the mandate in Article 15(5) of developing the templates, instructions and methodologies for the collection of the information to be submitted from the PSPs to the CAs, with the ultimate aim of informing the EU Commission's report to the EU Parliament and the Council. The reasoning behind the details of the ITS, such as the scope of the ITS and the type of information to be provided, are set out in the rationale section below.

3.2. Rationale

Scope of the ITS

6. The mandate in Article 15(5) of SEPA Regulation requires the EBA to develop templates, instructions and methodology to be used by PSPs to report to their NCAs. The first of the annual reports shall be submitted on 9 April 2025, and shall include information on the level of charges and on rejections during the period starting on 26 October 2022.
7. While the new SEPA Regulation requires the first data points to be as of 26 October 2022, it does not specify the subsequent reference dates. The draft ITS proposes to use the date of 31 December for that purpose. It means that the first submission of information from the PSPs to the NCAs will take place on 9 April 2025 and will include aggregates for the periods 26 October 2022 – 31 December 2022, 1 January 2023 – 31 December 2023, and 1 January – 31 December 2024. Subsequent submissions to be submitted by 9 April of each year will include annual aggregates for the preceding year.
8. The subsequent reporting from NCAs to the Commission and the EBA is outside the legal scope of the ITS and can therefore not be specified therein. That said, given that the aim of the ITS is to ensure that the EU Commission has all the necessary information to deliver, as required in Article 15(2) SEPA Regulation, a report to the EP and the Council it is arguably desirable that the reporting from the NCAs to the EU Commission and the EBA is harmonised, too. Otherwise, the inconsistent information received by the EU Commission and the EBA will not allow the EU Commission to carry out a robust and consistent analysis of the impact of the IPR changes to SEPA Regulation across the EU, which, in turn, would undermine the purpose of the reporting from the PSPs to the NCAs in the first place.
9. Thus, after the public consultation on this draft ITS will have closed, the responses will have been assessed, and the ITS will have been submitted to the Commission, the EBA will develop and issue a separate legal instrument aiming at harmonizing the reporting from the NCAs to the EU Commission and the EBA.

3.2 Type of information to be reported

10. New Article 15(3) of SEPA Regulation which outlines the information to be submitted by the PSPs to the NCAs, refers to the level of charges for regular credit transfers, instant credit transfers and payment accounts, as well as share of transactions rejected due to the application of the EU sanctions regime. Furthermore, Article 15(4), which outlines the information the NCAs must submit to the Commission and the EBA, additionally refers to the volume and value of instant credit transfers in euro which have been sent, both national and cross-border, by PSPs established in their Member

State in the course of the preceding calendar year. Finally, Article 15(2), which sets out the information the Commission is required to include in the report to be submitted to the EP and the Council, refers to national and cross-border transfers in national currency of Member States, and euro since 26 October 2022.

11. For the Commission to be able to deliver the required report to the EP and the Council, it must have all the information referred to in Article 15. The EBA has therefore arrived at the view that the ITS proposed in this CP must cover all the elements referred to in the entirety of Article 15.
12. In designing the proposed template and drafting the proposed instructions in the Annexes I and II of this ITS, the EBA has leveraged on the terminology and approach developed in other pieces of EU law, such as the definition of a payment account in the PSD2, definitions used in the ECB Regulation on payment statistics³, as well as other terminology developed, for example in the EBA's RTS setting out the Union standardised terminology for the most common services linked to a payment account under Article 3(4) of Directive 2014/92/EU⁴ (the Payments Account Directive (PAD)).
13. Some of the data points required in the draft ITS may already be reported by PSPs to national authorities or the ECB, based on national or EU law. Where that is the case, the NCAs may indicate to the PSPs in their jurisdiction where they may allow them to provide a link or reference to the previously submitted figures, provided that those data points are identical to the ones required under the ITS on hand.
14. Subsequent paragraphs outline the proposed data points to be collected in relation to credit transfers, payment accounts and rejected transactions.

Questions:

Q1. Do you perceive that the reporting requirements adequately cater for the situation where the PSP has already reported the same data to the authorities?

Credit transfers

15. For the Commission to be able to assess the impact of the IPR changes to the SEPA Regulation on the pricing of credit transfers, and instant credit transfers in particular, it is necessary to know the volume and value of credit transfers, and level of charges for such transfers over the course of a year, from the reference date of 26 October 2022 onwards, as stipulated in the IPR. Taken together, this information will allow the Commission to calculate average prices for such transfers over time. Taking into account the ultimate aim of the reporting of the data, and the need to ensure proportionality, the reported figures should only include credit transfers and instant credit transfers in

³ Regulation (EU) 2020/2011 of the European Central Bank of 1 December 2020 amending Regulation (EU) No 1409/2013 on payments statistics (ECB/2013/43) (ECB/2020/59)

⁴ [Commission Implementing Regulation \(EU\) 2018/33 of 28 September 2017 laying down implementing technical standards with regard to the standardized presentation format of the statement of fees and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council, and Council Implementing Regulation \(EU\) 2018/34 of 28 September 2017 laying down implementing technical standards with regard to the standardized presentation format of the fee information document and its common symbol according to Directive 2014/92/EU of the European Parliament and of the Council.](#)

euro in the euro Member States, and in national currency in non-euro Member States, unless otherwise stated in the instructions in Annex II of the ITS. In line with the scope of SEPA Regulation, only transfers within the Union are in scope of the ITS. This is proposed in Article 1(1) of the draft ITS and the Annexes.

16. Furthermore, as an additional robustness check, it will be beneficial to also report the data for transfers where there is no charge and those where there is a charge, as the annual averages where a large proportion of transfers is free, may mask difference in charges for transfers which are not free. This is proposed in the Annexes.

17. It is also necessary to take into account that PSPs may offer different types of payment accounts and that the level of charges will differ between them, for example according to different types of PSUs and/or different payment initiation channels and types of credit transfer (domestic or cross-border). Some types of credit transfers may also feature a split of the cost of the transfer between the payer and the payee. Thus, the data on the number and value of credit transfers, and the level of charges for such transfers over the reference period needs to be broken down by type of PSU, payment initiation channel, domestic or cross-border nature of the transfer, and split between who carries the cost. This is proposed in Article 1(1) of the draft ITS and the Annexes.

Question:

Q2. Do you consider the reporting requirements proposed in templates S 01.00 and S 02.00 to be suitable for carrying out a robust analysis and to strike an appropriate balance with the competing need to avoid excessive reporting burden for the industry?

Payment accounts

18. The IPR requires the EU Commission to include in its report to the EP and the Council 'the development of charges for payment accounts'. The purpose of this reporting is for EU Commission to be able to assess the effects of the IPR on the pricing of accounts.

19. The data necessary for that purpose includes the total number of payment accounts, total value of charges for such accounts over a given year, including total value of charges for the maintenance of such accounts.

20. PSPs offer a wide range of payment accounts with different features, and such products do not tend to be standardised by law. For example, one PSP may offer a free payment account with paid-for services such as transfers, another free payment account with free transfers, but paid-for cash withdrawals, and yet another free account with a set number of free transfers and cash withdrawals, but only if the PSU uses the card a certain number of times over a period of time, as well as paid-for accounts, with different mixes of services. It would be impractical to require PSPs to report charges for all the different types of accounts separately, as it would be both burdensome for the PSPs, and difficult to analyse for the NCAs, Commission and the EBA. On the other hand, the diversity of products offered by PSPs must be taken into account when assessing the evolution of charges for credit transfers and payment accounts.

21. To strike the right balance between obtaining data required for a robust analysis on the one hand and not imposing an excessive compliance burden on the industry on the other, this consultation paper proposed that PSPs should report the data on charges for different transfers, together with data on charges for maintenance fees for payment accounts (which excludes fees for other services included in the fee for the payment account), and total charges for payment accounts (which includes all the fees for that account). Together, the data will allow the Commission to assess the extent to which there is a link between the changes in charges for instant credit transfers on the one hand, and the charges for payment accounts and non-instant transactions on the other.

Questions:

Q3. Do you consider the reporting requirements proposed in templates S 03.00 to be suitable for carrying out a robust analysis and to strike an appropriate balance with the competing need to avoid excessive reporting burden for the industry?

Q4. Do you consider that the reporting requirements on the charges for payment accounts and credit transfers will allow for a robust analysis of charges for such individual financial services where they are provided as part of a package of services? How could robustness be improved to strike the right balance between collecting relevant data and not overburdening the PSPs?

Share of rejected transactions

22. The aim of the SEPA Regulation is to prevent the initiation of instant credit transfers from payment accounts belonging to persons or entities subject to targeted financial restrictive measures and to immediately freeze funds sent to such payment accounts, as per recital 26.

23. The SEPA Regulation mandates the EBA to also capture in the ITS the share of rejected transactions due to the application of the EU-wide targeted financial restrictive measures adopted in accordance with Article 215 TFEU. Targeted financial restrictive measures (sometimes also referred to as ‘sanctions’) are a component of the EU’s common foreign and security policy, through which it can intervene to bring about a change in bad or harmful policies or activities by targeting the non-EU countries, including organisations and individuals, responsible. The purpose of the reporting under the ITS is to assess the impact of the introduction of the daily ex-ante checks of all PSUs on the share of rejections of instant credit transfers, separately for national and cross-border payment transactions, due to the application of targeted financial restrictive measures. Rejected transactions based on other types of restrictive measures adopted in accordance with Article 215 TFEU or restrictive measures that are not adopted in accordance with Article 215 TFEU fall outside the scope of that obligation. The IPR amendment of SEPA prohibits transactions screening for instant transfers and instead mandates PSPs to screen regularly, and at least daily, all their PSUs.

24. The data necessary for that purpose includes the number of instant credit transfers that a given PSP has rejected due to the application of EU-wide targeted financial restrictive measures both, prior to and following entry into force of the IPR amendment of SEPA Regulation (starting from 26 October 2022). It is also necessary to collect the number of instance when a PSP has frozen incoming funds because their PSU is on the list of sanctioned persons or entities. For the Commission to be able to assess if the IPR’s amendment of SEPA Regulation has led to any changes in the absolute

number of rejected instant transactions due to the application of the EU-wide targeted financial restrictive measures, and in the relative share of such rejections in relation to total number of instant transactions, it is necessary to compare the number of such rejections with the number of all instant transactions in a given year, prior to the adoption of the IPR (starting from 26 October 2022), and in the years after the adoption of the IPR. The data should be reported separately for national and cross-border payment transactions. This is proposed in Article 2 of the draft ITS.

Questions:

Q5. Do you agree that, in light of the aims of the underlying regulation, there is a need for template S 03.00 to collect data on the number of rejected transactions on the side of the payer's and payee's PSP prior to the application of the IPR amendments to SEPA Regulation, and rejected transactions on the side of the payer's PSP, and frozen funds on the side of the payee's PSP, after the application of the IPR amendments to SEPA Regulation?

Q6. Are the instructions and templates in Annex I and II clear to you or do any of the terms therein require to be defined further?

Q7. Do you perceive the reporting requirements to be proportionate? Is there information contained in the templates that is overly burdensome to report?

Q8. Do you have any other comments on the reporting requirements proposed in this CP?

4. Draft implementing technical standards

COMMISSION IMPLEMENTING REGULATION (EU) 2024/...

of **XXX**

laying down implementing technical standards for the application of Regulation (EU) No 260/2012 of the European Parliament and of the Council with regard to uniform reporting templates for the reporting of the level of charges for credit transfers, instant credit transfers and payment accounts, and the share of rejected transactions

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro⁵, and in particular Article 15(5), third subparagraph thereof,

Whereas:

- (1) For the purposes of the reporting in accordance with Article 15(3) of Regulation (EU) No 260/2012, payment service providers (PSPs) should provide the competent authorities with data on the number and value of credit transfers, and charges collected for credit transfers, including instant credit transfers, in national currency, with breakdowns by domestic and cross-border transfers, different types of payment service users (PSUs), such as consumers and PSU who are not consumers, different payment initiation channels, and the party subject to the charge, such as the payer or the payee. These will allow the assessment of the impact of the amendments to Regulation (EU) No 260/2012 as regards instant credit transfers. For the purpose of reporting the numbers and values of and charges for credit transfers, including instant credit transfers, only transfers within the Union are in scope of the reporting requirement.

⁵ OJ L 94, 30.3.2012, p. 22

- (2) For the purposes of the reporting in accordance with Article 15(3) of Regulation (EU) No 260/2012 PSPs should also provide the competent authorities with data on the number of payment accounts, as well as level of total charges for payment accounts, including breakdowns for maintenance fees. This will also allow the assessment of whether there is a link between potential changes in the charges for payment accounts and changes in the charges for credit transfers.
- (3) PSPs should provide the competent authorities with data on the share of rejected instant transactions, in a given year due to the application of the targeted financial restrictive measures adopted in accordance with Article 215 TFEU, including the number of rejected instant transactions on the side of the payer's and payee's PSP prior to the application of the provisions on instant payments under Regulation (EU) No 260/2012 as amended by Regulation (EU) 2024/886, and rejected instant transactions on the side of the payer's PSP, and frozen funds on the side of the payee's PSP, after the application of those provisions. These figures will allow competent authorities to assess what is the share of rejected instant transactions due to the application of targeted financial restrictive measures, and if it has changed once the amendments to Regulation (EU) No 260/2012 came into effect.
- (4) The data on the level of charges for instant credit transfers, regular credit transfers and payment accounts will allow the European Commission to analyse whether the charges for instant transfers are not higher in comparison to charges for regular credit transfers and if such charges for instant and regular credit transfers have been different in the course of the preceding years. Moreover the sharing of said information will enable the analysis of the evolution of charges for instant and regular credit transfers over the years, the evolution of the volume and value of instant and regular credit transfers over the years, with various breakdowns to see if the evolution is uniform or not for different types of PSUs and different transfers, as well as if there any discernible differences in the approach taken by different types of payment service providers – credit institutions, payment institutions, e-money institutions and post office giro institutions. The data will also allow the European Commission to assess the evolution of charges for payment accounts and compare it to the evolution of charges for credit transfers.
- (5) The reporting of the data on the number of transactions rejected due to the application of the targeted financial restrictive measures is necessary for the competent authorities to assess what is the share of such rejected instant transactions, separately for national and cross-border payment transactions. That data, when reported by competent authorities to the Commission and the European Banking Authority, will enable the Commission to assess in its report addressed to the European Parliament and the Council the scope of the screening of payment service users by PSPs, and its effectiveness in preventing unnecessary hindering of instant credit transfers.
- (6) This Regulation is based on the draft implementing technical standards submitted to the Commission by the European Banking Authority.
- (7) The European Banking Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Banking

Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council⁶,

HAS ADOPTED THIS REGULATION:

Article 1

Reporting on the volume and value of transfers, level of charges and reference dates

1. PSPs shall report the volume and value of credit transfers and instant credit transfers, and level of charges for credit transfers, instant credit transfers and payment accounts as referred to in Article 15(3) of Regulation (EU) No 260/2012, by submitting the information as specified in the template in Annex I and in accordance with the instructions set out in Annex II.
2. PSPs shall report the annual aggregate figures up until 31 of December, of the calendar year preceding the year the report is submitted.
3. By derogation from paragraph two, the first report shall include aggregate figures for the periods of 26 October 2022 – 31 December 2022, 1 January 2023 – 31 December 2023, and 1 January 2024 – 31 December 2024.

Article 2

Reporting of share of rejected payment transactions and reference periods

1. PSPs shall report the share of rejected payment transactions as referred to in Article 15(3) of Regulation (EU) No 260/2012, due to the application of targeted financial restrictive measures, including separate data for national and cross-border transactions, by submitting the information as specified the template in Annex I and in accordance with the instructions set out in Annex II.
2. The reports shall include the number of rejections for the calendar year preceding the year the report is submitted in.
3. By way of derogation from paragraph 1, the first report shall include three completed templates with the number of rejections for the periods of 26 October 2022 – 31 December 2022, 1 January 2023 – 31 December 2023, and 1 January 2024 – 31 December 2024.

⁶ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p.12).

Article 3

Data exchange formats and information accompanying submissions

1. PSPs shall submit the information referred to in this Regulation in the data exchange formats and representations specified by the competent authorities and respecting the data point definitions.

Article 4

Final provisions

The regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President

On behalf of the President

[Position]

ANNEX

5. Accompanying documents

5.1 Draft cost-benefit analysis / impact assessment

As per Article 15 of Regulation (EU) No 1093/2010 (EBA Regulation), any draft implementing technical standards (ITS) developed by the EBA shall be accompanied by an Impact Assessment (IA), which analyses ‘the potential related costs and benefits’.

This analysis presents the IA of the main policy options included in this Consultation Paper on the draft ITS on templates, instructions and methodology to report information under instant payment regulation (the ‘Draft ITS’). The analysis provides an overview of the identified problem, the proposed options to address this problem as well as the potential impact of these options. The IA is high level and qualitative in nature.

A. Problem identification and background

On 19 March 2024, the Instant Payment Regulation (IPR) amending, inter alia, the SEPA Regulation was published in the Official Journal of the European Union. The new Article 15(3) of SEPA Regulation requires PSPs to report to their competent authorities every 12 months on “(a) the level of charges for credit transfers, instant credit transfers and payment accounts; (b) the share of rejections separately for national and cross-border payment transactions, due to the application of the targeted financial restrictive measures.” and the new Article 15(5) of SEPA Regulation stipulates that “The EBA shall develop draft implementing technical standards to specify uniform reporting templates, instructions and methodology on how to use those reporting templates for the purposes of reporting as referred to in paragraph 3.”. The Draft ITS the EBA should support the standardization of the reporting from PSPs to the NCAs, with the ultimate aim of providing the necessary information for the Commission to be able to assess the effects of the IPR on the pricing of accounts and credit transfers, and shares of rejected transactions due to the application of EU-wide economic restrictive measures. Furthermore, in developing the draft ITS, the EBA should stipulate what precise data points are necessary to allow the Commission to develop the report mandated by the IPR amending SEPA Regulation, and strike the right balance between obtaining data required for a robust analysis on the one hand and not imposing an excessive compliance burden on the industry on the other.

B. Policy objectives

The objective of the draft ITS is to ensure that PSPs provide the necessary information in a harmonized way to their NCAs, with the ultimate aim of ensuring that the Commission can develop the report on the evolution of charges for payment accounts and credit transfers, and the shares of rejected transactions.

C. Options considered, assessment of the options and preferred options

Section C. presents the main policy options discussed and the decisions made by the EBA during the development of the draft ITS. Advantages and disadvantages, as well as potential costs and benefits from the qualitative perspective of the policy options and the preferred options resulting from this analysis, are provided.

Comparison of charges for non-instant and instant credit transfers

The IPR's aim of ensuring that instant credit transfers are not more expensive than non-instant credit transfers raises the question what precise data to collect to see the impact of the IPR on charges for credit transfers. In this context, the EBA considered three policy options.

Option 1a: To require PSPs to submit data on daily charges for non-instant credit transfers and credit transfers throughout the period stipulated in the IPR.

Option 1b: To require PSPs to submit aggregate data on all charges for all non-instant credit transfers and instant credit transfers in a given year.

Option 1c: To require PSPs to submit data on daily prices on one day each year for non-instant credit transfers and credit transfers throughout the period stipulated in the IPR, and the aggregate data on such charges in a given year.

In EBA's assessment, the most straight-forward way to assess the level of charges for instant and non-instant credit transfers is to collect information on what the charges for both are. However, since charges may vary over time, to assess the evolution of charges, such data would need to be collected at regular intervals. In EBA's assessment it is impractical to ask what the price was on every day of the year, as it would be very burdensome for the reporting PSPs and incur significant costs that would not obviously be exceeded by the benefits. Thus, it may be more practical to require reporting of such spot prices on a less frequent basis, since PSPs generally do not change their charges daily. Thus, one option considered by the EBA was to require PSPs to submit data on daily charges for instant and non-instant credit transfers on one day a year starting with the data of 26 October 2022 stipulated in the IPR amending SEPA Regulation. The disadvantage of this option is that it provides a picture of charges on one day of the year only, which may mask important differences in charges throughout the year.

Thus, the second option assessed (1b) was to collect information on aggregate levels of charges for all non-instant and instant credit transfers for a full year. This approach, with minimized costs, would allow a comprehensive view of the totality of charges in a given period, mitigating the distorting effect of looking at charges on one specific day only. The disadvantage of this option is that looking only at the total charges throughout the year would not show if charges for non-instant and instant transfers differed at any point throughout the year, and/or if differences in charges for certain types of PSUs were used by PSPs to balance out the average level of charges, while in fact some PSUs paid for instant credit transfers more than for non-instant credit transfers.

Thus, the third option assessed was to combine both approaches of requiring submission of aggregate annual figures, as well as average daily charges for one day a year. While this approach would mitigate some of the disadvantages of options 1a and 1b, it would also significantly increase the reporting burden on the industry. Thus, on balance, EBA deemed that while option 1c would mitigate some of the downsides of options 1a and 1b, such benefits would not outweigh the downsides of the increased reporting burden.

Ultimately, EBA assessed that option 1b delivers the best balance between ensuring sufficient robustness and representativeness of the data, in relation to the reporting burden, and is therefore, the preferred option.

Information on different products

PSPs across the EU offer a wide range of financial products to their PSUs. For example, one PSP may offer a free payment account with paid-for services such as transfers, another free payment account with free transfers, but paid-for cash withdrawals, and yet another free account with a set number of free transfers and cash withdrawals, but only if the PSU uses the card a certain number of times over period of time, as well as paid-for accounts, with different mixes of services. The number of potential combinations of services within packages is very high and increases even further when taking into account the fact that different types of PSUs pay have access to different types of packages. In this context, the EBA considered the following options.

2A. To require PSPs to submit detailed information on all, or at least the most popular packages offered to PSUs including prices for individual services within those packages.

2B. To require only aggregate levels of charges for payment accounts and non-instant and instant transfers.

2C. To require aggregate levels of charges for payment accounts, separately for the maintenance of such accounts, as well as information on instant and non-instant transactions broken down by key characteristics.

The advantage of option 2A is that the NCAs, and ultimately the Commission, would have detailed, and comprehensive information on levels of charges for various types of products, which would in theory allow for precise analysis of the aims of the IPR's amendment of SEPA Regulation has been achieved for all PSUs. On the costs side, this option would present a very high burden on the industry with potentially thousands of data points, depending on the number of products offered. It would also present a significant challenge for the NCAs and the Commission to make sense of such detailed information and draw meaningful comparisons of such diverse data.

The advantage of option 2B is that it provides high-level overview of charges for payment accounts and non-instant and instant transfers, and allow for a high-level analysis of the evolution of such charges over time. It would also be significantly less burdensome for the reporting PSPs. The disadvantage of this approach is that in at least some Member States it is difficult to disentangle the charges for individual elements of different payment account packages, and thus collecting only

high-level aggregate levels of charges for all payment accounts and non-instant and instant transfers would mask important differences between different products, and the charges for different types of PSUs.

To combine the benefits of options 2A and 2B, while balancing their respective costs and benefits, option 2C has been chosen as the preferred option. The breakdowns of charges for non-instant and instant credit transfers, combined with information on charges for the maintenance of payment accounts and total charges, will allow an assessment of the evolution of volumes and values of charges for transfers, the maintenance of payment accounts, and total charges for packages. While these data points will not allow to fully disaggregate individual aspects of charges within different packages, it will allow for an assessment if the adoption of the IPR amending SEPA Regulation has impacted the charges for transfers, maintenance of payment accounts, and total charges for such accounts differently, and how. Comparisons between Member States will then allow the Commission to detect if there were different trends across the EU, which may then be combined with further qualitative assessment of the reasons for any such potential differences.

D. Conclusion

The draft ITS delivers on the mandate conferred on the EBA in the IPR amending SEPA Regulation. For the PSPs, the draft ITS requirements are expected to trigger costs given that it will require the PSPs to complete reporting templates and submit them to their NCAs annually. The costs of reporting stem directly from the requirements in the IPR amending SEPA Regulation. These requirements are necessary for the Commission to be able to assess the impact of the IPR amendments to the SEPA Regulation. As outlined in this impact assessment, the EBA has taken into account the need to strike the right balance between obtaining data required for a robust analysis on the one hand and not imposing an excessive compliance burden on the industry on the other. The benefits of using data to assess if the aims of the IPR's amendment of SEPA Regulation has been achieved outweigh the costs of reporting for the institutions, and the costs of collecting the data for the authorities. Thus, overall, the impact assessment of the draft ITS concludes that the expected benefits are higher than the incurred expected costs.

5.2 Overview of questions for consultation

1. Do you perceive that the reporting requirements adequately cater for the situation where the PSP has already reported the same data to the authorities?
2. Do you consider the reporting requirements proposed in templates S 01.00 and S 02.00 to be suitable for carrying out a robust analysis and to strike an appropriate balance with the competing need to avoid excessive reporting burden for the industry?
3. Do you consider the reporting requirements proposed in templates S 03.00 to be suitable for carrying out a robust analysis and to strike an appropriate balance with the competing need to avoid excessive reporting burden for the industry?
4. Do you consider that the reporting requirements on the charges for payment accounts and credit transfers will allow for a robust analysis of charges for such individual financial services where they are provided as part of a package of services? How could robustness be improved to strike the right balance between collecting relevant data and not overburdening the PSPs?
5. Do you agree that, in light of the aims of the underlying regulation, there is a need for template S 04.00 to collect data on the number of rejected transactions on the side of the payer's and payee's PSP prior to the application of the IPR amendments to SEPA Regulation, and rejected transactions on the side of the payer's PSP, and frozen funds on the side of the payee's PSP, after the application of the IPR amendments to SEPA Regulation?
6. Are the instructions and templates in Annex I and II clear to you or do any of the terms therein require to be defined further?
7. Do you perceive the reporting requirements to be proportionate? Is there information contained in the templates that is overly burdensome to report?
8. Do you have any other comments on the reporting requirements proposed in this CP?