

**EBA CONSULTATION ON DRAFT  
IMPLEMENTING TECHNICAL  
STANDARDS (ITS) FOR  
UNIFORM REPORTING UNDER  
THE INSTANT PAYMENTS  
REGULATION (IPR)**

ABI's response

October 2024

The Italian Banking Association (ABI) would like to thank the European Banking Authority (EBA) for providing the opportunity to comment on the draft implementing technical standards (ITS) for uniform reporting under Regulation (EU) 886/2024 (Instant Payments Regulation – IPR).

As a general comment, we are concerned about the deadline of the reporting obligation as set out in the IPR (9 April 2025) considering that:

- The consultation will end on October 31st and EBA intends to submit the final draft to the Commission only by the end of this year (despite the publication expected to take place in June 2024 according to the IPR provisions);
- After the publication of the final version of the ITS, clarifications are expected from the National Competent Authorities, which in some cases still have to be appointed;
- PSPs will have to duly implement these requirements with a huge impact on their internal systems, and it seems unfeasible to meet this deadline with such a short timeline.

Please find below our comments:

### **1. Scope of the ITS**

*Question 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?*

We highlight that some of the information goes beyond the scope of Art. 15(3) of the Instant Payment Regulation (IPR) even if para. 13 of the EBA Consultation Paper clarifies that the reporting should refer to Art. 15(3) but also 15(4) and 15(2).

Furthermore, some of the information under the proposed IPR reporting is already being communicated by the Payment Services Providers (PSP) to their competent authorities under existing reports.

It is therefore critical that the reporting under the various applicable (local) laws and regulations is streamlined (as regards, for instance, the scope of application, or the definitions) to ensure data minimisation and to avoid duplication of reporting that would create excessive burden for the industry.

We strongly support the general principle in paragraph 13 of the Consultation Paper, allowing the NCAs to indicate to the PSPs in their jurisdiction where they can provide a link or reference to data already reported, aiming at evaluating whether a single flow approach can be envisaged.

## 2. Credit Transfers

Question 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?

We believe that the reporting requirements proposed in templates S 01.00 and S 02 guarantee an appropriate balance between the needs at the basis of this reporting and the competing necessity to avoid excessive reporting burden for the industry.

However, we have several comments and requests for clarification as regards the items in Annex I (reporting templates) and in Annex II (Instructions for PSPs):

### Template/Instructions S 01.00:

- It should be clarified which PSP is requested to report each item in this template in order to avoid duplication of reporting which would create unnecessary and unjustified burdens for PSPs (e.g., it seems that items 0010-0030, 0050-0070, as well as item from 0290 up to 0400, should be reported by the payer's PSP only). Full alignment with the Regulation (EU) 2020/2011 of The European Central Bank- amending Regulation (EU) No 1409/2013 on payments statistics (ECB/2013/43) (ECB/2020/59) should be foreseen;
- We assume that only credit transfers that fall in the scope of Regulation (EU) 260/2012 should be reported (no payment transactions carried out between and within PSPs, nor payment transactions processed and settled through large-value payment systems,...). We suggest clarifying this.
- We understand that the total number/value of credit transfers should be reported in the national currency (meaning Euro/Non-

Euro depending on the currency that is used in a specific country) and in Euro (for PSPs in a country where Euro is not the main currency). We suggest clarifying how all the sub-items in this section should be provided taking into account the distinction above.

- We understand that the total number/value of credit transfers from payment accounts held by consumers and the total number/value of credit transfers from payment accounts held by PSUs other than consumers are a subset of the total number/value of credit transfers (i.e., item 0090/0110 + item 0130/0150 = item 0010/0030). If this is the case, we suggest making it clear.
- Items 0170 – 0210: it is unclear why, in Annex II, reference is made to credit transfer “initiated by a payee”. We suggest deleting it (“0170: Total number of domestic credit transfers - Total number of credit transfers initiated by a payer ~~or by a payee~~, where the payer’s PSP and the payee’s PSP are located in the same Member State” – “0210: Total number of cross-border credit transfers - Total number of credit transfers initiated by a payer ~~or by a payee~~ where the payer’s PSP and the payee’s PSP are located”). Otherwise, we suggest clarifying which kind of credit transfer initiated by the payee the ITS is referring to.
- Item 0250 - 0270: this item should refer to transactions in Euro, as it is correctly stated in the title of the item, regardless of the currency of the payment account. The reference in Annex II is not correct and should be modified as follows: “0250: Total number of credit transfers in Euro - Total number of credit transfers ~~from~~ in Euro **accounts**. Data to be provided only where a PSP is located in a non-euro Member State” - “0270: Total value of credit transfers in Euro - Total value of credit transfers ~~from~~ in Euro **accounts**, expressed in Euro. Data to be provided only where a PSP is located in a non-euro Member State”.
- Items 0290 up to 0400: a full alignment with the Regulation (EU) 2020/2011 of The European Central Bank- amending Regulation (EU) No 1409/2013 on payments statistics (ECB/2013/43) (ECB/2020/59) should be foreseen. In this Regulation, data reported under ‘initiated on a single payment basis’ are further broken down by ‘ATM or other PSP terminal’, ‘mobile payment solution’ and ‘online banking based credit transfers’. ‘ATM or other PSP terminal’ only includes non-remotely initiated credit transfers while ‘mobile payment

solution' and 'online banking based credit transfers' only include remotely initiated credit transfers. Credit transfers initiated in a file/batch are instead reported separately.

Otherwise, while the distinction between different initiation methods seems useful, we highlight that more clarification on the different categories of payment initiation channels should be provided (i.e., an exhaustive list of channels and a clear description of them is needed, the difference between online banking and mobile banking should be clarified, it should be clarified where ATM transactions should be included). Furthermore, we suggest deleting the examples in Item 0330 as the scope of this reporting is credit transfer only; it is unclear why a reference to card payments is made.

- Items 0410 up to 0480: we suggest removing these items from the reporting obligation, as SHA is the only charging principle in the EEA (i.e., each user pays his/her PSP; any other option where the charges are borne by the Originator or the Beneficiary only is not allowed).

#### Template/Instructions S 02.00:

- Same general comments reported under S 01.00 (bullet points from the first to the fourth) apply here. In particular, it should be clarified that the scope of this template includes only the level of charges applied to PSUs and that such charges should be reported by the PSPs both in their role of payer's PSP (charges applied to the payers) and payee's PSP (charges applied to the payees);
- Items 0070 – 0100: price differentiation in the EU/EEA is not permitted, therefore these items shall not be required;
- Items 0070-0090: it is unclear why, in Annex II, reference is made to credit transfer "initiated by a payee". We suggest deleting it ("*0070: Total value of charges for domestic credit transfers - Total value of charges for credit transfers initiated by a payer ~~or by a payee~~, where the .....*" – "*0090: Total value of charges for cross-border credit transfers - Total value of charges for credit transfers initiated by a payer ~~or by a payee~~, where the .....*". Otherwise, we suggest clarifying which kind of credit transfer initiated by the payee the ITS is referring to.

- Items 0190 – 0220: the data requested do not seem appropriate for IPR. Please refer to the comment above related to Items 0410 up to 0480 in Template S 01.00

### 3. Payment Accounts

Question 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

We believe that the reporting requirements proposed in template S 03.00 guarantee an appropriate balance between the needs at the basis of this reporting and the competing necessity to avoid excessive reporting burden for the industry.

However, we have several comments and requests for clarification as regards the items in Annex I (reporting templates) and in Annex II (Instructions for PSPs):

- It should be clarified which kind of payment accounts should be reported (payment accounts in euro and in other currencies, payment accounts held by all segments of PSUs, ...).
- It should be specified which kind of charges/fees should be included in 0020 (charges for the maintenance of payment accounts) and 0030 (total charges for a payment account); reference to the PAD provisions on Transparency is needed to achieve uniformity in the reporting.
- We understand that the total value of charges under items 0020 and 0030 is always the sum of the overall fees reported in the FID/SOF for the payment accounts that are in the scope of the reporting. If this is the case, we suggest clarifying it.

Question 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?

The same comments provided for questions 1, 2, and 3 apply here.

#### 4. Share of rejected transactions

Question 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?

The Consultation Paper clarifies that:

- the “number of rejected or frozen transactions” pertains only to the provision as per Article 5d (1), i.e., to the systematic and immediate verification of whether any of the payment services users (PSUs) are persons or entities subject to targeted financial restrictive measures;
- rejected transactions based on other types of restrictive measures according to article 5d(2) are not to be included in this report.

Then there is an essential point that should be clarified as it affects not only the IP but it is a matter of the utmost importance that may involve all the payments related to sanctioned persons.

In particular, according to what is stated above and to **the specific wording of the question, it seems that** on the side of the payee's PSP, the PSPs will have to report the number of rejected transactions before the adoption of the IPR (from 26 October 2022 up to 8 January 2025) **and the number of frozen transactions after the entry into force of the new sanction screening requirements** (as of 9 January 2025). We would welcome clarification on whether our understanding is correct.

Conversely, it should be explained if also the rejection of instant credit transfers is possible in case the payee is subject to restrictive measures adopted by the EU in accordance with art. 215 TFEU. In other words, clarification should be provided on how the payee's PSP must behave when receiving an incoming instant payment and how – consequently

- rejections and frozen funds should be reported (before and after the entry into force of the IPR sanction screening measures).

Instead, on the side of the payer's PSP, we highlight that such cases of rejections never occur, as for a payer subject to restrictive measures adopted by the EU in accordance with art. 215 TFEU the PSP is prohibited from executing the transaction (instead of the transaction being rejected). This is also true in the case of transaction-based sanction screening verifications before the adoption of the IPR. Therefore, we suggest deleting items from 0040 to 0060.

Furthermore, comparing the absolute number of rejected transactions in two different years may not be indicative of the application of EU-wide targeted financial restrictive measures. The number of rejected transactions may be high or low, based on the number of targeted persons or based on the number of transactions initiated by or directed at these persons. Other factors may play a role as well, e.g., a high number of non-EU issued sanctions that impact the operations of a PSP that has a strong nexus with the sanction issuing country (not only because of, e.g., presence, but also because of the fact of servicing business related to such country, dependency of access to such country's clearing).

In addition, we remark that the request to report historical information would require a significant effort for the PSPs in order to retrieve such information.

Regarding pre-IPR transaction rejections, it may be useful to consider that in some countries, based on local convention, domestic transactions were not screened as all PSPs were subject to the same supranational and national sanctions laws and regulations.

*Question 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?*

Comments to question 5 apply here.



Question 7: Do you perceive the reporting requirements to be proportionate? Is there information contained in the templates that is overly burdensome to report?

Please see our comments on Questions 1 and 5. Reporting under the numerous relevant laws and regulations has grown dramatically. The purpose is sometimes not clear and the amount or the sort of data required is sometimes not proportionate or relevant to the purpose.

## **5. Additional comments**

Question 8: Do you have any other comments on the reporting requirements proposed in this CP?

Although it is positive that the templates/instructions are drafted under the principle that the reporting burden on the PSPs should be limited as much as possible, some clarifications are needed, especially on the scope of reporting, the terminology that is used in the consultation paper, and the instructions related to the information that will have to be reported to the competent authorities. Such clarifications on the scope of reporting as well as a clear definition of the terms are essential to assess properly the impacts and burden of the draft templates on the PSPs.

Furthermore, in the case of groupings, it should be specified if the reporting needs to be performed by each legal entity or can be executed by the holding company.