

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

PART I

INTRODUCTORY PROVISIONS

Preamble	For the purposes of -
Official Journal of the E.U.: L337 23.12.2015, p.35.	(a) Harmonisation with the European Union Act titled "Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market and amending Directives 2002/65/EC and 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010 and repealing Directive 2007/64 / EC ", excluding Articles 110-113 thereof. and
Official Journal of the E.U.: L266 9.02.2019, p.41 L84, 20.03.2014, p.1.	(a) effective implementation of and compliance with the Articles 9, 10, 11 and 13 of the European Union Act titled "Directive (EU) 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001», as last amended by Regulation (EU) No. 248/2014 of the European Parliament and of the Council of 26 February 2014..
	The House of Representatives votes as follows:
Short title.	1. This Law shall be referred to as the Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019.
Interpretation.	2.-(1) For the purposes of the present Law, unless the text gives a different meaning-
	"direct debit" means a payment service for debiting a payer's payment account, where a payment transaction is initiated by the payee on the basis of the consent given by the payer to the payee, to the payee's payment service provider or to the payer's own payment service provider;
	"agent" means a natural or legal person which acts on behalf of a payment institution in providing payment services;
	"acquiring of payment transactions" means a payment service provided by a payment service provider contracting with a payee to accept and process payment transactions, which results in a transfer of funds to the payee;
	"unique identifier" means a combination of letters, numbers or symbols specified to the payment service user by the payment service provider and to be provided by the payment service user to identify unambiguously the other payment service user and/or the payment account of that other payment service user for a payment transaction;
	"competent authority" means the authority designated by each member state in accordance with Articles 22 or 100 of Directive (EU) 2015/2366, unless otherwise provided in this Law;
	"competent authority of a member state" means a competent authority designated by a Member State other than the Republic, as appropriate, pursuant to Article 5 of Directive 2014/17/EU;
	"strong customer authentication" means an authentication based on the use of two or more elements categorised as knowledge (something only the user knows), possession (something only the user possesses) and inherence (something the user is) that are independent, in that the breach of one does not compromise the reliability of the others, and is designed in such a way as to protect the confidentiality of the authentication data;
	"Republic" means the Republic of Cyprus;
	"payee" means a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction
112(I) of 2004 84(I) of 2005 149(I) of 2005 67(I) of 2006 113(I) of 2007 134(I) of 2007 46(I) of 2008	"electronic communications network" has the meaning assigned to it by subsection (1) of section 4 of the Electronic Communications and Postal Services Law;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

103(l) of 2009 94(l) of 2011 51(l) of 2012 160(l) of 2013 77(l) of 2014 104(l) of 2016 112 (l) of 2016 76(l) of 2017.	
	“EBA” means the european supervisory authority "European Banking Authority", established by Regulation (EU) No. 1093/2010;
	“issuing of payment instruments” means a payment service by a payment service provider contracting to provide a payer with a payment instrument to initiate and process the payer’s payment transactions;
	“payment brand” means any material or digital name, term, sign, symbol or combination of them, capable of denoting under which payment card scheme card-based payment transactions are carried out;
	“payment order” means any instruction by a payer or payee to his payment service provider requesting the execution of a payment transaction;
	“authentication” means a procedure which allows the payment service provider to verify the identity of a payment service user or the validity of the use of a specific payment instrument, including the use of the user’s personalised security credentials;
	“remote payment transaction” means a payment transaction initiated via internet or through a device that can be used for distance communication;
	“personalised security credentials” means personalised features provided by the payment service provider to a payment service user for the purposes of authentication;
	“reference interest rate” means the interest rate which is used as the basis for calculating any interest to be applied and which comes from a publicly available source which can be verified by both parties to a payment service contract;
	‘business day’ means a day on which the relevant payment service provider of the payer or the payment service provider of the payee involved in the execution of a payment transaction is open for business as required for the execution of a payment transaction;
	“sensitive payment data” means data comprising of personalised security credentials which can be used to carry out fraud, whereas in relation to the activities of payment initiation service providers and account information service providers, the name of the account owner and the account number do not constitute sensitive payment data;
	“European Committee” means the European Committee of the European Union;
	“European Central Bank” means the European Central Bank operating under the Treaty on European Union;
	“value date” means a reference time used by a payment service provider for the calculation of interest on the funds debited from or credited to a payment account;
Official Journal of the EU: L176 27.06.2013, p.1· L.11 17.05.2015, p.37· L171, 29.06.2016, p.153.	‘own funds’ means funds as defined in point 118 of Article 4(1) of Regulation (EU) No 575/2013 where at least 75 % of the Tier 1 capital is in the form of Common Equity Tier 1 capital as referred to in Article 50 of that Regulation and Tier 2 is equal to or less than one third of Tier 1 capital;
	“payment institution” means a legal person that has been granted authorisation in accordance with Article 11 to provide and execute payment services throughout the Union;
Official Journal of the EU: L331, 15.12.2010,	“Regulation (EU) No 1093/2010” means the European Union act titled “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”, as last amended by Regulation (EU) 2015/2366;

UNOFFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

p.12.	
Official Journal of the EU: L123, 19.05.2015, p.1.	"Regulation (EU) No 2015/751" means the European Union act titled "Regulation (EU) No 2015/751 of the European Parliament and of the Council of 29 April 2015, on interchange fees for card-based payment transactions";
Official Journal of the EU: L141, 5.06.2015, p.1.	"Regulation (EU) No 2015/847" means the European Union act titled "Regulation (EU) No 2015/847 of the European Parliament and of the Council of 20 May 2015, on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006";
Official Journal of the EU: L174, 14.03.2014, p.8; L150, 17.06.2015, p.1.	"Regulation (EU) No 241/2014" means the European Union act titled "Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions", as last amended by Commission Delegated Regulation (EU) 2015/923 of 11 March 2015;
Official Journal of the EU: L94, 30.03.2012, p.22; L84, 20.03.2014, p.1.	"Regulation (EU) No 260/2012" means the European Union act titled "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", as last amended by Regulation (EU) No 248/2014;
Official Journal of the EU: L176, 27.06.2013, p.1.; L336, 10.12.2016, p.36.	"Regulation (EU) No 575/2013" means the European Union act titled "Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012", as last amended by Commission Implementing Regulation (EU) 2016/2227 of 9 December 2016;
Official Journal of the EU: L243, 11.09.2002, p.1; L97, 9.04.2008, p.62.	"Regulation (EC) No 1606/2002" means the European Union act titled "Regulation (EC) No 1602/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards", as last amended by Regulation (EC) No 297/2008 of the European Council and of the Council of 11 March 2008;
Official Journal of the EU: L8, 12.01.2001, p.1.	"Regulation (EC) No 45/2001" means the European Union act titled "Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data";

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

Official Journal of the EU: L266, 9.10.2009, p.11; L94, 30.03.2012, p.22.	“Regulation (EC) No 924/2009” means the European Union act titled “Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001”;
	“consumer” means a natural person who, in payment service contracts covered by this Law, is acting for purposes other than his or her trade, business or profession;
	“Central Bank” means the Central Bank of Cyprus;
	“member state” means a member state of the European Union or another state party to the Agreement on the European Economic Area, signed in Oporto on 2 May 1992 and adjusted by the Protocol which was signed in Brussels on 17 May 1993;
	“home member state” means the member state in which the registered office of the payment service provider is situated or, if the payment service provider has, under its national law, no registered office, the member state in which its head office is situated;
	“host member state” means the member state other than the home member state in which a payment service provider has an agent or a branch or provides payment services;
	“payment account” means an account held in the name of one or more payment service users which is used for the execution of payment transactions;
	“means of distance communication” means a method which, without the simultaneous physical presence of the payment service provider and the payment service user, may be used for the conclusion of a payment services contract;
	‘payment instrument’ means a personalised device(s) and/or set of procedures agreed between the payment service user and the payment service provider and used in order to initiate a payment order;
	“credit transfer” means a payment service for crediting a payee’s payment account with a payment transaction or a series of payment transactions from a payer’s payment account by the payment service provider which holds the payer’s payment account, based on an instruction given by the payer;
Official Journal of the EU: L267, 10.10.2009, p.7.	“Directive 2009/110/EC” means the European Union act titled “Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC, as last amended by Directive (EU) 2015/2366”;
Official Journal of the EU: L176, 27.06.2013, p.338.	“Directive 2013/36/EU” means the European Union act titled “Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EU”, as last amended by Directive (EU) 2015/2366”;
Official Journal of the EU: L337, 23.12.2015, p.35.	“Directive (EU) 2015/2366” means the European Union act titled “Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC and 2013/36/EU, and Regulation (EU) No 1093/2010 and repealing Directive 2007/64/EC”;
Official Journal of the EU: L141, 5.06.2015, p.73.	“Directive (EU) 2015/849” means the European Union act titled “Directive (EU) 2015/849 of the European Parliament and of the Council, of 20 May 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC”;
Official Journal of the EU: L372,	“Directive 86/635/EEC” means the European Union act titled “Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions, as last amended by Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006”;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

31.12.1986, p.1; L224, 16.08.2006, p.1.	
Ch.113. 9 of 1968 76 of 1977 17 of 1979 105 of 1985 198 of 1986 19 of 1990 46(l) of 1992 96(l) of 1992 41(l) of 1994 15(l) of 1995 21(l) of 1997 82(l) of 1999 149(l) of 1999 2(l) of 2000 135(l) of 2000 151(l) of 2000 76(l) of 2001 70(l) of 2003 167(l) of 2003 92(l) of 2004 24(l) of 2005 129(l) of 2005 130(l) of 2005 98(l) of 2006 124(l) of 2006 70(l) of 2007 71(l) of 2007 131(l) of 2007 186(l) of 2007 87(l) of 2008 41(l) of 2009 99(l) of 2009 42(l) of 2010 60(l) of 2010 88(l) of 2010 53(l) of 2011 117(l) of 2011 145(l) of 2011 157(l) of 2011 198(l) of 2011 64(l) of 2012 98(l) of 2012 190(l) of 2012 203(l) of 2012 6(l) of 2013	“group” means a group of undertakings which are linked to each other by a relationship referred to in section 142(1)(b) and section 148 of the Companies Law or undertakings as defined in Articles 4, 5, 6 and 7 of Regulation (EU) No 241/2014, which are linked to each other by a relationship referred to in Article 10(1) or in Article 113(6) or (7) of Regulation (EU) No 575/2013;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

90(l) of 2013 74(l) of 2014 75(l) of 2014 18(l) of 2015 62(l) of 2015 63(l) of 2015 89(l) of 2015 120(l) of 2015 40(l) of 2016 90(l) of 2016 97(l) of 2016 17(l) of 2017 33(l) of 2017 51(l) of 2017. Official Journal, Annex One (I): 31.03.2015 5.06.2015.	
Annex I.	"payment initiation service provider" means a payment service provider pursuing business activities as referred to in point (7) of Annex I;
Annex I.	"account information service provider" means a payment service provider pursuing business activities as referred to in point (8) of Annex I;
	"payment service provider" means a body referred to in section 4(1) or a natural or legal person benefiting from an exemption pursuant to section 5(2) or section 34;
	"account servicing payment service providers" means a payment service provider providing and maintaining a payment account for a payer;
	"co-badging" means the inclusion of two or more payment brands or payment applications of the same payment brand on the same payment instrument;
	"credit institution" has the meaning assigned to it by section 4, paragraph 1, point 1) of the Regulation (EU) No 575/2013;
	"payer" means a natural or legal person who holds a payment account and allows a payment order from that payment account, or, where there is no payment account, a natural or legal person who gives a payment order;
	"microenterprise" means an enterprise, which at the time of conclusion of the payment service contract, is an enterprise as defined in Article 1 and Article 2(1) and (3) of the Annex to Recommendation 2003/361/EC;
	"payment transaction" means an act, initiated by the payer or on his behalf or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee;
	'durable medium' means an instrument which enables the payment service user to store information addressed personally to that user in a way that is accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored;
	"framework contract" means a payment service contract which governs the future execution of individual and successive payment transactions and which may contain the obligation and conditions for setting up a payment account;
	"reference exchange rate" means the exchange rate which is used as the basis to calculate any currency exchange and which is made available by the payment service provider or comes from a publicly available source;
Official Journal of the EU: L124, 20.05.2003, p.36.	"Recommendation 2003/361/EC" means the European Union Act titled "Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises";
	"payment system" means a funds transfer system with formal and standardised arrangements and common rules for the processing, clearing or settlement of payment transactions;
	"payment initiation service" means a service to initiate a payment order at the request of the payment service user with respect to a payment account held at another payment service provider;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	<p>“money remittance” means a payment service where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee;</p>
	<p>“account information service” means an online service to provide consolidated information on one or more payment accounts held by the payment service user with either another payment service provider or with more than one payment service provider;</p>
	<p>«electronic communications services” has the meaning attributed to the term “Electronic communications services” under section 4(1) of The Regulation of Electronic Communications and Postal Services Law;</p>
Annex I.	<p>“payment services” means any business activity set out in Annex I;</p>
	<p>“branch” means a place of business other than the head office which is a part of a payment institution, which has no legal personality and which carries out directly some or all of the transactions inherent in the business of a payment institution; all of the places of business set up in the same member state by a payment institution with a head office in another Member State shall be regarded as a single branch;</p>
8(l) of 2012 30(l) of 2018.	<p>“funds” means banknotes and coins, scriptural money or electronic money as defined in section 2 of The Electronic Money Law;</p>
	<p>“payment service user” means a natural or legal person making use of a payment service in the capacity of payer, payee, or both;</p>
	<p>“digital content” means goods or services which are produced and supplied in digital form, the use or consumption of which is restricted to a technical device and which do not include in any way the use or consumption of physical goods or services;</p>
	<p>(2) Under this Law and the directives issued pursuant to it, any reference to a directive, regulation, decision or other act of the European Union means that act as respectively corrected, modified or replaced, unless the text gives a different meaning.</p>
	<p>(3) Under this Law and the directives issued pursuant to it, any reference to a law or regulatory administrative act of the Republic, unless the text gives a different meaning.</p>
Scope of this Law.	<p>3.-(1) This Law shall apply-</p>
	<p>(a) To the payment services provided in the Republic; and</p>
	<p>(b) to the payment services provided in another member state by a payment service provider for whom the Republic is the home member state:</p>
	<p>It is provided that Parts III and IV shall not apply, if the payment services are provided by this provider through a branch or representative operating under the right of establishment.</p>
	<p>(2) Without prejudice of subsection (1)-</p>
	<p>(a) Parts III and IV apply to payment transactions in the currency of a Member State where both the payer’s payment service provider and the payee’s payment service provider are, or the sole payment service provider in the payment transaction is, located within the Union; and</p>
	<p>(b) Part III, except for sections 45(1)(b), 52(b)(o) and 56(a), as well as Part IV, except from sections 81 to 86, apply to payment transactions in a currency that is not the currency of a member state where both the payer’s payment service provider and the payee’s payment service provider are, or the sole payment service provider in the payment transaction is, located within the European Union, in respect to those parts of the payments transaction which are carried out in the European Union; and</p>
	<p>(c) Part III, except for sections 45(1)(b), 52(b)(o) and (e)(vii) and 56(a), as well as Part IV, except for section 62(2) and (4) and sections 76.77. 81. 83(l), 89 and 92, apply to payment transactions in all currencies where only one of the payment service providers is located within the European Union, in respect to those parts of the payments transaction which are carried out in the European Union.</p>
	<p>(3) This Law shall not apply-</p>
	<p>(a) To payment transactions made exclusively in cash directly from the payer to the payee, without any intermediary intervention;</p>
	<p>(b) to payment transactions from the payer to the payee through a commercial agent authorised via an agreement to negotiate or conclude the sale or purchase of goods or services on behalf of only the payer or only the payee;</p>
	<p>(c) to a professional physical transport of banknotes and coins, including their collection, processing and delivery;</p>
	<p>(d) to payment transactions consisting of the non-professional cash collection and delivery within the framework of a non-profit or charitable activity;</p>

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(e) to services where cash is provided by the payee to the payer as part of a payment transaction following an explicit request by the payment service user just before the execution of the payment transaction through a payment for the purchase of goods or services;
	(f) money exchange business, that is to say, cash-to-cash operations, where the funds are not held on a payment account;
	(g) payment transactions based on any of the following documents drawn on the payment service provider with a view to placing funds at the disposal of the payee:
	(i) paper cheques governed by the Geneva Convention of 19 March 1931 providing a uniform law for cheques,
	(ii) paper cheques similar to those referred to in subparagraph (i) and governed by the laws of Member States which are not party to the Geneva Convention of 19 March 1931 providing a uniform law for cheques,
	(iii) paper-based drafts in accordance with the Geneva Convention of 7 June 1930 providing a uniform law for bills of exchange and promissory notes,
	(iv) paper-based drafts similar to those referred to in subparagraph (iii) and governed by the laws of Member States which are not party to the Geneva Convention of 7 June 1930 providing a uniform law for bills of exchange and promissory notes;
	(v) paper-based vouchers,
	(vi) paper-based traveller's cheques,
	(vii) paper-based postal money orders as defined by the Universal Postal Union;
	(h) payment transactions carried out within a payment or securities settlement system between settlement agents, central counterparties, clearing houses and/or central banks and other participants of the system, and payment service providers, without prejudice to section 35;
	(i) payment transactions related to securities asset servicing, including dividends, income or other distributions, or redemption or sale, carried out by persons referred to in paragraph (h) or by investment firms, credit institutions, collective investment undertakings or asset management companies providing investment services and any other entities allowed to have the custody of financial instruments;
	(j) services provided by technical service providers, which support the provision of payment services, without them entering at any time into possession of the funds to be transferred, including processing and storage of data, trust and privacy protection services, data and entity authentication, information technology (IT) and communication network provision, provision and maintenance of terminals and devices used for payment services, with the exclusion of payment initiation services and account information services;
	(k) services based on specific payment instruments that can be used only in a limited way, that meet one of the following conditions:
	(i) instruments allowing the holder to acquire goods or services only in the premises of the issuer or within a limited network of service providers under direct commercial agreement with a professional issuer,
	(ii) instruments which can be used only to acquire a very limited range of goods or services;
	(iii) instruments valid only in a single member state provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer;
	(l) payment transactions by a provider of electronic communications networks or services provided in addition to electronic communications services for a subscriber to the network or service-
	(i) for purchase of digital content and voice-based services, regardless of the device used for the purchase or consumption of the digital content and charged to the related bill or
	(ii) performed from or via an electronic device and charged to the related bill within the framework of a charitable activity or for the purchase of tickets,
	provided that the value of any single payment transaction referred to in subparagraph (i) or (ii) does not exceed fifty euro (€ 50), and
	(aa) the cumulative value of payment transactions for an individual subscriber does not exceed three hundred euro (€300) per month, or
	(bb) where a subscriber pre-funds its account with the provider of the electronic communications network or service, the cumulative value of payment transactions does not exceed three hundred euro (€300) per month.
	(m) payment transactions carried out between payment service providers, their agents or branches for their own account;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(n) payment transactions and related services between a parent undertaking and its subsidiary or between subsidiaries of the same parent undertaking, without any intermediary intervention by a payment service provider other than an undertaking belonging to the same group;
Annex I.	(o) cash withdrawal services offered by means of automated teller machines (ATM) by providers, acting on behalf of one or more card issuers, which are not a party to the framework contract with the customer withdrawing money from a payment account, on condition that those providers do not conduct other payment services as referred to in Annex I; nevertheless the customer shall be provided with the information on any withdrawal charges referred to in sections 45, 48, 49 and 59 before carrying out the withdrawal as well as on receipt of the cash at the end of the transaction after withdrawal.
Purpose of this Law.	4.-(1) This Law establishes rules to distinguish between the following categories of payment service providers:
66(l) of 1997 74(l) of 1999 94(l) of 2000 119(l) of 2003 4(l) of 2004 151(l) of 2004 231(l) of 2004 235(l) of 2004 20(l) of 2005 80(l) of 2008 100(l) of 2009 123(l) of 2009 27(l) of 2011 104(l) of 2011 107(l) of 2012 14(l) of 2013 87(l) of 2013 102(l) of 2013 141(l) of 2013 5(l) of 2015 26(l) of 2015 35(l) of 2015 71(l) of 2015 93(l) of 2015 109(l) of 2015 152(l) of 2015 168(l) of 2015 21(l) of 2016 5(l) of 2017 38(l) of 2017 169(l) of 2017 28(l) of 2018. Official Journal, Annex One (I): 19.09.2003	(a) Credit institutions as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013, including branches thereof within the meaning of point (17) Article 4(1) of that Regulation where such branches are located in the European Union, whether the head offices of those branches are located within the European Union or, in accordance with Article 47 of Directive 2013/36/EU and in accordance with section 10Z of the Business of Credit Institutions Law, outside the European Union;
	(b) electronic money institutions as defined in section 2 of The Electronic Money Law, including branches of electronic money institutions incorporated in a third country with which the European Union has concluded an agreement under Article 8, paragraph 3 of Directive 2009/110/EC and have been authorised in accordance with section 5(2)(a) of The Electronic Money Law, maintaining branches in the Republic, in as far as the payment services provided by those branches are linked to the issuance of electronic money;
	(c) post office giro institutions which are entitled under the law of the member state to provide payment services;
	(d) payment institutions;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(e) the European Central Bank and national central banks when not acting in their capacity as monetary authority or other public authorities;

(f) member states or their regional or local authorities, when not acting in their capacity as public authorities.

(2) This Law lays down rules concerning-

(a) transparency of conditions and information requirements for payment services;

(b) the respective rights and obligations of payment service users and payment service providers in relation to the provision of payment services as a regular occupation or business activity.

PART II

PAYMENT SERVICE PROVIDERS

CHAPTER A – PAYMENT INSTITUTIONS – COMMON PROVISIONS

Requirements for admission. 5.-(1) Having regard to the provisions of section 5(2) or section 34, a payment institution whose Republic is a home member state, shall be allowed to provide payment services, only if prior authorization has been granted by the Central Bank, in accordance with the provisions of this Law, which can only be granted to legal persons who satisfy the following conditions:

(a) They have been established in the Republic, and

(b) they have their registered office and their head offices in the Republic.

(2)(a) The Central Bank may, by directive, exempt natural or legal persons providing services as referred to in points 1 to 6 of Annex I from the application of all or part of the procedure and conditions set out in sections 6 to 33, with the exception of sections 13(4) and (5), 14, 15, 22, 24, 25, 27 and 33, where:

(i) the monthly average of the preceding 12 months' total value of payment transactions executed by the person concerned, including any agent for which it assumes full responsibility, does not exceed a limit set by the Central Bank but that, in any event, amounts to no more than EUR 3 million; that requirement shall be assessed on the projected total amount of payment transactions in its business plan, unless an adjustment to that plan is required by the Central Bank; and

(ii) none of the natural persons responsible for the management or operation of the business has been convicted of offences relating to money laundering or terrorist financing or other financial crimes.

(b) Any natural or legal person registered in accordance with paragraph (a) shall be required to have its head office or place of residence in the member state in which it actually carries out its business.

(c) The persons referred to in paragraph (a) shall be treated as payment institutions, save that the provisions of sections 11(9) and sections 29, 30 and 31 shall not apply to them.

(d) The Central Bank may also provide that natural or legal persons registered in accordance with paragraph (a) may engage only in some of the activities referred to in section 18.

(e) The persons referred to in paragraph (a) shall notify the Central Bank of any change in their situation which is relevant to the conditions specified in that paragraph, while in case the conditions in paragraphs (a), (b) or (d) are no longer met, the persons concerned shall apply for authorization within thirty (30) calendar days, in accordance with section 11.

(f) This subsection does not apply to Regulation (EU) 2015/849 or the Cyprus law for anti-money laundering.

(3) For obtaining payment institution authorisation, the applicant whose Republic constitutes a home member state, shall submit an application to the Central Bank together with the following information:

(a) A programme of operations, setting out in particular the type of payment services envisaged;

(b) a business plan including a forecast budget calculation for the first three (3) financial years which demonstrates that the applicant is able to employ the appropriate and proportionate systems, resources and procedures to operate soundly;

(c) evidence that the payment institution holds initial capital provided for in section 7;

(d) for the payment institutions referred to in section 10(1), a description of the measures taken for safeguarding payment service users' funds in accordance with section 10;

(e) a description of the applicant's governance arrangements and internal control mechanisms, including administrative, risk management and accounting procedures, which demonstrates that these governance arrangements, control mechanisms and procedures are proportionate, appropriate, sound and adequate;

(f) a description of the procedure in place to monitor, handle and follow up a security incident and security related customer complaints, including an incidents reporting mechanism which takes account of the notification obligations of the payment institution laid down in section 86;

(g) a description of the process in place to file, monitor, track and restrict access to sensitive payment data;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(h) a description of business continuity arrangements including a clear identification of the critical operations, effective contingency plans and a procedure to regularly test and review the adequacy and efficiency of such plans;
	(i) a description of the principles and definitions applied for the collection of statistical data on performance, transactions and fraud;
	(j) a security policy document, including a detailed risk assessment in relation to its payment services and a description of security control and mitigation measures taken to adequately protect payment service users against the risks identified, including fraud and illegal use of sensitive and personal data;
188(l) of 2007 58(l) of 2010 80(l) of 2012 192(l) of 2012 101(l) of 2013 184(l) of 2014 18(l) of 2016. Official Journal, First Annex (I): 25.04.2016.	(k) for payment institutions subject to the obligations in relation to money laundering and terrorist financing under Prevention and Suppression of Money Laundering Activities Law and Regulation (EU) 2015/847 of the European Parliament and of the Council, a description of the internal control mechanisms which the applicant has established in order to comply with those obligations;
	(l) a description of the applicant's structural organisation, including, where applicable, a description of the intended use of agents and branches and of the off-site and on-site checks that the applicant undertakes to perform on them at least annually, as well as a description of outsourcing arrangements, and of its participation in a national or international payment system;
	(m) the identity of persons holding in the applicant, directly or indirectly, qualifying holdings within the meaning of section 4, paragraph 1, point 36) of Regulation (EU) No 575/2013, the size of their holdings and evidence of their suitability taking into account the need to ensure the sound and prudent management of a payment institution;
	(n) the identity of directors and persons responsible for the management of the payment institution and, where relevant, persons responsible for the management of the payment services activities of the payment institution, as well as evidence that they are of good repute and possess appropriate knowledge and experience to perform payment services as determined by the Directive issued by the Central Bank;
53(l) of 2017 177(l) of 2017 7(l) of 2018.	(o) where applicable, the identity of statutory auditors and audit firms as defined in The Auditors Law;
	(p) the applicant's legal status and articles of association;
	(q) the address of the applicant's head office.
	(4) For the purposes of paragraphs (d), (e) (f) and (l) of the subsection (3), the applicant shall provide a description of its audit arrangements and the organisational arrangements it has set up with a view to taking all reasonable steps to protect the interests of its users and to ensure continuity and reliability in the performance of payment services.
	(5) The security control and mitigation measures referred to in paragraph (j) of subsection (3) shall indicate how they ensure a high level of technical security and data protection, including for the software and IT systems used by the applicant or the undertakings to which it outsources the whole or part of its operations.
	(6) The measures referred to in subsection (3) shall take into account any guidelines on EBA security measures referred to in Article 95 (3) of Directive (EU) 2015/2366.
Annex I.	(7) Undertakings that apply for authorisation to provide payment services as referred to in point (7) of Annex I, are not allowed to obtain authorisation, unless they hold a professional indemnity insurance, covering the territories in which they offer services, or some other comparable guarantee against liability to ensure that they can cover their liabilities as specified in sections 73, 90 and 92.
Annex I.	(8) Undertakings that apply for registration to provide payment services as referred to in point (8) of Annex I, as a condition of their registration, hold a professional indemnity insurance covering the territories in which they offer services, or some other comparable guarantee against their liability vis-à-vis the account servicing payment service provider or the payment service user resulting from non-authorized or fraudulent access to or non-authorized or fraudulent use of payment account information.
Control of the shareholding.	6.-(1) Any natural or legal person who has taken a decision to acquire or to further increase, directly or indirectly, a qualifying holding within the meaning of point (36) of Article 4(1) of Regulation (EU) No 575/2013 in a payment institution, as a result

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	of which the proportion of the capital or of the voting rights held would reach or exceed twenty percent (20 %), thirty percent (30 %) or fifty percent (50 %), or so that the payment institution would become its subsidiary, shall inform the competent authorities of that payment institution in writing of their intention in advance.
	(2) Any natural or legal person who has taken a decision to dispose, directly or indirectly, of a qualifying holding, within the meaning of point (36) of Article 4(1) of Regulation (EU) No 575/2013, in a payment institution which the Republic constitutes a home member state or to reduce its qualifying holding so that the proportion of the capital or of the voting rights held would fall below twenty percent (20 %), thirty percent (30 %) or fifty percent (50 %), or so that the payment institution would cease to be its subsidiary, shall inform the Central Bank in writing of their intention in advance.
	(3) The proposed acquirer of a qualifying holding shall supply to the Central Bank information indicating the size of the intended holding and relevant information referred to in section 17A(4) of the Business of Credit Institutions Law.
	(4) Where the influence exercised by a proposed acquirer, as referred to in subsection (3), is likely to operate to the detriment of the prudent and sound management of the payment institution, the Central Bank shall express its opposition and in addition take one or more of the following measures:
	(a) Suspension of the exercise of the voting rights attaching to the shares or the voting rights held by that person;
	(b) Issuance of an order under which the disposal, signing of a disposal agreement, sale, exchange, hiring, transfer, donation and in general the alienation of the payment institution's shares is void
	(c) prohibition of acquiring, including acquisition by donation or by exercise of option, of the shares of the payment institution;
	(d) prohibition of conduct of any payments by the institution attaching to the shares, excluding the case of dissolution of the payment institution
	(5)(a) In the case of natural or legal persons failing to fulfil the obligation of pre-disclosure under this section, the Central Bank may take against that person any of the measures provided for in subsection (4), specifying the duration of the validity of the measure or that the measure is valid until its withdrawal by the Central Bank.
	(b) The payment institution is required to disclose, in accordance with section 16, any change affecting the accuracy of the data it has submitted to the Central Bank relating to the identity of the persons having direct or indirect control over it.
	(6) If a holding is acquired despite the opposition of the Central Bank, the Central Bank, regardless of any other penalty to be adopted, provides for the exercise of the corresponding voting rights to be suspended, the nullity of votes cast or the possibility of annulling those votes.
	(7) Without prejudice to the provisions of subsections (5) and (6), the Central Bank may impose an administrative fine by analogous application of section 25, to a person violating the pre-disclosure obligation, as well as to a person who acquiring a holding despite the opposition of the Central Bank.
	(8) In case of a legal person who infringes the provisions of this section, section 25(2) applies to any member of the administrative, management, supervisory or audit bodies of that legal person.
Initial capital.	7. The legal person applying, in accordance with section 5, for authorisation as a payment institution, shall hold, at the time of authorisation, initial capital, comprised of one or more of the items referred to in Article 26(1)(a) to (e) of Regulation (EU) No 575/2013 as follows:
Annex I.	(a) Where the payment institution provides only the payment service referred to in point 6 of Annex I, its capital shall at no time be less than twenty thousand euro (€20 000);
Annex I.	(b) where the payment institution provides the payment services referred to in point 7 of Annex I, its capital shall at no time be less than fifty thousand euro (€50.000);
Annex I.	(c) where the payment institution provides any of the payment services as referred to in points 1 to 5 of Annex I, its capital shall at no time be less than one hundred and twenty five thousand euro (€125.000).
Own funds.	8.-(1) The payment institution's own funds, shall not fall below the amount of initial capital as referred to in section 7 and the amount of own funds as calculated in accordance with section 9.
	(2) The Central Bank shall take the necessary measures to prevent the multiple use of elements eligible for own funds where the payment institution belongs to the same group as another payment institution, credit institution, investment firm, asset management company or insurance undertaking:
	It is provided that, the provisions of this subsection are applied by analogy, where a payment institution has a hybrid character and carries out activities other than providing payment services.
	(3) If the conditions laid down in Article 7 of Regulation (EU) No 575/2013 are met, the Central Bank may exempt from the requirement to apply the method for calculating own funds, in accordance with section 9, a payment institution which are included in the consolidated supervision of the parent credit institution pursuant to Business of Credit Institutions Law.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

Calculation of own funds. Annex I. Annex II.	9.-(1) Without prejudice to the initial capital requirements of section 7, the payment institutions, except those providing only payment services referred to in point 7 and/or 8 of Annex I, required to have throughout the course of their operation own funds calculated according to one of the three methods listed in Annex II and as determined by the Central Bank by individual administrative measure which is notified to the payment institution.
	(2) The Central Bank may, based on an evaluation of the risk-management processes, risk loss data base and internal control mechanisms of the payment institution, require the payment institution to hold an amount of own funds which is up to twenty percent (20 %) higher than the amount which would result from the application of the method chosen in accordance with subsection (1), or permit the payment institution to hold an amount of own funds which is up to 20 % lower than the amount which would result from the application of the method chosen in accordance with subsection 1.
Safeguarding requirements. Annex I.	10.-(1) The payment institutions which provide payment services as referred to in points (1) to (6) of Annex I to safeguard all funds which have been received from the payment service users or through another payment service provider for the execution of payment transactions, in either of the following ways:
	(a) The funds shall not be commingled at any time with the funds of any natural or legal person other than payment service users on whose behalf the funds are held and, where they are still held by the payment institution and not yet delivered to the payee or transferred to another payment service provider by the end of the business day following the day when the funds have been received, they shall thereafter be deposited in a separate account in a credit institution or invested in secure, liquid low-risk assets as defined by the Central Bank by issuing directives and in the interest of the payment service users against the claims of other creditors of the payment institution, in particular in the event of insolvency;
	(b) Funds shall be covered by an insurance policy or some other comparable guarantee from an insurance company or a credit institution, which does not belong to the same group as the payment institution itself, for an amount equivalent to that which would have been segregated in the absence of the insurance policy or other comparable guarantee, payable in the event that the payment institution is unable to meet its financial obligations.
	(2) Where a payment institution is required to safeguard funds under paragraph 1 and a portion of those funds is to be used for future payment transactions with the remaining amount to be used for non-payment services, that portion of the funds to be used for future payment transactions shall also be subject to the requirements under subsection (1).
	(3) Where under subsection (2) portion of funds is variable or unknown in advance, the Central Bank may allow payment institutions to apply subsection (2) on the basis of a representative portion assumed to be used for payment services provided such a representative portion can be reasonably estimated on the basis of historical data to the satisfaction of the Central Bank.
Granting authorisation as payment institutions – General criteria.	11.-(1) Undertakings of which the Republic is a home member state shall require undertakings other than those referred to in section 4(1) (a), (b), (c), (e) and (f) and other than natural or legal persons benefiting from an exemption pursuant to section 5(2) or 34, who intend to provide payment services, to obtain authorisation as a payment institution before commencing the provision of payment services:
	It is provided that, this authorisation is granted only to legal persons established in the Republic.
	(2) The Central Bank grants authorisation to a payment institution, only if the information and evidence accompanying the application complies with all the requirements under section 5(3) to (8), and if the overall assessment, having scrutinised the application, is favourable and the Central Bank, before granting authorisation, may consult with other competent public authorities, if appropriate.
	(3) A payment institution authorised by the Central Bank and who is required under section 5(1) to have a register office, shall have its head office in the Republic and shall carry out at least part of its payment service business in the Republic.
	(4) The Central Bank shall grant an authorisation only if, taking into account the need to ensure the sound and prudent management of a payment institution, the payment institution has robust governance arrangements for its payment services business, which include a clear organisational structure with well-defined, transparent and consistent lines of responsibility, effective procedures to identify, manage, monitor and report the risks to which it is or might be exposed, and adequate internal control mechanisms, including sound administrative and accounting procedures; those arrangements, procedures and mechanisms shall be comprehensive and proportionate to the nature, scale and complexity of the payment services provided by the payment institution.
Annex I.	(5) Where the applicant or an already authorized payment institution provides any of the payment services as referred to in points (1) to (7) of Annex I and, at the same time, is engaged in other business activities, the competent authorities may require the establishment of a separate entity for the payment services business, where the non-payment services activities of the payment institution impair or are likely to impair either the financial soundness of the payment institution or the ability of the Central Bank to monitor the payment institution's compliance with all obligations laid down by this Law and directives issued thereunder.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(6) The Central Bank shall refuse to grant an authorisation if, taking into account the need to ensure the sound and prudent management of a payment institution, they are not satisfied as to the suitability of the shareholders or members that have qualifying holdings.
	(7) Where close links as defined in point 38) of Article 4, paragraph 1 of Regulation (EU) No 575/2013 exist between the payment institution and other natural or legal persons, the Central Bank shall grant an authorisation, only if those links do not prevent the effective exercise of their supervisory functions.
	(8) Where one or more natural or legal persons with which the payment institution has close links are subject to laws, regulations or administrative provisions of a third country, the Central Bank shall grant authorisation only if those provisions, or difficulties involved in their enforcement, do not prevent the effective exercise of their supervisory functions.
	(9) An authorisation granted by a competent authority of another member state shall be valid in the Republic and shall allow the payment institution to provide the payment services that are covered by the authorisation throughout the Republic, pursuant to the freedom to provide services or the freedom of establishment.
	(10) If a payment institution the Republic of which constitutes a home Member State wishes to extend the authorization to additional payment services, shall submit an application to the Central Bank accompanied by information, details and documents as provided for in section 5(3) and the Central Bank shall decide on the application in accordance with the provisions of this Part.
Notification of decision.	12. The Central Bank, within three (3) months of the receipt of an application for a payment institution authorisation or, should the application be incomplete, within three (3) months of receipt of all the information required for the decision, shall inform the applicant of its decision, giving reasons for any refusal.
Withdrawal of authorisation.	13.-(1) The Central Bank may withdraw a payment institution authorisation, only if the payment institution-
	(a) Does not make use of the authorisation within twelve (12) months, expressly renounces the authorisation or has ceased to engage in business for more than six (6) months, unless the Central Bank has set as a condition in the authorisation that the authorisation expires automatically; or
	(b) has obtained the authorisation through false statements or any other irregular means; or
	(c) no longer fulfils the conditions under which the authorization was granted or fails to inform the Central Bank of any significant developments in this respect; or
	(d) would constitute a threat to the stability of or the trust in the payment system by continuing its payment services business; or
	(e) is subject to any other case of withdrawal of authorisation provided by Cyprus law.
	(2) The Central Bank shall give reasons for any withdrawal of an authorisation and shall inform those concerned accordingly.
	(3) In case that the Central Bank withdraws a payment institution authorisation, as the competent authority of a home member state, shall inform without undue delay, by any means it deems appropriate, the competent authorities of the home member state, of the withdrawal of a payment institution authorisation.
	(4) The Central Bank shall enter in the public register any withdrawal of authorisation and any withdrawal of an exemption pursuant to section 5(2) or section 34.
	(5) The Central Bank shall notify EBA of the reasons for the withdrawal of any authorisation and of any exemption pursuant to section 5(2) or section 34.
Registration in the home member state and the EBA register.	14.-(1) The Central Bank shall establish and update without any delay the public register which is available to the public free of charge and accessible online and in which the following information is recorded:
	(a) The payment institutions authorised by the Central Bank, their representatives and the payment services for which the authorisation is granted;
	(b) the branches of the payment institutions, authorised by the Central Bank as the competent authority of the home member state, which provide services in another member state
	(c) the institutions entitled to provide payment services under section 4(1);
	(d) the natural and legal persons which are authorised and have been exempted under section 5(2) of section 34 and their representatives.
	(2) The public register shall identify the payment services for which the payment institution is authorised or for which the natural or legal person has been registered and the authorised payment institutions shall be listed in the register separately from natural and legal persons benefiting from an exemption pursuant to section 5(2) of section 34.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(3) The Central Bank shall, without delay, notify EBA of the information entered in their public registers in a language customary in the field of finance and shall be responsible for the accuracy and updating of such information.
Appeal against decisions of the Central Bank.	15. An appeal before the court, in accordance with Article 146 of the Constitution, may be brought against the decisions taken by the Central Bank about the payment institutions pursuant to this Law or to the Central Bank's failure to act under the provisions of this Law.
Continuing authorisation.	16. Where any change affects the accuracy of information and evidence provided under section 5, the payment institution shall without undue delay inform the Central Bank, as the competent authority of its home member state.
Statutory audit of the accounts of payment institutions.	17.-(1) By analogy with payment institutions, the following shall apply:
	(a) Directive 86/635/EEC;
	(b) sections 118 to 122, section 141A, paragraphs (b), (c), (cA) and (cB) of subsection (1), paragraphs (bA) and (d) of subsection (3) and subsection (4) of section 142, paragraphs (a) and (b) of subsection (1) of section 150, paragraphs (b) to (e), subparagraphs (i) to (v) of paragraph (f) and paragraphs (h) to (k) of subsection (1), subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph (a) and paragraphs (b) to (f) of subsection (2) and subsection (3) of section 151, section 152 and subsection (1) of section 152A of The Companies Law;
	(c) section 69 of The Auditors Law;
	(d) Regulation (EC) No 1606/2002.
	(2) The annual accounts and consolidated accounts of payment institutions shall be audited by statutory auditors or audit firms within the meaning of the Auditors Law, if not excluded under The Companies Law and, if applicable, under Directive 2006/43/EEC.
	(3) The payment institutions, for supervisory purposes, shall prepare and submit to the Central Bank separate accounting information for payment services and activities referred to in section 18(1), which shall be subject to an auditor's report, which shall be prepared, where applicable, by the statutory auditors or audit firms
	It is provided that, for the purpose of auditing the payment institutions, the Central Bank may determine, illustrate and clarify with directives any matter relating to the preparation of financial statements regarding payment services and regarding other business activities carried out by payment institutions.
	(4) The requirements under section 28(3) of the Business of Credit Institutions Law are applied by analogy, on the statutory auditors or the audit firms of the payment institutions regarding the payment services business.
Carrying out of activities by payment institutions.	18.-(1) Apart from the provision of payment services, payment institutions shall be entitled to engage in the following activities:
	(a) The provision of operational and closely related ancillary services such as ensuring the execution of payment transactions, foreign exchange services, safekeeping activities, and the storage and processing of data;
	(b) operation of payment systems, without prejudice to section 35;
	(c) business activities of the payment institutions other than the provision of payment services, in compliance with EU law and the legislation of the member state where the activities take place.
	(2) Where payment institutions engage in the provision of one or more payment services, they may hold only payment accounts which are used exclusively for payment transactions.
	(3) Funds received by payment institutions from payment service users with a view to the provision of payment services shall not constitute a deposit or other repayable funds within the meaning of sections 3(1) and (4) of the Business of Credit Institutions Law, or electronic money within the meaning of section 2(1) of the Electronic Money Law.
	(4) Payment institutions are prohibited from carrying on the business of taking deposits or other repayable funds within the meaning of section 3(1) and (4) of the Business of Credit Institutions Law.
Annex I.	(5) Payment institutions may grant credit relating to payment services as referred to in points 4 or 5 of Annex I only if all of the following conditions are met:
	(a) the credit shall be ancillary and granted exclusively in connection with the execution of a payment transaction;
	(b) notwithstanding national rules on providing credit by credit cards, the credit granted in connection with a payment and executed in accordance with section 11(9) and section 29 shall be repaid within a short period which shall in no case exceed twelve (12) months;
	(c) the credit may not be granted from the funds received or held for the purpose of executing a payment transaction;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(d) the own funds of the payment institution shall at all times and to the satisfaction of the supervisory authorities be appropriate in view of the overall amount of credit granted.
106(l) of 2010 176(l) of 2012 40(l) of 2013 50(l) of 2013 42(l) of 2017.	(6) This Law shall apply without prejudice of the Law on Consumer Credit or other relevant EU provisions or the member state concerned involving non harmonized by this Law conditions for granting credit to consumers which are compatible with the European Union law.
Use of agents, branches or entities to which activities are outsourced.	19.-(1) When a payment institution, the Republic of which constitutes a home member state, intends to provide payment services through an agent it shall communicate the following information to the Central Bank:
	(a) The name and address of the agent;
	(b) a description of the internal control mechanisms that will be used by the agent in order to comply with the obligations in relation to money laundering and terrorist financing under the Prevention and Suppression of Money Laundering Activities Law, to be updated without delay in the event of material changes to the particulars communicated at the initial notification;
	(c) the identity of directors and persons responsible for the management of the agent to be used in the provision of payment services and, for agents other than payment service providers, evidence that they are fit and proper persons;
	(d) the payment services of the payment institution for which the agent is mandated; and
	(e) where applicable, the unique identification code or number of the agent.
	(2) Within two (2) months after receipt of the information referred to in the first subsection (1), the Central Bank shall inform the payment institution whether the agent recorded in the register established under section 14(1) and with the registration the agent may start to provide payment services.
	(3) The Central Bank may, before listing the agent in the register, if it considers that the information received pursuant to subsection (1) is not correct, take further action to verify them.
	(4) If, after the verification, the Central Bank is not convinced that the information provided under subsection (1) is correct, it shall not list the agent in the register maintained under section 14(1) and shall inform the payment institution accordingly without undue delay.
	(5) If the payment institution wishes to provide payment services in another member state by engaging an agent it shall follow the procedures set out in section 29.
	(6) If the payment institution intends to outsource operational functions of payment services, inside or outside the Republic, it shall inform the Central Bank as the competent authority of the home member state accordingly.
	(7) Outsourcing of important operational functions, including IT systems, shall not be undertaken in such way as to impair materially the quality of the payment institution's internal control and the ability of the Central Bank to monitor and retrace the payment institution's compliance with all of the obligations laid down in this Law.
	(8) For the purposes of subsection (7), an operational function shall be regarded as important if a defect or failure in its performance would materially impair the continuing compliance of a payment institution with the requirements of its authorisation requested under this Part or its other obligations under this Law, or its financial performance, or the soundness or the continuity of its payment services.
	(9) If a payment institution outsources important operational functions, this institution shall meet the following conditions:
	(a) The outsourcing shall not result in the delegation by senior management of its responsibility;
	(b) the relationship and obligations of the payment institution towards its payment service users under this Law shall not be altered;
	(c) the conditions with which the payment institution is to comply in order to be authorised and remain so in accordance with this Part shall not be undermined;
	(d) none of the other conditions subject to which the firm's authorisation was granted must be removed or modified.
	(10) Payment institutions shall ensure that agents or branches acting on their behalf inform payment service users of this fact.
	(11) A payment institution whose Republic constitutes a home member state, shall communicate to the Central Bank without undue delay any change regarding the use of -
	(a) The entities to which activities are outsourced, and,

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(b) in accordance with the procedure laid down in subsections (2), (3), and (4), the agents, including additional agents.
Responsibility of the payment institution.	20.-(1) A payment institution that outsources operational functions shall take reasonable measures for meeting the requirements of this Law.
	(2) Regardless of any other law, the payment institution shall remain fully liable for any acts of their employees, or any agent, branch or entity to which activities are outsourced.
Record keeping from the payment institution.	21. Without prejudice to the provisions of the Prevention and Suppression of Money Laundering Activities Law or other relevant provisions of European Union law, they payment institution shall be required to keep records for the purposes of this Part for at least five (5) years.
Designation of a competent authority.	22.-(1) The Central Bank is designated as the competent authority of the Republic responsible for the authorization and prudential supervision of the payment institutions to perform the functions specified in this Part and should be independent from the economic operators and to avoid conflicts of interest.
	(2) The subsection (1) shall not imply that the Central Bank is required to supervise business activities of the payment institutions other than the provision of payment services and the activities referred to in point (a) of section 18(1).
	(3) The tasks of the Central Bank as the competent authority referred to in subsection (1) fall under its responsibility when the Republic recommends the home member state.
	(4) For the purpose of performing its duties under subsection (1), the Central Bank shall have the powers provided for in sections 23 (2), 24 and 25.
Supervision of the Central Bank.	23.-(1) The controls exercised by the Central Bank for checking continued compliance with this Part are proportionate, adequate and responsive to the risks to which payment institutions are exposed.
	(2) For the purpose of monitoring compliance with the provisions of this Part, the Central Bank may, without prejudice to its other powers under this Law, take the following measures:
	(a) to require the payment institution to provide any information needed to monitor compliance, specifying the purpose of the request, as appropriate;
	(b) to carry out on-site inspections at the payment institution, at any agent or branch providing payment services under the responsibility of the payment institution, or at any entity to which activities of the payment institution are outsourced;
	(c) to issue recommendations, guidelines and if applicable, binding administrative provisions including amongst others, limitation of the work of the payment institution and removal of any member of the management body or other director, if the payment institution fails to comply with any provision of Part II or any directive issued under this Law, including a directive which constitutes an individual administrative act, or under the terms of the payment institution's authorisation;
	(d) to suspend the authorization or withdraw it in accordance with section 13.
	(3) Without prejudice to the procedures for the withdrawal of authorisations and the provisions of criminal law, the Central Bank may, as against credit institutions or those who effectively control the business of credit institutions under subsection (2) and section 25, which breach laws, regulations or administrative provisions concerning the supervision or pursuit of their activities, adopt or impose in respect of them penalties or measures aimed specifically at ending observed breaches or the causes of such breaches.
	(4) Notwithstanding the requirements of section 7, section 8(1) and (2) and section 9, the Central Bank is entitled to take steps described under subsection (2), to ensure sufficient capital for payment services, in particular where the non-payment services activities of the payment institution impair or are likely to impair the financial soundness of the payment institution.
	(5) The Central Bank shall be the competent authority for the supervision and enforcement of the provisions of Parts III and IV with respect to-
	(a) Payment services provided in the Republic by a payment institution;
	(b) payment services provided to the Republic by a payment institution authorized by the Central Bank;
	(c) payment services provided to the Republic by an electronic money institution authorised by the Central Bank;
	(d) payment services provided to the Republic through a branch or agent operating under the right of establishment or by a credit institution or payment institution or an electronic money institution authorised in another member state;
	(e) subject to section 99(4), payment services provided in another Member State under the freedom to provide services or the freedom of establishment by a credit institution, payment institution or electronic money institution authorized by the Central Bank.
Powers of the Central Bank.	24.-(1) The Central Bank may-

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(a) Require the payment service provider to make available for examination the cash and other assets, books, records and any other documents:

It is provided that, the Central Bank may be supported by a qualified person designated for this purpose by the Central Bank and who is subject to the obligations concerning confidentiality applicable in the case of Central Bank officers; and/or

(b) request the issue of a decree, under section 32(1) of the Courts Law, for compliance of the respondent's application with the provisions of this Law; and/or

- 14 of 1960
- 50 of 1962
- 11 of 1963
- 8 of 1969
- 40 of 1970
- 58 of 1972
- 1 of 1980
- 35 of 1982
- 29 of 1983
- 91 of 1983
- 16 of 1984
- 51 of 1984
- 83 of 1984
- 93 of 1984
- 18 of 1985
- 71 of 1985
- 89 of 1985
- 96 of 1986
- 317 of 1987
- 49 of 1988
- 64 of 1990
- 136 of 1991
- 149 of 1991
- 232 of 1991
- 237 of 1991
- 42(l) of 1992
- 43(l) of 1992
- 102(l) of 1992
- 26(l) of 1993
- 82(l) of 1995
- 102(l) of 1996
- 4(l) of 1997
- 53(l) of 1997
- 110(l) of 1998
- 34(l) of 1999
- 146(l) of 1999
- 41(l) of 2000
- 32(l) of 2001
- 40(l) of 2002
- 80(l) of 2002
- 140(l) of 2002
- 206(l) of 2002
- 17(l) of 2004
- 165(l) of 2004
- 268(l) of 2004
- 21(l) of 2006
- 99(l) of 2007

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

170(l) of 2007 76(l) of 2008 81(l) of 2008 118(l) of 2008 119(l) of 2008 36(l) of 2009 129(l) of 2009 138(l) of 2009 19(l) of 2010 166(l) of 2011 30(l) of 2013 46(l) of 2014 191(l) of 2014 29(l) of 2017 109(l) of 2017.	
	(c) require the cessation of any practice that is contrary to the provisions adopted in the implementation of this Directive; and/or
	(d) temporarily prohibit the exercise of professional activity of the responsible managers of the payment provider; and/or
	(e) take every measure to ensure the continued compliance by the payment service provider with the provisions of this Law; and/or
	(f) allow auditors or experts to carry out verifications or investigations.
	(2) Any natural or legal person must, when requested by the Central Bank pursuant to subsection (1), make available any information, documents or evidence related to the payment service provider that owns or has under his control, as well as to visit the venue of the Central Bank's operations, if so required:
	It is provided that, a person to whom any claim is made under this subsection is required to comply with this requirement, in compliance with the immunities and privileges enjoyed by a witness who is asked to appear before the court.
	(3) It is forbidden for any person to obstruct or prevent by act or omission the Central Bank in the performance of its duties under the provisions of this Law.
	(4) The supply of false or misleading information or documents or forms or the withholding of material information from any communication submitted to the Central Bank under this section is, in addition to an offense subject to an administrative penalty as provided for in section 25, a criminal offense punishable by imprisonment not exceeding two (2) years or with a fine not exceeding eighty five thousand euro (€ 85,000) and / or with both penalties.
Administrative penalties.	25.-(1) Without prejudice to section 13 and any provisions of this Law or any other Law providing for the criminal act or omission of a payment service provider within the meaning of this Law, in the event that the Central Bank finds that a payment service provider under its control violates or fails to comply with any provision of this Law or any directive, circular and / or notice issued by the Central Bank pursuant to this Law, including a directive which constitutes an individual administrative act, or fails to comply with a requirement, binding administrative provision, recommendation and / or guidelines of the Central Bank under this Law, may, after calling the payment service provider to an apology, to impose for each violation an administrative fine ranging from one thousand euros (€ 1,000) to eighty five thousand euros (€ 85,000), depending on the seriousness of the violation, and, if the violation continues, may additionally impose an administrative fine, depending on the seriousness of the violation, ranging from one hundred euros (€ 100) to eight thousand (€ 8,000) for each day of continuation of the infringement.
	(2) In the event that the offense referred to in subsection (1) is attributable to the fault of the member of the management body and / or the senior manager and / or the manager of the institution's payment service activities, the Central Bank, after having invoked that person, may impose for each infringement an administrative fine ranging from one thousand euros (€ 1,000) to twenty thousand euros (€ 20,000), depending on the gravity of the violation.
	(3) In the event that a payment institution or an electronic money institution under the control of the Central Bank violates any of the obligations of Regulation (EC) No. 924/2009, the Central Bank may, after hearing, where appropriate, the payment institution or the electronic money institution, impose an administrative fine of no more than three thousand euros (€ 3,000) and, if the infringement persists, impose an additional administrative fine of no more than one hundred euros (€ 100) for each day of continuation of the infringement.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

Civil and criminal liability and invalidity of a contract.	26.-(1) A person who provides payment services without prior authorization from the Central Bank, in accordance with the provisions of this Law, shall be guilty of a criminal offence and shall be punished by imprisonment of no more than two (2) years or by a fine of not more than eighty five thousand euros, (€ 85.000) and / or by both penalties.
	(2) In case the offense referred to in subsection (1) is committed by a legal person, any member of the administrative, management, supervisory or controlling bodies which authorised or knowingly allowed the commission of it, shall be guilty of the same offence and, in the event of conviction, shall be subject to the penalties provided for in subsection (1).
	(3) Any persons who, as provided in subsection (2), are criminally liable for offenses committed by a legal person, are jointly and severally liable with that legal person and / or separately for any damage caused to third parties as a result of the act or omission which constitutes the offense
	(4) Any contract for an offer concluded in breach of the provisions of this Law and any acceptance of payment services in violation of the provisions of this Law shall be void.
Obligation to cooperate and exchange of information.	27.-(1) The Central Bank shall cooperate with the competent authorities of other member states and, if appropriate, with the European Central Bank and the national central banks of member states, the EBA and other competent authorities designated under European Union law or the law of the member state concerned applicable to payment service providers;
	(2) The Central Bank may exchange information with the following entities:
	(a) The competent authorities of other member states responsible for the authorisation and supervision of payment institutions;
	(b) the European Central Bank and the national central banks of member states in their capacity as monetary and oversight authorities, and, where appropriate, other public authorities responsible for overseeing payment and settlement systems;
	(c) other competent authorities appointed under the provisions of the Prevention and Suppression of Money Laundering Activities Law, the Directive (EU) 2015/2366, the Directive (EU) 2015/849 and other provisions of European Union law applicable to payment service providers, such as legislation applicable to money laundering and terrorist financing;
	(d) EBA, in its capacity of contributing to the consistent and coherent functioning of supervising mechanisms as referred to in Article 1, paragraph 5, point a) of Regulation (EU) 1093/2010.
Settlement of disagreements between competent authorities of different member states.	28.-(1) The Central Bank, as the competent authority of the Republic, may act as provided for in Article 27, paragraph 1 of Directive (EU) 2015/2366.
	(2) The Central Bank, as the competent authority of the Republic, shall act as provided in Article 27, paragraph 2 of Directive (EU) 2015/2366.
Application to exercise the right of establishment and freedom to provide services.	29.-(1) Any authorised payment institution wishing to provide payment services for the first time in a member state other than the Republic, in the exercise of the right of establishment or the freedom to provide services, shall communicate the following information to the Central Bank:
	(a) The name, the address and, where applicable, the authorisation number of the payment institution;
	(b) the member state(s) in which it intends to operate;
	(c) the payment service(s) to be provided;
	(d) where the payment institution intends to make use of an agent, the information referred to in section 19(1);
	(e) where the payment institution intends to make use of a branch, the information referred to in section 5(3)(b) and (e) with regard to the payment service business in the host Member State, a description of the organisational structure of the branch and the identity of those responsible for the management of the branch.
	(2) Where the payment institution intends to outsource operational functions of payment services to other entities in the host member state, it shall inform the Central Bank as the competent authority of its home Member State accordingly.
	(3) Within one (1) month of receipt of all the information referred to in subsections (1) and (2), the Central Bank, as the competent authority of the home member state, shall transmit it to the competent authorities of the host member state.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	<p>(4) Where the Central Bank, as the competent authority of a home member state, after receiving information from the competent authorities of the host member state of any reasonable grounds for concern in connection with the intended engagement of an agent or establishment of a branch and does not agree with the assessment of the competent authorities of the host member state, it shall provide the latter with the reasons for its decision.</p>
	<p>(5) If the assessment of the Central Bank, as the competent authority of the home member state, in particular in light of the information received from the competent authorities of the host member state, is not favourable, the Central as the competent authority of the home member state shall refuse to register the agent or branch or shall withdraw the registration if already made.</p>
	<p>(6) Within three (3) months of receipt of the information referred to in subsections (1) and (2), the Central Bank as the competent authority of the home member state, shall notify its decision to the competent authorities of the host member state and the payment institution.</p>
	<p>(7) The agent or branch may commence its activities in the relevant host member state upon entry in the register referred to in section 14(1).</p>
	<p>(8) The payment institution shall notify to the competent authorities of the home member state the date from which it commences its activities through the agent or branch in the relevant host member state</p>
	<p>(9) The Central Bank, as the competent authority of the home member state, shall inform the competent authority of the host member state about the date from which it commences its activities through the agent or branch in the relevant host member state.</p>
	<p>(10) The payment institution shall communicate to the Central Bank, as the competent authority of the home member state, without undue delay, about any relevant change regarding the information communicated in accordance with subsections (1) and (2), including additional agents, branches or entities to which activities are outsourced in the host member state in which it operates.</p>
	<p>(11) For the purposes of the information referred to in subsection (10), the procedure set out in subsections (3) to (9) and (12) to (14) shall apply mutatis mutandis.</p>
	<p>(12) Where the Central Bank, as the competent authority of a host member state, receives information from the competent authorities of the home Member State pursuant to Article 28, paragraph 2, subsection (2) of Directive (EU) 2015/2366, it shall assess that information and provide the competent authorities of the home member state with relevant information in connection with the intended provision of payment services by the relevant payment institution in the exercise of the freedom of establishment or the freedom to provide services within one month of receipt of the information from the competent authorities of the home member state.</p>
	<p>(13) The Central Bank, as the competent authority of the host member state, shall inform the competent authorities of the home member state in particular of any reasonable grounds for concern in connection with the intended engagement of an agent or establishment of a branch especially with regard to money laundering or terrorist financing within the meaning of the Prevention and Suppression of Money Laundering Activities Law and the Directive (EU) 2015/849.</p>
	<p>(14) The agent or branch is entitled to enter into business in the Republic from the entry in the register kept by the competent authority of the home Member State in accordance with the legislation incorporating Article 14 of Directive (EU) 2015/2366.</p>
Supervision of payment institutions exercising the right of establishment and freedom to provide services.	<p>30.-(1) The Central Bank, as the competent authority of the home member state, shall cooperate with the competent authorities of the host member state to carry out the controls and take the necessary steps provided for in Parts II, III and IV in accordance with section 99 (4) and (5), in respect of the agent or branch of a payment institution located in the territory of another member state.</p>
	<p>(2) Where the Central Bank constitutes the competent authority of the host member state, it shall cooperate with the competent authorities of the home member states to carry out the controls and take the necessary steps under the Titles II, III and IV of the Directive (EU) 2015/2366, in accordance with Article 100, paragraph 4 of the said Directive in respect of the agent or branch of a payment institution located in the Republic.</p>
	<p>(3) As part of the cooperation provided for in subsection (1), the Central Bank, as the competent authority of the home member state, shall notify the competent authorities of the host member state that it wishes to carry out on-site inspections on the territory of the host member state.</p>
	<p>(4) Notwithstanding subsection (3), the Central Bank, as the competent authority of the home member state, may delegate to the competent authorities of the host member state the task of carrying out on-site inspections of the institution concerned.</p>
	<p>(5) The Central Bank, as the competent authority of the host member state, shall carry out on-site inspections assigned to it by the competent authority of the home member state under Article 29, paragraph 1 of Directive (EU) 2015/2366.</p>

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	<p>(6) The Central Bank, as the competent authority of the home member state, shall communicate and exchange with the competent authorities of the host member states, all essential and/or relevant information, in particular in the case of infringements or suspected infringements by an agent or a branch, and where such infringements occurred in the context of the exercise of the freedom to provide services.</p>
	<p>(7) Under the provisions of subsection (6), the Central Bank, as the competent authority of the home member state, shall communicate and exchange, upon request, all relevant information and, on their own initiative, all essential information, including on the compliance of the payment institution with the conditions under Article 11(3).</p>
	<p>(8) The Central Bank may require payment institutions operating in the Republic through agents under the right of establishment, the head office of which is situated in another member state, to appoint a central contact point in their territory to ensure adequate communication and information reporting on compliance with Titles III and IV of the Directive (EU) 2015/2366 and with Parts III and IV of this Law, without prejudice to any provisions on anti-money laundering and countering terrorist financing provisions and to facilitate supervision by competent authorities of home member state and host member states, including by providing the Central Bank with documents and information on request.</p>
	<p>(9) The Central Bank, as the competent authority of the host member state, may require that a payment institution having agents or branches within the Republic shall report to it periodically on their activities in the Republic.</p>
	<p>(10) The reports referred to in subsection (9) shall be required for information or statistical purposes and, as far as the agents and branches conduct the payment service business under the right of establishment, to monitor compliance with the provisions of national law transposing Titles III and IV of Directive (EU) 2015/2366 and with Parts III and IV of this Law..</p>
	<p>(11) The agents and branches referred to in subsection (10) shall be subject to professional secrecy requirements at least equivalent to those referred to in section 33.</p>
	<p>(12) The Central Bank, as the competent authority if the host member state, shall communicate to the competent authorities of the home member state and exchange with them all essential and/or relevant information, in particular in the case of infringements or suspected infringements by an agent or a branch, and where such infringements occurred in the context of the exercise of the freedom to provide services the Central Bank, as the competent authority of the host member state, shall communicate, upon request of the competent authority of the home member state, all relevant information and, upon its own initiative, all essential information inter alia regarding the compliance of the payment institution with the requirements of Article 11 (3) of Directive (EU) 2015/2366,</p>
Measures in case of non-compliance, including precautionary measures.	<p>31.-(1) Without prejudice to the responsibility of the competent authorities of the home member state, where the Central Bank, as the competent authority of the host member state, ascertains that a payment institution having agents or branches in its territory does not comply with Parts II, III or IV, or with the law of the home member state transposing Title III or IV of the Directive (EU) 2015/2366, shall inform the competent authority of the home member state without delay.</p>
	<p>(2) In emergency situations, where immediate action is necessary to address a serious threat to the collective interests of the payment service users in the Republic, the Central Bank, as the host member state, may take precautionary measures in parallel with the cross-border cooperation between competent authorities of the host and the home member state and pending measures by the competent authority of the home member state, as referred to in section 30.</p>
	<p>(3) Any precautionary measures under subsection (2) shall be appropriate and proportionate to their purpose to protect against a serious threat to the collective interests of the payment service users in the Republic, as the host member state, and they shall not result in a preference for payment service users of the payment institution in the Republic, as the host member state, over payment service users of the payment institution in other member states, shall be temporary and shall be terminated when the serious threats identified are addressed, including with the assistance of or in cooperation with the home member state's competent authorities or with EBA as provided for in Article 27(1), paragraph 1 of Directive (EU) 2015/2366.</p>
	<p>(4) Where compatible with the emergency situation, the Central Bank as the competent authority of the host member state shall inform the competent authorities of the home member state and those of any other member state concerned, the European Commission and EBA in advance and in any case without undue delay, of the precautionary measures taken under subsection (2) and of their justification.</p>
	<p>(5) Where the Central Bank, as the competent authority of the home member state, after having evaluated the information received pursuant to the Article 30, first subparagraph of the Directive (EU) 2015/2366, shall, without undue delay, take all appropriate measures to ensure that the payment institution concerned puts an end to its irregular situation, and shall communicate those measures without delay to the competent authority of the host member state and to the competent authorities of any other member state concerned.</p>
Justification and notification of measures.	<p>32.-(1) Any measure taken by the Central Bank pursuant to sections 23, 29, 30 or 31 involving penalties or restrictions on the exercise of the freedom to provide services or the freedom of establishment shall be properly justified and communicated to the payment institution concerned.</p>
	<p>(2) Sections 29, 30 and 31 shall be without prejudice to the obligation of competent authorities under Directive (EU) 2015/849 and Regulation (EU) 2015/847, in particular under Article 48(1) of Directive (EU) 2015/849 and Article 22(1) of Regulation (EU) 2015/847, to supervise or monitor the compliance with the requirements laid down in those instruments.</p>

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

Observance of professional secrecy.	33.-(1) All persons who work or who have worked for the Central Bank, as well as experts acting on its behalf, are bound to observe professional secrecy without affecting the cases for which criminal liability is determined.
	(2) In the exchange of information in accordance with section 26, professional secrecy shall be strictly applied to ensure the protection of individual and business rights.
	(3) A person who violates or fails to comply with subsection (1) and / or (2) is guilty of an offense and is punished with imprisonment not exceeding two (2) years or with a fine not exceeding EUR 85,000 (€ 85,000) and / or these two penalties.
Account information service providers.	34.-(1) Natural or legal persons providing only the payment service as referred to in point (8) of Annex I shall be exempt from the application of the procedure and conditions set out in sections 5 to 32, with the exception of section 5(3) (a), (b), (e) to (h), (j), (l), (n), (p), (q) and (8), of section 13(4) and (5) and section 14, whereas sections 15, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32 and 33 shall apply, with the exception of section 23 (4) and (5).
	(2) The persons referred to in subsection (1) shall be treated as payment institutions:
	It is provided that Parts III and IV do not apply to them, with the exception of sections 41, 45 and 52 and, where applicable, sections 67, 69 and 95, 96 and 97.
CHAPTER B - COMMON PROVISIONS	
Access to payment systems.	35.-(1) The rules on access of authorised or registered payment service providers that are legal persons to payment systems must be objective, non-discriminatory and proportionate and must not inhibit access more than is necessary to safeguard against specific risks such as settlement risk, operational risk and business risk and to protect the financial and operational stability of the payment system.
	(2) Payment systems shall not impose on payment service providers, on payment service users or on other payment systems any of the following requirements:
	(a) Restrictive rules for effective participation in another or other payment systems;
	(b) any rules which discriminates between authorised payment service providers or between registered payment service providers in relation to the rights, obligations and entitlements of participants;
	(c) any restrictions on the basis of institutional status.
	(3) Paragraphs (1) and (2) shall not apply-
8(l) of 2003 118(l) of 2006 99(l) of 2011 145(l) of 2012 79(l) of 20016 55(l) of 2017.	(a) to a declared payment system, under the Settlement Finality in Payment Systems and Securities Settlement Systems Law;
	(b) payment systems composed exclusively of payment service providers belonging to a group.
	(4) For the purposes of paragraph (a) of subsection (3), where a participant in a designated system allows an authorised or registered payment service provider that is not a participant in the system to pass transfer orders through the system that participant shall, when requested, give the same opportunity in an objective, proportionate and non-discriminatory manner to other authorised or registered payment service providers in line with subsection (1).
	(5) The participant shall provide the requesting payment service provider with full reasons for any rejection.
Access to accounts maintained with a credit institution.	36.-(1) Payment institutions have access to credit institutions' payment accounts services on an objective, non-discriminatory and proportionate basis, which must be sufficiently satisfactory, to allow payment institutions to provide payment services in an unhindered and efficient manner.
	(2) The credit institution shall duly justify to the Central Bank any rejection.
Prohibition of persons other than payment service providers from providing payment services and	37.-(1) It is forbidden to natural or legal persons who are not payment service providers or expressly excluded from the scope of this Law, to provide payment services.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

duty of notification.	
	(2) Payment service providers carrying out either of the activities referred to in section 3(3)(k)(i) and (ii) and/or carrying out both activities, for which the total value of payment transactions executed over the preceding twelve (12) months exceeds the amount of EUR 1 million (€1.000.000), are required to send a notification to the Central Bank containing a description of the services offered, specifying under which exclusion referred to in section 3(3)(k)(i) and (ii) which they consider to be valid for the activity carried out.
	(3) On the basis of that notification, the Central Bank shall take a duly motivated decision on the basis of criteria referred to in section 3(3)(k), where the activity does not qualify as a limited network, and inform the service provider accordingly.
	(4) Service providers carrying out an activity referred to in section 3(3)(l), are required to send a notification to the Central Bank and provide it with an annual audit opinion, testifying that the activity complies with the limits set out in section 3(3)(l).
	(5) Notwithstanding subsection (1), the Central Bank shall inform EBA of the services notified pursuant to subsections (2) and (4), stating under which exclusion the activity is carried out.
	(6) The description of the activity notified under subsections (2), (3) and (4) of this Article shall be made publicly available in the register provided for in section 14.
	PART III
	TRANSPARENCY OF CONDITIONS AND INFORMATION REQUIREMENTS FOR PAYMENT SERVICES
	CHAPTER A - GENERAL RULES
Scope of Part III.	38.-(1) This Part applies to individual payment transactions, framework contracts and payment transactions covered by them and the parties may agree that this Part shall not apply in whole or in part, when the payment service user is not a consumer.
	(2) This Part applies to micro enterprises in the same way as for consumers.
	(3) This Law shall be without prejudice to the Contracts of Consumer Credit Law or other relevant Union law or national measures regarding conditions for granting credit to consumers not harmonised by the Directive (EU) 2015/2366, that comply with European Union law.
Other provisions of European Union law.	39.-(1) The provisions of this Part are without prejudice to any Union law containing additional requirements on prior information.
242(l) of 2004 94(l) of 2007 127(l) of 2009 29(l) of 2018.	(2) Notwithstanding subsection (1), when applying the provisions of the Distance Marketing of Financial Services for Consumers Law, the information provisions of section 4 of this Law, except for paragraph (b) (iii) to (vi) , paragraph (c) (i), (iv) and (v) and paragraph (d) (ii) shall be replaced by sections 44, 45, 51 and 52 of this Law.
Charges for information.	40.-(1) The payment service provider shall not charge the payment service user for providing information under this Part.
	(2) The payment service provider and the payment service user may agree on charges for additional or more frequent information, or transmission by means of communication other than those specified in the framework contract, provided at the payment service user's request.
	(3) Where the payment service provider may impose a charge for information under subsection (2), the charge shall be appropriate and in line with the payment service provider's actual costs.
Burden of proof on information requirements.	41. The burden of proof lies with the payment service provider to prove that it has complied with the information requirements set out in this Part.
Derogation from information requirements for low-value payment instruments and electronic money.	42.-(1) In cases of payment instruments which, according to the relevant framework contract, concern only individual payment transactions that do not exceed thirty euro (€30) or that either have a spending limit of one hundred and fifty euro (€150) or store funds that do not exceed one hundred and fifty euro (€150) at any time, then-

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(a) by way of derogation from sections 51, 52 and 56,, the payment service provider shall provide the payer only with information on the main characteristics of the payment service, including the way in which the payment instrument can be used, liability, charges levied and other material information needed to take an informed decision as well as an indication of where any other information and conditions specified in section 52 are made available in an easily accessible manner;

(b) it may be agreed that, by way of derogation from section 54, the payment service provider shall not be required to propose changes in the conditions of the framework contract in the same way as provided for in section 51(1);

(c) it may be agreed that, by way of derogation from sections 57 and 58, after the execution of a payment transaction-

(i) the payment service provider provides or makes available only a reference enabling the payment service user to identify the payment transaction, the amount of the payment transaction, any charges and/or, in the case of several payment transactions of the same kind made to the same payee, information on the total amount and charges for those payment transactions,

(ii) the payment service provider shall not be required to provide or make available information referred to in subsection (i), if the payment instrument is used anonymously or if the payment service provider is not otherwise technically in a position to provide it, however, the payment service provider shall provide the payer with a possibility to verify the amount of funds stored.

(2) As regards national payment transactions, the Central Bank may reduce or double the amounts referred to in subsection (1) and may increase those amounts, when it comes to prepaid payment instruments, up to five hundred euro (€500).

CHAPTER A – GENERAL RULES

Scope of Chapter B of Part III. 43.-(1) This Chapter is applied on individual payment transactions not covered by a framework contract.

(2) When a payment order for a single payment transaction is transmitted by a payment instrument covered by a framework contract, the payment service provider shall not be obliged to provide or make available information which is already given to the payment service user on the basis of a framework contract with another payment service provider or which will be given to him according to that framework contract.

Prior notification to the payment service user of the information and conditions referred to in section 45. 44.-(1) The payment service provider, in an easily accessible manner, shall make available to the payment service user the information and conditions referred to in section 45, with respect to services provided, before the payment service user is bound by any single payment service contract or offer of a single payment service.

(2) The payment service provider, at the payment service user's request, shall provide the information and conditions on paper or on another durable medium in easily understandable words and in a clear and comprehensible form and in an official language of the member state where the payment service is offered or in any other language agreed between the parties.

(3) If the single payment service contract has been concluded at the request of the payment service user using a means of distance communication which does not enable the payment service provider to comply with subsections (1) and (2), the payment service provider shall fulfil its obligations under subsections (1) and (2), immediately after the execution of the payment transaction.

(4) The obligations under subsections (1) and (2) may also be discharged by supplying a copy of the draft single payment service contract or the draft payment order including the information and conditions specified in section 45.

Determination of information and conditions that must be provided by the payment service provider and the payment initiation service providers. 45.-(1) The following information and conditions are provided or made available by the payment service provider to the payment service user:

(a) A specification of the information or unique identifier to be provided by the payment service user in order for a payment order to be properly initiated or executed;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(b) the maximum execution time for the payment service to be provided;
	(c) all charges payable by the payment service user to his payment service provider and, where applicable, the breakdown of the amounts of any charges;
	(d) where applicable, the actual or reference exchange rate to be applied to the payment transaction.
	(2) In addition, the payment initiation service providers, shall provide or make available to the payer, prior to the initiation of the payment, with the following clear and comprehensive information:
	(a) the name of the payment initiation service provider, the geographical address of its head office and, where applicable, the geographical address of its agent or branch established in the Member State where the payment service is offered, and any other contact details, including electronic mail address, relevant for communication with the payment initiation service provider; and
	(b) the contact details of the competent authority.
	(3) Where applicable, any other relevant information and conditions specified in section 52 shall be made available to the payment service user in an easily accessible manner.
Provision of additional information after the initiation of a payment order when this is initiated through a payment initiation service provider.	46. In addition to the information and conditions specified in section 45, where a payment order is initiated through a payment initiation service provider, the payment initiation service provider shall, immediately after initiation, provide or make available all of the following data to the payer and, where applicable, the payee:
	(a) a confirmation of the successful initiation of the payment order with the payer's account servicing payment service provider;
	(b) reference enabling the payer and the payee to identify the payment transaction and, where appropriate, the payee to identify the payer, and any information transferred with the payment transaction;
	(c) the amount of the payment transaction;
	(d) where applicable, the amount of any charges for the payment transaction payable to the payment initiation service provider and, where applicable, a breakdown of the amounts of such charges;
Provision of information from the payment initiation service provider to the account servicing payment service provider of the payer.	47. Where a payment order is initiated through a payment initiation service provider, it shall make available to the payer's account servicing payment service provider the reference of the payment transaction.
Provision of information from the payment service provider to the payer after the receipt of the payment order.	48. Immediately after receipt of the payment order, the payer's payment service provider shall provide or make available to the payer, in the same way as provided for in section 44(1) and (2) the following data with regard to its own services:
	(a) a reference enabling the payer to identify the payment transaction and, where appropriate, information relating to the payee;
	(b) the amount of the payment transaction in the currency used in the payment order;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(c) the amount of any charges for the payment transaction payable by the payer and, where applicable, a breakdown of the amounts of such charges;

(d) where applicable, the exchange rate used in the payment transaction by the payer's payment service provider or a reference thereto, when different from the rate provided in accordance with section 45(1)(d), and the amount of the payment transaction after that currency conversion;

(e) the date of receipt of the payment order.

Provision of information from the payment service provider to the payee after the receipt of the payment order.

49. Immediately after the execution of the payment transaction, the payee's payment service provider shall provide the payee with, or make available to, the payee, in the same way as provided for in section 44(1) and (2), all of the following data with regard to its own services:

(a) A reference enabling the payee to identify the payment transaction and, if necessary, the payer, and any information transferred with the payment transaction;

(b) the amount of the payment transaction in the currency in which the funds are at the payee's disposal;

(c) the amount of any charges for the payment transaction payable by the payee and, where applicable, a breakdown of the amount of such charges;

(d) where applicable, the exchange rate used in the payment transaction by the payer's payment service provider and the amount of the payment transaction after that currency conversion;

(e) the credit value date.

CHAPTER C - FRAMEWORK CONTRACTS

Scope of Chapter C of Part III.

50. This Chapter applies to payment transactions covered by a framework contract.

Prior notification to the payment service user of the information and conditions referred to in section 52.

51.-(1) In good time before the payment service user is bound by any framework contract or offer, the payment service provider shall provide the payment service user on paper or on another durable medium with the information and conditions specified in section 52, in a clear and comprehensible form, in an official language of the member state where the payment service is offered or in any other language agreed between the parties.

(2) If the payment transaction has been concluded at the request of the payment service user using a means of distance communication which does not enable the payment service provider to comply with paragraph 1, the payment service provider shall fulfil his obligation under the first subparagraph of paragraph 1 as soon as reasonably possible after the conclusion of the framework contract.

(3) The obligations under subsection (1) may also be discharged by supplying a copy of the draft framework contract, including the information and conditions specified in section 52.

Determination of information and conditions to be provided by the payment service provider.

52. The payment service provider shall provide the payment service user with the following information and the following conditions:

(a) Regarding the payment service provider-

(i) the name of the payment service provider, the geographical address of its head office and, where applicable, the geographical address of its agent or branch established in the member state where the payment service is offered, and any other address, including electronic mail address, relevant for communication with the payment service provider,

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(ii) the particulars of the relevant supervisory authorities and of the register provided for in Article 14 of Directive 2015/2366 or of any other relevant public register of authorisation of the payment service provider and the registration number, or equivalent means of identification in that register;
	(b) regarding the use of the payment service-
	(i) a description of the main characteristics of the payment service to be provided,
	(ii) a specification of the information or unique identifier to be provided by the payment service user in order for a payment order to be properly initiated or executed,
	(iii) the form of and procedure for giving consent to initiate a payment order or execute a payment transaction and withdrawal of such consent in accordance with sections 64 and 80,
	(iv) a reference to the time of receipt of a payment order in accordance with section 78 and the cut-off time, if any, established by the payment service provider,
	(v) the maximum execution time for the payment services to be provided,
	(vi) whether there is a possibility to agree on spending limits for the use of the payment instrument in accordance with section 68(1),
	(vii) in the case of co-badged, card-based payment instruments, the payment service user's rights under Article 8 of Regulation (EU) 2015/751;
	(c) regarding charges, interest and exchange rates-
	(i) All charges payable by the payment service user to the payment service provider, including those connected to the manner in and frequency with which information under this Law is provided or made available and, where applicable, the breakdown of the amounts of such charges,
	(ii) where applicable, the interest and exchange rates to be applied or, if reference interest and exchange rates are to be used, the method of calculating the actual interest, and the relevant date and index or base for determining such reference interest or exchange rate,
	(iii) if agreed, the immediate application of changes in reference interest or exchange rate and information requirements related to the changes in accordance with sections 54(3), (4) and (5);
	(d) regarding communication-
	(i) where applicable, the means of communication, including the technical requirements for the payment service user's equipment, agreed between the parties for the transmission of information or notifications under this Law,
	(ii) the manner in and frequency with which information under this Law is to be provided or made available,
	(iii) the language or languages in which the framework contract will be concluded and communication during this contractual relationship undertaken,
	(iv) the payment service user's right to receive the contractual terms of the framework contract and information and conditions in accordance with section 53;
	(e) regarding safeguards and corrective measures-
	(i) where applicable, a description of steps that the payment service user is to take in order to keep safe a payment instrument and how to notify the payment service provider for the purposes of section 69(1)(b),
	(ii) the secure procedure for notification of the payment service user by the payment service provider in the event of suspected or actual fraud or security threats,
	(iii) if agreed, the conditions under which the payment service provider reserves the right to block a payment instrument in accordance with section 68,
	(iv) the liability of the payer in accordance with section 74, including information on the relevant amount,
	(v) how and within what period of time the payment service user is to notify the payment service provider of any unauthorised or incorrectly initiated or executed payment transaction in accordance with section 71, as well as the payment service provider's liability for unauthorised payment transactions in accordance with section 73,
	(vi) the liability of the payment service provider for the initiation or execution of payment transactions in accordance with sections 89 and 90,
	(vii) the terms of refunds in accordance with sections 76 and 77;
	(f) regarding changes to, and termination of, the framework contract-

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(i) if agreed, information that the payment service user will be deemed to have accepted changes in the conditions in accordance with section 54, unless he notifies the payment service provider that he does not accept them before the date of their proposed date of entry into force,
	(ii) the duration of the framework contract,
	(ii) the right of the payment service user to terminate the framework contract and any agreements relating to termination in accordance with section 54(1) and 23) and section 55;
	(g) regarding remedies-
	(i) any convectional choice of applicable law and/or competent court for the framework contract,
	(ii) the out-of-court complaint and redress procedures available to the payment service user in accordance with sections 98, 99, 100 and 101.
Access to information and conditions of the framework contract.	53. The payment service provider, at any time during the contractual relationship, shall provide the payment service user, on request of the payment service user, the contractual terms of the framework contract as well as the information and conditions specified in section 52 on paper or on another durable medium.
Changes in conditions of the framework contract.	54.-(1) Any changes in the framework contract or in the information and conditions specified in section 52 shall be proposed by the payment service provider in the same way as provided for in section 51(1) and no later than two (2) months before their proposed date of application.
	It is provided that, the payment service user is entitled to accept or reject the changes before the proposed date of their entry into force.
	(2) Where applicable, in accordance with section 52(f0(i), the payment service provider shall inform the payment service user that it is to be deemed to have accepted the changes referred to in subsection (1), if it does not notify the payment service provider before the proposed date of their entry into force that they are not accepted, and shall inform the payment service user that, in the event that the payment service user rejects those changes, the payment service user has the right to terminate the framework contract free of charge and with effect at any time until the date when the changes would have applied.
	(3) Changes in the interest or exchange rates may be applied immediately and without notice, provided that such a right is agreed upon in the framework contract and that the changes are based on the reference interest or exchange rates agreed on in accordance with section 52(c)(ii) and (iii).
	(4) The payment service provider shall inform the payment service user of any change in the interest rate at the earliest opportunity in the same way as provided for in section 51(1), unless the parties have agreed on a specific frequency or manner in which the information is to be provided or made available:
	It is provided that, changes in interest or exchange rates which are more favourable to the payment service users may be applied without notice.
	(5) Changes in the interest or exchange rate used in payment transactions shall be implemented and calculated by the payment service provider in a neutral manner that does not discriminate against payment service users.
Termination of a framework contract.	55.-(1) The payment service user may terminate the framework contract at any time, unless the parties have agreed on a period of notice which shall not exceed one month.
	(2) Termination of a framework contract shall be free of charge for the payment service user, unless the contract is in force for a period of less than six (6) months, and charges, if any, for termination of the framework contract shall be appropriate and in line with costs.
	(3) If agreed in the framework contract, the payment service provider may terminate a framework contract concluded for an indefinite period by giving at least two (2) months' notice in the same way as provided for in section 51(1).

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(4) Charges for payment services levied on a regular basis shall be payable by the payment service user only proportionally up to the termination of the contract and, If such charges are paid to the payment service provider in advance, they shall be reimbursed proportionally.

(5) The provisions of this section are without prejudice to the laws and regulations of the Republic governing the rights of the parties to declare the framework contract unenforceable or void.

Informing the payer before executing an individual payment transaction.

56. In the case of an individual payment transaction under a framework contract initiated by the payer, a payment service provider shall, at the payer's request for this specific payment transaction, provide explicit information on all of the following:

(a) The maximum execution time;

(b) the charges payable by the payer;

(c) where applicable, a breakdown of the amounts of any charges.

Information for the payer on individual payment transactions after debiting the payer's account or the receipt of a payment order.

57.-(1) After the amount of an individual payment transaction is debited from the payer's account or, where the payer does not use a payment account, after receipt of the payment order, the payer's payment service provider shall provide the payer, without undue delay and in the same way as laid down in $\sigma\epsilon\psi\tau\iota\omicron\nu$ 51(1), with all of the following information:

(a) A reference enabling the payer to identify each payment transaction and, where appropriate, information relating to the payee;

(b) the amount of the payment transaction in the currency in which the payer's payment account is debited or in the currency used for the payment order;

(c) the amount of any charges for the payment transaction and, where applicable, a breakdown of the amounts of such charges, or the interest payable by the payer;

(d) where applicable, the exchange rate used in the payment transaction by the payer's payment service provider and the amount of the payment transaction after that currency conversion;

(e) the debit value date or the date of receipt of the payment order.

(2) A framework contract shall include a condition that the payer may require the information referred to in subsection (1) to be provided on paper or on another durable medium periodically, at least once a month, free of charge and in an agreed manner which allows the payer to store and reproduce information unchanged.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

Information for the payee after the execution of an individual payment transaction.	58.-(1) After the execution of an individual payment transaction, the payee's payment service provider shall provide the payee without undue delay in the same way as laid down in section 51(1) with all of the following information:
	(a) The reference enabling the payee to identify the payment transaction and the payer, and any information transferred with the payment transaction;
	(b) the amount of the payment transaction in the currency in which the payee's payment account is credited;
	(c) the amount of any charges for the payment transaction and, where applicable, a breakdown of the amounts of such charges, or the interest payable by the payer;
	(d) where applicable, the exchange rate used in the payment transaction by the payer's payment service provider, and the amount of the payment transaction after that currency conversion;
	(e) the value date for the credit.
	(2) A framework contract shall include a condition that the information referred to in subsection (1), will be provided to the payee or will be made available to him periodically, at least once a month, free of charge, on paper or on another durable medium and in an agreed manner, which allows the payee to store and reproduce information unchanged.
	CHAPTER D – COMMON PROVISIONS
Currency for the making of payments.	59.-(1) Payments shall be made in the currency agreed between the parties.
	(2) Where a currency conversion service is offered prior to the initiation of the payment transaction and where that currency conversion service is offered at an ATM, the point of sale or by the payee, the party offering the currency conversion service to the payer shall disclose to the payer all charges as well as the exchange rate to be used for converting the payment transaction and the payer shall agree to the currency conversion service on that basis.
Information on additional charges or reductions.	60.-(1) Where, for the use of a given payment instrument, the payee requests a charge or offers a reduction, the payee shall inform the payer thereof prior to the initiation of the payment transaction.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(2) Where, for the use of a given payment instrument, the payment service provider or another party involved in the transaction requests a charge, it shall inform the payment service user thereof prior to the initiation of the payment transaction.

(3) The payer shall only be obliged to pay for the charges referred to in subsections (1) and (2), if their full amount was made known prior to the initiation of the payment transaction.

PART IV

RIGHTS AND OBLIGATIONS IN RELATION TO THE PROVISION AND USE OF PAYMENT SERVICES

CHAPTER A – COMMON PROVISIONS

Scope of Part IV.

61.-(1) Where the payment service user is not a consumer, the payment service user and the payment service provider may agree that section 62(1), section 64(3), and (4) and Articles 59 (new), 64, 66, 67, 68, 71 and 80 shall not apply in whole or in part.

It is provided that, the payment service user and the payment service provider may agree on time limits other than those provided for in section 71.

(2) This Part applies to micro enterprises in the same way as for consumers.

(3) This Law shall be without prejudice to the Contracts of Consumer Credit Law or other relevant Union law or national measures regarding conditions for granting credit to consumers not harmonised by the Directive (EU) 2015/2366, that comply with European Union law.

Charges applicable.

62.-(1) The payment service provider shall not charge the payment service user for fulfilment of its information obligations or corrective and preventive measures under this Part, unless otherwise specified in section 79(1), (2) and (3), in section 80(5), (6) and (7) and section 88(5):

It is provided that, those charges shall be agreed between the payment service user and the payment service provider and shall be appropriate and in line with the payment service provider's actual costs.

(2) For payment transactions provided within the European Union, where both the payer's and the payee's payment service providers are, or the sole payment service provider in the payment transaction is, located therein, the payee pays the charges levied by his payment service provider, and the payer pays the charges levied by his payment service provider.

(3) The payment service provider shall not prevent the payee from requesting from the payer a charge or from offering him a reduction for the use of a given payment instrument.

It is provided that, any charges applied shall, however, not exceed the costs borne by the payee for the use the specific payment instrument.

(4) The charge is in no way imposed on the use of payment instruments to which interchange fees apply under Chapter II of Regulation (EU) 2015/751 or for payment services governed by Regulation (EU) 260/2012.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(5) The payee shall not seek charges for using a specific payment instrument.

Derogation from information requirements for low-value payment instruments and electronic money

63.-(1) In the case of payment instruments which according to the framework contract, solely concern individual payment transactions not exceeding thirty euro (€30) or which either have a spending limit of one hundred and fifty euro (€150) or store funds which do not exceed one hundred and fifty euro (€150) at any time payment service providers may agree with their payment service users that:

(a) point (b) of section 69(1), points (c) and (d) of section 70(1), and sections 74(5) and (6) do not apply if the payment instrument does not allow its blocking or prevention of its further use;

(b) Sections 72, 73 and section 74(1), (5) and (6) do not apply if the payment instrument is used anonymously or the payment service provider is not in a position for other reasons which are intrinsic to the payment instrument to prove that a payment transaction was authorised;

(c) notwithstanding sections 79(1), (2) and (3), the payment service provider is not required to notify the payment service user of the refusal of a payment order, if the non-execution is apparent from the context;

(d) notwithstanding section 80, the payer may not revoke the payment order after transmitting the payment order or giving consent to execute the payment transaction to the payee;

(e) notwithstanding sections 83 and 84, other execution periods apply.

(2) Sections 73 and 74 shall not apply to electronic money as defined in section 2 of the Electronic Money Law, except where the payer's payment service provider does not have the ability to freeze the payment account on which the electronic money is stored or block the payment instrument, and the amount in the payment account or the payment instruments in which the electronic money is stored does not exceed one thousand euro (€1,000).

CHAPTER B – AUTHORISATION OF PAYMENT TRANSACTIONS

Consent for the execution of payment transactions and withdrawal of consent.

64.-(1) The payment transaction shall be considered to be authorised, only if the payer has consented to the execution:

It is provided that, a payment transaction may be authorised by the payer prior to or, if agreed between the payer and his payment service provider, after the execution of the payment transaction.

(2) Consent to execute a payment transaction or a series of payment transactions shall be given in the form agreed between the payer and his payment service provider and may be provided through a payee or a payment initiation service provider:

It is provided that, in the absence of such consent, a payment transaction shall be considered to be unauthorised.

(3) Consent may be withdrawn by the payer at any time, but no later than at the moment of irrevocability in accordance with section 80.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(4) Consent to execute a series of payment transactions may be withdrawn, in which case any future payment transaction shall be considered to be unauthorised.
	(5) The procedure for giving consent shall be agreed between the payer and the relevant payment service provider(s).
Confirmation on the availability of the funds.	65.-(1) An account servicing payment service provider shall, upon the request of a payment service provider issuing card-based payment instruments, immediately confirm upon request, whether an amount necessary for the execution of a card-based payment transaction is available on the payment account of the payer, provided that all of the following conditions are met:
	(a) The payment account of the payer is accessible online at the time of the request;
	(b) the payer has given explicit consent to the account servicing payment service provider to respond to requests from a specific payment service provider to confirm that the amount corresponding to a certain card-based payment transaction is available on the payer's payment account;
	(2) The payment service provider may request the confirmation referred to in subsection (1), where all of the following conditions are met:
	(a) The payer has given explicit consent to the payment service provider to request the confirmation referred to in subsection (1);
	(b) the payer has initiated the card-based payment transaction for the amount in question using a card based payment instrument issued by the payment service provider;
	(c) the payment service provider authenticates itself towards the account servicing payment service provider before each confirmation request, and securely communicates with the account servicing payment service provider in accordance with the regulatory technical standards referred to in Article 98, paragraph 1, point d) of the Regulation (EU) 2015/2366 and are adopted in accordance with Article 98, paragraph 4 of that Directive.
138(l) of 2001 37(l) of 2003 105(l) of 2012.	(3) In accordance with the Protection of Natural Persons With Regard to the Processing of Personal Data and for the Free Movement of Such Data Law, the confirmation referred to in subsection (1) shall consist only in a simple 'yes' or 'no' answer and not in a statement of the account balance, which shall not be stored or used for purposes other than for the execution of the card-based payment transaction.
	(4) The confirmation referred to in subsection (1) shall not allow for the account servicing payment service provider to block funds on the payer's payment account.
	(5) The payer may request the account servicing payment service provider to communicate to the payer the identification of the payment service provider and the answer provided.
	(6) This section does not apply to payment transactions initiated through card-based payment instruments on which electronic money, as defined in section 2 of the Electronic Money Law, is stored.
Rules on access to payment account in the case of payment initiation services.	66.-(1) The payer may make use of a payment initiation service provider for the provision of payment services, as referred to in point 7 of Annex I and this right of the payer shall not apply where the payment account is not accessible online.
	(2) When the payer gives its explicit consent for a payment to be executed in accordance with section 64, the account servicing payment service provider shall perform the actions specified in subsection (4), in order to ensure the payer's right to use the payment initiation service.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(3) The payment initiation service provider must-

(a) not hold at any time the payer's funds in connection with the provision of the payment initiation service;

(b) ensure that the personalised security credentials of the payment service user are not, with the exception of the user and the issuer of the personalised security credentials, accessible to other parties and that they are transmitted by the payment initiation service provider through safe and efficient channels;

(c) ensure that any other information about the payment service user, obtained when providing payment initiation services, is only provided to the payee and only with the payment service user's explicit consent;

(d) every time a payment is initiated, identify itself towards the account servicing payment service provider of the payer and communicate with the account servicing payment service provider, the payer and the payee in a secure way, in accordance with point (d) of Article 98(1) of the Directive (EU) 2015/2366 and are adopted pursuant to Article 98, paragraph 4, of that Directive;

(e) not store sensitive payment data of the payment service user;

(f) not request from the payment service user any data other than those necessary to provide the payment initiation service;

(g) not use, access or store any data for purposes other than for the provision of the payment initiation service as explicitly requested by the payer;

(h) not change the amount, the beneficiary, or any other element of the transaction.

(4) The account servicing payment service provider must-

(a) Communicate securely with payment initiation service providers, in accordance with regulatory technical standards referred to in Article 98, paragraph 1, point d) of the Directive (EU) 2015/2366 and are adopted pursuant to Article 98, paragraph 3 of the said Directive;

(b) immediately after receipt of the payment order from a payment initiation service provider, provide or make available all information on the initiation of the payment transaction and all information accessible to the account servicing payment service provider regarding the execution of the payment transaction to the payment initiation service provider;

(c) treat payment orders transmitted through the services of a payment initiation service provider without any discrimination other than for objective reasons, in particular in terms of timing, priority or charges vis-à-vis payment orders transmitted directly by the payer.

(5) The provision of payment initiation services must not be dependent on the existence of a contractual relationship between the payment initiation service providers and the account servicing payment service providers for that purpose.

Rules on access to and use of payment account information in the case of account information services.

67.-(1) The payment service user has the right to make use of services enabling access to account information as referred to in point (8) of Annex I.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

It is provided that, that right shall not apply where the payment account is not accessible online.

(2) The account information service provider must-

(a) provide services only where based on the payment service user's explicit consent;

(b) ensure that the personalised security credentials of the payment service user are not, with the exception of the user and the issuer of the personalised security credentials, accessible to other parties and that they are transmitted by the payment initiation service provider through safe and efficient channels;

(c) for each communication session, identify itself towards the account servicing payment service provider(s) of the payment service user and securely communicate with the account servicing payment service provider(s) and the payment service user, in accordance with regulatory technical standards referred to in Article 98, paragraph 1, point d) of the Directive (EU) 2015/2366 and are adopted pursuant to Article 98, paragraph 4 of the said Directive;

(d) access only the information from designated payment accounts and associated payment transactions;

(e) not request sensitive payment data linked to the payment accounts;

(f) not use, access or store any data for purposes other than for performing the account information service explicitly requested by the payment service user, in accordance with data protection rules

(3) In relation to payment accounts, the account servicing payment service provider must-

(a) communicate securely with the account information service providers in accordance with the regulatory technical standards referred to in Article 98, paragraph 1, point d) of the Directive (EU) 2015/2366 and are adopted pursuant to Article 98, paragraph 4 of the said Directive;

(b) treat data requests transmitted through the services of an account information service provider without any discrimination for other than objective reasons.

(4) The provision of payment initiation services shall not be dependent on the existence of a contractual relationship between the payment initiation service providers and the account servicing payment service providers for that purpose.

Limits on the use of the payment instrument and on the access to payment accounts by payment service providers.

68.-(1) In cases where a specific payment instrument is used for the purposes of giving consent, the payer and his payment service provider may agree on spending limits for payment transactions executed through that payment instrument.

(2) If agreed in the framework contract, the payment service provider may reserve the right to block the payment instrument for objectively justified reasons related to the security of the payment instrument, the suspicion of unauthorised or fraudulent use of the payment instrument or, in the case of a payment instrument with a credit line, a significantly increased risk that the payer may be unable to fulfil his liability to pay.

(3) Where subsection (2) applies, the payment service provider shall inform the payer of the blocking of the payment instrument and the reasons for it in an agreed manner, where possible, before the payment instrument is blocked and at the latest immediately thereafter, unless giving such information would compromise objectively justified security reasons or is prohibited by other relevant European Union law or the law of the member state concerned.

(4) The payment service provider shall unblock the payment instrument or replace it with a new payment instrument once the reasons for blocking no longer exist.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(5) An account servicing payment service provider may deny an account information service provider or a payment initiation service provider access to a payment account for objectively justified and duly evidenced reasons relating to unauthorised or fraudulent access to the payment account by that account information service provider or that payment initiation service provider, including the unauthorised or fraudulent initiation of a payment transaction.
	(6) In the cases provided for in subsection (5), the account servicing payment service provider shall inform the payer that access to the payment account is denied and the reasons therefor in the form agreed.
	(7) The information referred to in paragraph (6) shall, where possible, be given to the payer before access is denied and at the latest immediately thereafter, unless providing such information would compromise objectively justified security reasons or is prohibited by other relevant European Union law or of the law of the member state concerned.
	(8) The account servicing payment service provider shall allow access to the payment account once the reasons for denying access no longer exist.
	(9) In the cases referred to in subsections (5) to (8), the account servicing payment service provider shall immediately report the incident relating to the account information service provider or the payment initiation service provider to the Central Bank with the relevant details of the case and the reasons for taking action .
	(10) The Central Bank, shall assess the case and, if appropriate, take the appropriate action.
Obligations of the payment service user in relation to payment instruments and personalised security credentials.	69.-(1) The payment service user entitled to use a payment instrument shall-
	(a) use the payment instrument in accordance with the terms governing the issue and use of the payment instrument, which must be objective, non-discriminatory and proportionate;
	(b) notify the payment service provider, or the entity specified by the latter, without undue delay on becoming aware of the loss, theft, misappropriation or unauthorised use of the payment instrument.
	(2) For the purposes of point (a) of subsection (1), the payment service user shall, in particular, as soon as he in receipt of a payment instrument, take all reasonable steps to keep its personalised security credentials safe.
Obligations of the payment service provider in relation to payment instruments.	70.-(1) The payment service provider issuing a payment instrument must-
	(a) make sure that the personalised security credentials are not accessible to parties other than the payment service user that is entitled to use the payment instrument, without prejudice to the obligations on the payment service user set out in section 69;
	(b) refrain from sending an unsolicited payment instrument, except where a payment instrument already given to the payment service user is to be replaced;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(c) ensure that appropriate means are available at all times to enable the payment service user to make a notification pursuant to point (b) of section 69(1) or to request unblocking of the payment instrument pursuant to section 68(4); on request, the payment service provider shall provide the payment service user with the means to prove, for eighteen (18) months after notification, that the payment service user made such a notification;
	(d) provide the payment service user with an option to make a notification pursuant to point (b) of section 69(1) free of charge and to charge, if at all, only replacement costs directly attributed to the payment instrument;
	(e) prevent all use of the payment instrument once notification pursuant to section 69(1)(b) has been made.
	(2) The payment service provider shall bear the risk of sending a payment instrument or any personalised security credentials relating to it to the payment service user.
Notification and rectification of unauthorised or incorrectly executed payment transactions.	71.-(1) The payment service user shall obtain rectification of an unauthorised or incorrectly executed payment transaction from the payment service provider only if the payment service user notifies the payment service provider without undue delay on becoming aware of any such transaction giving rise to a claim, including that under section 89, and no later than thirteen (13) months after the debit date.
	(2) The time limits for notification laid down in subsection (1), do not apply, where the payment service provider has failed to provide or make available the information on the payment transaction in accordance with Part III.
	(3) Where a payment initiation service provider is involved, the payment service user shall obtain rectification from the account servicing payment service provider pursuant to subsection (1), without prejudice to section 73(3) and (4) and section 89(1).
Evidence on authentication and execution of payment transactions.	72.-(1) Where a payment service user denies having authorised an executed payment transaction or claims that the payment transaction was not correctly executed, the payment service provider shall prove that the payment transaction was authenticated, accurately recorded, entered in the accounts and not affected by a technical breakdown or some other deficiency of the service provided by the payment service provider.
	(2) If the payment transaction is initiated through a payment initiation service provider, the burden shall be on the payment initiation service provider to prove that within its sphere of competence, the payment transaction was authenticated, accurately recorded and not affected by a technical breakdown or other deficiency linked to the payment service of which it is in charge.
	(3) Where a payment service user denies having authorised an executed payment transaction, the use of a payment instrument recorded by the payment service provider shall in itself not necessarily be sufficient to prove either that the payment transaction was authorised by the payer or that the payer acted fraudulently or failed with intent or gross negligence to fulfil one or more of his obligations under section 69.
	(4) The payment service provider, including, where appropriate, the payment initiation service provider, shall provide supporting evidence to prove fraud or gross negligence on part of the payment service user.
Payment service provider's and payer's liability for unauthorised payment transactions.	73.-(1) Without prejudice to section 71, in the case of an unauthorised payment transaction, the payer's payment service provider refunds the payer the amount of the unauthorised payment transaction immediately, and in any event no later than by the end of the following business day, after noting or being notified of the transaction, except where the payer's payment service provider has reasonable grounds for suspecting fraud and communicates those grounds to the Central Bank authority in writing.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(2) Where applicable, the payer's payment service provider shall restore the debited payment account to the state in which it would have been had the unauthorised payment transaction not taken place, and this action shall also ensure that the credit value date for the payer's payment account shall be no later than the date the amount had been debited.

(3) Where the payment transaction is initiated through a payment initiation service provider, the account servicing payment service provider shall refund immediately, and in any event no later than by the end of the following business day the amount of the unauthorised payment transaction and, where applicable, restore the debited payment account to the state in which it would have been had the unauthorised payment transaction not taken place.

(4) If the payment initiation service provider is liable for the unauthorised payment transaction, it shall immediately compensate the account servicing payment service provider at its request for the losses incurred or sums paid as a result of the refund to the payer, including the amount of the unauthorised payment transaction and, in accordance with section 72(1) and (2), the burden shall be on the payment initiation service provider to prove that within its sphere of competence, the payment transaction was authenticated, accurately recorded and not affected by a technical breakdown or other deficiency linked to the payment service of which it is in charge.

(5) Further financial compensation may be determined in accordance with the law applicable to the contract concluded between the payer and the payment service provider or the contract concluded between the payer and the payment initiation service provider if applicable.

Payer's liability for unauthorised payment transactions.

74.-(1) Notwithstanding the provisions of section 73, the payer may be obliged to bear the losses relating to any unauthorised payment transactions, up to a maximum of fifty euro (€50) resulting from the use of a lost or stolen payment instrument or from the misappropriation of a payment instrument, except in the case of-

(a) A loss, theft or misappropriation of a payment instrument, which was not detectable to the payer prior to a payment, except where the payer has acted fraudulently; or

(b) a loss was caused by acts or lack of action of an employee, agent or branch of a payment service provider or of an entity to which its activities were outsourced.

(2) The payer shall bear all the losses relating to any unauthorised payment transactions, if he incurred them by acting fraudulently or by failing to fulfil one or more of his obligations under section 69 with intent or gross negligence.

(3) The maximum amount referred to in subsection (1) shall not apply to cases referred to in subparagraph (2).

(4) Where the payer's payment service provider does not require strong customer authentication, the payer shall not bear any financial losses unless the payer has acted fraudulently, and, where the payee or the payment service provider of the payee fails to accept strong customer authentication, it shall refund the financial damage caused to the payer's payment service provider.

(5) The payer shall not bear any financial consequences resulting from use of the lost, stolen or misappropriated payment instrument after notification in accordance with point (b) of section 69(1), except where the payer has acted fraudulently.

(6) If the payment service provider does not provide appropriate means for the notification at all times of a lost, stolen or misappropriated payment instrument, as required under point (c) of section 70(1), the payer shall not be liable for the financial consequences resulting from use of that payment instrument, except where the payer has acted fraudulently.

Payment transactions where the transaction amount is not known in advance.

75.-(1) Where a payment transaction is initiated by or through the payee in the context of a card-based payment transaction and the exact amount is not known at the moment when the payer gives consent to execute the payment transaction, the payer's payment service provider may block funds on the payer's payment account only if the payer has given consent to the exact amount of the funds to be blocked.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(2) The payer's payment service provider shall release the funds blocked on the payer's payment account under subsection (1), without undue delay after receipt of the information about the exact amount of the payment transaction and at the latest immediately after receipt of the payment order.

Refunds for payment transactions initiated by or through a payee.

76.-(1) A payer is entitled to a refund from its payment service provider, of an authorised payment transaction which was initiated by or through a payee and which has already been executed, if both of the following conditions are met:

(a) The authorisation did not specify the exact amount of the payment transaction;

(b) the amount of the payment transaction exceeded the amount the payer could reasonably have expected taking into account the previous spending pattern, the conditions in the framework contract and relevant circumstances of the case.

(2) At the payment service provider's request, the payee shall bear the burden to prove that the conditions referred to in subsection (1).

(3) The refund provided for in subsection (1), shall consist of the full amount of the executed payment transaction and the credit value date for the payer's payment account shall be no later than the date the amount had been debited.

(4) Without prejudice to subsection (6), in addition to the right referred to in subsections (1) to (3), for direct debits as referred to in Article 1 of Regulation (EU) No 260/2012, the payer has an unconditional right to a refund within the time limits laid down in section 77.

(5) Notwithstanding subsection (4), for the purposes of paragraph (b) of subsection (1), the payer shall not rely on currency exchange reasons if the reference exchange rate agreed with its payment service provider in accordance with point (d) of section 45(1) and point (c)(ii) of section 52 was applied.

(6) It may be agreed in a framework contract between the payer and the payment service provider that the payer has no right to a refund, provided for in subsection (1), where-

(a) The payer has given consent to execute a transaction directly to its payment service provider; and

(b) where applicable, information on the future payment transaction is provided or made available in an agreed manner to the payer for at least four (4) weeks before the due date by the payment service provider or by the payee.

Requests for refunds for payment transactions initiated by or through a payee.

77.-(1) The payer can request the refund referred to in section 76 of an authorised payment transaction initiated by or through a payee for a period of eight (8) weeks from the date on which the funds were debited.

(2) Within ten (10) business days of receiving a request for a refund, the payment service provider shall either refund the full amount of the payment transaction or provide justification for refusing the refund, indicating the bodies to which the payer may refer the matter in accordance with sections 98 to 101, if he does not accept the justification provided.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(3) The payment service provider's right under subsection (2) to refuse the refund shall not apply in the case set out in section 76(4).

Receipt of payment orders.

78.-(1) The time of receipt is when the payment order is received by the payer's payment service provider.

(2) The payer's account shall not be debited before receipt of the payment order and, if the time of receipt is not on a business day for the payer's payment service provider, the payment order shall be deemed to have been received on the following business day.

(3) The payment service provider may establish a cut-off time near the end of a business day, beyond which any payment order received shall be deemed to have been received on the following business day.

(4) If the payment service user initiating a payment order and the payment service provider agree that execution of the payment order shall start on a specific day or at the end of a certain period or on the day on which the payer has set funds at the payment service provider's disposal, the point in time of receipt for the purposes of section 83 is deemed to be the agreed day.

(5) If the agreed day under subsection (4) is not a business day for the payment service provider, the payment order received shall be deemed to have been received on the following business day.

79.-(1) Where the payment service provider refuses to execute a payment order or to initiate a payment transaction, the refusal and, if possible, the reasons for it and the procedure for correcting any factual mistakes that led to the refusal must be notified to the payment service user, unless prohibited by other relevant European Union law or of the law of the member state concerned.

(2) The payment service provider shall provide or make available the notification in an agreed manner at the earliest opportunity, and in any case, within the periods specified in section 83.

(3) The framework contract may include a condition that the payment service provider may charge a reasonable fee for such a refusal if the refusal is objectively justified.

(4) Where all of the conditions set out in the payer's framework contract are met, the payer's account servicing payment service provider shall not refuse to execute an authorised payment order irrespective of whether the payment order is initiated by a payer, including through a payment initiation service provider, or by or through a payee, unless prohibited by other relevant European Union law or of the law of the member state concerned.

(5) For the purposes of sections 83 and 89, a payment order of which execution has been refused shall be deemed not to have been received.

Irrevocability of a payment order.

80.-(1) The payment service user may not revoke a payment order once it has been received by the payer's payment service provider, unless otherwise specified in this section.

(2) Where the payment transaction is initiated by a payment initiation service provider or by or through the payee, the payer shall not revoke the payment order after giving consent to the payment initiation service provider to initiate the payment transaction or after giving consent to execute the payment transaction to the payee.

(3) Notwithstanding subsection (2), in the case of a direct debit and without prejudice to refund rights the payer may revoke the payment order at the latest by the end of the business day preceding the day agreed for debiting the funds.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(4) In the case referred to in sections 78(4) and (5), the payment service user may revoke a payment order at the latest by the end of the business day preceding the agreed day.
	(5) After the time limits laid down in subsections (1) to (4), the payment order may be revoked only if agreed between the payment service user and the relevant payment service providers.
	(6) In the case referred to in subsections (2) and (3), the payee's agreement shall be required.
	(7) If agreed in the framework contract, the relevant payment service provider may charge for revocation.
Amounts transferred and amounts received.	81-(1) Subject to subsection (2), the payment service provider of the payer, the payment service provider of the payee and any intermediaries of the payment service providers shall transfer the full amount of the payment transaction and refrain from deducting charges from the amount transferred.
	(2) The payee and the payment service provider may agree that the relevant payment service provider deduct its charges from the amount transferred before crediting it to the payee and, in such a case, the full amount of the payment transaction and charges shall be separated in the information given to the payee.
	(3) If any charges other than those referred to in subsection (2) are deducted from the amount transferred, the payment service provider of the payer shall ensure that the payee receives the full amount of the payment transaction initiated by the payer and, where the payment transaction is initiated by or through the payee, the payment service provider of the payee shall ensure that the full amount of the payment transaction is received by the payee..
Scope of sections 82 to 87.	82.-(1) Sections 82 to 87 shall apply in respect of-
	(a) Payment transactions in euro;
	(b) national payment transactions in the currency of a non-euro area Member State;
	(c) payment transactions involving only one currency conversion between the euro and the currency of a member state outside the euro area, provided that the required currency conversion is carried out in the member state outside the euro area concerned and, in the case of cross-border payment transactions, the cross-border transfer takes place in euro.
	(2) Sections 82 to 87 shall apply to other payment transactions not referred to in subsection (1), unless otherwise agreed between the payment service user and his payment service provider, with the exception of section 87, which is not at the disposal of the parties.
	(3) If the payment service user and the payment service provider agree on a longer period than that set in section 83, for intra-Union payment transactions, that longer period shall not exceed four (4) business days following the time of receipt as referred to in section 78.
Payment transactions to a payment account.	83.-(1) The payer's payment service provider shall ensure that, after the point in time of receipt in accordance with section 78, the amount of the payment transaction is credited to the payee's payment service provider's account at the latest by the end of the next business day, with an option to extend that time limit by a further business day for paper-initiated payment transactions.
	(2) The payment service provider of the payee shall value date and make available the amount of the payment transaction to the payee's payment account after the payment service provider has received the funds in accordance with section 87.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(3) The payee's payment service provider shall transmit a payment order initiated by or through the payee to the payer's payment service provider within the time limits agreed between the payee and the payment service provider, enabling settlement, as far as direct debit is concerned, on the agreed due date.
Absence of payee's payment account with the payment service provider.	84. Where the payee does not have a payment account with the payment service provider, the funds shall be made available to the payee by the payment service provider, who receives the funds for the payee, within the period specified in section 83.
Cash placed on a payment account.	85. Where a consumer places cash on a payment account with that payment service provider in the currency of that payment account, the payment service provider shall ensure that the amount is made available and value dated immediately after the point of time of the receipt of the funds:
	It is provided that, where the payment service user is not a consumer, the amount shall be made available and value dated at the latest on the next business day after the receipt of the funds.
National payment transactions.	86. The Central Bank may by a Directive provide, if appropriate, for shorter maximum execution times than those provided for in sections 82, 83, 84, 85 and 87,
Value date and availability of funds.	87.-(1) The credit value date for the payee's payment account is no later than the business day on which the amount of the payment transaction is credited to the payee's payment service provider's account.
	(2) The payment service provider of the payee shall ensure that the amount of the payment transaction is at the payee's disposal immediately after that amount is credited to the payee's payment service provider's account where, on the part of the payee's payment service provider, there is-
	(a) no currency conversion; or
	(b) a currency conversion between the euro and a member state currency or between two member state currencies.
	(3) The obligation referred to in subsection (2) shall also apply to payments within one payment service provider.
	(4) The debit value date for the payer's payment account is no earlier than the point in time at which the amount of the payment transaction is debited to that payment account.
Liability for incorrect unique identifiers.	88.-(1) If a payment order is executed in accordance with the unique identifier provided by the user, the payment order shall be deemed to be executed correctly with regard to the payee specified by the unique identifier.
	(2) If the unique identifier provided by the payment service user is incorrect, the payment service provider shall not be liable under section 89, for non-execution or defective execution of the payment transaction.
	(3) Notwithstanding subsection (2), the payer's payment service provider shall make reasonable efforts to recover the funds involved in the payment transaction, and the payee's payment service provider shall cooperate in those efforts also by communicating to the payer's payment service provider all relevant information for the collection of funds.
	(4) In the event that the collection of funds under subsection (3) is not possible, the payer's payment service provider shall provide to the payer, upon written request, all information available to the payer's payment service provider and relevant to the payer in order for the payer to file a legal claim to recover the funds.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(5) If agreed in the framework contract, the payment service provider may charge the payment service user for recovery.

(6) If the payment service user provides information in addition to that specified in point (a) of section 45(1) or point (ii)(b) of section 52, the payment service provider shall be liable only for the execution of payment transactions in accordance with the unique identifier provided by the payment service user.

Payment service providers' liability for non-execution, defective or late execution of payment transactions.

89.-(1) (a) Where a payment order is initiated directly by the payer, the payer's payment service provider shall, without prejudice to section 71, section 88(2) to (4) and section 93, be liable to the payer for correct execution of the payment transaction, unless it can prove to the payer and, where relevant, to the payee's payment service provider that the payee's payment service provider received the amount of the payment transaction in accordance with section 83(1) and, in which case, the payee's payment service provider shall be liable to the payee for the correct execution of the payment transaction.

(b) Where the payer's payment service provider is liable under paragraph (a), he shall, as appropriate and without undue delay, refund to the payer the amount of the non-executed or defective payment transaction and restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place, and the credit value date for the payer's payment account shall be no later than the date the amount had been debited..

(c) Where the payee's payment service provider is liable under paragraph (a), it shall immediately place the amount of the payment transaction at the payee's disposal and, where applicable, credit the corresponding amount to the payee's payment account with the credit value date for the payee's payment account, which shall be no later than the date the amount would have been value dated had the transaction been correctly executed.

(d) Where a payment transaction is executed late, the payee's payment service provider shall ensure, upon the request of the payer's payment service provider acting on behalf of the payer, that the credit value date for the payee's payment account is no later than the date the amount would have been value dated had the transaction been correctly executed.

(e) In the case of a non-executed or defectively executed payment transaction where the payment order is initiated by the payer, the payer's payment service provider shall, regardless of liability under this paragraph, on request, make immediate efforts to trace the payment transaction and notify the payer of the outcome.

(2)(a) Where a payment order is initiated by or through the payee, the payee's payment service provider shall, without prejudice to section 71, section 88(2) to (4), and section 93, be liable to the payee for correct transmission of the payment order to the payment service provider of the payer in accordance with section 83(3).

(b) Where the payee's payment service provider is liable under paragraph (a), he shall immediately re-transmit the payment order in question to the payment service provider of the payer and, in the case of a late transmission of the payment order, the amount shall be value dated on the payee's payment account no later than the date the amount should have been value dated in case of correct execution.

(c) The payment service provider of the payee shall, without prejudice to section 71, section 88(2) to (4), and section 93, be liable to the payee for handling the payment transaction in accordance with its obligations under section 87.

(d) Where the payee's payment service provider is liable under paragraph (c), it shall ensure that the amount of the payment transaction is at the payee's disposal immediately after that amount is credited to the payee's payment service provider's account, and the amount shall be value dated on the payee's payment account no later than the date the amount would have been value dated had the transaction been correctly executed.

(e) In the case of a non-executed or defectively executed payment transaction for which the payee's payment service provider is not liable under the paragraphs (a), (c) and (d) the payer's payment service provider shall be liable to the payer.

(f) Where the payer's payment service provider is liable under paragraph (e), then, he shall, as appropriate and without undue delay, refund to the payer the amount of the non-executed or defective payment transaction and restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place, and the credit value date for the payer's payment account shall be no later than the date the amount had been debited.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(g) The liabilities referred to in paragraphs (e) and (f) shall not apply on the payment service provider of the payer, where the payment service provider of the payer shall demonstrate that the payee's payment service provider has received the amount of the payment transaction, even if the execution of the payment transaction has been delayed slightly

(h) In the case referred to in paragraph (g), the payee's payment service provider shall value date the amount on the payee's payment account no later than the date the amount would have been value dated had it been executed correctly.

(i) In the case of a non-executed or defectively executed payment transaction where the payment order is initiated by or through the payee, the payee's payment service provider shall, regardless of liability under this subsection, on request, make immediate efforts to trace the payment transaction and notify the payee of the outcome, which shall not be borne by the payee.

(3) Without prejudice to subsections (1) and (2), the payment service providers shall be liable to their respective payment service users for any charges for which they are responsible, and for any interest to which the payment service user is subject as a consequence of non-execution or defective, including late, execution of the payment transaction.

Liability for the non-execution, defective or late execution of payment transactions, in the case of payment initiation services.

90.-(1) Where a payment order is initiated by the payer through a payment initiation service provider, the account servicing payment service provider shall, without prejudice to Article 71 and Article 88(2) and (3), refund to the payer the amount of the non- executed or defective payment transaction and, where applicable, restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place.

(2) The burden shall be on the payment initiation service provider to prove that, in accordance with section 78 and within its sphere of competence, the payment transaction was authenticated, accurately recorded and not affected by a technical breakdown or other deficiency linked to non-execution, defective or late execution of the transaction.

(3) If the payment initiation service provider is liable for the non-execution, defective or late execution of the payment transaction, it shall immediately compensate the account servicing payment service provider at its request for the losses incurred or sums paid as a result of the refund to the payer.

Additional financial compensation.

91. Any financial compensation additional to that provided for under sections 88 to 90, 92 and 93, may be determined in accordance with the law applicable to the contract concluded between the payment service user and the payment service provider.

Compensation when the liability of a payment service provider is attributable to another payment service provider or to an intermediary.

92.-(1) Where the liability of a payment service provider, under sections 73, 89 and 90, is attributable to another payment service provider or to an intermediary, that payment service provider or intermediary shall compensate the first payment service provider for any losses incurred or sums paid under sections 73 and 89.

(2) The liability under subsection (1) shall include compensation where any of the payment service providers fail to use strong customer authentication.

(3) Further financial compensation may be determined in accordance with agreements between payment service providers and/or intermediaries and the law applicable to the agreement concluded between them.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

Abnormal and unforeseeable circumstances.	93. No liability shall arise under Chapter B or C in cases of abnormal and unforeseeable circumstances beyond the control of the party pleading for the application of those circumstances, the consequences of which would have been unavoidable despite all efforts to the contrary, or where a payment service provider is bound by other legal obligations covered by Union or national law.
	CHAPTER D – DATA PROTECTION
Data protection.	94.-(1) The processing of personal data by payment systems and payment service providers is permitted when this is necessary to safeguard the prevention, investigation, detection and prosecution of payment fraud.
	(2) The provision of information to persons related to the processing of personal data, the processing and storage of that data, as well as any other processing of personal data for the purposes of this Law shall be carried out in accordance with the Processing of Personal Data (Protection of Individuals) Law and the Rebulation (EC) no. 45/2001.
	(3) Payment service providers shall only access, process and retain personal data necessary for the provision of their payment services, with the explicit consent of the payment service user.
	CHAPTER E – OPERATIONAL AND SECURITY RISKS AND AUTHENTICATION
Management of operational and security risks.	95.-(1) The payment service providers shall-
	(a) Establish a framework with appropriate mitigation measures and control mechanisms to manage the operational and security risks, relating to the payment services they provide; and
	(b) as part of that framework, establish and maintain effective incident management procedures, including for the detection and classification of major operational and security incidents.
	(2) Payment service providers shall provide to the Central Bank on a yearly basis and/or at shorter intervals specified by the Central Bank, updated information of the assessment of the operational and security risks associated with the payment services they provide and on the adequacy of the mitigation measures and control mechanisms implemented in response to these risks.
Incident reporting.	96.-(1) In the case of a major operational or security incident, payment service providers shall, without undue delay, notify the Central Bank, as the competent authority of the home member state of the payment service provider.
	(2) Where the incident has or may have an impact on the financial interests of its payment service users, the payment service provider shall, without undue delay, inform its payment service users of the incident and of all measures that they can take to mitigate the adverse effects of the incident.
	(3) Upon receipt of the notification referred to in subsection (1), the Central Bank, as the competent authority of the home member state of the payment service provider, shall, without undue delay, provide the relevant details of the incident to EBA and to the ECB and, after assessing the relevance of the incident, notify them accordingly..
	(4) The Central Bank, as the competent authority of the home member state of the payment service provider, shall cooperate with the EBA and the ECB for the purposes of assessing the relevance, under subsection (1), of the incident to other relevant Union and national authorities

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

(5) Where the Central Bank is informed according to Article 96, paragraph 2, subparagraph (2) of the Directive (EU) 2015/2366, shall take all of the necessary measures to protect the immediate safety of the financial system.

(6) Payment service providers shall provide, at least on a yearly basis, statistical data about any fraud related to the various payment instruments to the Central Bank, which shall forward to the EBA and the ECB that data in an aggregated form.

Customer identification.

97.-(1) Payment service providers shall apply strong customer authentication, when the payer-

(a) access its payment account online;

(b) initiates an electronic payment transaction;

(c) carries out any action through a remote channel which may imply a risk of payment fraud or other abuse.

(2) Regarding the initiation of an electronic payment transaction, referred to in paragraph (b) of subsection (1), for remote electronic payment transactions, payment service providers shall apply strong customer authentication including elements which dynamically link the transaction to a specific amount and a specific payee.

(3) With regard to subsection (1), the payment service providers shall have in place adequate security measures to protect the confidentiality and integrity of payment service users' personalised security credentials.

(4) Subsections (2) and (3) shall apply when the payment transaction is initiated through a payment initiation service provider, and subsections (2) and (3) shall also apply when the information is requested through an account information service provider.

(5) The account servicing payment service provider allows the payment initiation service provider and the account information service provider to rely on the authentication procedures provided by the account servicing payment service provider to the payment service user in accordance with subsections (1) and (3) and, where the payment initiation service provider is involved, in accordance with subsections (1), (2) and (3)

CHAPTER F – ALTERNATIVE DISPUTE RESOLUTION (ADR) PROCEDURES ON DISPUTE SETTLEMENT

Submission of complaints to the Central Bank.

98.-(1) Payment service users and other interested parties, including consumer associations, shall be allowed to submit complaints to the Central Bank, as the competent authority, in writing or by electronic means, about claims for infringements of the provisions of this Law and/or the Regulation (EU) no. 924/2009,

(2) Where appropriate and without prejudice to the right to bring proceedings before a court in accordance with Article 146 of the Constitution, the reply from the Central Bank, as the competent authority, shall inform the complainant of the existence of the out-of-court complaint and redress procedures set up in accordance with section 101.

Competent authority.

99.-(1) The Central Bank shall be defined as the competent authority of the Republic to ensure and monitor the effective compliance with the provisions of this Law and the Directives issued thereto.

(2) Without prejudice to sections 6(7 and (8), 23, 24 and 25, for the purposes of carrying out its tasks under subsection (1), the Central Bank shall have the following powers:

(a) to require a payment service provider to provide, within a specified time limit, all information necessary for monitoring compliance, specifying as appropriate, the purpose of the request;

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(b) to carry out on-site inspections on any payment service provider;
	(c) to issue recommendations, guidelines and, if applicable, binding administrative provisions;
	(d) to suspend or withdraw the authorisation of any payment service provider.
	(3) The Central Bank shall exercise its powers in accordance with Cyprus law-
	(a) directly under its own authority or, if the Central Bank considers appropriate, under the supervision of the judicial authorities; or
	(b) by application to the court competent to grant the necessary decision, if provided by Cyprus law, including, where appropriate, by appeal in the event that the application to grant the necessary decision is not successful
	(4) In the event of infringement or suspected infringement of the provisions of Parts III and IV of this law, the Central Bank shall be responsible to ensure and monitor the effective compliance with this law, where the Central Bank is the competent authority of the payment service provider's home member state, except where this provider provides payment services through a branch or agent operating under the right of establishment.
	(5) The Ministry of Finance shall discharge the obligation, required by Article 100, paragraph 5 of the Directive (EU) 2015/2366 in the Republic as a member state.
Dispute settlement.	100.-(1) Payment service providers shall put in place and apply adequate and effective complaint resolution procedures for the settlement of complaints of payment service users concerning the rights and obligations arising under Parts III and IV, and the Central Bank shall monitor their performance in that regard, and those procedures shall be applied in the Republic where the payment service provider offers the payment services and shall be available in an official language of the Republic or in another language if agreed between the payment service provider and the payment service user.
	(2)(a) The payment service provider shall make every possible effort to reply, on paper or, if agreed between payment service provider and payment service user, on another durable medium, to the payment service users' complaints.
	(b) The payment service provider shall address all points raised regarding the payment service users' complaints within an adequate timeframe and respond at the latest within 15 business days of receipt of the complaint.
	(c) In exceptional situations, if the answer referred to in paragraph (a) cannot be given within fifteen (15) business days for reasons beyond the control of the payment service provider, the latter shall be required to send a holding reply, clearly indicating the reasons for a delay in answering to the complaint and specifying the deadline by which the payment service user will receive the final reply and in any event, the deadline for receiving the final reply shall not exceed thirty five (35) business days.
	(3) The payment service provider shall inform the payment service user about at least one alternative dispute resolution (ADR) entity which is competent to deal with disputes concerning the rights and obligations arising under Parts III and IV, and It shall specify how further information on the ADR entity concerned and on the conditions for using it can be accessed.
	(4) The information referred to in subsection (3) shall be mentioned in a clear, comprehensive and easily accessible way on the website of the payment service provider, where applicable, at the branch, and in the general terms and conditions of the contract between the payment service provider and the payment service user.
Alternative dispute resolution procedures. 85(i) of 2017.	101.-(1) For the alternative dispute resolution between payment service users and their payment service providers regarding rights and/or obligations arising from Parts III and/or IV and/or the Regulation (EU) no. 924/2004, the procedures provided for in Alternative Dispute Resolution for Consumer Disputes Law shall apply.
	(2) The Central Bank shall ensure that the alternative dispute resolution procedures apply on service providers.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

	(3) The alternative dispute resolution entities, under subsection (1), shall cooperate effectively with other dispute resolution entities of other member states, set out pursuant to Article 102 of the Directive (E 2015/2366, for the resolution of cross-border disputes concerning the rights and obligations arising under Parts III and IV or, if applicable, the provisions adopted by another member state for the purposes of integration of Titles III and IV of the Directive (EU) 2015/2366.
Publication of sanctions.	102.-(1) The Central Bank may disclose to the public any measure or penalty that will be imposed, in its capacity as the competent authority, for infringement of the provisions of this Law and the Directives issued pursuant to it, unless such disclosure would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved.
	(2) Where the decision to impose administrative sanctions published under subsection (1) is subject to an appeal before a competent court under Article 146 of the Constitution, the Central Bank shall publish, immediately, on its official website such information and any subsequent information on the outcome of such appeal and shall publish any court decision, at first instance or on appeal, annulling a decision of the Central Bank, which was challenged under article 146 of the Constitution, and the publications provided for in this subsection are made under the same manner in which the administrative sanction is published under subsection (1).
	PART V
	DELEGATED ACTS
Obligation to inform consumers of their rights.	103.-(1) The Central Bank shall ensure that the leaflet drawn up pursuant to Article 106 of Directive (EU) 2015/2366 is made available in a way that makes it easily accessible on its website.
	(2) Payment service providers shall ensure that, the leaflet drawn up pursuant to Article 106 of Directive (EU) 2015/2366, is made available in a way that makes it easily accessible on their websites, where applicable, and electronically on their websites and on paper at their branches, their agents and the entities to which their activities are outsourced.
	(3) Payment service providers shall not charge their clients for providing information under this section.
	(4) In respect of persons with disabilities, the provisions of this section shall be applied using appropriate alternative means, allowing the information to be made available in an accessible format.
	PART VI
	FINAL AND TRANSITIONAL PROVISIONS
Obligation for full harmonization.	104.-(1) Payment service providers do not derogate from the provisions of this Law to the detriment of the payment services users, except where explicitly provided for therein.
	(2) Notwithstanding subsection (1), the account servicing payment service providers may decide to grant more favourable terms to payment service users.
	(3) The Ministry of Finance shall fulfil the obligation laid down in Article 107, paragraph 2 of the Directive (EU) 2015/2366 in the Republic as a member state.
Issuing Directives.	105. Without prejudice of the other provisions of this Law providing for the issuing of directives, the Central Bank may issue directives for regulating any other issue in this Law and/or the Regulation (EC) no. 924/2009 which which must or needs to be regulated:
	It is provided that, when issuing any directive under this Law and/or the Regulation (EU) no. 924/2009, the Central Bank shall act within the framework prescribed by the acts of the European Community which are applicable in the Republic.
Continuance of operation of existing payment institutions. 128(l) of 2009	106.-(1) Payment institutions which have initiated activities under the Payment Services Law, before 13 January 2018, shall be entitled to continue to engage in those activities, as provided in this law, without any need for authorisation in accordance with section 5(3) to (8) or their compliance with the other provisions laid down or referred to in Part II, until the 13 th of July 2018.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

52(l) of 2010.	
	(2) Payment institutions referred to in subsection (1) shall submit all relevant information to the Central Bank, in order to assess, until the 13 th of July 2018, whether those comply with the requirements in Part II and, otherwise, to lay down the measures to be taken, in order to ensure compliance, or to decide whether a withdrawal of authorisation is appropriate.
	(3) Payment institutions which, following an inspection of the Central Bank, comply with the requirements defined in Part II, shall be authorised and listed in the register referred to in section 14, while in the case that those payment institutions do not comply with the requirements set out in Part II until the 13 th of July 2018, shall be prohibited in accordance with section 37 to provide payment services.
	(4) The Central Bank may decide that the payment institutions referred to in subsections (1) to (3) shall be authorised automatically and listed in the register referred to in section 14, if it already has evidence that the requirements referred to in section 5(3) to (8) and 11 are complied with, and shall inform those payment institutions before the granting of the authorisation.
Annex I.	(5) Notwithstanding subsections (1), (2) and (3), payment institutions that have been granted authorisation to provide payment services as referred to in point (7) of the Annex to the Payment Services Law shall retain that authorisation for the provision of those payment services which are considered to be payment services as referred to in point 3 of Annex I, where, by 13 January 2020, the Central Bank shall have the evidence that the requirements laid down in point (c) of section 7 and in section 9 of are complied with.
	(6) Legal persons which have carried out in the Republic, before the 12 th of January 2016, activities of payment initiation service providers and account information service providers for the purposes of this Law, may continue to exercise, in accordance with the Payment Services Law, the same activities in the Republic during the transitional period provided for in section 112.
	(7) Until individual account servicing payment service providers comply with the regulatory technical standards referred to in Article 98 of Directive 2015/2366, account servicing payment service providers do not abuse their non-compliance to block or obstruct the use of payment initiation and account information services for the accounts that they are servicing.
Competent authority for the supervision and application of the Regulation (EC) no. 924/2009.	107. The Central Bank is the competent authority for the supervision and application of the Regulation (EC) no. 924/2009, which monitor compliance with the Regulation (EC) no. 924/2009 effectively controls the compliance and take all necessary measures to ensure such compliance.
Limitation of liability.	108. Any director or officer or employee of the Central Bank shall not be liable in case of any action, claim or other legal process for compensation regarding any during the exercise of its duties under this Law, unless it is proved that this action or omission was not made in good faith or is a result of gross negligence.
Resources to carry out duties.	109. The Central Bank may, with reasonable and cost-oriented way-
	(a) determine all the costs related to the performance of its duties under Parts II to IV and/or under the Regulation (EC) no.924/2009, and
	(b) issue directives for the determination and payment of such costs by payment service providers.
Notification and information.	110. If the Central Bank issues a directive under section 5(2), it shall inform the Ministry of Finance of the number of natural and legal persons concerned and, on an annual basis, of the total amount of payment transactions executed as of 31 December of each calendar year, as referred to in section 32, paragraph 1, point a) of the Directive (EU) 2015/2366 and the Ministry of Finance shall inform the European Committee and disclose the above, under section 34 of the Directive (EU) 2015/2366.

UNOFICIAL TRANSLATION

The Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 and 2019

Repeal of Laws. 128(l) of 2009 52(l) of 2010.	111. With the entry into force of this Law, the Payment Services Law of 2009 and 2919 are repealed.
Entry into force of this Law.	112. This Law shall enter into force from the date of its publication in the Official Gazette of the Republic, except for the implementation of the security measures referred to in sections 65, 66, 67 and 97, which shall enter into force within eighteen (18) months from the date of entry into force of the regulatory technical standards referred to in Article 98 of the Directive (EU) 2015/2366.

ANNEX I

ANNEX I

(Sections 2,3, 5, 7, 9, 10, 11, 18, 34, 66, 67, 106 and Annex II)

PAYMENT SERVICES

1. Services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account.
2. Services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account.
3. Execution of payment transactions, including transfers of funds on a payment account with the user's payment provider or with another payment service provider-
 - a) Execution of direct debits, including one-off direct debits;
 - b) execution of payment transactions through a payment card or a similar device;
 - c) execution of credit transfers, including standing orders.
4. Execution of payment transactions where the funds are covered by a credit line for a payment service user-
 - a) Execution of direct debits, including one-off direct debits;
 - b) execution of payment transactions through a payment card or a similar device;
 - c) execution of credit transfers, including standing orders.
5. Issue of payment instruments and/or acquiring of payment transactions.
6. Money remittance.
7. Payment initiation services.
8. Account information services.

ANNEX II

ANNEX II

(Section 9)

CALCULATION OF OWN FUNDS

Method A

The payment institution's own funds shall amount to at least 10 % of its fixed overheads of the preceding year. The competent authorities may adjust that requirement in the event of a material change in a payment institution's business since the preceding year. Where a payment

institution has not completed a full year's business at the date of the calculation, the requirement shall be that its own funds amount to at least 10 % of the corresponding fixed overheads as projected in its business plan, unless an adjustment to that plan is required by the competent authorities.

Method B

The payment institution's own funds shall amount to at least the sum of the following elements multiplied by the scaling factor k defined below, where payment volume (PV) represents one twelfth of the total amount of payment transactions executed by the payment institution in the preceding year:

- (a) 4,0% of the slice of PV up to five million euro (€5.000.000);
- (b) 2,5% of the slice of PV above five million euro (€5.000.000) up to ten million euro (€10.000.000);

plus

- (c) 1% of the slice of PV above ten million euro (€10.000.000) up to one hundred million euro (€100.000.000);

plus

- (d) 0,5% of the slice of PV above one hundred million euro (€100.000.000) up to two hundred and fifty million euro (€250.000.000);

plus

- (e) 0,25% of the slice of PV above two hundred and fifty million euro (€250.000.000).

Method C

The payment institution's own funds shall amount to at least the relevant indicator defined in point a), multiplied by the multiplication factor defined in point b) and by the scaling factor k defined below-

(a) The relevant indicator is the sum of the following:

- (i) Interest income;
- (ii) interest expense;
- (iii) commissions and fees received; and
- (iv) other operating income.

Each element shall be included in the sum with its positive or negative sign. Income from extraordinary or irregular items shall not be used in the calculation of the relevant indicator. Expenditure on the outsourcing of services rendered by third parties may reduce the relevant indicator if the expenditure is incurred from an undertaking subject to supervision under this directive. The relevant indicator is calculated on the basis of the 12-monthly observation at the end of the previous financial year. The relevant indicator shall be calculated over the previous financial year. Own funds calculated according to Method C shall not fall below 80 % of the average of the previous three (3) financial years for the relevant indicator. When audited figures are not available, business estimates may be used.

(b) The multiplication factor shall be:

- (i) 10% of the slice of the relevant indicator up to two million five hundred euro (€2.500.000),
- (ii) 8 % of the slice of the relevant indicator from two million five hundred euro (€2.500.000) up to five million euro (€5.000.000),
- (iii) 6% of the slice of the relevant indicator from five million euro (€5.000.000) up to twenty five million euro (€25.000.000),
- (iv) 3 % of the slice of the relevant indicator from twenty five million euro (€25.000.000) up to fifty million euro (€50.000.000),
- (v) 1,5% above fifty million euro (€50.000.000).

Scaling factor

The scaling factor k to be used in Methods B and C shall be-

- (a) 0,5 where the payment institution provides only the payment service listed in point 6 of Annex I;
- (b) 1 where the payment institution provides any of the payment services listed in points 1 to 5 of the Annex I.