

Paris, March 15th 2022

## The ACPR provides an overview of new payment players

**Ten years after the opening of the payments market, the ACPR published a report on the main developments in the sector marked by the emergence of new players - payment institutions, electronic money institutions and their agents - who have modernised payment services for the benefit of businesses and individuals. With a view to the forthcoming review of the PSD2, the Authority shares the main lessons from their supervision.**

In order to ensure the application of the same rules and a wide range of payment services across Europe, the European Union adopted in the late 2000s two directives on electronic money (EMD2, which replaced Directive 2000/46/EC known as "EMD1") and payment services (PSD1 and then PSD2). These Directives authorised two new types of players - payment institutions (PIs) and electronic money institutions (EMIs) - to provide payment services alongside credit institutions (CIs): payment account, payment card without deferred credit, credit transfers.

*"Our report shows that these new players have helped to transform and modernize the means of payment available to consumers and businesses, whether it be to foster the development of online commerce, digitalize the customer relationship, develop multiple payment offers or enable better exploitation of payment data "*said Dominique Laboureix, Secretary General of the ACPR.

To date, the ACPR has authorised 62 PIs and EMIs, more than half of which were set up after 2018.

The emergence of agents, non-authorized entities authorized by authorized EPs or EMIs, that market or develop new services has led to two changes in distribution:

- The establishment of large-scale physical retail networks alongside banking agencies (offices, booksellers, lottery agencies), which are in charge of the customer relationship, while the PI or EMI performs the service;
- An increasing "platform" of the sector, with innovative players having the status of agents developing their own service offering under the supervision of the entities that mandate them.

For example, at the end of 2021, the ACPR registered 11,092 agents in France to distribute these new services.



These new uses raise a number of challenges in terms of risk management. The ACPR therefore makes several observations in its report to PIs and EMIs, their banking partners and to supervisory and regulatory authorities at European level in light of the developments to be considered in the forthcoming review of PSD2.

In particular, the Authority recalls that authorised institutions remain fully responsible for their external providers, including agents, and must have systems in place that ensure ongoing supervision and oversight, as set out in the European Banking Authority's Guidelines on outsourcing.

Consumers and merchants using these new players also need clear information on the status of the provider of the service and associated protections. As a reminder, only funds placed with credit institutions are covered by the Deposit Guarantee and Resolution Fund. For this reason, PIs and EMIs must place their customers' funds, including those received via their agents, to a dedicated ring-fencing account held with a credit institution or take out an insurance contract to cover the latter. In this context, reachability of a bank account is a major issue for all new players and Fintechs. The ACPR therefore reminds credit institutions of their refusal to open ring-fencing accounts to the parties requesting them.

Lastly, the ACPR recalls that PIs and EMIs must continue their efforts to improve the quality of the supervisory data transmitted to the ACPR and the Banque de France.

The full study is available on the ACPR website: [https://acpr.banque-france.fr/sites/default/files/medias/documents/20220315\\_new\\_payment\\_stakeholders\\_overview.pdf](https://acpr.banque-france.fr/sites/default/files/medias/documents/20220315_new_payment_stakeholders_overview.pdf)

#### **About the ACPR**

The Autorité de contrôle prudentiel et de résolution (ACPR) is the administrative authority operationally attached to the Banque de France that supervises the banking and insurance sectors and ensures financial stability. The ACPR is also responsible for protecting the customers of the supervised institutions and ensuring the fight against money laundering and the financing of terrorism. It also has resolution powers. The ACPR's operational departments come under its General Secretariat.

Visit our website at <https://acpr.banque-france.fr>

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