

10 February 2014

PRESS RELEASE

ECB SUPPORTS NEW EUROPEAN DIRECTIVE FOR ELECTRONIC PAYMENTS

- Legal opinion supports innovation and competition in retail payments, as well as strong security requirements

The European Central Bank (ECB) today published its legal opinion on a new directive regulating the development of the European Market for electronic payments, taking into account developments in e-commerce and the introduction of new solutions. The opinion was issued at the request of the Council of the European Union and the European Parliament.

The ECB strongly supports the objectives and the content of the proposed directive, in particular, the proposal to broaden the list of services to include payment initiation services and account information services. In the ECB's view, this measure will support innovation and competition in retail payments.

Payment initiation services are those in which a third party provider initiates a payment at the request of the payer, typically in online purchases as an alternative to credit cards. Account information services are able to provide consolidated information on different accounts (in one or more banks) that might be held by one individual, helping to provide a comprehensive view of its financial situation.

In its opinion, the ECB makes a number of detailed suggestions to enhance the security of payment initiation and account information services. None of them should be seen as restricting the entry of new players into the market, which the ECB welcomes. The suggestions are designed to foster both security and competition. They also include a proposal to develop a common European standard, which should allow the industry to rely on safe ways to

authenticate consumers. The development of the proposed new standard will require cooperation of all parties involved.

The ECB opinion will be published shortly in the Official Journal of the European Union.

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