Box 1.1

DISTRIBUTION OF COMPETENCES IN THE SUPERVISION OF PAYMENT SERVICES AT THE BANCO DE ESPAÑA

Royal Decree-Law 19/2018 of 23 November 2018 on payment services and other urgent financial measures, which transposes the Second Payment Services Directive to Spanish law, designates the Banco de España as the competent authority for ensuring and overseeing effective compliance with said Royal Decree-Law. In turn, the Banco de España distributes these responsibilities among several directorates general.

As regards supervision of the provision of payment services and payment services providers, it has opted for a model based on specialisation by subject, which involves three departments belonging to different directorates general.

The Payment Systems Department is responsible for supervising specialist payment service providers regarding the adequate management of operational and security risks and the protection of users' funds. It is also in charge of strong customer authentication requirements and secure standards of communication for all payment service providers, including credit institutions. Moreover, it is responsible for supervising access to payment systems, among other issues, and for monitoring fraud data and serious operational and security incidents.

Supervision Department III is responsible for supervising the solvency of payment service providers and the adoption of measures necessary to ensure compliance with own funds rules, the control regime for qualifying holdings and the review of professional indemnity insurance or an equivalent guarantee to which payment initiation or account information service providers are subject.

Lastly, the Institutions' Conduct Department performs supervisory actions relating to transparency, reporting requirements and customer relations applicable to payment services.

Royal Decree-Law 19/2018 establishes different forms of access to the activity of payment service provision, based on the type, origin and scope of action of the institution applying for it. Thus, payment institutions and electronic money institutions are subject to an authorisation and registration regime; account information service providers or institutions that are exempt owing to their small size are only subject to the registration regime; other providers (those known as “limited networks” or certain providers of telecommunication services) are subject to an ex-post notification and registration regime; and, lastly, payment service providers from other EU countries also have access to the Spanish market through the single European passport.

All of these access procedures are processed by the Deputy General Secretariat in collaboration with other Banco de España departments.