



The Payment Services Directive (PSD)

A NEW HARMONIZED EUROPEAN LEGISLATION FOR PAYMENTS

The objectives of the PSD

Establish a single payment market and provide a regulatory framework for payments.

Create a more efficient EU payment area by making cross-border payments as easy, efficient and secure as domestic payments .

Provide SEPA with the legal foundation for its implementation.

Improve customer information and transparency.



- Members of the Eurozone
- Members of the EU
- Members of the EEA
- Other SEPA members

A single legal framework for payments across Europe

By November 1st 2009, the European Union member states and the three other European Economic Area countries - Iceland, Liechtenstein and Norway - are expected to transpose the requirements of the Payment Services Directive (PSD) into their national legislations.

The Payment Services Directive is an ambitious initiative which covers:

- ▶ all banks and other payment service providers operating within the EU/EEA.
- ▶ euro and non-euro currencies of all EU/EEA countries.
- ▶ non-cash payments, including credit transfers, direct debits, card payments – both SEPA and legacy instruments - cash deposits, but excluding paper-based payments like cheques.

The PSD brings positive change for payment services users: faster execution time, faster availability of funds, and better information for the customer.

Companies will be able to make and receive payments **under the same conditions, rights and obligations, regardless of their location.**

BNP PARIBAS is ready to enhance its payment services further

The most significant PSD-related changes involve execution time, value dating, charging rules and refund rights.

EXECUTION TIME

In principle, payments initiated at "D" must be credited to the account of the beneficiary's payment service provider at "D+1".

However, until 2012, users and providers of payment services may agree on a period of up to three business days for executing payments.

One extra day is allowed for paper-initiated transactions.

VALUE DATING

The **debit value date** for the payer's account may not be earlier than the point in time at which the amount of the payment is debited to the payer's account.

The **credit value date** for the payee's account may not be later than the business day on which the amount of the payment is credited to the payee's payment service provider.

CHARGING

The full amount of the transaction must be transferred to the payee ("Full amount principle").

Where a payment transaction does not involve any currency conversion, the payer must bear the charges levied by his payment services provider, and the beneficiary must pay the charges levied by his payment services provider ("Share principle").

However, other terms may be agreed where a currency conversion is involved (OUR).

CUSTOMER INFORMATION

Information rights regarding the payment transactions are provided by the PSD.

REFUND RIGHTS

New refund rights are provided for customers. For instance, in respect of a Direct Debit transaction, the refund of the payment is possible (subject to conditions) within up to 8 weeks or 13 months for authorized or unauthorized / incorrectly executed payments respectively.

The main PSD impacts for BNP Paribas customers

- ▶ Your payments will be processed faster.
- ▶ Your statements will be enriched.
- ▶ Electronic banking channels will be adapted to meet the PSD requirements.
- ▶ New refund rights will become available.

Our general Terms and Conditions will be updated in order to meet the PSD requirements.