



FINANCE

LEGAL FRAMEWORK OF ELECTRONIC MONEY PAYMENT SERVICES

Decree-Law no. 91/2018 ("DL 91/2018"), published on 12 November 2018 transposed into the Portuguese legal system Directive 2015/2366UE of the European Parliament and of the Council of 25 November 2015 ("PSD2") on access to the activity of payment institutions and the provision of payment services, as well as access to the business of electronic money institutions and the provision of electronic money issuing services.

Changes regarding payment services as well as electronic money institutions introduced by DL 91/2018 are particularly significant, the most relevant are the following:

- Regulation of new payment methods in the market, in order to allow the entry of new payment service providers who share information with each other, as long as authorised by the clients.
- The provision of two new payment services, namely services for initiation of payments and account information services, is foreseen. These services can have the information of several banking accounts on a single platform, even when the accounts are from different institutions, as a result these institutions have to share information with each other regarding the same client.
- New implementing measures with regards to (i) cross-border payments in the European Community, (ii) technical and business requirements for credit transfers and direct debits in euro and (iii) the implementation of new exchange rates applicable to payment transactions with cards.
- The incorporation of payment institutions and electronic money institutions will depend on an authorization to be granted by the Bank of Portugal, which will also be responsible for the prudential and behavioural supervision of

payment institutions and electronic money institutions.

- Mandatory prior notification to the Bank of Portugal in connection with the acquisition or reduction of qualifying holdings in a payment institution or an electronic money institution.

The implementation of PSD2 stems from the need to respond to the regulatory challenges posed by the dynamic reality associated with payment services, with a view to the widespread introduction of new

payment methods on the market, which ensure the functioning of highly important economic and social activities, as well as the protection and safety of consumers in the use of such payment services.

DL 91/2018 revokes the legal regime governing access to the activity of payment institutions and the provision of payment services, approved by Decree-Law no. 317/2009, of 30 October.

The legal regime now approved entered into force on 13 November 2018.

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