

To: Financial Conduct Authority

From: Electronic Money Association

Subject: CPI8/44: Brexit – Regulatory Technical Standards for Strong Customer Authentication and Common and Secure Open Standards of Communication

Date: 19 February 2019

Q1: Do you agree that we should make technical standards on strong customer authentication and common and secure open standards of communication, if there is no implementation period after exit day? If not, please explain why.

The Electronic Money Association (EMA) agrees that the FCA should produce its own technical standards on strong customer authentication and common & secure PSP communication to apply to UK-registered PSPs that will apply if the UK leaves the EU without a Withdrawal agreement.

Q2: Do you agree with our making proposed amendments to sub-articles 30(3) and (5) of the SCA-RTS if there is no implementation period after exit day? If not, please explain why.

We note the proposed change in the text of revised UK-RTS Art 30(3) to require ASPSPs to make payment account access interface specification documentation available to “...

authorised payment initiation service providers, account information service providers and payment service providers issuing card-based payment instruments or payment service providers that have applied to the FCA for the relevant authorization ...”. We ask the FCA to clarify whether the legal requirement under the UK-RTS – to make the interface specification available - is limited just to TPPs that are authorised by the FCA and whose registration number appears in the FCA Register?

We also want to highlight the impact of the discrepancy between the current text in UK-RTS Art. 30(3) and Art. 34(2). The text in the latter Article requires UK ASPSPs to accept valid eIDAS TPP certificates identifying TPPs listed in the FCA Register **or** registered & authorised in Gibraltar. However, UK-RTS Art 30(3) does not require UK ASPSPs to make their interface specification & testing facility available to any TPPs that are registered & authorised by the GFSC or have applied for authorization in Gibraltar. The current discrepancy in the text between these two UK-RTS articles creates an interface implementation gap.

The EMA requests that the FCA ensures that the text of UK-RTS Articles 30-34 is aligned to cover all intended TPPs (authorised or applying for authorization to the FCA and/or GFSC) are supported through the payment account access interface testing & implementation process.

Q3: Do you agree with our proposed technical standards as set out in Appendix 2? If not, please explain why.

As highlighted in our earlier comment, we encourage the FCA to review the text of UK-RTS Articles 30(3) and 34(2) to ensure that **all** intended TPPs can receive access to payment account access specifications, test facilities and eIDAS certificates that can be used to identify them.

We note the approach adopted by the FCA in establishing new GBP-denominated transaction value thresholds in the UK-RTS. The final values of these thresholds are still not fixed and will be determined by the GBP-EUR exchange rate on 29 March. This introduces further uncertainty in the SCA implementation process of all PSPs. Therefore, we propose that the FCA adopts fixed GBP values for these thresholds as a matter of urgency. For example, the FCA could establish fixed sterling amounts for all revised GBP-denominated transaction value thresholds that mirror the EUR values in the SCA-RTS (e.g. £50 and £150 SCA exemption limits for contactless payments at the POS, £30 and £100 SCA exemption limits for remote electronic payments etc.). The establishment of fixed sterling value limits for all transaction value thresholds in the UK-RTS will allow PSPs to progress the implementation of their SCA strategy in advance of the deadline of 29 March.

Finally, we encourage the FCA to continue to review the new, GBP-denominated payment transaction value limits detailed in Appendix 2 on a regular basis to reflect evolving transaction and fraud patterns.

Q4: Do you agree with our proposed changes to the Handbook as set out in Appendix 3? If not, please explain why.

The EMA agrees with the proposed changes to the Handbook highlighted in Appendix 3 of Consultation Paper CP 18/44.

Q5: Do you agree with the costs and benefits we have identified? If not, please explain why.

We note the outcomes of the costs & benefit analysis process detailed in CP 18/44.