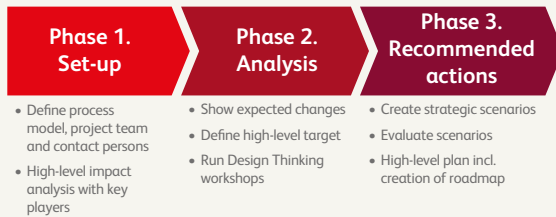


How BearingPoint supports its clients

BearingPoint supports you during the implementation of the necessary adjustments. As a first step we recommend to undertake a preliminary PSD2 study to identify the regulatory and strategic action areas. A next step would be to deduce the necessary changes resulting from this study.

BearingPoint approach



BearingPoint recommends market participants to start with the preliminary PSD2 study early on during H1 2016. This way, they will be able to proactively react to market changes and have sufficient time to realise required implementations.

Benefits

- Meeting PSD2 compliance by assessing the impact of the new European directive on the company
- Analysis of company-specific possibilities to expand the customer product and service portfolio as well as the possibility to establish a closer collaboration with new and innovative companies, e.g. FinTechs
- Detecting possibilities to optimise the business model during the implementation of PSD2
- Identifying indices for an increase in IT security over the course of the technical analysis
- Adding new distribution channels (internet / mobile phone) during digitalisation with legal protection

About BearingPoint

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organizations. Our global consulting network of 9,700 people serves clients in more than 70 countries and engages with them for measurable results and long-lasting success.

For more information, please visit:

www.bearingpoint.com

Contact

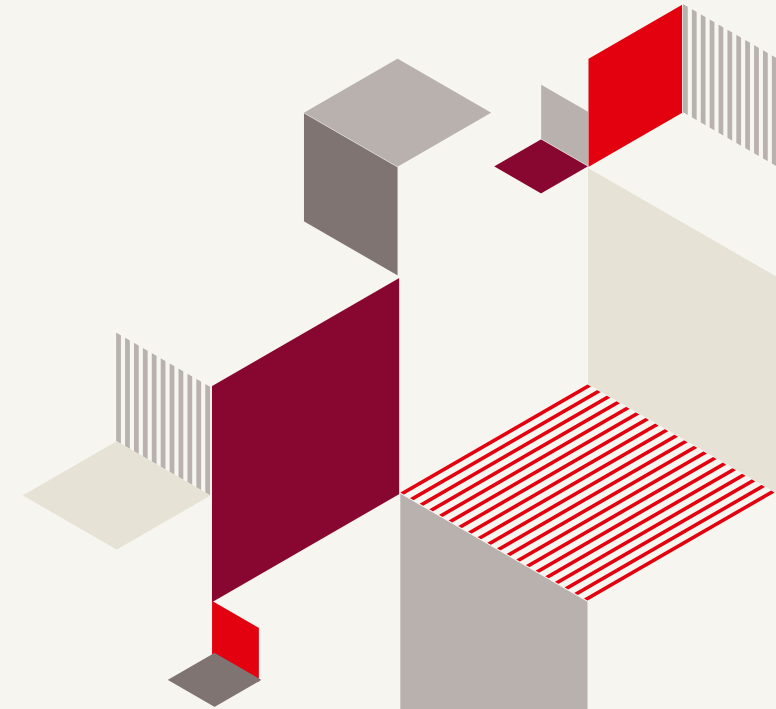
Christian Bruck
Partner
christian.bruck@bearingpoint.com

BearingPoint®

Payment Services Directive 2 (PSD2)

Directive (EU) 2015/2366 of the European Parliament and the Council on Payment Services in the Internal Market

Essential changes and their impacts



European Payment Services Directive

In December 2015 the revised Payment Services Directive (PSD2) was published in the EU's official journal. The directive needs to be implemented into national legislation by the beginning of 2018.

This review of the PSD (originally introduced in 2009) and the resulting legislation that is currently in place has been caused by constantly growing innovation in the payments and banking environment.

Why changes to the PSD are necessary:

- Online-based payments were not covered
- Different application of the rules in some member states, e.g. exemptions for services in electronic communication
- Further opening of the payments market, especially for companies with innovative product ideas

Changes to the European Payment Services Directive PSD2

Following the proposal by the European Commission and the approval of other EU institutions extensive changes have been implemented.

Overview of the major changes:

a. Creation of a legal basis for payments via internet or mobile phone

Regulation of existing payment services by taking third-party payment service providers into account, for example payment initiation services (direct payment release via third parties) or account information services (providing account information of users).

b. Provision of EU-wide access to the payments market for third-party payment service providers

In future banks will have to grant direct access to

their customers' account information to third-party payment service providers (if authorised by the clients).

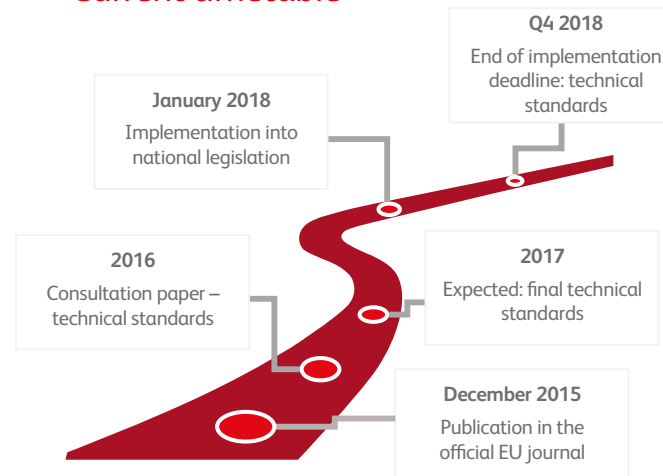
c. Increased customer protection and authentication

PSD2 introduces more stringent security requirements for the initiation and processing of electronic payments as well as for the protection of the customers' financial data, for example through enhanced customer authentication. In the same manner consumer rights will be strengthened, e.g. by reducing the liability for unauthorised transactions and by introducing an unconditional refund privilege for direct debits.

d. Exemptions only for a limited amount of payment services

In future many providers with innovative business models will have to get their services authorised under PSD2. This especially affects independent operators of ATMs, e-commerce platforms (if they offer transactions settlements) and payment processing via telecommunication services.

Current timetable



Impact

The PSD2 requirements can have a deep impact on participants of the European payments system. The following examples illustrate some areas of action:

Implementation of new interfaces

Access to account information as well as requests for account authorisation (payment release services) have to be granted to systems of third-party providers.

New “rules” and acceleration of disruptive changes

Direct access to account information together with account authorisation and payment release services simplifies the entry for new market participants which will try to use new products and processes to gain market share.

Development of new business models

The new directive offers established market participants the possibility to develop new business models and to enter cooperations with innovative providers of payment services.

Evaluating technical feasibility

System requirements may change due to increased demand on security during the transmission of data, especially in the context of enhanced customer authentication (customer protection).

Dealing with payment data

Security needs of payment system users must be ensured in terms of confidentiality and integrity of personalised security features (including consideration of PSD2 requirements when it comes to further use of customer data).

Consideration of additional regulatory requirements

Stricter rules within the new Payment Services Directive can lead to the necessity to re-examine other regulatory requirements (e.g. Banking Act, Money Laundering Act, Minimum Requirements for Risk Management).