

Statement by the European FinTech Association on the proposals Payment Services Directive (PSD3/PSR); The Digital Euro and the Framework for Financial Data Access (FIDA)

The European Fintech Association welcomes and supports the European Commission's legislative proposals on the Payment Services Directive (PSD3/PSR); The Digital Euro and the Framework for Financial Data Access (FIDA). These proposals are another step for the EU to lead the revolution towards tech-driven, fully digital financial services, providing consumers and businesses with new and innovative ways to manage their finances safely and securely.

PSD2 has been an important step towards increasing competition and innovation in European payments. However, challenges remain. Due to diverging implementation approaches across Member States as well as the multiple obstacles fintechs still face such as poor or limited data access and unmodifiable customer journeys, we have not been able to fully unlock the benefits of innovations such as Open Banking. This has limited consumer choice and competition. We believe that **PSD3/PSR** will serve as a catalyst for further competition and innovation. We welcome the proposed regulation to improve consistency of law and stronger enforcement across Europe as well as strengthened requirements around Open Banking. EFA strongly supports the introduction of direct access to payments systems for e-money institutions (EMIs) and payment institutions (PIs). We call on co-legislators to acknowledge this proposal and support the introduction of direct access via the current Instant Payments Regulation, in order not to delay any further the benefits for consumers and businesses around the EU.

EFA supports the introduction of the **open finance framework** in FIDA. Aiming for the same goals, an open finance framework provides an opportunity to achieve a true Digital Single Market for financial services: a data-driven economy promoting digital transformation and innovation through competition. With FIDA, the European Union will have clear rules on the conditions and requirements for the access, sharing, and use of data in finance with a strong focus on customer intimacy following GDPR principles. A customer-centric framework will ensure consumers have better access and control over their personal data, encouraging them to confidently make use of Open Finance, while allowing financial services providers to address customer needs in a tailor-made manner. This will lead to healthy competition in the European financial sector landscape and too much-needed new and innovative services to deliver the best outcomes for consumers and society.

The **Digital Euro** has the potential to transform the payments landscape, generating new competitive value chains, which benefiting consumers and businesses, including a more efficient and integrated pan-European ecosystem for payment services. EFA supports a Digital Euro that promotes innovation and is not only accessible for fintech, but also gives fintech the ability to distribute and support its acceptance. We welcome that the Digital Euro is proposed as a legal tender but highlight that real take up is drive by end user value.

The EFA strongly believes consumers and businesses, including the wider financial sector, will greatly benefit from the legislative proposals. We look forward to continue the dialogue with co-legislators in order to ensure that the ambitions set out by the Commission's proposals are upheld.