



Bank of Greece Act on the requirements for limited network exclusion under PSD 2

On 19 December 2022 the Bank of Greece (BoG) published act 214/2/12.12.2022 (BoG Act) endorsing EBA guidelines 2022/02 on limited network exclusion under PSD 2. The BoG Act specifies the requirements for services in relation to payment instruments which benefit from such exclusion.

1. Who is concerned?

Persons or entities that provide payment services falling within the limited network exclusion of article 3(1a) of Greek law 4537/2018 (Law 4537) transposing into Greek law PSD 2 (i.e. services based on specific payment instruments that can be used only in a limited way as specified thereby, such as store cards, fuel cards, membership cards, public transport cards, parking ticketing, meal vouchers or vouchers for specific services) are within the scope of the BoG Act.

Regulated payment service providers (including payment institutions, electronic money institutions and credit institutions offering payment services) when providing services falling within the limited network exclusion are also subject to new obligations.

2. Obligations of issuers of specific payment instruments under the limited network exclusion

The BoG Act clarifies, amongst others, that:

- i. payment instruments falling within the limited network exclusion can be used for acquiring both physical and digital goods and services; such payment instruments can be either reloadable or for one-off use only;
- ii. issuers must apply both technical and contractual restrictions limiting the use of the payment instrument which are further specified in the BoG Act; the mere existence of a contract between the issuer and the holder of the payment instrument does not suffice as a technical restriction;
- iii. where funds are transferred to the payment instrument by using an

intermediary other than the issuer, the transfer of funds is a separate payment service that does not fall within the scope of the limited network exclusion; and

- iv. issuers may issue more than one specific payment instrument falling within the limited network exclusion, provided that each of them fulfils the relevant requirements.

3. Obligations of payment service providers

The BoG Act sets out, amongst others, that payment service providers when offering services falling within the limited network exclusion must:

- i. distinguish the regulated payment services from the service falling within the limited network exclusion in a clear and easily recognisable way, including through the provision of a specific visual manifestation; and
- ii. inform the users in a simple and clear way that the provided services are not regulated and supervised, and that such users do not benefit from the protection for payment service users under Law 4537.

4. Notification to the BoG

In relation to the notification requirement to the BoG, which is triggered for issuers of exempted payment instruments when the threshold of EUR 1 million of payment transactions is exceeded, the BoG Act specifies the following:

- i. the issuer of the specific payment instrument that is exempted from the licensing requirements and is subject to the notification requirement under Law 4537 may be established in any EU member state (not only Greece);

- ii. the notification obligation to the BoG is triggered when the users of the specific payment instrument are present in Greece and the threshold of EUR 1 million of payment transactions is exceeded when executed in Greece. The calculation of the threshold has to be carried for all payment instruments issued by the same issuer in relation to payment transactions executed in Greece. Therefore, if the threshold of EUR 1 million is not reached at a local level (i.e. in Greece), no notification obligation is triggered;
- iii. the notification must include specific information about the type of exclusion under which the activity is carried out and the description of the activity as specified in the BoG Act; and
- iv. the notification must be submitted by the issuer only once. A new notification should be submitted to the BoG when any information related to the specific notified payment instrument(s) has changed substantially; the BoG Act specifies the circumstances of a substantial change.

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