

ARTICLE			SUBTITLE	TITLE
CONTENT	SUBTITLE	TITLE		
<p><ol class="crrNumList"> This Regulation lays down uniform technical and business requirements for card-based payment transactions carried out within the Union, where both the payer's payment service provider and the payee's payment service provider are located therein.</p> <p> <p>This Regulation does not apply to services based on specific payment instruments that can be used only in a limited way, that meet one of the following conditions:</p></p> <p><ol class="crrCharList"></p> <p>instruments allowing the holder to acquire goods or services only in the premises of the issuer or within a limited network of service providers under direct commercial agreement with a professional issuer; instruments which can be used only to acquire a very limited range of goods or services; instruments valid only in a single Member State provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer. </p> <p><p>Chapter II does not apply to the following:</p> <ol class="crrCharList"></p> <p>transactions with commercial cards; cash withdrawals at automatic teller machines or at the counter of a payment service provider; and transactions with payment cards issued by three party payment card schemes. Article 7 does not apply to three party payment card schemes. When a three party payment card scheme licenses other payment service providers for the issuance of card-based payment instruments or the acquiring of card-based payment transactions, or both, or issues card-based payment instruments with a co-branding partner or through an agent, it is considered to be a four party payment card scheme. However, until 9 December 2018 in relation to domestic payment transactions, such a three party payment card scheme may be exempted from the obligations under Chapter II, provided that the card-based payment transactions made in a Member State under such a three party payment card scheme do not exceed on a yearly basis 3 % of the</p>	Scope	Article 1		

fee means a fee paid for each transaction directly or indirectly (i.e. through a third party) between the issuer and the acquirer involved in a card-based payment transaction. The net compensation or other agreed remuneration is considered to be part of the interchange fee;

net compensation means the total net amount of payments, rebates or incentives received by an issuer from the payment card scheme, the acquirer or any other intermediary in relation to card-based payment transactions or related activities;

merchant service charge means a fee paid by the payee to the acquirer in relation to card-based payment transactions;

payee means a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction;

payer means a natural or legal person who holds a payment account and allows a payment order from that payment account, or, where there is no payment account, a natural or legal person who gives a payment order;

payment card means a category of payment instrument that enables the payer to initiate a debit or credit card transaction;

payment card scheme means a single set of rules, practices, standards and/or implementation guidelines for the execution of card-based payment transactions and which is separated from any infrastructure or payment system that supports its operation, and includes any specific decision-making body, organisation or entity accountable for the functioning of the scheme;

four party payment card scheme means a payment card scheme in which card-based payment transactions are made from the payment account of a payer to the payment account of a payee through the intermediation of the scheme, an issuer (on the payer's side) and an acquirer (on the payee's side);

three party payment card scheme means a payment card scheme in which the scheme itself provides acquiring and issuing services and card-based payment transactions are made from the payment account of a payer to the payment account of a payee within the scheme. When a three party payment card scheme licenses other payment service providers for the issuance of card-based payment instruments or the acquiring of card-based payment transactions, or both, or issues card-based payment instruments with a co-branding partner or through an agent, it is

considered to be a four party payment card scheme;

- payment instrument means any personalised device(s) and/or set of procedures agreed between the payment service user and the payment service provider and used in order to initiate a payment order;
- card-based payment instrument means any payment instrument, including a card, mobile phone, computer or any other technological device containing the appropriate payment application which enables the payer to initiate a card-based payment transaction which is not a credit transfer or a direct debit as defined by Article 2 of Regulation (EU) No 260/2012;
- payment application means computer software or equivalent loaded on a device enabling card-based payment transactions to be initiated and allowing the payer to issue payment orders;
- payment account means an account held in the name of one or more payment service users which is used for the execution of payment transactions, including through a specific account for electronic money as defined in point 2 of Article 2 of Directive 2009/110/EC of the European Parliament and of the Council Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ L 267, 10.10.2009, p. 7).;
- payment order means any instruction by a payer to its payment service provider requesting the execution of a payment transaction;
- payment service provider means any natural or legal person authorised to provide the payment services listed in the Annex to Directive 2007/64/EC or recognised as an electronic money issuer in accordance with Article 1(1) of Directive 2009/110/EC. A payment service provider can be an issuer or an acquirer or both;
- payment service user means a natural or legal person making use of a payment service in the capacity of either payer or payee, or both;
- payment transaction means an action, initiated by the payer or on its behalf or by the payee of transferring funds, irrespective of any underlying obligations between the payer and the payee;
- processing means the performance of payment transaction processing services in terms of the actions required for the

handling of a payment instruction between the acquirer and the issuer;

- processing entity means any natural or legal person providing payment transaction processing services;
- point of sale means the address of the physical premises of the merchant at which the payment transaction is initiated. However:
 - in the case of distance sales or distance contracts (i.e. e-commerce) as defined in point 7 of Article 2 of Directive 2011/83/EU, the point of sale shall be the address of the fixed place of business at which the merchant conducts its business regardless of website or server locations through which the payment transaction is initiated;
 - in the event that the merchant does not have a fixed place of business, the point of sale shall be the address for which the merchant holds a valid business licence through which the payment transaction is initiated;
 - in the event that the merchant does not have a fixed place of business nor a valid business licence, the point of sale shall be the address for correspondence for the payment of its taxes relating to its sales activity through which the payment transaction is initiated;
- payment brand means any material or digital name, term, sign, symbol or combination thereof, capable of denoting under which payment card scheme card-based payment transactions are carried out;
- co-badging means the inclusion of two or more payment brands or payment applications of the same brand on the same card-based payment instrument;
- co-branding means the inclusion of at least one payment brand and at least one non-payment brand on the same card-based payment instrument;
- debit card means a category of payment instrument that enables the payer to initiate a debit card transaction excluding those with prepaid cards;
- credit card means a category of payment instrument that enables the payer to initiate a credit card transaction;
- prepaid card means a category of payment instrument on which electronic money, as defined in point 2 of Article 2 of Directive 2009/110/EC, is stored.

CONTENT	SUBTITLE	TITLE
<ol style="list-style-type: none"> Payment service providers shall not offer or request a per 		

transaction interchange fee of more than 0,2 % of the value of the transaction for any debit card transaction.

For domestic debit card transactions Member States may either:

- define a per transaction percentage interchange fee cap lower than the one provided for in paragraph 1 and may impose a fixed maximum fee amount as a limit on the fee amount resulting from the applicable percentage rate; or
- allow payment service providers to apply a per transaction interchange fee of no more than EUR 0,05, or, in the Member States whose currency is not the euro, the corresponding value in the national currency on 8 June 2015, which shall be revised every five years or whenever there is a significant variation in exchange rates. This per transaction interchange fee may also be combined with a maximum percentage rate of no more than 0,2 %, provided always that the sum of interchange fees of the payment card scheme does not exceed 0,2 % of the total annual transaction value of the domestic debit card transactions within each payment card scheme.

Until 9 December 2020, in relation to domestic debit card transactions, Member States may allow payment service providers to apply a weighted average interchange fee of no more than the equivalent of 0,2 % of the annual average transaction value of all domestic debit card transactions within each payment card scheme. Member States may define a lower weighted average interchange fee cap applicable to all domestic debit card transactions.

The annual transaction values referred to in paragraphs 2 and 3 shall be calculated on a yearly basis, commencing on 1 January and ending on 31 December and shall be applied starting from 1 April of the following year. The reference period for the first calculation of such value shall commence 15 calendar months before the date of application of paragraphs 2 and 3 and shall end three calendar months before that date.

The competent authorities referred to in Article 13 shall, upon their written request, require payment card schemes and/or payment service providers to

Interchange fees for consumer debit card transactions

Article 3

INTERCHANGE FEES CHAPTER II

provide all information necessary to verify the correct application of paragraphs 3 and 4 of this Article. Such information shall be sent to the competent authority before 1 March of the year following the reference period referred to in the first sentence of paragraph 4. Any other information enabling the competent authorities to verify compliance with the provisions of this Chapter shall be sent to the competent authorities upon their written request and within the deadline set by them. The competent authorities may require that such information is certified by an independent auditor.		
<div class="crrArticle">Payment service providers shall not offer or request a per transaction interchange fee of more than 0,3 % of the value of the transaction for any credit card transaction. For domestic credit card transactions Member States may define a lower per transaction interchange fee cap.</div>	Interchange fees for consumer credit card transactions	Article 4
<div class="crrArticle">For the purposes of the application of the caps referred to in Articles 3 and 4, any agreed remuneration, including net compensation, with an equivalent object or effect of the interchange fee, received by an issuer from the payment card scheme, acquirer or any other intermediary in relation to payment transactions or related activities shall be treated as part of the interchange fee.</div>	Prohibition of circumvention	Article 5
CONTENT	SUBTITLE	TITLE
<ol class="crrNumList"> Any territorial restrictions within the Union or rules with an equivalent effect in licensing agreements or in payment card scheme rules for issuing payment cards or acquiring card-based payment transactions shall be prohibited. Any requirement or obligation to obtain a country specific licence or authorisation to operate on a cross-border basis or rule with an equivalent effect in licensing agreements or in payment card scheme rules for issuing payment cards or acquiring card-based payment transactions shall be prohibited. 	Licensing	Article 6
<ol class="crrNumList"> <p>Payment card schemes and processing entities:</p> <ol class="crrCharList"> shall be independent in terms of accounting, organisation and		

decision-making processes;

- shall not present prices for payment card scheme and processing activities in a bundled manner and shall not cross-subsidise such activities;
- shall not discriminate in any way between their subsidiaries or shareholders on the one hand and users of payment card schemes and other contractual partners on the other hand and shall not in particular make the provision of any service they offer conditional in any way on the acceptance by their contractual partner of any other service they offer.

The competent authority of the Member State where the registered office of the scheme is located may require a payment card scheme to provide an independent report confirming its compliance with paragraph 1.

Payment card schemes shall allow for the possibility that authorisation and clearing messages of single card-based payment transactions be separated and processed by different processing entities.

Any territorial discrimination in processing rules operated by payment card schemes shall be prohibited.

Processing entities within the Union shall ensure that their system is technically interoperable with other systems of processing entities within the Union through the use of standards developed by international or European standardisation bodies. In addition, payment card schemes shall not adopt or apply business rules that restrict interoperability among processing entities within the Union.

The European Banking Authority (EBA) may, after consulting an advisory panel as referred to in Article 41 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12)., develop draft regulatory technical standards establishing the requirements to be complied with by payment card schemes and processing entities to ensure the application of point (a) of paragraph 1 of this Article.

EBA shall submit those draft regulatory technical standards to

Separation
of payment
card
scheme and
processing
entities

Article
7

the Commission by 9 December 2015.
Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.

<ol class="crrNumList"> Any payment card scheme rules and rules in licensing agreements or measures of equivalent effect that hinder or prevent an issuer from co-badging two or more different payment brands or payment applications on a card-based payment instrument shall be prohibited. When entering into a contractual agreement with a payment service provider, the consumer may require two or more different payment brands on a card-based payment instrument provided that such a service is offered by the payment service provider. In good time before the contract is signed, the payment service provider shall provide the consumer with clear and objective information on all the payment brands available and their characteristics, including their functionality, cost and security. Any difference in treatment of issuers or acquirers in scheme rules and rules in licensing agreements concerning co-badging of different payment brands or payment applications on a card-based payment instrument shall be objectively justified and non-discriminatory. Payment card schemes shall not impose reporting requirements, obligations to pay fees or similar obligations with the same object or effect on card issuing and acquiring payment service providers for transactions carried out with any device on which their payment brand is present in relation to transactions for which their scheme is not used. Any routing principles or equivalent measures aimed at directing transactions through a specific channel or process and other technical and security standards and requirements with respect to the handling of two or more different payment brands and payment applications on a card-based payment instrument shall be non-discriminatory and shall be applied in a non-discriminatory manner. Payment card schemes, issuers, acquirers, processing entities and other technical

Co-badging and choice of payment brand or payment application

Article 8

<p>service providers shall not insert automatic mechanisms, software or devices on the payment instrument or at equipment applied at the point of sale which limit the choice of payment brand or payment application, or both, by the payer or the payee when using a co-badged payment instrument.</p> <p>
Payees shall retain the option of installing automatic mechanisms in the equipment used at the point of sale which make a priority selection of a particular payment brand or payment application but payees shall not prevent the payer from overriding such an automatic priority selection made by the payee in its equipment for the categories of cards or related payment instruments accepted by the payee. </p>				BUSINESS RULES	CHAPTER III
<p><ol class="crrNumList"> Each acquirer shall offer and charge its payee merchant service charges individually specified for different categories and different brands of payment cards with different interchange fee levels unless payees request the acquirer, in writing, to charge blended merchant service charges. Acquirers shall include in their agreements with payees individually specified information on the amount of the merchant service charges, interchange fees and scheme fees applicable with respect to each category and brand of payment cards, unless the payee subsequently makes a different request in writing. </p>	Unblending	Article 9			
<p><ol class="crrNumList"> Payment card schemes and payment service providers shall not apply any rule that obliges payees accepting a card-based payment instrument issued by one issuer also to accept other card-based payment instruments issued within the framework of the same payment card scheme. Paragraph 1 shall not apply to consumer card-based payment instruments of the same brand and of the same category of prepaid card, debit card or credit card subject to interchange fees under Chapter II of this Regulation. Paragraph 1 is without prejudice to the possibility for payment card schemes and payment service providers to provide that cards may not be refused on the basis of the identity of the issuer or of the cardholder. Payees that decide not to accept all cards or</p>					

<p>other payment instruments of a payment card scheme shall inform consumers of this, in a clear and unequivocal manner, at the same time as they inform consumers of the acceptance of other cards and payment instruments of the payment card scheme. Such information shall be displayed prominently at the entrance of the shop and at the till.</p> <p>In the case of distance sales, this information shall be displayed on the payee's website or other applicable electronic or mobile medium. The information shall be provided to the payer in good time before the payer enters into a purchase agreement with the payee.</p> <p>Issuers shall ensure that their payment instruments are electronically identifiable and, in the case of newly issued card-based payment instruments, also visibly identifiable, enabling payees and payers to unequivocally identify which brands and categories of prepaid cards, debit cards, credit cards or commercial cards are chosen by the payer.</p>	Honour All Cards rule	Article 10
<p>Any rule in licensing agreements, in scheme rules applied by payment card schemes and in agreements entered into between card acquirers and payees preventing payees from steering consumers to the use of any payment instrument preferred by the payee shall be prohibited. This prohibition shall also cover any rule prohibiting payees from treating card-based payment instruments of a given payment card scheme more or less favourably than others.</p> <p>Any rule in licensing agreements, in scheme rules applied by payment card schemes and in agreements entered into between card acquirers and payees preventing payees from informing payers about interchange fees and merchant service charges shall be prohibited.</p> <p>Paragraphs 1 and 2 of this Article are without prejudice to the rules on charges, reductions or other steering mechanisms set out in Directive 2007/64/EC and Directive 2011/83/EU.</p>	Steering rules	Article 11
<p>After the execution of an individual card-based payment transaction, the payee's payment service provider shall provide the payee with the following information:</p>		

<p>class="crrCharList"> the reference enabling the payee to identify the card-based payment transaction; the amount of the payment transaction in the currency in which the payee's payment account is credited; the amount of any charges for the card-based payment transaction, indicating separately the merchant service charge and the amount of the interchange fee. With the payee's prior and explicit consent, the information referred to in the first subparagraph may be aggregated by brand, application, payment instrument categories and rates of interchange fees applicable to the transaction. Contracts between acquirers and payees may include a provision that the information referred to in the first subparagraph of paragraph 1 shall be provided or made available periodically, at least once a month, and in an agreed manner which allows payees to store and reproduce information unchanged. </p>	Information to the payee on individual card-based payment transactions	Article 12
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CONTENT	SUBTITLE	TITLE
<p><ol class="crrNumList"> Member States shall designate competent authorities that are empowered to ensure enforcement of this Regulation and that are granted investigation and enforcement powers. Member States may designate existing bodies to act as competent authorities. Member States may designate one or more competent authorities. Member States shall notify the Commission of those competent authorities by 9 June 2016. They shall notify the Commission without delay of any subsequent change concerning those authorities. The designated competent authorities referred to in paragraph 1 shall have adequate resources for the performance of their duties. Member States shall require the competent authorities to monitor effectively compliance with this Regulation, including to counter attempts by the payment service providers to circumvent this Regulation, and take all necessary measures to ensure such compliance. </p>	Competent authorities	Article 13
<p><ol class="crrNumList"> Member States shall lay down rules on penalties applicable to infringements of this Regulation and shall take all measures necessary to ensure that they are applied. Member States shall notify those provisions to the</p>	Penalties	Article 14

Commission by 9 June 2016 and shall notify without delay of any subsequent amendment affecting them.			FINAL PROVISIONS	CHAPTER IV
<ol class="crrNumList" style="list-style-type: none"> Member States shall ensure and promote adequate and effective out-of-court complaint and redress procedures or take equivalent measures for the settlement of disputes arising under this Regulation between payees and their payment service providers. For those purposes, Member States shall designate existing bodies, where appropriate, or establish new bodies. The bodies shall be independent from the parties. Member States shall notify the Commission of those bodies by 9 June 2017. They shall notify the Commission without delay of any subsequent change concerning those bodies. 	Settlement, out of court complaints and redress procedures	Article 15		
<ol class="crrNumList" style="list-style-type: none"> For the purposes of this Regulation, in relation to domestic payment transactions that are not distinguishable as debit or credit card transactions by the payment card scheme, the provisions on debit cards or debit card transactions are applied. By derogation from paragraph 1, until 9 December 2016, Member States may define a share of no more than 30 % of the domestic payment transactions referred to in paragraph 1 of this Article that are considered to be equivalent to credit card transactions to which the interchange fee cap set in Article 4 shall apply. 	Universal cards	Article 16		
<div class="crrArticle"> <p>By 9 June 2019, the Commission shall submit a report on the application of this Regulation to the European Parliament and to the Council. The Commission's report shall look in particular at the appropriateness of the levels of interchange fees and at steering mechanisms such as charges, taking into account the use and cost of the various means of payments and the level of entry of new players, new technology and innovative business models on the market. The assessment shall, in particular, consider:</p> <ol class="crrCharList" style="list-style-type: none"> the development of fees for payers; the level of competition among payment card providers and payment card schemes; the effects on costs for the payer and the payee; the levels of merchant pass-through of the reduction in interchange fee levels; the technical requirements and their implications </div>				

for all the parties involved;

- the effects of co-badging on user-friendliness, in particular for the elderly and other vulnerable users;
- the effect on the market of the exclusion of commercial cards from Chapter II, comparing the situation in those Member States where surcharging is prohibited with those where it is permitted;
- the effect on the market of the special provisions for interchange fees for domestic debit card transactions;
- the development of cross-border acquiring and its effect on the single market, comparing the situation for cards with capped fees and cards which are not capped, to consider the possibility of clarifying which interchange fee applies to cross-border acquiring;
- the application in practice of the rules on separation of payment card scheme and processing, and the need to reconsider legal unbundling;
- the possible need, depending on the effect of Article 3(1) on the actual value of interchange fees for medium and high value debit card transactions, to revise that paragraph by providing that the cap should be limited to the lower amount of EUR 0,07 or 0,2 % of the value of the transaction.

The report by the Commission shall, if appropriate, be accompanied by a legislative proposal that may include a proposed amendment of the maximum cap for interchange fees.

Review clause

Article 17

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from 8 June 2015, with the exception of Articles 3, 4, 6 and 12, which shall apply from 9 December 2015, and of Articles 7, 8, 9 and 10, which shall apply from 9 June 2016

Entry into force

Article 18