



Exemption policy for the Eurosystem oversight framework for electronic payment instruments, schemes and arrangements

Purpose

The present Eurosystem exemption policy complements the oversight framework for electronic payment instruments, schemes and arrangements (the PISA framework).

The policy defines the criteria used to identify the payment schemes/arrangements to be overseen by the Eurosystem and those which are exempt, taking into account their relevance for the overall payment system. In this respect the size, market penetration and geographical relevance of a payment scheme/arrangement within the euro area are considered. The exemption criteria and their respective thresholds aim to be proportionate to the risks introduced by small and/or emerging payment schemes/arrangements and, therefore, exempt payment schemes/arrangements which do not meet the defined criteria and thresholds. The Eurosystem will review this policy at least every three years to ensure it is line with market developments and experience gained over the period.

The process for identifying payment schemes/arrangements which fall within the scope of the PISA framework is outlined in Section 1, while Section 2 sets out the exemption criteria.

1 Process for identifying payment schemes/arrangements which fall within the scope of the PISA framework

Payment schemes/arrangements which fall within the scope of the PISA framework are identified by the following process.

Every [three years] the European Central Bank (ECB) coordinates a Eurosystem-wide exercise to identify payment schemes/arrangements which fall within the scope of the PISA framework. For all candidate schemes/arrangements¹, the respective lead overseer submits the data obtained either from the governance body itself or via reliable secondary sources² to the ECB.

¹ Likely to pass the waiver criteria.

² E.g. the supervision of payment service providers.

The ECB then runs an exercise which assesses the data provided against the exemption criteria to identify entities which should be exempted and, for cases with a total score of [2] points (see 2.1), asks the respective lead overseer to inform the Eurosystem of its decision.

Based on the criteria set and approved by the ECB's Governing Council, the European System of Central Banks Market Infrastructure and Payments Committee (MIPC) validates and agrees on the publication of the results.

The ECB maintains and publishes a list of all payment schemes/arrangements subject to Eurosystem oversight under the PISA framework on its website.

The respective lead overseer may assess at any time, based on the criteria approved by the ECB's decision-making bodies, whether a payment scheme/arrangement falls within the scope of the PISA framework, taking market developments into account, and share the outcome immediately with the MIPC for approval and inclusion in the published list.

The lead overseer informs the governance body of the payment scheme/arrangement of the results of its assessment against the exemption criteria. New schemes/arrangements that are not exempted should adhere to the PISA framework within one year, at the latest, of being informed that they fall within the scope of the framework. Once a payment scheme/arrangement has been assessed as falling within the scope of the PISA framework it will continue to be overseen until the outcome of the next Eurosystem-wide exercise is known.

2 Exemption criteria

The Eurosystem applies a points system to assess a payment scheme/arrangement against the following four criteria:

- Criterion 1: the size of the end user or payment service provider base;
- Criterion 2: the degree of market penetration in terms of volume;
- Criterion 3: the degree of market penetration in terms of value;
- Criterion 4: geographic relevance.

Of these, the first three criteria differentiate between pan-European and national payment schemes/arrangements. A payment scheme/arrangement is considered to be pan-European if it provides services to end users or payment service providers in five or more euro area countries.³

³ A country is only counted if the number of end users as defined under criterion 1(A) exceeds at least 1% of its population, or if the number of payment service providers as defined under criterion 1(B) exceeds at least 10% of its payment service providers.

For each criterion, a scheme/arrangement can receive from 0 to 2 points. The overall score is calculated by summing the number of points for the four criteria. The thresholds for scoring 0, 1 or 2 points per category have not yet been defined. If two results are available for one criterion (e.g. a national and a pan-European score or the number of end users and the number of payment service providers) the higher score is used.

All payment schemes and arrangements for which the total score is [3] or more points (from a maximum of 8) are automatically subject to Eurosystem oversight. For cases in which the total score is [2] points, the lead overseer has some limited discretion in deciding whether to oversee or exempt the payment scheme/arrangement, taking the potential risks into account⁴.

All other payment schemes and arrangements are exempt from regular oversight by the Eurosystem, although they might be monitored by the lead overseer responsible (e.g. via meetings/video or telephone calls and basic statistics). In the case of exempted pan-European payment schemes/arrangements potential monitoring will be carried out by the country's national central bank if the scheme/arrangement is incorporated in the euro area. If the scheme/arrangement is incorporated outside the euro area such potential monitoring will be carried out by the ECB following the cooperation principles outlined in Section 4 of the PISA framework.

Moreover, regardless of the number of points scored, a lead overseer may exempt a payment scheme that maintains its own brand but operates under the rules and control of another overseen payment scheme (e.g. local rules are approved by an international payment scheme) and report any such decisions to the Eurosystem. Exempted payment schemes and arrangements are encouraged to take the principles of the PISA framework into consideration.

The governance body of a new or existing payment scheme/arrangement with significant growth potential (if there is a plausible business case indicating that the thresholds are likely to be exceeded) is encouraged to liaise with the national central bank of the euro area country in which it is legally incorporated or with the ECB if it is incorporated outside the euro area. Voluntary dialogue of this type could enable the scheme/arrangement to develop rules and infrastructure that are compatible with the oversight expectations.

2.1 Criterion 1: the size of the end user or payment service provider base

For this indicator either (A) the number of end users or (B) the number of payment service providers is considered, depending on which of these is more representative for a payment scheme/arrangement.

⁴ In the case of pan-European schemes with a traditional oversight or supervisory relationship with an NCB of at least [3] years, the ECB will take this decision jointly with the respective NCB.

Table 1
Size of end user base

Schemes /arrangements	The number of (i) registered end users or (ii) issued payment instruments ⁵ /user accounts within the euro area at the end of the year preceding the identification exercise equals or exceeds a given threshold	1 point	2 points
Pan-European	(i) as a percentage of the population ⁶ of the euro area (ii) as a percentage of issued payment instruments ⁷ /payment accounts ⁸ within the euro area		
National	(i) as a percentage of the population ⁶ of the country in which the governance body of the national scheme/arrangement is legally incorporated (ii) as a percentage of issued payment instruments ⁷ /payment accounts ⁸ within the country in which the governance body of the national scheme/ arrangement is legally incorporated		

Source: ECB.

Note: The size of the end user base is measured by (i) the number of registered end users or (ii) the number of issued payment instruments/user accounts, depending on which figure is available and/or higher.

Table 2
Size of payment service provider base

Schemes /arrangements	The number of adhering payment service providers ⁹ at the end of the year preceding the identification exercise	1 point	2 points
Pan-European	as a percentage of the payment service providers of the euro area ¹⁰		
National	as a percentage of the payment service providers of the country ¹⁰ in which the governance body of the national scheme/ arrangement is legally incorporated		

Source: ECB.

Note: The size of the payment service provider base is measured by dividing the number of payment service providers adhering to the scheme/arrangement by the total number of payment service providers which are eligible to adhere to the scheme/arrangement based on its rules.

⁵ In the case of cards.

⁶ Source: Eurostat via [Payments statistics: methodological notes](#), Table 1.1 Basic statistical data – Population (number of persons).

⁷ Source [Payments statistics: methodological notes](#), Table 10.1 Number of cards issued by resident PSPs – Cards with a payment function(thousands; end of period).

⁸ Source [Payments statistics: methodological notes](#), Table 5: Institutions offering payment services to non-MFIs – Number of payment accounts (includes transferable overnight deposits and e-money accounts but excludes credit card accounts with a credit feature).

⁹ E.g. payment service providers if defined as such by the scheme or arrangement in question.

¹⁰ Source [Payments statistics: methodological notes](#), Table 4. Institutions offering payment services to non-MFIs – Number of institutions (original units; end of period).

2.2 Criterion 2: the degree of market penetration in terms of volume

Table 3

Degree of market penetration – volume

Schemes /arrangements	The total volume ¹¹ of euro-denominated transfers of value during the year preceding the identification exercise equals or exceeds a given threshold	1 point	2 points
Pan-European	as a percentage of the total volume of euro-denominated transfers of value in the euro area ¹²		
National	as a percentage of the total volume of the euro-denominated transfers of value of a country ¹² in which the governance body of the relevant national scheme/arrangement is legally incorporated		

Source: ECB.

Note: The total volume of euro-denominated payments in the euro area or in a given euro area country is approximated by the sum of total cashless transactions and cash withdrawals, according to the ECB's Statistical Data Warehouse.¹³

2.3 Criterion 3: the degree of market penetration in terms of value

Table 4

Degree of market penetration – value

Schemes /arrangements	The total value of euro-denominated transfers of value or euro equivalent during the year preceding the identification exercise equals or exceeds a given threshold	1 point	2 points
Pan-European	...of the total value of euro-denominated transfers of value in the euro area ¹⁴		
National	...of the total value of the euro-denominated transfers of value of a country ¹⁴ in which the governance body of the relevant national scheme/arrangement is legally incorporated ¹⁵		

Source: ECB.

¹¹ I.e. the figures for the euro area/ a given country should include the volume of transfers of value through payment instruments issued under schemes/arrangements in the euro area/ that country and acquired/withdrawn in the euro area/ same country.

¹² Source [Payments statistics: methodological notes](#), Table 6. Number of payment transactions involving non-MFIs – Total number of payments (total for the period).

¹³ I.e. the figures for the euro area should include the total volume of transfers of value made through payment instruments issued under schemes/arrangements issued in the euro area, regardless of the acquiring country (payer in the euro area to payees worldwide and ATM withdrawals using cards issued by resident payment service providers in the euro area. Figures for a given euro area country should include the volume of payments and cash withdrawals through payment instruments issued under schemes/arrangements issued in that country and acquired/withdrawn in the same country.

¹⁴ Source [Payments statistics: methodological notes](#), Table 8. Value of payment transactions involving non-MFIs – Total value of payments (total for the period).

¹⁵ I.e. the figures for a given country should include the volume of transfers of values through payment instruments issued under schemes/arrangements in that country and acquired/withdrawn in the same country.

2.4 Criterion 4: geographic relevance

Table 5
Geographic relevance

Schemes /arrangements	The number of countries in which a payment scheme/arrangement is actively offered to end users (payers and payees) at the end of the year preceding the identification exercise	1 point	2 points
National and pan-European	or the number of countries in which a payment scheme/arrangement is actively offered to payment service providers for transfer of value at the end of the year preceding the identification exercise		

Source: ECB.

Notes: "Actively offered" means that the payment scheme/arrangement allows transfers of value from a payee in one euro area country to a payee in another euro area country or within a euro area country. A country is only counted if the number of end users as defined under criterion 1(A) exceeds at least 1% of its population. A country is only counted if the number of payment service providers as defined under criterion 1(B) exceeds at least 10% of the its payment service providers.

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For specific terminology please refer to the [ECB glossary](#) (available in English only).