



PSD2: What's in it for you?

The revised Payment Services Directive (PSD2) is an important milestone for the payments landscape in the European Union. In 2018, the implementation into national legislation will be finalized, establishing a whole new payment ecosystem. So how can you create value for your business in this changing environment?

Background

Until recently, the development within the payments landscape was stagnant and lagging behind digital innovation that was taking place elsewhere. The transformation began a decade ago with the first Payment Services Directive (PSD1), but this legislation was quickly outpaced by developments such as the rise of online payments. Now PSD2 is bound to further transform the payment landscape, enabling new types of payment

services that will be accessible to third parties as well as traditional players. This new level playing field provides a multitude of opportunities to launch new payment services in the European market. Launching new services and realizing your ambitions is close at hand. Stay ahead of the competition and start using the benefits of the international payment market.

Your opportunities

- Easy access to the EU-payments sector as a third party payment provider
- Facilitate your own payment services and reduce costs
- Improve the customer experience by facilitating customer-friendly and safe payment services and removing complicated payment routings
- Cooperate with new (FinTech) parties and combine strengths

What steps to take...

How to become a successfully operating payment service provider? First of all, your organization needs to have a clear vision and strategy regarding PSD2. This must include both a customer and market strategy: a profitable organizational design that is customer-oriented and able to catalyze growth, possibly internationally. Secondly, the defined strategy has to be transformed and implemented into the core business and operations. This requires an intelligent action plan that is aligned with both the current and future business model. These adaptations therefore ask for a new approach to risk management that carefully balances existing and potential new risks. Furthermore, payment services are regulated within the EU bringing legal and regulatory (licensing) requirements, such as those as shown in Figure 1.

Our vision and approach

Deloitte has a four-step view on realizing your PSD2-ambition, see Figure 2. This can be adjusted according to your situation and specific wishes.

1. Strategy & Needs Assessment

Deloitte can help you define your business strategy, determine the (regulatory) requirements and explore alternatives. We

use a proven, agile framework distributed over three lenses: (customer) desirability, feasibility and viability. Requirements of IT and security are formulated and realization options are evaluated. This ensures that the operational infrastructure is profitable, risk-appropriate and able to grow in today's economy.

2. Market Entry

We have a standardized approach for market entries. We walk you through the DNB licensing process efficiently, from the first draft of a business plan to preparing the senior management for DNB interviews. The goal is to get you up and running whilst obtaining your license, in order for you to get a headstart.

3. EU Scale-Up

Deloitte can guide you through the scale-up process in the EEA and assist in the passporting of applications. We have the knowledge and experience to assist you within the full scope of your activities.

4. Operate

Finally, we can help your business get ready to operate, and to become and remain compliant in the most efficient way. This covers preparing for the implementation of the governance

and target operating model. We offer smart solutions (e.g. for the outsourcing of activities) in various formats such as expert advice or managed services. In doing so, we make sure you're aware of everything relevant to your field of expertise.

Legal framework

The PSD2 legal framework, which may differ amongst the EU member states, will be supported by several regulatory technical standards. This will result in a transitional period during which it will be important to differentiate the various levels of required compliance and their possible impacts. We can guide you through these grey areas in order for you to make optimal use of the diverse opportunities PSD2 brings to your business. As a result, you will be able to fully anticipate the upcoming changes within the payments sector.

Don't wait and prepare for PSD2 – strike while the iron is still hot

Figure 1. Regulatory Requirements

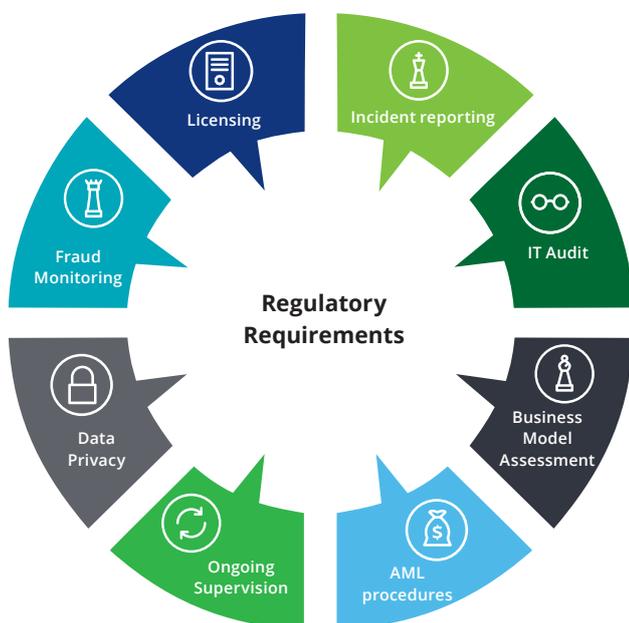
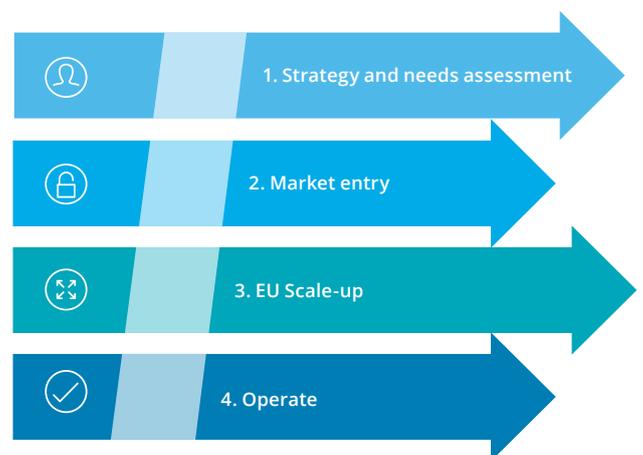


Figure 2. Deloitte's Approach



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Capabilities

Deloitte is a recognized leader for business strategy, digital transformation, cyber risk and enterprise architecture, as well as a leader for financial services business innovations. We can design a successful strategy to put PSD2 into practice, keeping you ahead of the competition. Furthermore, our professionals can help ensure a high level of compliance with international, European and national legal frameworks. Deloitte can guide you through all steps of the PSD2 licensing and implementation process by mobilizing the right people, skills and technologies. As a result, you elevate your business to a higher level while meeting your obligations towards the industry, clients, and regulators.

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