

Turkey experience: new reforms on e-money and payment services

Fatma TANGI IRKILATA

Senior Banking Specialist

BANKING REGULATION AND SUPERVISION
AGENCY

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What is new?

Regulation (Law Nr. 6493)



Key drivers and aims

Increase in importance of payment services in daily life and new instruments

- Financial stability
- Legal framework
 - Relationship between parties
 - Code of conduct
- Regulation

Alignment with EU Acquis

- PSD aims at:
- Increasing consumer protection and market transparency
 - Enhancing competition

Key drivers and aims

Non-bank payment
service providers

- Competition and efficiency
- Improvement in service quality and reduction in costs for consumers
- Financial inclusion

Nature of the business and importance of confidence
REGULATION

Payment Service Providers

E-money Issuers



E-money institution



Payment Institution

What does the Law bring?

Payment Services

- Positive scope
- Negative scope
- Rules of conduct, information requirements and framework contract (to be determined)

Electronic Money

- Definition
- Issuance
- Issuance and redemption rules (to be determined)

What does the Law bring?

Non-bank payment service providers

- Operating license
- Capital requirements, corporate governance, information systems (to be determined)
- Prohibition of granting loans
- Safeguarding of funds
- Supervision
- Keeping documents and records, protecting personal information
- Sanctions and legal proceedings

Payment Services

- Operating a payment account (cash placement/withdrawal)
- Execution of payment transactions on a payment account

Bank accounts, e-money accounts

Issuing or acquiring payment instruments

Card issuing, card merchant acquiring

Money remittance

Money transfer without a payment account

Mediating bill payments

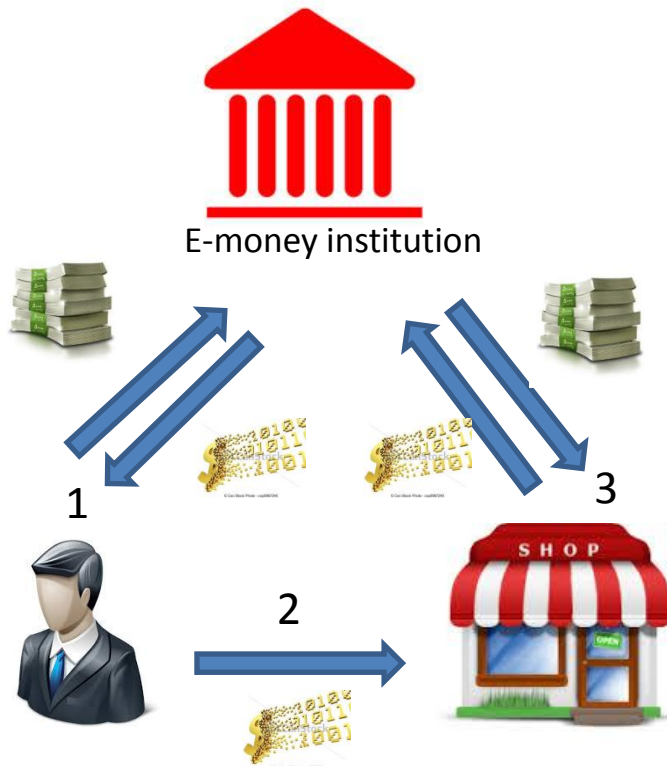
Bill payments such as electricity, gas, water

IT and telecommunication payments where the operator acts only as an intermediary

The payment is reflected to the operator's invoice

Electronic money

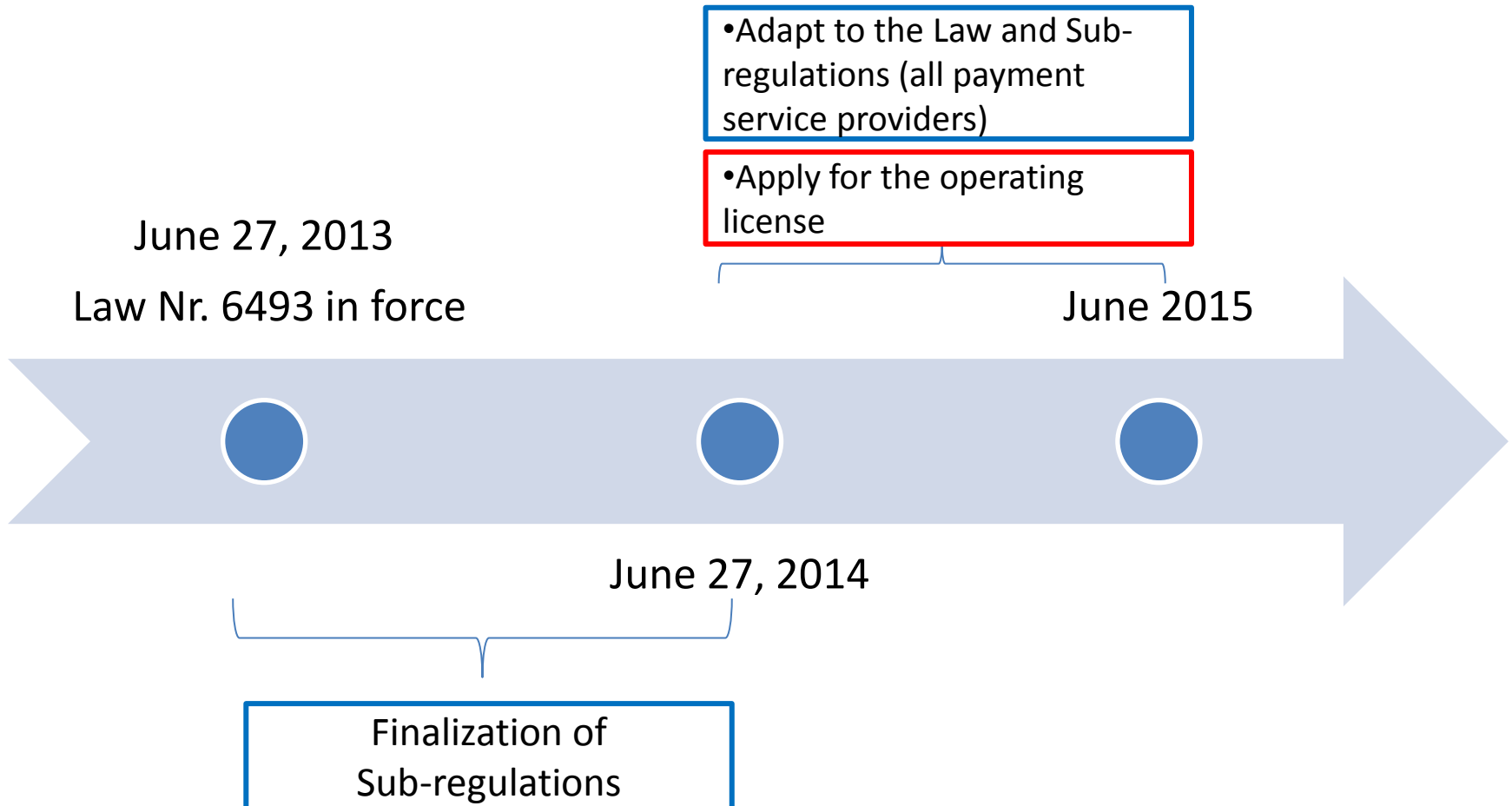
E- money



- issued at par value on receipt of funds
- stored electronically
- used for the purpose of making payments
- accepted as a payment instrument by natural and legal persons other than the electronic money issuer

- Prepaid cards
- Prepaid online accounts

Timeline



Sub-regulations

- Regulation on Payment Services, Electronic Money Issuance, Payment Institutions and Electronic Money Institutions
- Communiqué on Information Systems Management and Supervision in Payment Institutions and Electronic Money Institutions

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Global Overview of the Payment Services

Developed Economies

Banked

Safe and quick payment;
better shopping experience

Merchant cooperation
Innovation
Value-added

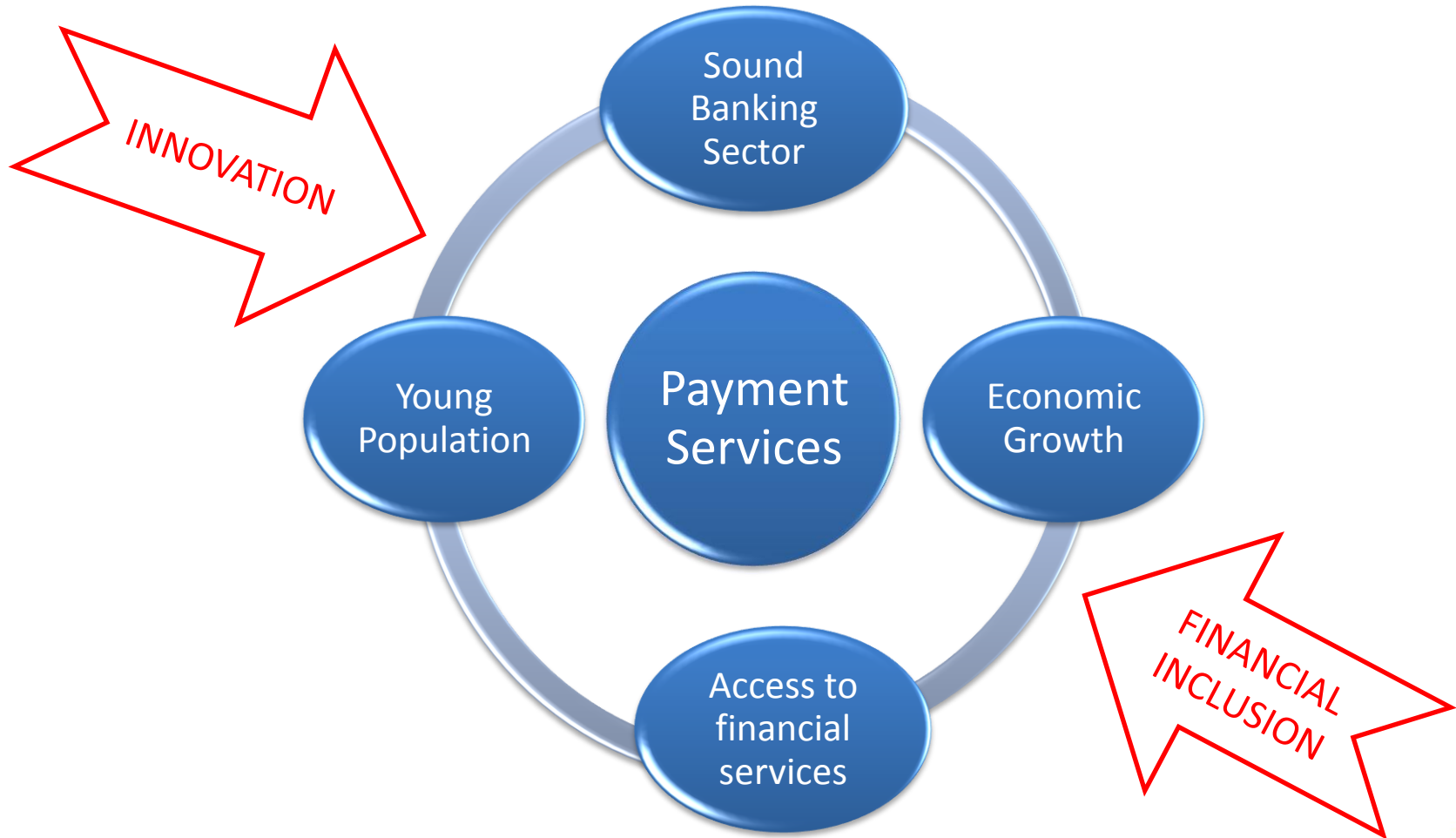
Developing Economies

Unbanked or underbanked

Financial inclusion, less
cash, easy, quick and safe
money transfer

Widespread agent
network

Where is Turkey located in the global payment services landscape?



Sub-regulations

- 2007/64/EC Payment Services Directive
- 2009/110/EC Electronic Money Directive
- UK Legislation
- ECB – Recommendations for the Security of Internet Payments
- ECB – Recommendations for the Security of Mobile Payments
- EC – Revised Payment Services Directive (PSD2)
- Banking Legislation
- Financial Leasing, Factoring and Financing Companies Legislation
- BRSA Supervision Experience

Sub-regulations

INSTITUTIONS

- Operating permission
- Operations not to be conducted
- Branches, Agents and Outsourcing
- Corporate Governance
- Own Funds
- Safeguarding funds
- Secure and sound information systems

Retail agent network
Competitive environment
Prudential supervision

CONTRACT AND RIGHTS AND OBLIGATIONS

- Single transactions/Framework contract
- Authorisation of payment transactions/unauthorised transactions
- Refunds / refusal of payment orders
- Execution of payment transactions
- Complaint handling

Conduct of business rules
Protection of the consumers

Financial Inclusion

FORTHCOMING

TRUST

CONSUMER PROTECTION

ACCESSABILITY

THANK YOU

Fatma TANGI IRKILATA

Banking Regulation and Supervision Agency

ftangi@bddk.org.tr

