
Press release

AFME comments on EU Financial Data Access and Payment Services Policy Proposals

28 June 2023

Commenting on the legislative proposals on Financial Data Access (FIDA) and on Payments Services (review of the Payments Services Directive (PSD) and the new Payment Services Regulation (PSR)) published today by the European Commission, **James Kemp, Managing Director at the Association for Financial Markets in Europe (AFME)**, said:

"For financial services, both the EU's proposed FIDA framework and the proposals on PSD/PSR could enable access to new, broader data sets to enhance the way banks operate, encourage innovation across sectors, and support a more effective and efficient payments system. AFME welcomes, in particular, the possibility of "reasonable" compensation for data within FIDA, as this is crucial to ensure fair allocation of costs across the data value chain and to safeguard competition. We also believe that compensation should have been introduced in the proposed modification of PSD/PSR.

"However, with innovation comes the potential for unintended consequences, such as sharing data with participants in other sectors who may already have a dominant share of both individual and corporate data, which could lead to monopolies and the exploitation of data. Therefore, AFME has identified four key principles to help address these risks and to support policy makers in the development of a robust FIDA framework and an enhanced payments services system.

"AFME stresses that a level playing field is crucial for participants in the EU data economy. The new proposal includes new data sharing obligations which encompass the majority of customer data held by banks. Imposing these obligations only on financial institutions could deepen the competitive asymmetry between banks and other participants in the data economy from other sectors which are not subject to equivalent obligations.

"Both pieces of legislation should prioritise interoperability with existing frameworks and an important level of standardisation across sectors. The industry schemes set forward in FIDA will be essential to achieving this interoperability as well as ensuring a level playing field, an appropriate framework for compensation, clear liability standards, and cross-sectoral data standardisation.

"Going forward, it is crucial that both the future FIDA framework and updated PSD/PSR take into account the broad global context of digitisation, ensuring that the EU remains open to global sources of innovation, standards and markets. The EU's data sharing frameworks should be fair (same rules for all participants), competitive (with clear incentives and reasonable compensation) and safe (include clear liability provisions). These principles are crucial to the development of flexible, future-proof regulation that will support the overall competitiveness and growth of the EU."

Specifically, AFME:

- Stresses that both pieces of legislation should ensure **a level playing field for data sharing**. In order for a FIDA framework to flourish, there must be consistent and appropriate regulatory oversight, including consistency with other frameworks which are not yet implemented such as the Digital Markets Act and Data Act. Consistency across sectors is key in order to support innovation and

Association for Financial Markets in Europe

London Office: Level 10, 20 Churchill Place, London E14 5HJ, United Kingdom T: +44 (0)20 3828 2700

Brussels Office: Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 883 5540

Frankfurt Office: Neue Mainzer Straße 75, 60311 Frankfurt am Main, Germany T: +49 (0)69 710 456 660

www.afme.eu

discourage monopolies, encourage competition and efficiency, as well as lowering costs for both corporate and retail customers, creating a robust and effective data economy across sectors.

- Supports **interoperability and an appropriate level of standardisation**. A robust data economy and its positive long-term impacts will be supported by both interoperability and an appropriate level of standardisation both across EU Member States and on a global scale. Interoperability should also support a level playing field so that, if data is being shared outside the financial services sector, it is still subject to appropriate requirements and remains high quality and fit for purpose. Relying on market-led schemes for the implementation of the data sharing obligations will in principle lead to increased standardisation than the implementation of PSD and PSR, facilitating greater use of data by third-parties.
- Consistently support **an appropriate framework for compensation** in both proposals. Compensation is important in order to ensure fair allocation of costs across the data value chain and to safeguard fair competition. Compensation, with a margin for all technical and administrative costs, as well as infrastructure and provision of data services, is also important to incentivise data holders to maintain a high level of quality, making data more reliable. Data reliability also supports a robust data economy and mitigates risks to data integrity, data security, regulatory compliance and the accuracy of end products for both corporate and retail consumers. We believe that compensation should also have been introduced in the proposed review of PSD and PSR.
- Welcomes the further progression of **clear liability provisions**. This will provide legal clarity with respect to the access, processing, sharing, and storage of data. In addition to both pieces of legislation setting out liability provisions, they should also support and enable contractual agreements as these are crucial to fill any gaps in new use cases, or specialised scenarios which may require additional clarity on the legal, technical and other conditions governing data sharing.

- ENDS -

AFME Contacts

Rebecca Hansford

Head of Communications and Marketing

Rebecca.hansford@afme.eu

+44 (0)20 3828 2693

Notes:

AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information, please visit the AFME website: www.afme.eu. Follow us on Twitter [@AFME_EU](https://twitter.com/AFME_EU)