

Single Rulebook Q&A

Question ID	2018_4045
Status	Final Q&A
Legal act	Directive 2015/2366/EU (PSD2)
Topic	Strong customer authentication and common and secure communication (incl. access)
Article	98
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2018/389 - RTS on strong customer authentication and secure communication
Article/Paragraph	19
Date of submission	28/06/2018
Published as Final Q&A	07/06/2019
Disclose name of institution / entity	No
Type of submitter	Other
Subject matter	Transaction Risk Analysis (TRA) exemption - Frequency of recalculation of fraud rate
Question	<p>Should the fraud rate, in accordance with Article 19 of the RTS, be recalculated every day using the trailing 90 days of data, or should it be recalculated once every 90 days (using the trailing 90 days of data)?</p> <p>If the fraud rate should be recalculated once every 90 days (using the trailing 90 days of data), can the calculation periods be aligned with calendar quarters? (e.g. the fraud rate for use during Q1 2020 (01-Jan-20 to 31-Mar-20) would be based on fraud data for Q4 2019 (01-Oct-19 to 31-Dec-19).</p>
Background on the question	The RTS state that the fraud rate for use in the TRA exemption should be calculated on a “rolling quarterly basis (90 days)”. It is not clear if this means that the fraud rate should be recalculated every day using the trailing 90 days of data, or should be recalculated once every 90 days (using the trailing 90 days of data).
Final answer	Article 19(1) of the Commission Delegated Regulation (EU) 2018/389 refers

	<p>to a calculation on a “rolling quarterly basis (90 days)”. Article 20(2) of the Delegated Regulation states that payment service providers should cease applying the exemption if the “monitored fraud rate exceeds for two consecutive quarters the reference fraud rate applicable for that payment instrument or type of payment transaction in that exemption threshold range”. Accordingly, Articles 19(1) and 20(2) of the Delegated Regulation should be read together in a systematic way, such that the calculation on a rolling quarterly basis (90 days) should be interpreted as a calculation once every calendar quarter.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2018_4045

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