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Legal act	Directive 2015/2366/EU (PSD2)
Topic	Other topics
Article	87
Paragraph	1
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	Not applicable
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Disclose name of institution / entity	No
Type of submitter	Individual
Subject matter	Credit value date for payment transactions with currency conversion
Question	As a credit entry on an account is possible only in the currency the account is maintained, does this mean that for a payment transaction the credit value date for the payee's account is no later than the business day on which the amount in the payee's account currency is credited to the payee's payment service provider's account?
Background on the question	A credit transfer in a currency other than the currency in which the payee's payment account is maintained (e.g. (a) credit transfer in SEK and payee's payment account in EUR or (b) credit transfer in USD and payee's payment account in NOK or (c) credit transfer in JPY and payee's payment account in CAD) requires selling the currency of the credit transfer and buying the currency in which the payee's payment account is maintained. Thus, a credit transfer with currency conversion requires a spot contract as the payment service provider needs to exchange one currency against another currency. For such spot contracts Regulation (EU) 2017/565 Article 10 (2) sets clear time frames for execution, in case of 'major currencies' (see Regulation (EU) 2017/565 Article 10 (3)) two trading days. This means that the amount in the currency of the payee's account is credited to the payee's payment service provider's account in two trading days. In case this day is also a business day

of the payee's payment service provider, this is (at the latest) the credit value date for the payee's account. Otherwise, if the credit value date for the payee's payment account would be the business day on which the amount of the credit transfer, irrespective of the currency of the credit transfer and the currency of the payee's payment account, the payee's payment service provider would be exposed to interest rate risk (the payee's payment service provider has to pay interest for the amount on the payee's payment account (if applicable) although the payee's payment service provider himself does not have the amount in this currency), liquidity risk (the payee can withdraw or transfer the credited amount although the payee's payment service provider himself does not have the amount in this currency) and foreign exchange risk (in case the necessary spot contract is settled with another exchange rate than the credit transfer with currency conversion). According to Article 82 (2) Directive (EU) 2015/2366 the Article 87 is not at the disposal of the parties. Thus, in order to avoid these risks some payment service provider may declare that they do not process credit transfers with currency conversion anymore (instead customers would have to open an account in the currency of the payment transaction or have to do a separate spot contract) which would lead to a decrease of service quality for payment service users.

EBA answer

Article 87(1) Directive 2015/2366/EU (PSD2) states that 'Member States shall ensure that the credit value date for the payee's payment account is no later than the business day on which the amount of the payment transaction is credited to the payee's payment service provider's account.' Article 87(2)(b) PSD2 further provides that 'The payment service provider of the payee shall ensure that the amount of the payment transaction is at the payee's disposal immediately after that amount is credited to the payee's payment service provider's account where, on the part of the payee's payment service provider, there is a) no currency conversion; or b) currency conversion between the euro and a Member State currency or between two Member State currencies.' Consequently, the payee's payment service provider shall make the amount of the transaction immediately available to the payee where the currency conversion mentioned above takes place, and otherwise no later than the same business day on which the amount of the transaction is credited to its own account.

Disclaimer:

The answers clarify provisions already contained in the applicable legislation. They do not extend in any way the rights and obligations deriving from such legislation nor do they introduce any additional requirements for the concerned operators and competent authorities. The answers are merely intended to assist natural or legal persons, including competent authorities and Union institutions and bodies in clarifying the application or

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Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2018_4150

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