



## **Amendments to CBM Directive No 1 on the Provision and Use of Payment Services**

The following is a summary of the main amendments introduced by the Central Bank of Malta to the provisions found under CBM Directive No 1 on the Provision and Use of Payment Services, which was originally published on 9 January 2018.

- a) Paragraph 31(3) has been amended and now mandates a payment service provider to provide, free of charge and upon the termination of a framework contract, a statement(s) covering a period of at least thirteen months.
  
- b) Paragraph 33, which deals with the provision of information to the payer on individual debit transactions, has been amended and now mandates a payment service provider to provide an individual debit advice, free of charge and after an amount is debited from the payer's account. However, the payment service provider may opt to provide to the payer, free of charge, a monthly statement instead of an individual debit advice. Should the payment service provider decide to take this option, the payer still reserves the right to choose to receive individual debit advices instead of monthly statements, free of charge. Furthermore, the payment service provider may also opt to allow the payer to choose to receive statements at a less frequent basis than once a month, say semi-annually, with the option always available for the payer to revert back to receiving monthly statements, free of charge.
  
- c) Paragraph 34, which deals with the provision of information to the payee on individual credit transactions, has been amended and now mandates a payment service provider to provide an individual credit advice, free of charge and after an amount is credited into the payee's account. However, the payment service

provider may opt to provide to the payee, free of charge, a monthly statement instead of an individual credit advice. Furthermore, the payment service provider may also opt to allow the payee to choose to receive statements at a less frequent basis than once a month, say semi-annually, with the option always available for the payee to revert back to receiving monthly statements, free of charge.

In order not to have a regulatory framework that is biased against payment institutions with innovative payment channels and to promote environmental sustainability, the Central Bank of Malta further mandates payment service providers to adopt the following principles with regards to the provision of information to the payment service user on individual payment transactions:

1. Payment service providers shall communicate with all their customers, informing them of their right to receive individual debit advices and/or monthly statements, and request them to submit a reply with their preferred periodicity. In the absence of a response, this shall be deemed to mean that the customer wishes to retain the current periodicity.
2. Customers who are not registered for online services (non-online users) will receive statements (individual or periodic) in paper format, by post and free of charge.
3. Customers who are registered for online services (online users) will receive statements (individual or periodic) online by default. Such users may request to receive statements (individual or periodic) in paper format, by post and against a charge at the discretion of the payment service provider.
4. All customers may request and collect paper statements at a physical branch at any time and free of charge.
5. Payment service providers may include charges when providing statements to non-online users more frequently than once a month, unless the non-online user has opted to receive individual debit advices. However, for online users this should always be free.

6. In case of joint accounts;

- a. If all the account holders are non-online users, they should choose one address for correspondence to receive statements in paper format, by post and free of charge. Any additional copies by post may be provided against a charge at the discretion of the payment service provider;
- b. If one of the account holders is an online user, then principle 3 stipulated above applies; and
- c. If all account holders are online users, then principle 3 stipulated above applies.