BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

CENTRAL BANK OF MALTA

DIRECTIVE No. 21

in terms of the

CENTRAL BANK OF MALTA ACT
(*CAP. 204*)

A PAN-EUROPEAN SCHEME FOR PEER-TO-PEER AND POINT-OF-INTERACTION PAYMENTS

Issued on: 2 November 2026

Title I
General Provisions

INTRODUCTION AND SCOPE

1. In accordance with article 34A(1) of the Central Bank of Malta Act *(Cap. 204 of the Laws of Malta)* (the 'Act'), the Central Bank of Malta (the 'Bank') shall, in order to promote the stable and sustainable development and provision of the payments landscape in Malta, oversee and regulate the provision of payment services, payment applications, payment card schemes and payment transactions by credit institutions and financial institutions.

2. Pursuant to article 34A(5) of the Act, the Bank is vested with the authority to issue directives in respect of the provision of payment services.

3. This Directive is adopted in implementation of article 34A(5) of the Act and seeks to support the development and adoption of a pan-European Single European Payments Area (SEPA) instant credit transfer-based scheme for peer-to-peer and point-of-interaction payments.

4. In line with the strategic direction set out in the Eurosystem's comprehensive payments strategy, this Directive aims to promote greater efficiency, resilience and integration in retail payments. In particular, it seeks to support the reduction in reliance on non-European payment solutions at the point-of-interaction and to ensure that payment service users in Malta are able to access innovative, secure and harmonised payment services with pan-European reach.

5. The purpose of this Directive is to establish:

    (a) the criteria that such a scheme must satisfy in order to be eligible for selection and adoption in accordance with this Directive;

    (b) the framework for the identification, assessment and selection of a scheme by the Bank, in consultation with the MFSA; and

    (c) the obligations applicable to payment service providers participating in the scheme selected and adopted in accordance with this Directive.

APPLICABILITY

6. This Directive shall apply to the following payment service providers:

(a) credit institutions licensed in terms of the Banking Act (*Cap. 371 of the laws of Malta*), including any branch, agency or office in Malta of a credit institution not incorporated in Malta;

(b) payment institutions and electronic money institutions licensed in terms of the Financial Institutions Act (*Cap. 376 of the laws of Malta*), including any branch, agency or office in Malta of such institution not incorporated in Malta.

7. Any exemptions from the obligations imposed on payment service providers by this Directive shall be determined by the Bank, on a case-by-case basis, in accordance with paragraphs 17 and 18.

DEFINITIONS

8. For the purposes of this Directive, the following definitions apply:

(1) '**acquiring service**' means a payment service provided by a payment service provider contracting with a payee to accept and process payment transactions, resulting in a transfer of funds to the payee;

(2) **'consumer'** means a natural person who, in payment service contracts covered by Directive (EU) 2015/2366, is acting for purposes other than his or her trade, business or profession;

(3) **'Directive (EU) 2015/2366'** means Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC, as may be amended from time to time and includes any implementing measures, implementing technical standards, regulatory technical standards and similar measures that have been or may be issued thereunder;

(4) '**funds'** means banknotes, coins, scriptural money and electronic money as defined in the Financial Institutions Act (*Cap. 376 of the laws of Malta*);

(5) '**instant credit transfer**' means a credit transfer which is executed immediately, 24 hours a day and on any calendar day;

(6) '**MFSA'** means the Malta Financial Services Authority established by the Malta Financial Services Authority Act (*Cap. 330 of the Laws of Malta*);

(7) '**payee**' means a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction;

(8) '**payer**' means a natural or legal person who holds a payment account and allows a payment order from that payment account, or, where there is no payment account, a natural or legal person who gives a payment order;

(9) '**payment account'** means an account held in the name of one or more payment service users which is used for the execution of payment transactions;

(10) '**payment instrument**' means a personalised device(s) and/or set of procedures agreed between the payment service user and the payment service provider and used in order to initiate a payment order;

(11) '**payment order'** means an instruction by a payer or payee to its payment service provider requesting the execution of a payment transaction;

(12) '**payment service user**' means a natural or legal person making use of a payment service in the capacity of payer, payee, or both;

(13) '**payment transaction'** means an act, initiated by the payer or on his behalf or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee;

(14) **'peer-to-peer payment'** means a payment transaction initiated by a payer and directed to a payee for the transfer of funds between them;

(15) '**point-of-interaction'** means the interface, whether physical or online, at which a payment service user interacts with a payee for the purpose of initiating a payment transaction, including at the physical point-of-sale and through remote electronic channels;

(16) **'scheme'** means a payment scheme, payment arrangement or other payment solution eligible for assessment for the purposes of this Directive;

(17) '**standard application**' means the standalone payment application made available by the scheme to enable payment service users to send and receive payment transactions.

Title II
Eligible Schemes

CRITERIA FOR ELIGIBILITY

9. In furtherance of the objectives set out in paragraphs 3 and 4, and in order to support a harmonised, resilient and integrated retail payments landscape aligned with the strategic direction of the Eurosystem, a scheme shall be considered eligible for the purposes of this Directive only where it satisfies all of the following criteria:

    (a) the scheme shall be European-governed, with governance arrangements, decision-making processes and strategic control exercised within the European Union;

    (b) the scheme shall enable instant credit transfers in euro in accordance with the SEPA Instant Credit Transfer Scheme and the applicable European Union legal framework;

    (c) the scheme shall support, or be subject to a documented and publicly committed implementation roadmap demonstrating that it will support by no later than 1 April 2028, both peer-to-peer and point-of-interaction payments, whether conducted physically or online;

    (d) the scheme shall enable payment service users in different euro area Member States to transact with one another under a harmonised scheme rulebook;

    (e) the scheme shall provide a standard application as defined under paragraph 8;

    (f) the scheme shall operate a formal, transparent and effective dispute resolution mechanism governing disputes arising between different payment service providers participating in the scheme;

    (g) the scheme shall ensure interoperability, open access and non-discriminatory direct participation for European payment service providers;

    (h) the scheme shall be designed and operated in a manner that supports the strategic autonomy, resilience and efficiency of the European payments ecosystem, in line with the objectives set out in the Eurosystem's comprehensive payments strategy, as may be amended from time to time; and

(i) the scheme shall be capable of being adopted in a single and harmonised manner across the Maltese market, such that participation is coordinated at industry level rather than determined unilaterally by individual payment service providers.

10. In addition to assessing the eligibility criteria set out in paragraph 9, the Bank may, in consultation with the MFSA, take into account such other relevant considerations as it deems appropriate and which are consistent with the Eurosystem's comprehensive payments strategy. Such considerations may include implementation roadmaps, committed future functionalities, interoperability initiatives, geographical expansion plans and any other information relating to the future development, capabilities and market readiness of a scheme.

SELECTION AND ADOPTION OF THE SCHEME

11. (1) Following the publication of this Directive, the Bank shall publish on its website a call for expressions of interest for a period of one month, inviting scheme operators that consider their schemes capable of satisfying the eligibility criteria set out in paragraph 9 to submit information and any supporting documentation required by the Bank.

(2) The submission of an expression of interest, the provision of information, or any engagement with the Bank during this process shall not confer any right for a scheme to be assessed, selected or adopted under this Directive.

(3) The Bank shall, in consultation with the MFSA, identify such schemes as it considers appropriate for assessment for the purposes of this Directive, having regard to:

(a) expressions of interest submitted under sub-paragraph (1);

(b) information received from scheme operators, payment service providers, industry associations and other relevant stakeholders; and

(c) any other information available to the Bank.

(4) The Bank shall, in consultation with the MFSA, assess the schemes identified under sub-paragraph (3) against the eligibility criteria set out in paragraph 9, having regard to the considerations referred to in paragraph 10.

(5) For the purposes of the assessment, the Bank may request information or views from scheme operators, payment service providers, industry associations, consumer representatives or other relevant stakeholders, and may convene meetings with such stakeholders where considered appropriate.

(6) Any information or views received from stakeholders shall form part of the overall assessment, but shall not be binding on the Bank for the purposes of the assessment or in determining the scheme to be selected.

(7) Following completion of the assessment process, the Bank, in consultation with the MFSA, shall determine which scheme is to be selected and adopted for the purposes of this Directive, having regard to:

(a) the eligibility criteria set out in paragraph 9;

(b) the considerations referred to in paragraph 10;

(c) the objective of achieving the harmonised market adoption of a pan-European payment solution in Malta;

(d) any information or views received from relevant stakeholders; and

(e) any other relevant considerations which are consistent with the objectives of this Directive and the Eurosystem's comprehensive payments strategy.

(8) The determination made under sub-paragraph (7) shall be communicated to payment service providers by means of a notice issued by the Bank.

Title III
Participation in the Scheme by Payment Service Providers

HARMONISED MARKET ADOPTION

12. Participation by payment service providers in the scheme selected in accordance with paragraph 11 shall be implemented on a harmonised basis across Malta. For the purposes of this Directive, harmonised market adoption shall mean that:

(a) a single scheme satisfying the eligibility criteria set out in paragraph 9 shall be selected for adoption at national level in accordance with paragraph 11 of this Directive;

(b) participation by payment service providers in the selected scheme shall be implemented on a coordinated basis across the Maltese market in accordance with the requirements of this Directive; and

(c) the scheme shall be implemented in a consistent and interoperable manner across the Maltese market, ensuring equivalent access, functionality and user

experience for payment service users and payees, and supporting minimum and consistent access to the scheme across the market.

13. All payment service providers to which the Directive applies shall, in relation to the scheme adopted in accordance with paragraph 11, be subject to the obligations laid down under Title IV of this Directive.

14. Payment service providers shall ensure that the necessary operational, technical and organisational arrangements for participation in the scheme are in place by the date set out in paragraph 22(2).

Title IV
Obligations of Payment Service Providers

15. (1) Payment service providers that issue payment instruments or that offer to payment service users the service of sending and receiving instant credit transfers, or both, shall enable such payment service users to:

    (a) send and receive peer-to-peer payments via the scheme; and

    (b) initiate payment transactions at the point-of-interaction via the scheme.

    (2) Access to and use of the services referred to in sub-paragraph (1) shall be made available free of charge to consumers.

16. (1) Payment service providers referred to in paragraph 15(1) shall ensure that their payment service users have access to and are able to use the standard application made available by the scheme.

    (2) Payment service providers referred to in sub-paragraph (1) may also make the services offered through the scheme available through their own mobile banking applications, provided that the payment service users continue to have access to, and are able to use, the standard application in accordance with sub-paragraph (1).

    (3) Payment service providers that offer acquiring services shall enable payees to accept instant credit transfers initiated via the scheme at the point-of-interaction.

EXEMPTIONS

17. Notwithstanding the provisions of this Directive, the Bank may grant an exemption, in whole or in part, from the obligations laid down under Title IV to a payment service

provider, where that payment service provider demonstrates, to the satisfaction of the Bank, that compliance with one or more of the obligations would not provide material benefit to its payment service users, having regard to the nature, scope and characteristics of the payment services offered, the business model, operational complexity, customer base and risk profile of the payment service provider.

18. Any exemption granted under paragraph 17 shall be assessed and determined by the Bank on a case-by-case basis and may be subject to such conditions or limitations as the Bank may deem appropriate. In exercising this discretion, the Bank shall have due regard to the principles of proportionality and necessity, the protection of the financial system, and the legitimate interests of payment service providers and payment service users. The Bank may review, amend or withdraw any such exemption where the circumstances on the basis of which it was granted no longer apply, or where such action is necessary to ensure the objectives of this Directive continue to be met.

Title V
Final Provisions

PENALTIES

19. Any payment service provider that contravenes or fails to comply with any requirement or obligation set out in this Directive shall be subject to such administrative measures, enforcement action and administrative penalties as may be imposed by the Bank in accordance with articles 34A and 56 of the Act and Central Bank of Malta Directive No. 12 on Administrative Measures and Penalties for Infringements under the Central Bank of Malta Act.

20. Any action taken by the Bank under paragraph 19 shall be effective, proportionate and dissuasive.

21. The Bank may, at its own discretion, make public any administrative penalty that is imposed against a payment service provider for failing to comply with a requirement under this Directive.

ENTRY INTO FORCE

22. (1) Titles I and II shall enter into force on the date of publication of this Directive.

(2) Titles III and IV shall enter into force on 1 April 2028.