



LEGISLATION UPDATE

The Future is Now

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UKGCVA Conference 2019 – The Future is Now

Highlights

- What the UKGCVA does
- PSD2
- 5MLD
- Irish Gift Voucher Bill
- Law Commission Report Consumer Prepayments on Retailer Insolvency

UKGCVA

A voice for its Members



PSD2: notify LNE

■ Payment Service Regulations 2017



Payment instruments used in a limited way:

- used to acquire goods/services in the issuer's premises
- issued by professional issuer and allows holder to acquire goods/services only within a ltd network which have direct commercial agreements with the issuer; or
- to acquire a very ltd range of goods / services

PSD2: SCA + RTS

E-money products from 14 September 2019

Apply **strong customer authentication** (unless exemption applies) for payments by card and other means when;

- access to payment account online
- initiates electronic payment transaction; or
- carries out any action through a remote channel which may imply risk of payment fraud or other abuses



If relevant, meet the Regulatory Technical Standards for access by third party providers of account information services (AIS).

5MLD: e-money products

10 January 2020

Enhances provisions in 4MLD to combat money laundering / terrorist financing

Extends to providers of cryptocurrency exchanges and wallets (custodian wallet providers)



5MLD: e-money exemption

Reduced the CDD exemption for low risk e-money gift cards

New: max monthly payment transaction limit €150 (currently €250)

used only to buy goods / services

New: max amount stored €150 (currently €250 or €500 domestic use)

New: no cash redemption / withdrawal permitted exceeds €50 (currently €100)



no loads with anon. e-money

New: max value for remote transaction €50 per transaction

Irish Gift Voucher Bill

■ Consumer Protection (Gift Vouchers) Bill 2018

Minimum 5 year expiry date for all vouchers supplied on / after date Bill comes into force

Prohibits trader requiring full redemption of voucher in a single transaction

Prohibits trader charging a fee for amending name of the consumer named on the voucher

Irish Gift Voucher Bill

- Limited exclusions for instruments
 - to purchase goods / services at a discount for limited period
 - supplied under customer loyalty / promotional scheme
 - supplied to a customer for refunded goods
- Coming into force: anticipated Q4 2019

Law Commission Report

- Consumer Prepayments on Retailer Insolvency
- Published 13 July 2016
- BEIS following up on recommendations
 - improve information on chargeback procedures
 - Secretary of State to have power to act where there is detriment to customers
 - consumer paper expected Summer 2019
 - ownership of goods on retailer insolvency
 - Christmas and other savings clubs



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The Payments Team

Siobhan Moore



Siobhan Moore is a partner and the global head for Cards and Payments in Locke Lord's London office. Siobhan works with clients who provide or operate a diverse range of services that touch the cards and payments sector. These clients range from gift card providers, e-money issuers, acquiring businesses and other regulated payment service businesses to technology providers that sit outside and within the financial regulatory framework. She regularly liaises with regulators and drafts and negotiates partner agreements and customer-facing documentation. She advises on product structure, business strategy and runs regulatory workshops.

Siobhan is a non-executive director of the UK Gift Card & Voucher Association (UKGCVA) and is also a director of the Prepaid International Forum (PIF). She is a frequent speaker at industry conferences throughout the world.

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Giedre Mitkute is a Legal Assistant in the London office of Locke Lord and a member of the Cards and Payments Team.

Giedre provides financial service and anti-money laundering / terrorist financing regulatory guidance on client's business operations. She runs legal and compliance workshops and drafts B2C and B2B contracts. Giedre also advises clients on their applications to be an authorised e-money institution / payment institution.

Giedre is a co-chair of PIF's Anti-Money Laundering Working Group and represents PIF in discussions with the regulatory and government bodies on the implementation of the Fifth Anti-Money Laundering Directive and the Second Payment Services Directive.

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