

Regulation no. 2
With which are established the data and information accompanying
transfers of funds and
the technical requirements for credit transfers and direct debits in euro

THE SUPERVISORY AND FINANCIAL INFORMATION AUTHORITY,

having regard to the Law no. XVIII on Transparency, Supervision and Financial Intelligence, of 8 October 2013, in particular the Articles 2, 3, 15, 16, 17, 18, 19, 20, 21, 22 (1), 26, 31, 32, 33, 34, 35, 36, 37, 38, 39 e 40 (1);

having regard to the Monetary Agreement between the European Union and the Vatican City State (2010/C 28/05) of 17 December 2009;

taking into account the Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds, as amended by Regulation (EU) 2019/2175 of the European Parliament and of the Council of 18 December 2019;

taking into account the Regulation (EU) 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro, as amended by the Regulation (EU) 248/2014 of the European Parliament and of the Council of 26 February 2014, in particular the Article 5 and the Annex;

whereas:

the Holy See, in conformity with its nature and mission, is participating in the efforts of the international community that aim to protect and promote the integrity, permanence and transparency of the economic and financial sectors and to prevent and to counter illegal activities;

the Vatican City State is committed to ensure an effective domestic system for the prevention and the combating of money-laundering, terrorism financing and the proliferation of weapons of mass destruction financing, with a view to increase legal certainty for the entities carrying out financial activities on a professional basis, including their relationships with foreign financial intermediaries;

flows of illicit money through transfers of funds can damage the integrity, stability and reputation of the financial sector;

the soundness, integrity and stability of the system of transfers of funds and confidence in the financial system as a whole could be seriously jeopardized by all activities aimed at disguising the origin of illicit proceeds or to transfer funds for illicit activities or terrorist purposes or the proliferation of weapons of mass destruction;

in execution of the decision taken by the Board of Directors on 26 November 2023;

HAS ADOPTED THE FOLLOWING REGULATION:

Title I Scope and definitions

Article 1. *Scope of application.*

This Regulation applies on the transfers of funds, in any currency, sent or received by entities carrying out financial activities on a professional basis.

Article 2. *Exclusion from the scope of application.*

1. This Regulation does not apply to the following:

- (a) payment transactions made exclusively in currency directly from the payer to the payee, without any intermediary intervention;
- (b) payment transactions from the payer to the payee through an agent authorized via an agreement to negotiate or conclude the sale or purchase of goods or services on behalf of only the payer or only the payee;
- (c) professional physical transport of banknotes and coins, including their collection, processing and delivery;
- (d) payment transactions consisting of the non-professional cash collection and delivery within the framework of a non-profit or charitable activity;
- (e) services where cash is provided by the payee to the payer as part of a payment transaction following an explicit request by the payment service user immediately before the execution of the payment transaction through a payment for the purchase of goods or services;
- (f) cash-to-cash currency exchange operations where the funds are not held on a payment account;
- (g) payment transactions based on any of the following documents drawn on the payment service provider with a view to placing funds at the disposal of the payee:
 - (i) paper cheques governed by the Geneva Convention of 19 March 1931 providing a uniform law for cheques;
 - (ii) paper cheques similar to those referred to in point (i) and governed by the laws of Jurisdictions which are not party to the Geneva Convention of 19 March 1931 providing a uniform law for cheques;
 - (iii) paper-based drafts in accordance with the Geneva Convention of 7 June 1930 providing a uniform law for bills of exchange and promissory notes;
 - (iv) paper-based drafts similar to those referred to in point (iii) and governed by the laws of Jurisdictions which are not party to the Geneva Convention of 7 June 1930 providing a uniform law for bills of exchange and promissory notes;

- (v) paper-based vouchers;
- (vi) paper-based traveller's cheques;
- (vii) paper-based postal money orders compliant with the requirements established by the Universal Postal Union;
- (h) payment transactions carried out within a payment or securities settlement system between settlement agents, central counterparties, clearing houses and/or central banks and other participants of the system, and payment service providers;
- (i) payment transactions related to securities asset servicing, including dividends, income or other distributions, or redemption or sale, carried out by persons referred to in point (h) or by other persons authorized to carry out on a professional basis financial activities referred in Article 1 (1) (g), (h), (i), (k) and (l) of the Law no. XVIII or any other entities allowed to have the custody of financial instruments;
- (j) services provided by technical service providers, which support the provision of payment services, without them entering at any time into possession of the funds to be transferred, including processing and storage of data, trust and privacy protection services, data and entity authentication, information technology (IT) and communication network provision, provision and maintenance of terminals and devices used for payment services, with the exclusion of payment initiation services and account information services;
- (k) services based on specific payment instruments that can be used only in a limited way, that meet one of the following conditions:
 - (i) instruments allowing the holder to acquire goods or services only in the premises of the issuer or within a limited network of service providers under direct commercial agreement with a professional issuer;
 - (ii) instruments which can be used only to acquire a very limited range of goods or services;
 - (iii) instruments valid only in the State, provided at the request a Public Authority and regulated by a Public Authority, and for the purpose to acquire specific goods or services;
- (l) payment transactions by a provider of electronic communications networks or services - providing that the value of any single payment transaction not exceeding EUR 50 and the cumulative value of payment transactions for an individual subscriber does not exceed EUR 300 per month - provided in addition to electronic communications services for a subscriber to the network or service:
 - (i) for purchase of digital content and voice-based services, regardless of the device used for the purchase or consumption of the digital content and charged to the related bill; or
 - (ii) performed from or via an electronic device and charged to the related bill within the framework of an institutional or charitable activity;

- (m) payment transactions carried out between payment service providers, their agents or branches for their own account;
- (n) cash withdrawal services offered by means of ATM by providers, acting on behalf of one or more card issuers, which are not a party to the framework contract with the customer and the provider of payment services.

2. This Regulation does not apply to transfers of funds carried out using a payment card, an electronic money instrument or a mobile phone, or any other digital or IT prepaid or postpaid device with similar characteristics, where the transfers are not person-to-person transfers of funds and the following conditions are met:

- (a) that card, instrument or device is used exclusively to pay for goods or services; and
- (b) the number of that card, instrument or device accompanies all transfers flowing from the transaction.

3. This Regulation does not apply to persons that have no activity other than to convert paper documents into electronic data and that do so pursuant to a contract with a payment service provider, or to persons that have no activity other than to provide payment service providers with messaging or other support systems for transmitting funds or with clearing and settlement systems.

4. This Regulation does not apply to transfers of funds:

- (a) that involve the payer withdrawing cash from the payer's own payment account;
- (b) that transfer funds to a Public Authority or to a foreign Public Authority in the European Union as payment for taxes, fines or other levies;
- (c) where both the payer and the payee are payment service providers acting on their own behalf;
- (d) that are carried out through cheque images exchanges, including truncated cheques.

Article 3. *Definitions.*

For the purposes of this Regulation, the following definitions apply:

1. «*Direct debit*». Payment service for debiting a payer's payment account, where a payment transaction is initiated by the payee on the basis of the payer's consent;
2. «*Public Authorities*». The Curial Institutions and Offices, the Institutions Connected with the Holy See or referring to it, included in the list annexed to the Statute of the Council for the Economy, the Governorate of Vatican City State and the Judicial Bodies of the State.
3. «*Foreign Public Authority*». Organ or body of a third Jurisdiction, including a public territorial entity or a public sector entity of a third Jurisdiction.
4. «*Basic Bank Account Number*» («*BBAN*»). Payment account number identifier,

which unambiguously identifies an individual payment account held with a payment service provider within the *Single Euro Payments Area* (“SEPA”) and which can only be used for domestic payment transactions. The same payment account is identified by IBAN for cross-border payment transactions.

5. «*Beneficiary*» or «*Payee*». Person that is the intended recipient of the transfer of funds.

6. «*Business Identifier Code*» («*BIC*»). Identifier code that unambiguously identifies a payment service provider, the elements of which are specified by the ISO 9362. The BIC code usually matches with the SWIFT code.

7. «*Credit transfer*». National or cross-border payment service for crediting a payee, based on an instruction given by the payer to its payment service provider. The crediting ordinary occurs with a payment transaction or a series of payment transactions from the payer’s payment account to the payee’s payment account.

8. «*Unique transaction identifier*». Combination of letters, numbers or symbols determined by the payment service provider which permits the traceability of the transaction back to the payer and the payee. The combination is defined in accordance with the protocols of the payment and settlement systems or messaging systems used for the transfer of funds.

9. «*Interchange fee*». A fee agreed and paid between the payer’s payment service provider and the payee’s payment service provider for direct debit transactions.

10. «*Multilateral Interchange fee* » («*MIF*»). Interchange fee which is subject to an arrangement between more than two payment service providers.

11. «*Payment account*». Account held in the name of a payment service user with a payment service provider which is used for the execution of payment transactions.

12. «*Settlement date*». Date on which obligations with respect to the transfer of funds are discharged between the payer’s payment service provider and the payee’s payment service provider.

12 bis. «*Public sector entity*». A public entity established by the law of a Jurisdiction or one of the Authorities of that Jurisdiction that carries out activities of an institutional nature. The definition does not include entities that engage in the production of goods and/or services intended for sale or marketing, even if they are required to do so by law or on non-remunerative terms.

12 ter. «*Territorial public bodies*». Bodies belonging to the territorial organisation of a Jurisdiction, such as regions, provinces, municipalities.

13. «*Financing of terrorism*»:

- (a) the acts set forth in article 23 of Law no. VIII on *Supplementary norms on criminal law matters*, of 11 July 2013;
- (b) participation in acts established by article 23 of Law no. VIII on *Supplementary norms on criminal law matters*, of 11 July 2013, association to commit such acts, the attempt to perpetrate them, the fact of assisting, instigating or advising someone to commit them or the fact of facilitating their execution;

- (c) knowledge, intention or purpose, which must constitute an element of the activities referred to in subparagraphs (a) and (b), may be inferred from objective factual circumstances.

14. «*Funds or other economic resources*». Any resource, including financial, economic or any kind, whether tangible or intangible, movable or immovable, however acquired, and any documents or instruments, including electronic or digital, evidencing title to, or interest in, funds or economic resources, including bank credits, travellers' cheques, cheques, payment orders, shares, securities, bonds, drafts, letters of credit, any interest, dividends or other income or value acquired or generated by such funds or economic resources.

15. «*International Bank Account Number*» («*IBAN*»). A payment account number identifier, used for international payment transactions, which unambiguously identifies an individual payment account held with a payment service provider within the *Single Euro Payments Area* ("SEPA"). The elements of the IBAN are specified by ISO 13616.

16. «*Collection*». Part of a direct debit transaction starting from its initiation by the payee until its end through the normal debiting of the payer's payment account.

17. «*Law no. XVIII*». Law no. XVIII on *Transparency, Supervision and Financial Intelligence* of 8 October 2013.

18. «*Mandate*». Expression of consent and authorization given by the payer to the payee and (directly or indirectly via the payee) to the payer's payment service provider to allow the payee to initiate a collection for debiting the payer's specified payment account and to allow the payer's payment service provider to comply with such instructions.

19. «*Payment transaction*». Transfer of funds, initiated by the payer or by the payee, between their respective payment accounts, irrespective of any underlying obligations between the payer and the payee and geographical location of the payer's and payee's payment service providers.

20. «*R-transaction*». Payment transaction which cannot be properly executed by a payment service provider or which results in exception processing, *inter alia*, because of a lack of funds, revocation, a wrong amount or a wrong date, a lack of mandate or wrong or closed account.

21. «*Originator*». Person that holds a payment account with a payment service provider and allows a transfer of funds from that payment account, or, where there is no payment account, that gives a transfer of funds order.

22. «*Payment order*». Instruction by a payer or payee to his payment service provider requesting the execution of a payment transaction.

23. «*Payer*». See «*Originator*».

24. «*Reference party*». Natural or legal person on behalf of whom a payer makes a payment or a payee receives a payment.

25. «*Payment service provider*» («*PSP*»). Natural or legal person whose activity

includes payment services or transfer of funds.

25 bis. «*Money or value transfer service provider*». a natural or legal person whose business consists in offering services relating to the transfer of funds or other economic resources, in particular cash and other stores of value, either directly or through their agents.

26. «*Intermediary payment service provider*». Payment service provider, that is not the payment service provider of the payer or of the payee, that receives and transmits a transfer of funds on behalf of the payment service provider of the payer or of the payee or of another intermediary payment service provider.

27. «*Regulation no. 1*». Regulation of the Supervisory and Financial Information Authority on *Prudential supervision of the entities carrying out financial activities on a professional basis*, no. 1, entered into force on 13 January 2015.

28. «*Money laundering*»:

- (a) the acts set forth in article 421 *bis* of the Criminal Code;
- (b) participation in one of the acts set forth in article 421 *bis* of the Criminal Code, association to commit such an act, the attempt to perpetrate them, the fact of assisting, instigating or advising someone to commit them or the fact of facilitating their execution;
- (c) knowledge, intention or purpose, which must constitute an element of the activities referred to in subparagraphs (a) and (b), may be inferred from objective factual circumstances.

29. «*Payment scheme*». Single set of rules, practices, standards and/or implementation guidelines agreed between payment service provider for the execution of payment transactions, which is separated from any infrastructure or payment system that supports its operation.

30. «*Payment services*». Services which allow for the execution of deposits, withdrawals, transactions and payment orders, including the transfer of funds to a payment account, the issue and acquisition of payment instruments and currency remittances.

30 bis. «*Money or Value Transfer Services, MVTs*». Services for the transfer of funds or other economic resources involving the acceptance of cash, other monetary instruments, funds or other stores of value and the payment of a corresponding sum in cash or other form to a beneficiary by means of a communication, message, transfer or through a clearing network to which the money or value transfer service provider belongs. The transactions performed may involve one or more intermediaries and a final payment to a third party, and may include any new payment methods. Sometimes these services are linked to particular geographical regions and are described by a number of specific terms, including hawala, hundi and fei-chen.

31. «*Payment system*». Funds transfer system with formal and standardised arrangements and common rules for the processing, clearing and/or settlement of payment transactions.

A payment system can be classified as follows:

- (a) ‘large-value payment system’, the main purpose of which is to process, clear or settle single payment transactions of high priority and urgency, and primarily of large amount; or
- (b) ‘retail payment system’, the main purpose of which is to process, clear or settle credit transfers or direct debits, which are generally bundled together for transmission and are primarily of small amount and low priority.

32. «*Standard ISO 20022 XLM*». Standard for the development of electronic financial messages as defined by the *International Organization for Standardization* (“ISO”), encompassing the physical representation of the payment transactions in XML syntax, in accordance with business rules and implementation guidelines for payment transactions falling within the scope of this Regulation.

33. «*State*». State of the Vatican City.

34. «*Transaction*»:

- (a) the transmission or movement of means of payment;
- (b) a determined or determinable activity with an economic or financial objective, which modifies the existing juridical situation achieved by a professional performance.

35. «*Transfer of funds*». Any transaction, typically carried out at least partially by electronic means, in the name and on behalf of a payer through a payment service provider, or a money or value transfer service provider, with a view to making funds or other economic resources available to a payee, through a payment service provider, or a money or value transfer service provider, irrespective of whether the payer and the payee are the same person and irrespective of whether the payment service provider, or the money or value transfer service provider, of the payer and that of the payee are the same, including, *inter alia*, the following typology of transactions:

- (a) credit transfer;
- (b) direct debit;
- (c) money remittance;
- (d) transfer carried out using a payment card, an electronic money instrument, or a mobile phone, or any other digital or IT prepaid or postpaid device with similar characteristics.

36. «*Cross-border transfer of funds*». Any transfer of funds or other economic resources where the payment services provider, or the money or value transfer service provider, of the payer and the payee are located in different Jurisdictions, including any chain of transfer in which at least one of the payment services providers, or money or value transfer service providers, is located in a different Jurisdiction.

37. «*Domestic transfer of funds*». Any transfer of funds or other economic resources where the payment services provider, or the money or value transfer service provider, of the payer and the payee are located in the Jurisdiction, including any chain of

transfer that takes place entirely within the borders of the Jurisdiction, even though the system used to transfer the communication or the payment message may be located in another Jurisdiction.

38. «*Batch transfers*». Individual transfers of funds or other economic resources that are being sent by the same payment services provider, or money or value transfer service provider, batched in a single electronic file, even when intended for the same beneficiary.

39. «*Payment service user*» («*PSU*»). Natural or legal person making use of a payment service in the capacity of payer or payee.

40. For the purpose of defining the general terms referred to in this Regulation and not defined in the preceding paragraphs, refer to Article 1 of the Law no. XVIII and to Article 3 to the Regulation no. 1.

Title II
Obligations on entities carrying out payment services
or money or value transfer services on a professional
basis

Chapter 1
Obligations on the payment service provider, or on money or value transfer
service provider, of the payer

Article 4. *Data and information accompanying transfers of funds.*

1. The payment service provider, or the money or value transfer service provider, of the payer shall ensure that transfers of funds are always accompanied by the following data and information:

- (a) with reference to the originator:
 - (i) the name and surname or, in the case of a legal person, the denomination in full;
 - (ii) the account number or, in the absence of an account, a unique identification code that allows the traceability of the transaction;
 - (iii) the address of residence or domicile, the official personal document number, the customer identification number or date and place of birth or, in the case of a legal person, the address of the registered office ^(*).
- (b) with reference to the beneficiary:
 - (i) the name and surname or, in the case of a legal person, the denomination in full;
 - (ii) the account number or, in the absence of an account, a unique identification code that allows the traceability of the transaction.

1bis. Where all payment service providers, or money or value transfer service providers, involved in the cross-border wire transfer are part of euro area payment systems, and the transfer takes place exclusively between the State and Jurisdictions that are part of the European Union, the transfers of funds shall be accompanied at least by the payment account number of the originator and of the beneficiary or, in the absence of an account, by the unique identification code that allows the traceability of the individual transaction and its link to the originator and to the beneficiary.

2. Before transferring funds, the payment service provider, or money or value transfer service provider, of the payer shall verify the accuracy of the information referred to in paragraph 1 on the basis of documents, data or information obtained from a reliable and independent source.

3. The obligation as referred to in paragraph 2 shall be deemed to have taken place where:

- (a) the payer's identity has been verified in accordance with Articles 16, 17, 18 and 19 of the Law no. XVIII and data, documents and information obtained pursuant to that verification has been registered in accordance with Articles 34 (1), 38 and 39 of the same Law;
- (b) Article 20 (1) of the Law no. XVIII applies to the payer.

Article 5. Domestic transfer of funds.

1. In the case of domestic transfer of funds, the payment service provider, or money or value transfer service provider, of the originator shall accompany the domestic transfer with data and information established in Article 4 (1).
2. Where the data and information accompanying the domestic transfer of funds can be made available to the payment service provider, or to money or value transfer service provider, of the payee and to the competent authorities by other means, the payment service provider, or the money or value transfer service provider, of the payee shall include the account number, in case this is used for the transaction or, in the absence of an account, a unique identification code that allows the traceability of the transaction and which leads back to the originator and the beneficiary.
3. For transfers of funds and on the basis of a request for information from the payment service provider, or money or value transfer service provider, of the payee or the competent authorities, the payment service provider, or the money or value transfer service provider, of the payer shall, within three working days of receiving the request for information, make available data and information referred to in paragraph 1. In any case, supervisory, law enforcement and judicial authorities can order the immediate production of such data and information.

Article 6. Batch transfers.

1. In the case of cross-border batch transfers sent from the State to a third Jurisdiction, the batch file shall include complete and accurate data and information relating to the originator and beneficiary, indicated in Article 4 (1), verified according to Article 4 (2) (3).
2. The non-routine transfers of funds shall be not batched where this increases risks of money-laundering and terrorism and proliferation of weapons of mass destruction financing.

Chapter 2
Obligations on the payment service provider, or on the money or value transfer service provider, of the payee

Article 7. Duties of the payment service provider, or of the money or value transfer service provider, of the payee.

1. The payment service provider, or money or value transfer service provider, of the payee shall detect whether the fields in the messaging or payment and settlement system used to carry out the transfer of funds have been filled in using characters or

inputs admissible in accordance with the conventions of that system.

2. The payment service provider, or money or value transfer service provider, of the payee shall take adequate procedures and measures, including post-event monitoring or, where possible, real-time monitoring, to identify transfers of funds which lack required data and information on the originator or on the beneficiary.

3. In the case of batch transfers originating in a third Jurisdiction, the data and information indicated in Article 4 (1) shall be included in the batch transfer and not in the single transfers.

4. In the case of transfers of funds exceeding EUR 1 000, whether those transfers are carried out in a single transaction or in several transactions which appear to be linked, before crediting the payee's payment account or making the funds available to the payee, the payment service provider, or money or value transfer service provider, of the payee shall verify the accuracy of data and information on the payee and register data and information in accordance with the registration and record-keeping requirements established in Article 14.

5. In the case of transfers of funds not exceeding EUR 1,000 that do not appear to be linked to other transfers of funds which, together with the transfer in question, exceed EUR 1,000, the payment service provider, or money or value transfer service provider, of the payee need not verify the accuracy of the information on the payee, unless the payment service provider, or money or value transfer service provider, of the payee:

- (a) effects the pay-out of the funds in cash or in anonymous electronic money; or
- (b) has reasonable grounds for suspecting money laundering or terrorist or proliferation of weapons of mass destruction financing.

This provision is without prejudice of the duty to register data and information in accordance with the registration and record-keeping requirements established in Article 14.

6. The obligation as referred to in paragraphs 4 and 5 shall be deemed to have taken place where:

- (a) the payer's identity has been verified in accordance with Articles 16, 17, 18 and 19 of the Law No. XVIII and data, documents and information obtained pursuant to that verification has been registered in accordance with Articles 34 (1), 38 and 39 of the same law;
- (b) Article 20 (1) of the Law No. XVIII applies to the payer.

Article 8. Transfers of funds with missing or incomplete data and information.

1. The payee's payment service provider, or money or value transfer service provider, shall adopt adequate risk-based policies, procedures and measures, to determine:

- (a) when to execute, reject or suspend a transfer of funds lacking required originator or beneficiary data or information;

- (b) the appropriate follow-up actions.
2. The policies, procedures and measures referred to in paragraph 1 include at least that the payment service provider, or money or value transfer service provider, of the payee shall, according to a risk-based approach, reject the transfer or make a request to the payment service provider, or money or value transfer service provider, of the payer, if, in receiving the transfers of funds, it has ascertained that:
- (a) the data and information required in Articles 4 (1), 5 (1) e 7 (3) on the payer or the payee are missing or incomplete;
 - (b) the data and information referred to in Article 7 (1) on the payer or the payee have not been filled in using characters or inputs admissible in accordance with the conventions of the messaging or payment and settlement system.
3. If a payment service provider, or money or value transfer service provider, repeatedly fails to provide the required information on the payer or the payee, the payment service provider, or money or value transfer service provider, of the payee shall take appropriate measures, which may lead to rejecting any future transfers of funds from that payment service provider, or money or value transfer service provider, or restricting or terminating the business relationship.
4. The payment service provider, or money or value transfer service provider, of the payee shall report the cases under paragraph 3 to the Supervisory and Financial Information Authority, including related measures adopted.
5. The payment service provider, or money or value transfer service provider, of the payee shall take into account missing or incomplete required data and information on the payer or the payee as a factor when assessing whether a transfer of funds, or any related transaction, is suspicious and whether it falls within the scope of Article 40 (1) of the Law no. XVIII.

Chapter 3

Obligations on intermediary payment service providers, or money or value transfer service providers

Article 9. Duties of intermediary payment service providers or money or value transfer service providers

1. The intermediary payment service providers, or the intermediary money or value transfer service providers, shall detect whether the fields in the messaging or payment and settlement system used to carry out the transfer of funds have been filled in using characters or inputs admissible in accordance with the conventions of that system.
2. In the case of cross-border transfer of funds, the intermediary payment service providers, or the intermediary money or value transfer service providers, shall ensure that the transfer is accompanied by all the data and information on the originator and beneficiary.
3. Where technical limitations prevent maintenance of data and information on the originator and on the beneficiary which accompany a cross-border transfer of funds linked to a domestic transfer of funds, the intermediary payment service provider, or

the intermediary money or value transfer service provider, shall comply with the requirements of registration and record-keeping established in Article 14, including for the data and information received by the payment service provider, or the money or value transfer service provider, of the originator or by another intermediary payment service provider, or intermediary money or value transfer service provider.

4. In the case of batch transfers originating in a third Jurisdiction, the data and information indicated in Article 4 (1) shall be included in the batch transfer and not in the single transfers.

Article 10. Transfers of funds with missing or incomplete data and information.

1. Intermediary payment service providers, or intermediary money or value transfer service providers, shall adopt adequate procedures and measures that allow an immediate and direct analysis in order to identify international transfers of funds which lack required data and information on the originator or on the beneficiary.

2. The intermediary payment service providers, or the intermediary money or value transfer service providers, shall adopt adequate risk-based policies procedures and measures to determine:

(a) when to execute, reject or suspend a transfer of funds lacking required originator or beneficiary data or information;

(b) the appropriate follow-up actions.

3. The policies, procedures and measures referred in paragraph 2 include at least that the intermediary payment service providers, or the intermediary money or value transfer service providers, according to a risk-based approach, shall reject the transfer or make a request to the payment service provider, or to the money or value transfer service provider, of the payer and of the payee, where they become aware, when receiving transfers of funds, that:

(a) the data and information required in Articles 4 (1), 5 (1) e 7 (3) on the payer or the payee are missing or incomplete;

(b) the data and information required in Article 7 (1) on the payer or the payee have not been filled in using characters or inputs admissible in accordance with the conventions of the messaging or payment and settlement system.

4. Where a payment service provider, or a money or value transfer service provider, repeatedly fails to provide the required information on the payer or the payee, the intermediary payment service providers, or the intermediary money or value transfer service providers, shall take appropriate measures, which may lead to rejecting any future transfers of funds from that payment service provider, or that money or value transfer service provider, or restricting or terminating the business relationship.

5. The intermediary payment service provider, or the intermediary money or value transfer service provider, shall report the cases under paragraph 4 to the Supervisory and Financial Information Authority, including the related measures adopted.

6. The intermediary payment service provider, or the intermediary money or value transfer service provider, shall take into account missing or incomplete required data and information on the payer or the payee as a factor when assessing whether a

transfer of funds, and any related transaction, is suspicious and whether it falls within the scope of Article 40 (1) of the Law no. XVIII.

Chapter 4 **Additional Obligations on payment service providers** **within the Single Euro Payments Area**

Article 11. *General Requirements for credit transfers and direct debit transactions.*

1. The payment service providers, in order to carry out credit transfer and direct debit transactions, have to comply with the following requirements:

- (a) they must use the payment account identifier specified in point (1) (a) of the Annex for the identification of payment accounts, regardless of the location of the payment service providers concerned;
- (b) they must use the message formats specified in point (1) (b) of the Annex, when transmitting payment transactions to another payment service provider or via a retail payment system;
- (c) they must ensure that payment service users use the payment account identifier specified in point (1) (a) of the Annex for the identification of payment accounts, regardless of the location of the payer's payment service provider, the payee's payment service provider or the sole payment service provider in the payment transaction;
- (d) they must ensure that where a payment service user that is not a natural person, initiates or receives individual credit transfers or individual direct debits which are not transmitted individually, but are bundled together for transmission, the message formats specified in point (1) (b) of the Annex are used.

2. Without prejudice to paragraph 1 (b), payment service providers shall, upon the specific request of a payment service user, use the message formats specified in point (1) (b) of the Annex in relation to that payment service user.

Article 12. *Specific requirements for credit transfers.*

1. The payment service providers shall carry out credit transfers in accordance with the following requirements:

- (a) the payer's payment service provider must:
 - (i) ensure that the payer provides data and information specified in point (2) (a) of the Annex
 - (ii) provide the data elements specified in point (2) (b) of the Annex to the payee's payment service provider;
- (b) the payee's payment service provider must provide or make available to the payee data and information specified in point (2) (d) of the Annex.

2. When a credit transfer is requested, the payee accepting credit transfers shall

communicate its payment account identifier specified in point (1) (a) of the Annex to its payers.

Article 13. *Specific requirements for direct debit transactions.*

1. The payment service providers shall carry out direct debit transactions in accordance with the following requirements:

- (a) the payee's payment service provider must:
 - (i) ensure that the payee provides the data elements specified in point (3) (a) of the Annex with the first direct debit and one-off direct debit and with each subsequent payment transaction;
 - (ii) ensure that the payer gives consent both to the payee and to the payer's payment service provider (directly or indirectly via the payee), the mandates, together with later modifications or cancellation, are stored by the payee or by a third party on behalf of the payee and the payee is informed of this obligation;
 - (iii) must provide the payer's payment service provider with the data elements specified in point (3) (b) of the Annex;
- (b) the payer's payment service provider must provide or make available to the payer the data elements specified in point (3) (c) of the Annex.

2. In the cases referred into paragraph 1, the payer must have the right to instruct its payment service provider:

- (a) to limit a direct debit collection to a certain amount or periodicity or both;
- (b) where a mandate under a payment scheme does not provide for the right to a refund, to verify each direct debit transaction, and to check whether the amount and periodicity of the submitted direct debit transaction is equal to the amount and periodicity agreed in the mandate, before debiting their payment account, based on the mandate-related information;
- (c) to block any direct debit transaction to the payer's payment account or to block any direct debit transaction initiated by one or more specified payees or to authorize direct debit transaction only initiated by one or more specified payees.

3. The payer's payment service provider shall inform the payer of the rights referred to in paragraph 2.

4. Upon the first direct debit transaction or a one-off direct debit transaction and upon each subsequent direct debit transaction, the payee shall send the mandate-related information to his or her payment service provider and the payee's payment service provider shall transmit that mandate-related information to the payer's payment service provider with each direct debit transaction.

5. Before the first direct debit transaction, a payer shall communicate its payment account identifier specified in point (1) (a) of the Annex.

6. Where the framework agreement between the payer and the payer's payment service provider does not provide for the right to a refund, the payer's payment service provider shall, without prejudice to paragraph 1 (a) (ii), verify each direct debit transaction to check whether the amount of the submitted direct debit transaction is equal to the amount and periodicity agreed in the mandate before debiting the payer's payment account, based on the mandate-related information.

7. The payer's payment service provider and the payee's payment service provider shall not levy additional charges or other fees on the read-out process to automatically generate a mandate for those payment transactions initiated through or by means of a payment card at the point of sale, which result in direct debit transaction.

Chapter 5

Registration and record keeping of documents, data and information and duty to refrain

Article 14. Registration and record-keeping requirements.

1. The payment service providers, or the money or value transfer service providers, of the originator and the beneficiary shall register and keep, in paper or digital format, for 10 years from the date of settlement, the data and information accompanying transfers of funds required by this Title.

2. The requirements referred in paragraph 1 are without prejudice to the additional registration and record-keeping requirements established by Article 38 of the Law no. XVIII.

Article 15. Access of competent authorities.

1. The Supervisory and Financial Information Authority and the judicial authority may request, in specific cases and with motivated decision, the registration and record-keeping established in Article 14 for a period longer than 10 years.

2. The data, documents and information registered according to Article 14 shall remain at the disposal of the competent Authorities for the activities of analysis and detailed study, as well as for investigative or judicial activities.

Article 15 bis. Duty to refrain.

1. The payment service providers, or the money or value transfer service providers, shall not carry out a transfer of funds unless all the data and information required by this Regulation are included.

2. In addition to the duty to refrain under Paragraph 1, the payment service providers, or the money or value transfer service providers, shall in any case comply with the provisions of Articles 8 (4) (5), 10 (5) (6) and 16 of this Regulation.

Title III
Final provisions

Article 16. *Reporting suspicious activity.*

This Regulation is without prejudice to provisions of Article 40 (1) of the Law no. XVIII on the reporting of suspicious activities.

Article 17. *Implementation of targeted financial sanctions.*

The provisions of this Regulation are without prejudice to obligations pertaining to the financial measures and other preventive measures relating to subjects who threaten international peace and security as set forth in Articles 75 and 76 of the Law No. XVIII.

Article 18. *Administrative sanctions.*

In case of violation or non-fulfilment of the requirements established in this Regulation, administrative sanctions shall be applied in accordance with Article 47 of the Law No. XVIII.

This Regulation, including the Annex, will enter into force on the day of its publication in the official website of the Supervisory and Financial Information Authority.

Vatican, 27 November 2023

CARMELO BARBAGALLO
President

Visto

GIUSEPPE SCHLITZER
Director

ANNEX

**Technical requirements
(Articles 11 -13)**

- (1) In addition to the essential requirements set out in Articles 11, 12 and 13, the following technical requirements shall apply to credit transfers and direct debit transactions:
- (a) the payment account identifier referred to in Articles 11 (1) (a) (c), 12 (2) and 13 (5) must be IBAN;
 - (b) the standard for message format referred to in Article 11 (1) (b) (d) and (2) must be the ISO 20022 XML standard;
 - (c) the remittance data field must allow for 140 characters. Payment schemes may allow for a higher number of characters, except if the device used to remit information has technical limitations relating to the number of characters, in which case the technical limit of the device applies;
 - (d) remittance reference information and all the other data elements provided in accordance with points (2) and (3) of this Annex must be passed in full and without alteration between PSPs in the payment chain.
 - (e) once the required data is available in electronic form, payment transactions must allow for a fully automated, electronic processing in all process stages throughout the payment chain (end-to-end straight through processing), enabling the entire payment process to be conducted electronically without the need for re-keying or manual intervention. This must also apply to exceptional handling of credit transfers and direct debit transactions, whenever possible;
 - (f) payment schemes must set no minimum threshold for the amount of the payment transaction allowing for credit transfers and direct debit transactions but are not required to process payment transactions with zero amount;
 - (g) payment schemes are not obliged to carry out credit transfers and direct debits exceeding the amount of EUR 999 999 999,99.

For the purposes of this Regulation and the Annex, the term “payer” and “originator” are equivalent.

- (2) In addition to the requirements referred to in point (1), the following requirements shall apply to credit transfer transactions:
- (a) the data elements referred to in Article 12 (1) (a) (i) are the following:
 - (i) the payer's name and the IBAN of the payer's payment account;
 - (ii) the amount of the credit transfer;
 - (iii) the IBAN of the payee's payment account;
 - (iv) the payee's name;
 - (v) any remittance information;
 - (b) the data elements referred to in Article 12 (1) (a) (ii) are the following:
 - (i) the payer's name;
 - (ii) the IBAN of the payer's payment account;
 - (iii) the amount of the credit transfer;
 - (iv) the IBAN of the payee's payment account;
 - (v) any remittance information;
 - (vi) any payee identification code;
 - (vii) the name of any payee reference party;
 - (viii) the purpose of the credit transfer;
 - (ix) any category of the purpose of the credit transfer;
 - (c) in addition, the following mandatory data elements are to be provided by the payer's PSP to the payee's PSP:
 - (i) the BIC of the payer's PSP (if not agreed otherwise by the PSPs involved in the payment transaction);
 - (ii) the BIC of the payee's PSP (if not agreed otherwise by the PSPs involved in the payment transaction);
 - (iii) the identification code of the payment scheme;
 - (iv) the settlement date of the credit transfer;
 - (v) the reference number of the credit transfer message of the payer's PSP;

- (d) the data elements referred to in Article 12 (1) (b) are the following:
 - (i) the payer's name;
 - (ii) the amount of the credit transfer;
 - (iii) any remittance information.
- (3) in addition to the requirements referred to in point (1), the following requirements shall apply to direct debit transactions:
 - (a) the data elements referred to in Article 13 (1) (a) (i) are the following:
 - (i) the type of direct debit (recurrent, one-off, first, last or reversal);
 - (ii) the payee's name;
 - (iii) the IBAN of the payee's payment account to be credited for the collection;
 - (iv) the payer's name;
 - (v) the IBAN of the payer's payment account to be debited for the collection;
 - (vi) the unique mandate reference;
 - (vii) the date on which the mandate was signed;
 - (viii) the amount of the collection;
 - (ix) where the mandate has been taken over by a payee other than the payee who issued the mandate, the unique mandate reference as given by the original payee who issued the mandate;
 - (x) the payee's identifier;
 - (xi) where the mandate has been taken over by a payee other than the payee who issued the mandate, the identifier of the original payee who issued the mandate;
 - (xii) any remittance information from the payee to the payer;
 - (xiii) the purpose of the collection;
 - (xiv) any category of the purpose of the collection;
 - (b) the data elements referred to in Article 13 (1) (a) (iii) are the following:
 - (i) the BIC of the payee's PSP (if not agreed otherwise by the PSPs involved in the payment transaction);
 - (ii) the BIC of the payer's PSP (if not agreed otherwise by the PSPs involved in the payment transaction);

- (iii) the payer reference party's name (if present in dematerialised mandate);
 - (iv) the payer reference party's identification code (if present in dematerialised mandate);
 - (v) the payee reference party's name (if present in the dematerialised mandate);
 - (vi) the payee reference party's identification code (if present in dematerialised mandate);
 - (vii) the identification code of the payment scheme;
 - (viii) the settlement date of the collection;
 - (ix) the payee's PSP's reference for the collection;
 - (x) the type of mandate;
 - (xi) the type of direct debit (recurrent, one-off, first, last or reversal);
 - (xii) the payee's name;
 - (xiii) the IBAN of the payee's payment account to be credited for the collection;
 - (xiv) the payer's name;
 - (xv) the IBAN of the payer's payment account to be debited for the collection;
 - (xvi) the unique mandate reference;
 - (xvii) the date of signing of the mandate;
 - (xviii) the amount of the collection;
 - (xix) the unique mandate reference as given by the original payee who issued the mandate (if the mandate has been taken over by another payee than the payee who issued the mandate);
 - (xx) the payee's identifier;
 - (xxi) the identifier of the original payee who issued the mandate (if the mandate has been taken over by a payee other than the payee who issued the mandate);
 - (xxii) any remittance information from the payee to the payer;
- (c) the data elements referred to in Article 13 (1) (b) are the following:
- (i) the unique mandate reference;

- (ii) the payee's identifier;
- (iii) the payee's name;
- (iv) the amount of the collection;
- (v) any remittance information;
- (vi) the identification code of the payment scheme.