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| European Banking Authority (EBA) | **Division Bank and Insurance**  Austrian Federal Economic Chamber  Wiedner Hauptstraße 63 | P.O. Box 320  1045 Vienna  T +43 (0)5 90 900-DW | F +43 (0)5 90 900-272  E bsbv@wko.at  W http://wko.at/bsbv |

Your ref., Your message of Our ref., person in charge Extension Date

BSBV 115/Dr.Priester/We 3132 13 November 2014

**EBA – Consultation on the implementation of draft EBA Guidelines on the security of internet payments prior to the transposition of the revised Payment Services Directive (PSD2)**

The Division Bank and Insurance of the Austrian Federal Economic Chamber, as representative of the entire Austrian banking industry, appreciates the possibility to comment on the above cited consultation paper and would like to submit the following position:

**Answer to consultation question (page 27):**

In our opinion, option a) should be chosen, i.e. put the EBA guidelines into force, as consultet.

**Furthermore, kindly note these remarks:**

* Page 8:

first paragraph, sentences: „In particular, payment service providers …..“ and „Strong transaction authorisation …..“, rather mix up authorisation and authentication as specified in the definitions (see p.13, point 11). A clear specification, what exactly is meant, is considered necessary.

* Page 13:

In point 10 (exclusions) „CTs where a third-party accesses the customers’s payment account“ should be taken out. The Consultation is based on PSD 1 (prior to PSD 2).

TPPs are not covered by PSD 1, so, to exclude something which is not covered in the base document seems superfluous.

* Page 16, point 3.4: this can be only applicable for new merchants, as such contractual obligations aren’t in place with every existing merchant. It has to be clarified how to deal with existing merchants which aren’t yet contractually obliged to cooperate on major payment security incidents.
* Page 20, point 7.6: it’s not quite clear what is meant here. Is EBA’s proposal to extent the existing 3DS liability shift also to other payment schemes than MasterCard and Visa or to introduce a new liability shift in regards to strong authentication (as mentioned on page 9).

If a new liability shift shall be introduced, it should be mentioned how this liability shift looks like.

* Page 25, point 13.1: it will be difficult in practice to allow customers to disable the internet payment functionality. In case of card transactions, there are transaction types which can’t be attributed exactly to internet or face to face payment (i.e. key-entered transactions, which can be distance payment transactions, e.g. mailorder/teleorder, as well as face to face transactions).

Please give our concerns due consideration.

Yours faithfully,

Dr. Franz Rudorfer

Managing Director

Division Bank and Insurance