



Use of electronic money (EM) and payment service providers (PSPs) as a legal framework for the implementation of such means of payment, Greece

Project MedTOWN

Co-production of social policies with social and solidarity economy actors to fight poverty, inequality and social exclusion.

QUESTIONNAIRE PROJECTS PHASES AND LOCAL PARTNERS. MEDTOWN PROJECT. 3rd LOT.

DEMOSTRATIVE ACTION. Name: **MedTOWN PAGGAIO**

MUNICIPALITY, REGION AND COUNTRY ACTION: **Municipality of Paggaios, Region of Eastern Macedonia and Thrace**

BRIEF DESCRIPTION OF CONTEXT:

To be completed by the local partner

ARRAY TO BE FILLED IN:

N°	ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
1¹	Existing applicable legislation governing EM and PSPs	Electronic money in Greece is regulated by Law no. 4021/2011 as it is amended and codified, which has implemented the EU regulation 2009/110/EC. Payment services providers are regulated by Law no. 4537/2018 as it is amended and codified, which has implemented the EU regulation 2015/2366/EU.		
2	Purpose of the regulation	The purpose of Law no. 4021/2011, articles 10 to 30 is to implement in the Greek legislation: i) the articles of the European parliament's regulation		

¹ Especially related to the Social Solidarity Economy (SSE).

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	<p>2009/110/EC as this was also voted in the Council of 16/9/2009 regarding “the assumption, practise and preventive supervision of an electronic money institution’s activities; ii) the amendment of the Regulations 2005/ 60/EC and 2006/48/EC and iii) the abolition of the Regulation 2000/46/EC (EE L 267)”</p> <p>Goal of Law no. 4537/2018 is the implementation in the Greek legislation system of the European parliament’s Regulation 2015/2366/EE as this was also voted in the 25/11/2015 Council (EE L 271), regarding the payment services in the internal market.</p>		
<p>3² Theoretical Consideration- Definition of EM and PSP (According to regulations)</p>	<p>“Electronic money”: any monetary value stored in electronic, including magnetic, security, which appears as a claim against the issuer of the electronic money, and which has been issued after receiving money to the end of making payments as these are defined in article 4 paragraph 5 of Law no. 3862/2010 (A' 113) and is accepted by other natural or legal persons other than the issuer.</p> <p>“Payment service provider”: the entities described in paragraph 2 of article 1 or</p>		

² Necessary for making comparative terms of equivalent concepts

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	<p>any natural or legal person which can be exempted as per article 34.</p> <p><i>Paragraph 2 art. 1:</i> With the articles 1 to 110 regulations are set, under which the following categories of payment services providers are recognized:</p> <p>a) credit institutions as these are defined in element 1, par. 1, art. 4 of the (EU) Regulation no. 575/2013 (EE L 176), including their branches, as they are defined in element 17, par.1, art. 4 of the aforementioned Regulation, when these branches are located in Greece and either their headquarters are located inside EU or according to article 36 of Law no. 4261/2014 (A' 107), in third country, as well as the Deposits and Loan Fund;</p> <p>b) electronic money institutions, as these are defined in element 3, article 10 of Law no. 4021/2011 (A' 218), including according to article 18 of the same law, the branches of electronic money institutions with registered headquarters outside the European Union, and which are operating in Greece and only in the degree where the payment services which the aforementioned institutions are connected with the issuance of electronic money;</p> <p>c) postal money order offices which are</p>		

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	<p>authorized according to the national regulations to provide payments services;</p> <p>d) payment institutions as these are defined in element 4 of article 4;</p> <p>e) the European Central Bank (ECB) and the national central banks when they are not exercising their position as a monetary or other public authority; and</p> <p>f) the Greek Public and other country – members or their regional or local authorities, when they are not exercising their position as a public authorities.</p>		
<p>4 Scope of application of EM and PSPs legislation</p>	<p>National</p>	<p>Both</p>	<p>Basic state law</p>
<p>5 Stakeholders Involved in EM and PSPs</p>	<p>Credit institutions & their branches, electronic money institutions, Hellenic Post Office, Bank of Greece, ECB, other national banks, Greek Public, Local Authorities of 1st & 2nd degree, EU member states and/or their local or regional authorities, payment services' providers based in Greece and/or any EU member state, the beneficiaries (any natural or legal person who is the end receiver of the funds), Insurance companies, postal money order institutions, Independent Software Vendors (ISV) and their merchants.</p>	<ul style="list-style-type: none"> - All the stakeholders - Commercial companies & service providers - Commerce & services intermediates - IT development companies - ISV and their merchants 	

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6 Administration - competent legislative body EM and PSPs	Determine which bodies are responsible for creating applicable regulations <ul style="list-style-type: none"> - Bank of Greece - Ministry of Finance - Greek parliament - EC 	To which administrative-territorial areas do these bodies belong and with what competence? <ul style="list-style-type: none"> - Bank of Greece is the national competent authority - Ministry of Finance is the national ministry regulation all financial matters - Greek parliament is the national legislative body - EC is the European Union's legislative body 	
7 Administration - competent executive body EM and PSPs	Determine which bodies are responsible for applying and enforcing existing regulations <ul style="list-style-type: none"> - Bank of Greece 	To which administrative-territorial areas do these bodies belong and with what competence? <ul style="list-style-type: none"> - Bank of Greece is the national competent authority - Bank of Greece receives guidelines and directives from the European Banking Authority - The Hellenic Council of State (Symvoulío tis Epikrateias) 	
8 Measures promoting or encouraging EM and PSPs	Are there any specific measures, grants or incentives to promote PP and PPP actions? <ul style="list-style-type: none"> - YES 	Indicate which ones and where they are regulated (indicating articles) <ul style="list-style-type: none"> - COVID-19 Vaccination for youth under 26 y.o. - Extra subsidy for Fuel subsidy beneficiaries, using EM Regulated by the Ministry of Finance	Including tax benefits, social security, subsidies, etc. There is a tax benefit for natural persons who use a certain amount of electronic money annually

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			(use of cards for payments).
9 Other EM and PSP related legislation	Indicate regulations Executive Council deed no. 164 13.12.2019, no. 178/ 2.10.2020, no. 142/11.6.2018, no 190/16.06.2021	Relationship-Influence with SSE	
10 Possibility of creating new EM and PSP legislation	How to carry it out, phases and persons to be involved Yes, there is the possibility either via new European Banking Authority (EBA)/EC regulations or via the Greek Ministry of Finance. In Greece, the legislation has to be drafted by the respective Ministry usually with the cooperation of the executive body (Bank of Greece), then it is offered for public discussion, then submitted to commissions for discussion, then voted for in the parliament and published in the Government Gazette.	What Territorial-Administrative Scope? EBA and EC issue regulations that have to be implemented in all EU member states. The Greek Ministries' regulations are applicable in Greece.	
11 Possibility to amend existing legislation EM and PSP	Way to do it Same as above phases	What Territorial-Administrative Scope? Same as above phases	
12 Problem identification/Regulatory implementation EM and PSPs	Indicate whether there are any specific problems or loopholes in the EM and PSP regulation Yes, there are.	Identify such problems, loopholes and other regulatory conflicts. The laws are new and a lot of implementation issues have risen. The Bank of Greece is implementing them; nevertheless, the Bank's structure has been used to operating under the regulation of ECB. In the electronic money	

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		regulation, the Bank receives only directives by EBA but it is not audited by any EU authority. In addition, several technical issues have not been regulated properly in the initial law, and this has been attempted to be corrected by new directives.	
13 EM, PSP regulation and others applicable to the Demonstration Action (Concrete Project)	- Not Applicable		
14 Is there specific legislation empowering a local authority or other public body to use electronic money and other means of payment?	Indicate NO	If so, what legal and juridical framework applies to it?	
15 Are there PSPs other than legal tender provided by financial institutions?	- No		
16 In addition to the state/government and related banks (central banks), are there other institutions that can act as PSPs?	Indicate which ones and the regulations governing them All the institutions mentioned in the definition (no.3). They are governed by the same laws no. 4021/2011 (electronic money) and law no. 4537/2018 (payment services institutions).		

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17 Is there any legal security (insurance) coverage to support e-money and PSP related to SSE?	<p>Indicate which ones and the regulations governing them</p> <p>NO. In general though all PSP are obligated to have professional indemnity insurance.</p>		
18 Is there an inventory, ledger or similar document that records and preserves the transactions carried out by the PSP?	<p>Indicate which ones and the regulations governing them</p> <p>The PSP is obligated to preserve a ledger with all the transactions carried.</p>	<p>Explain how these records are produced and who makes them</p> <p>Each PSP is using their own methods and is responsible to make and preserve them.</p>	
19 Are services paid for through EM and PSP subject to VAT, social security or other similar taxes and charges?	<p>Indicate whether they are and, if so, what taxes and charges they are.</p> <p>The taxes imposed to a service or other good are irrelevant to the method of its payment. So services paid through EM and PSP are subject to all the taxes that are applicable to the specific service.</p>		
20 Is there any kind of legal security (insurance) coverage to support the use of e-money and PSP and related to SSE?	<p>See no. 17</p>		
21 Personal Data Protection, Health and Safety: do e-money and PSP issuers	<p>Who is responsible for the protection of said data and how is it protected and safeguarded?</p>		

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cover these legal aspects vis-à-vis users?	By law, the PSP issuers are obligated to follow the current Personal Data Protection regulations.		
22 Other issues to highlight	Issues considered relevant to e-money and PSP regulations		

CHALLENGES & RECOMMENDATIONS:

EM is not sufficiently used in Greece both in Public and Private sector. More incentives should be given and the Greek Public should make a broader use of these methods of payments.

MEASURES TO BE IMPLEMENTED:

Not applicable in the MedTOWN PAGGAIO Demonstrative action.

OTHER INTERESTING SUGGESTIONS/NOTES:

EM could be used in certain occasions at local level, to enhance local economy.

IDENTIFIED CONFLICTING ISSUES (if any):

To be completed by the local partner

No

EXAMPLES OF ACTIONS DEVELOPED IN THE FIELD OF SSE IN THE COUNTRY, REFERENCES AND HOW THEY HAVE BEEN DEVELOPED (if any):

No