

Payment Services Directive, new European legislation for payments

The Payment Services Directive (PSD) came into force in all Member States of the European Economic Area (EEA)* on 1st November.

The PSD's objectives

- To establish a single market and define a regulatory framework for payments.
- To create a more efficient payment area within the EU by making cross-border payments as easy, efficient and safe as domestic payments.
- To provide SEPA** with the legal bases necessary for its implementation.
- To increase consumer protection, notably through more detailed and transparent information.
- To extend the conditions for access to the payments market for new players.

A single legal framework for payments in Europe

EEA Member States must transpose the requirements of the Payment Services Directive into their national legislation.

The PSD is an ambitious initiative that concerns:

- all banks and all other payment services providers operating within the EEA,
- all EEA countries whether or not they have the euro for currency,
- all EEA currencies (other currencies such as the USD or JPY are not concerned),
- transfers, domiciliations /direct debits, card payments as well as cash deposits, excluding however physical instruments such as cheques, bills of exchange and "cash against cash" transactions.

The PSD represents a positive change for customers, users of payment services: reduction in execution time, faster availability of funds and better information for the customer.

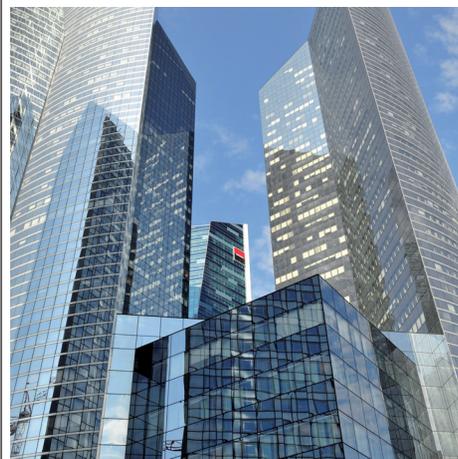
Consequences of the PSD implementation

- SHA option applies by default.
- OUR option shall continue to be practised if requested by the client.
- Time limit of execution shall not exceed D+3 from the moment of receipt of the order of payment (if all parties agree) as of 2012 this time limit will be reduced to D+1.
- The value date for debiting the payer's account cannot be earlier than the date when the payment amount is debited from the payer's account. The value date for crediting the beneficiary's account cannot be later than the business day when the payment amount is credited to the beneficiary's payment services provider.
- Information to be supplied before, during and after the payment transaction.
- Refund claims for unauthorized or incorrectly executed payment transactions within 13 months after the debit date.

*EEA: encompasses the 27 member countries of the European Union, Iceland, Liechtenstein, and Norway.

**SEPA: Single Euro Payments Area, encompasses the 30 member countries of the EEA as well as Switzerland and Monaco.

Société Générale Bank & Trust



The main impacts for the clients of Société Générale Bank & Trust

- As a sending Payment Service Provider Société Générale Bank & Trust will respect the instructions received from its customers and transfer them without any modification, even in the case of an OUR option. BEN option is not accepted anymore.
- Your payments will be processed more rapidly.
- Electronic banking channels (web banking) will be adapted to the PSD's requirements.
- The right to reimbursement of inadequate domiciliation transactions, unauthorised transactions as well as poorly/non-executed transactions is assured.
- Our systems will be adapted to comply with the PSD.

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