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DG JUST
European Commission
Rue de la Loi 200 / Wetstraat 200,
1049 Bruxelles/Brussel,
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30 September 2025

Dear Sir/Madam

Re: EMA response to the consultation on the European Commission 28th Regime

The EMA is the EU trade body representing electronic money issuers and alternative payment service providers. Our members include leading payments and e-commerce businesses worldwide, providing online payments, card-based products, electronic vouchers, and mobile payment instruments. Most members operate across the EU, most frequently on a cross-border basis. A list of current EMA members is provided at the end of this document.

I would be grateful for your consideration of our comments and proposals.

Yours faithfully,

Dr Thaer Sabri
Chief Executive Officer
Electronic Money Association

Introduction to the EMA response

The Commission proposal to elaborate a unified regulatory framework – known as the '28th Regime' - to streamline operations for innovative companies across the European Union, is a step in the right direction to eventually reduce national barriers and create a more attractive environment to encourage start-ups, allow companies to scale up across the EU, to stimulate investment and accelerate technological innovation, eventually fostering economic growth.

The EMA supports the proposal and is pleased to offer its contribution to the European Commission consultation by drawing from the first-hand experience of its members, which include many small-and medium size firms providing innovative payments and retail financial services across the EEA.

Rather than offering feedback on the legal options of the “new legal framework” at this stage, the EMA has chosen to contribute to the consultation by providing a list of challenges and obstacles that EMA members face daily in the EU Single Market, including in areas that have already been harmonized by EU rules.

We hope the below is of help for your work, and we stand ready to continue contributing to the goal to make the EU Single Market a model for competitiveness, growth and scalability for innovative businesses providers.

EMA response to the EC consultation on the 28th Regime

List of outstanding obstacles for FinTechs and Payment Services Providers operating in the European Single Market

Issue	Specific context and examples	Suggested solutions
Overall concerns		
Host Member States tend to impose additional requirements beyond EU harmonised rules. National "gold-plating" is a recurring concern for companies operating cross-border even in areas where full harmonization exists.	- Application of the PSD2 Limited Network Exemption (Article 3(k) of Directive (EU) 2015/2366) : Firms wishing to make use of this exemption are required to notify the competent authority. However, some NCAs such as in France have sought to obtain an overly broad amount of information, sometimes comparable to an authorisation application for a regulated service. This is disproportionate, it requires a skill set that is not always present in firms seeking to obtain exemption, and is contrary to the principle of exclusion. - Local presence for investment product providers: in Italy, in order to offer investment products, EU companies need to establish a local payment agent holding a tax registration for the business. This means that firms without a branch or a physical presence in the country need to register a local payment agent (and pay for it) to be able to offer investment products, which undermines the freedom to provide services across the EU.	*EBA provides explicit guidance that the criteria for exclusion do not extend to an examination of the operational infrastructure of the business, except as required to ensure that the limits of exclusion will be complied with. NCAs must abide by the EBA guidelines and cease to overburden companies with information requests.* *The 28th Regime should prevent NCAs from imposing local requirements that unduly frustrate firms' freedom to provide services across EU/EEA borders.*

Issue	Specific context and examples	Suggested solutions
There are multiple, and often overlapping data reporting requirements applicable to payment services providers. These take up considerable resource to obtain, prepare and validate, creating administrative red-tape and increasing the operating costs for PSPs, who are often SMBs, thus undermining their success.	PSPs are obliged to report multiple overlapping payments data to the ECB and to the EBA on fraud on a quarterly, six-monthly and annual basis. Added to this is the new data reporting requirement introduced under the AML Package, which will introduced a new and extensive set of data points to be reported to AMLA via NCAs. Other data reporting requirements are designed to benefit national treasuries, but the cost of reporting sits entirely with PSPs. These include the CESOP payment transaction reporting requirement for which PSPs much register and report to all local tax authorities in each member state where they may have customers, the DAC 8 requirement to report on accounts belonging to nationals from other jurisdictions, and the VAT split payment mechanism that several EU member states have introduced.	*Ensure alignment of definitions and uniform data points requests, in particular between European Central Bank data stats and EBA fraud reporting, but also with specific reporting areas (e.g., the Anti-Money Laundering data reporting introduced by the EU AML Package).* *Provide public funding to contribute towards the private sector's costs for implementing measures that are purely for the benefit of government treasuries.*
Multiple and duplicative registration and oversight requirements across Member States	Host member states have the ability to oblige regulated entities such as e-money Institutions (EMIs), Payment Institutions (PIs)and Crypto-asset services providers (CASPs) to set up central contact points, even in cases where they have no physical presence in that member state. Not only does this result in disproportionate cost for SMBs, but hinders firms from focussing resources and efforts to detect and	*Prohibit any localization requirement (such as setting up a Central Contact Point under AML Directive and PSD2) in Host Member States for businesses operating under the passporting regime.* *It should be highlighted that PSD2 is intended to be a maximum harmonization regulatory framework to*

Issue	Specific context and examples	Suggested solutions
	combat financial crime in their business. This is also the result of NCAs interpreting EU directives in a very broad manner. For example, the payment services "agent" definition under the Payment Service Directive (PSD2) was never meant to include business developers/commercial agents. Nevertheless, some NCAs (e.g., Italy) have adopted such an overly-extensive interpretation to expand their supervision over business operating locally.	*support the single market for payment services, and EU AML rules are being increasingly harmonised with a similar goal.*
Persistent IBAN discrimination by merchants, banks, or service providers	IBAN discrimination is tracked and reported on by Www.AcceptmyIBAN.org, where data reported by EU citizens demonstrates that not only do banks discriminate depending on the IBAN country code, but many member state government authorities and private sector businesses only accept and send payments to IBANs denominated in their own country. This prevents payment services providers (PSPs) from being able to offer services to customers across the EU without having a physical presence in each Member State where they have customers, completely nullifying the benefits of the EU Single Market. *Example*: A leading energy supply provider in Belgium has refused to open a client account because the customer had a German bank	*Enforce SEPA Regulation; mandate acceptance of cross-border IBANs and support use of multi-jurisdiction IBANs.*

Issue	Specific context and examples	Suggested solutions
	account.	
Specific areas of concern		
VAT reporting requirements - CESOP CESOP (the Central Electronic System of Payment Information) was set to avoid VAT fraud evasion, particularly in e-commerce. As it is, it risks creating more red-tape and reporting costs for registered entities operating across the EU.	- Payment Service Providers (PSPs) must register separately with tax authorities (NTAs) in every EU country where they have customers. - CESOP reporting procedures vary across Member States, with differences in required forms, language, document authentication (e.g. notarisation, physical signatures), local representation, and technical data formats such as XML schemas and file naming conventions. - Manual onboarding causes delays and increases non-compliance risk (missed deadlines, human mistakes, penalties, etc.). - Some NTAs have threatened penalties for late or incomplete filings, even during the implementation phase. It must be emphasised that the CESOP Regulation is not in response to a regulatory gap for PSPs, but instead a measure to benefit tax authorities alone. - Several NTAs require "nil" reports (declaring zero relevant transactions), though not required by the CESOP directive.	*- Establish a centralized EU-wide "one-stop-shop" for CESOP registration and reporting, allowing payment service providers to register once in their home Member State and meet all cross-border obligations through a single interface.* *- All Member States should deploy and support fully digital CESOP onboarding and filing processes, with uniform technical requirements (e.g. XML schema, file naming) and including acceptance of remote procedures and digital signatures.* *- To support a smooth transition, the EU should impose a 24-month moratorium on penalties for technical non-compliance or registration delays, and abolish compulsory nil-reporting where not explicitly required under EU law.*

Issue	Specific context and examples	Suggested solutions
Miscellanea		
Regulation (EU) 2023/1114 on markets in crypto-assets (MiCAR) provides for location requirement, effectively excluding third-country based businesses and products, and creating an internally harmonised but globally isolated EU market.	Current MiCAR location requirement harms massively the prospects of the still fledgling EU crypto-asset industry and market. It effectively undermines the borderless nature of DLT, and hinders the EU's potential to become a global hub for crypto-assets.	*- Introduce equivalence regime: Crypto-assets issued in non-EU countries subject to regulations recognized as equivalent should be given access to the EU internal market and, by the same token, MiCAR-regulated CASPs should be allowed to provide the full range of crypto-asset services in relation to these non-EU compliant crypto-asset* *- Formalize regulatory approach to dual/multi issuance of globally fungible ARTs and EMTs: In the absence of an equivalence regime believe facilitating dual/multi issuance subject to robust regulatory safeguards is vital for retaining some integration of the EU internal and the global crypto-asset markets. The current approach requires further development and formalization*
Use of cloud infrastructure restricted or treated inconsistently across Member States	Some Members States have a very restrictive interpretation on the use of cloud infrastructures that are based in the US.	*Introduce harmonized guidance on cloud outsourcing in regulated financial services; support innovation developments based on trusted cloud frameworks.*

Issue	Specific context and examples	Suggested solutions
Lack of access to national payment schemes despite EU-issued licences	Payment Services Providers (PSPs) operating on a passporting regime often face barriers joining a national payment scheme in the Host Member States, unless they partner with a local bank, or set up a branch themselves. This has frustrated the EU Single Market potential and prevents firms from scaling up across the EU smoothly. In Italy there is a common register for fraud prevention / identity thefts - but this is accessible only for PSPs that are located in Italy/have an Italian licence. This reduces considerably the effectiveness of such a tool, *de facto* discriminating firms operating in Italy under the passporting regime.	Enforce access to national clearing infrastructures for licenced EU fintechs via SEPA/MIFID II rights.

Members of the EMA, as of September 2025

Airbnb Inc
Aircash
Airwallex (UK) Limited
Amazon
Ambr
American Express
Banked
Benjamin Finance Ltd.
Bitstamp
Blackhawk Network EMEA Limited
Boku Inc
Booking Holdings Financial Services International Limited
BVNK
Cardaq Ltd
CashFlows
Circle
Coinbase
Crypto.com
Currenxie Technologies Limited
Curve UK LTD
Decta Limited
Deel
eBay Sarl
ECOMMPAY Limited
emerchantpay Group Ltd
EML Payments
EPG Financial Services Limited
eToro Money
Etsy Ireland UC
Euronet Worldwide Inc
Finance Incorporated Limited
Financial House Limited
FinXP
First Rate Exchange Services
Fiserv
Flywire
Gemini
Globepay Limited
GoCardless Ltd
Google Payment Ltd
IDT Financial Services Limited
iFAST Global Bank Limited
Imagor SA
Ixaris Systems Ltd
J. P. Morgan Mobility Payments Solutions S. A.
Kraken
Lightspark Group, Inc.
Modulr Finance B.V.
MONAVATE
MONETLEY LTD
Moneyhub Financial Technology Ltd
Moorwand Ltd
MuchBetter
myPOS Payments Ltd
Navro Group Limited
Nuvei Financial Services Ltd
OFX
OKG Payment Services Ltd
OpenPayd
Owl Payments Europe Limited
Own.Solutions
Papaya Global / Azimo
Park Card Services Limited
Payhawk Financial Services Limited
Paymentsense Limited
Payoneer Europe Limited
PayPal
Paysafe Group
Paysend EU DAC
Plaid B.V.
Pleo Financial Services A/S
PPS
Push Labs Limited
Remitly
Revolut
Ripple
Satispay Europe S.A.
Securiclick Limited
Segpay
Soldo Financial Services Ireland DAC
Square
Stripe
SumUp Limited
Syspay Ltd
TransactPay

TransferGo Ltd
TransferMate Global Payments
TrueLayer Limited
Uber BV
Unzer Luxembourg SA
VallettaPay
Vitesse PSP Ltd
Viva Payments SA
Weavr Limited
WEX Europe UK Limited
Wise
WorldFirst
Worldpay