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Date: 12/07/2023

Pages: 9

N°12/23

- **The European Commission wishes to modernise and digitise payment services**
- **The European Commission has released the 2023 Annual Rule of Law Report – Important recommendations to Member States**
- **News from our Members**
 - **EAP has a new President**
 - **EFPA proposes a “European Year of Mental Health”**

The European Commission wishes to modernise payment services

The 28th of June, the European Commission has proposed to bring payments and the wider financial sector into the digital age. The new rules shall further improve consumer protection and competition in electronic payments, and shall empower consumers to share their data in a secure way so that they can get a wider range of better and cheaper financial products and services. These proposals place consumers' interests, competition, security and trust at their centre.

The payment services market has changed significantly in recent years. Electronic payments in the EU have been constantly growing, reaching €240 trillion in value in 2021 (compared with €184.2 trillion in 2017). This trend was accelerated by the COVID-19 pandemic. New providers, enabled by digital technologies, have entered the market, in particular providing 'open banking' services. More sophisticated types of fraud have also emerged, putting consumers at risk and affecting trust.

In response to these developments, the package proposed seeks to ensure the EU's financial sector is fit for purpose and capable of adapting to the ongoing digital transformation, and the risks and opportunities it presents, in particular for consumers.



In this context, the European Commission has proposed two sets of measures:

- **Revising the Payment Services Directive**

The proposal will amend and modernise the current Payment Services Directive (PSD2) which will become PSD3 and establish, in addition, a Payment Services Regulation (PSR). It consists of a package of measures which:

- **Combat and mitigate payment fraud**, by enabling payment service providers to share fraud-related information between themselves, increasing consumers' awareness, strengthening customer authentication rules, extending refund rights of consumers who fall victim to fraud and making a system for checking alignment of payees' IBAN numbers with their account names mandatory for all credit transfers.

- **Improve consumer rights**, in cases for example where their funds are temporarily blocked, improve transparency on their account statements and provide more transparent information on ATM charges.
- **Further levelling the playing field between banks and non-banks**, in particular by allowing non-bank payment service providers access to all EU payment systems, with appropriate safeguards, and securing those providers' rights to a bank account.
- **Improve the functioning of open banking**, by removing remaining obstacles to providing open banking services and improving customers' control over their payment data, enabling new innovative services to enter the market.
- **Improve the availability of cash in shops and via ATMs**, by allowing retailers to provide cash services to customers without requiring a purchase and clarifying the rules for independent ATM operators.
- **Strengthen harmonisation and enforcement**, by enacting most payment rules in a directly applicable regulation and reinforcing provisions on implementation and penalties.

This proposal ensures consumers can continue to safely and securely make electronic payments and transactions in the EU, domestically or cross-border, in euro and other currencies. Whilst safeguarding the rights of customers, it also aims to provide greater choice of payment service providers on the market.

- **Legislative proposal for a framework for Financial Data Access:**

This proposal shall establish clear rights and obligations to manage customer data sharing in the financial sector beyond payment accounts, namely:

- **Possibility but no obligation for customers to share their data with data users** (e.g. financial institutions or fintech firms) in secure machine-readable format to receive new, cheaper and better data-driven financial and information products and services (i.e. such as financial product comparison tools, personalised online advice)
- **Obligation for customer data holders (e.g. financial institutions) to make this data available to data users** (e.g. other financial institutions or fintech firms) by putting in place the required technical infrastructure and subject to customer permission.
- **Full control by customers over who accesses their data and for what purpose** to enhance trust in data sharing, facilitated by a requirement for dedicated permission dashboards and strengthened protection of customers' personal data in line with the General Data Protection Regulation (GDPR).
- **Standardisation of customer data** and the required technical interfaces as part of financial data sharing schemes, of which both data holders and data users must become members.

- **Clear liability regimes for data breaches and dispute resolution mechanisms** as part of financial data sharing schemes so that liability risks do not act as a disincentive for data holders to make data available.
- **Additional incentives for data holders to put in place high-quality interfaces for data users** through reasonable compensation from data users in line with the general principles of business-to-business (B2B) data sharing laid down in the Data Act proposal (and smaller firms will only have to pay compensation at cost).

In practice, this proposal shall lead to more innovative financial products and services for users and it will stimulate competition in the financial sector. For example, **consumers will benefit from improved personal finance management and advice**. Previously burdensome processes such as comparison services or switching to a new product shall become smoother and cheaper, including for example, automated processing of mortgage applications. **SMEs would also be able to access a wider range of financial services and products, such as more competitive loans resulting from their creditworthiness data being more easily accessible.**

Commissioner Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People declared: *“As Europe moves towards a true digital economy, we can make more from all the opportunities offered by data and data-driven innovation in the financial sector. More sharing of personal data, while retaining full control over it, will allow people to access tailored products and services that suit their needs, and also create room for the financial industry to innovate. Today’s proposals set strict conditions on rights and obligations for open data-sharing to protect privacy, and to give full control to customers over access to their data and how it is used. The same principles apply to new data technology developments in payment services, where we intend to reinforce consumer protection - including by improving fraud prevention - and make sure that consumers are offered the best and cheapest payment service.”*

You may find more information [here](#).

European Commission has released the 2023 Annual Rule of Law Report

The 5th of July, the European Commission published its fourth annual Rule of Law Report, examining developments across all Member States, both positive and negative, in four key areas for the rule of law: the justice system, the anti-corruption framework, media pluralism and freedom, and other institutional issues related to checks and balances.

The fourth edition of the report builds on the important step taken in last year's report where **specific recommendations for all Member States had been included for the first time**. The analysis also contains a qualitative assessment of the progress made by the Member States towards implementing the 2022 recommendations. The 2023 recommendations either build on last year's recommendations, where they were not fully implemented, or address new challenges.



The recommendations aim to further assist the Member States in their efforts to take forward ongoing reforms and help them identify where improvements are needed.

Key findings and recommendations:

1. Justice reforms

Justice reforms have remained high on the political agenda over the last year, with many Member States following up on the 2022 recommendations and implementing reforms agreed in the context of the Recovery and Resilience Facility.

Several Member States have indeed further advanced with or finalised important reforms to strengthen judicial independence, such as legislative efforts to strengthen the independence and effectiveness of Councils of the Judiciary, improving judicial appointment procedures and the functioning of their highest courts or are preparing steps to strengthen the autonomy of prosecution services.

Member States also introduced measures aimed at improving efficiency and quality of justice, as well as facilitating access to justice. They have also invested in their justice systems, although in some countries, remuneration of judges and prosecutors present a concern and led to challenges to recruit qualified judicial personnel. At the same time, **structural concerns persist in a few Member States as regards judicial independence**.

2. Anti-corruption frameworks

Corruption remains a serious concern for EU citizens as the 2023 Special Eurobarometer on Citizens' Attitudes towards corruption in the EU shows, for example, that an increasing majority of citizens (70%) and businesses (65%), believe that corruption is widespread in their country. Europeans are increasingly sceptical about national efforts to address corruption, with around 67% thinking that high-level corruption cases are not pursued sufficiently.

A number of Member States have taken measures, in line with the 2022 Rule of Law report's recommendations on anti-corruption. While some of them have continued to build upon their track record of investigating, prosecuting and sanctioning high-level corruption, others have taken action to strengthen the capacity of prosecution authorities responsible for the fight against corruption through additional resources and specialisation.

On the preventive side, several Member States have updated existing anti-corruption strategies and action plans or are in the process of revising them. **Other EU countries have taken steps to strengthen integrity frameworks, such as codes of conducts or lobbying rules. The recommendations issued this year are related to the strengthening of preventive frameworks, such as those governing lobbying and conflicts of interest rules, as well as ensuring the effective investigation and prosecution of corruption cases.**

To ensure a more coherent and effective response to corruption across the Union, the Commission has proposed new EU-level legislation on corruption in May 2023.

3. Media freedom and pluralism

Several Member States have adopted, strengthened or are discussing measures to improve journalists' safety and working conditions, also building on recent Commission initiatives such as the Recommendation on ensuring the protection, safety and empowerment of journalists and the Recommendation on protecting journalists and human rights defenders who engage in public participation from manifestly unfounded or abusive court proceedings. Since the last report, certain Member States have adopted legislation increasing the transparency of media ownership and have strengthened provisions to enhance the independence or extend the remit of their media regulatory authorities.

Various concerns persist with regard to the lack of transparency in the distribution of state advertising, conflicts of interests and access to public documents, which are some of the important issues highlighted in the report requiring greater attention. While some Member States have initiated reforms to strengthen the independence of their public service broadcasters, in several others, challenges in this respect remain unaddressed.

4. Institutional checks and balances

Member States have continued to improve the quality of their legislative processes and to involve stakeholders in these processes, a trend noted in the previous Rule of Law Reports. Constitutional Courts continue to play a key role in the system of checks and balances and

have also taken important decisions regarding the organisation of national justice systems. National Human Rights institutions, ombudspersons and other independent authorities have seen their status further strengthened in some Member States. In the majority of Member States, there is an enabling and supportive environment for civil society and some of them are taking measures for further support.

However, there is still no formal framework for stakeholder consultation in some Member States, or it is not sufficiently followed in practice, and civil society organisations and human rights defenders continue to face challenges such as funding issues and restrictions on their operating space. Concerns have been raised in various Member States regarding the continued use of emergency powers.

To address some of these challenges, the **European Commission has reiterated recommendations that remain partly or not addressed, and where relevant issued additional ones, relating for example to the effective involvement of stakeholders in the legislative process, the establishment and functioning of accredited National Human Rights Institutions and to ensure an open operating framework for civil society.**

In the context of the Report, the Commissioner of Justice, Didier Reynders, underlined in the well-known Belgian newspaper *Le Soir* that *“the Rule of Law within the European Union is getting better”*, before addressing the need to enhance the legislation on lobbying, the reconversion of politicians, and the conflicts of interests. Didier Reynders

further stated regarding the Report: *“Year after year, this report consistently makes a significant contribution to advancing and defending the rule of law in the EU, in each Member State and throughout the Union. The efforts made by Member States to put last year's recommendations into*



practice serve as further evidence of this. We know that the report serves as a reference to initiate debates at national level and helps drive national reform agendas. However, we also found that challenges remain, such as regarding judicial independence. In the areas of judicial appointments and Councils of the Judiciary, as well as resources and remuneration, further action from the Member States is needed. I encourage all Member States to keep working on implementing the recommendations.”

You may find more information [here](#) and [here](#).

News from our Members

Irina Bezic elected President of the European Association for Psychotherapy (EAP)

At the occasion of their elective assembly, the **European Association for Psychotherapy has elected Dr. Irina Bezic as their new President.**



Dr. Bezic holds a PhD in clinical psychology and in social politics/social work. From 1991 until 2001, she has worked with war-traumatized people, in Croatia, Bosnia and Kosovo in **different roles as UNICEF national program officer for psychosocial rehabilitation, trainer and supervisor in psychosocial projects, and psychotherapist for various victims of war.** Since 1996, the new President of EAP is the leader of educational training in Gestalt-psychotherapy for IGW-Croatia. **Irina Bezic has also been appointed as delegate for Croatia within EAP in 2005, before being named chair of the Ethical guidance committee, and the National umbrella committee.** She teaches at the University of Zagreb in several post-MA-specialization programs – Team supervision, (on Study of social work); Introduction in Gestalt therapy (Psychotherapy study on Medical faculty) and Psycho-oncology (Department of Psychology, Philosophical faculty).

Dr. Bezic stated last March: *“The challenge of the time is to stay connected, in spite of all the issues we face in the 43 European countries represented within EAP, countries with varying psychotherapy regulations, varying traditions, national agendas and cultural communication styles. The psychotherapy profession may contribute with enhancing contact and facilitating constructive communication even in the present chaotic world. **My aim will be to strengthen cooperation between psychotherapists in European countries, and to find alternatives to fragmentation, withdrawal and isolation, in the context of challenges and political crisis across Europe.**”*



The European Federation of Psychologists' Associations (EFPA) proposes a “European Year of Mental Health”

The 3rd of July, **EFPA has sent a letter to the European Commission responding to their communication on the EU's Comprehensive Approach to Mental Health** which shall lay the foundations for sustained action at national and EU level for a comprehensive, prevention oriented and multistakeholder approach to mental health.

According to EFPA, the European Commission “*sets the right tone in recognizing the challenges and opportunities associated with mental health and endorses a broad psychosocial approach that sees mental health normalized and included as a standard consideration in policy and practice in many aspects of day to day life*”.



The association further acknowledges the work of the Commission towards raising awareness on the importance of mental health, as well as the fact that the **European Commission included the seven points underlined by EFPA in the latter's response to the call for evidence for the Comprehensive Approach to Mental Health.**

However, **EFPA has insisted on the need for a broader comprehensive approach on the matter, and in that context proposed to set up a “European Year of Mental Health”.** The association strongly feels that this idea could help raising awareness on the need for the European Commission and the EU authorities to tackle the issues linked to mental health with a much broader vision, as the concerns are complex and can't be resolved without taking every aspect of it into account.