

Petar Chobanov: Opening of the "Banking Today" forum

Speech by Mr Petar Chobanov, Deputy Governor of the Bulgarian National Bank, at the opening of the "Banking Today" forum, Sofia, 25 April 2024.

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Ladies and Gentlemen,

Dear colleagues,

Dear friends,

First of all, I would like to express my sincere gratitude to the organizers of the regular forum 'Banking Today' which, for the seventh consecutive year, has proven to be a major event in the Bulgarian economic life. At this year's event we will have the opportunity to discuss important topics, such as banking policies, financial innovation, business finance, fintech sector development, and innovations in financial and payment services, with a focus on open banking.

As regards these topics, I am pleased to inform you that the Bulgarian National Bank is constantly building up both its expertise in these areas and a productive dialogue with all parties concerned in order to modernize payment services and to ensure access to open data on financial services.

The payment services market has been changing dynamically in recent years. Online payments in the EU have been constantly growing, reaching a value of EUR 240 trillion in 2021, and this trend has been definitely accelerated by external developments, such as the COVID-19 pandemic. Special mention should be made of the rapid development of open banking providers - through secure sharing of financial data between banks and financial technology companies (so-called "fintech").

Access to financial data is a compulsory and integral part of the commitment, set out in the Digital Finance Strategy, to establish a European Financial Data Space. All mentioned so far has led to the Commission's proposal for new legislation in this area, specifically the Third Payment Services Directive (PSD3) and the Payment Services Regulation (PSR). These legislative proposals put forward by the Commission will have a significant impact on credit institutions, financial technologies, payment service providers and customers, both from a legal and from an operational perspective. PSD3 and PSR are the natural evolution of PSD2, and are intended to further harmonise the payments market and to reduce the national specifics that lead to its distortion and opportunities for unfair competition.

The BNB takes an active part in these processes by developing the dialogue with business partners, the EC and the ECB with a focus on improving consumer protection and competition in electronic payments. Emphasis is also placed on enabling consumers to share their data in a secure manner so that they can get a wider range of better and cheaper financial products and services. Our vision is to put the interest of the consumer, competition, security and trust between stakeholders at the centre through European legislative initiatives.

Last but not least, the fight against payment fraud is also a leading priority in the BNB supervisory practice, and I believe that the new European legislation will enable payment service providers to share fraud-related information with each other. This will increase consumer awareness and expand refund rights for those consumers who are victims of fraud.

The new European legislation will also ensure levelling of the playing field between banks and non-bank payment service providers, and in particular by giving non-bank payment service providers access to all EU payment systems. This process will go hand in hand with setting appropriate adequate safeguards in order to ensure the right conditions for the entry of innovative financial services.

Thank you for your attention!