IBANs or IPANs?
Creating a Level Playing Field between Bank and Non-Bank Payment Service Providers

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Why FinTechs:

- More competition and innovation,
- Non-bank players (most often) without banking regulatory and legacy burden,
- Fresh, agile, dynamic, technology-based, game-changing

PayTech: about 40% of the space of FinTech
New categories of PSPs

✓ Problem: how to make the competitive position of newcomers equal to that of banks?
✓ Is there a need to do so?

Current *modus operandi* of PIs and EMIs

- **Central bank**
  - Account of commercial bank
- **Commercial bank**
  - Account at the central bank
  - Account of PI or EMI
  - Payment Institution or Electronic Money Institution
    - Account at a commercial bank
    - E-wallets/clients’ accounts

- **art. 35**
- **art. 36**
- **PSD2**
- **SFD**
Equal footing

✓ In order to put non-bank PSPs on equal footing with banks, three issues intertwine:

  – One is an option to have a right to assign their own IBANs to accounts of payment service users.
  – Two is a possibility to directly access payment systems, also designated, on fair and objectively defined terms.
  – Three is a right to open accounts at central banks which operate designated payment systems.

✓ Fourth issue: access to bank accounts by Third Party Providers (Account Information Services and Payment Initiation Services already in scope of PSD2):

  – Opening up banking data and infrastructure by PSD2,
  – The need for standardised interfaces (APIs).

…New financial paradigm…
From IBANs to IPANs

✓ Survey conducted in 30 SEPA countries

✓ 2!a2!n30c (format of the IBAN) – ISO 13616

<table>
<thead>
<tr>
<th>Country</th>
<th>IBAN length</th>
<th>IBAN example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>16</td>
<td>BE68539007547034</td>
</tr>
<tr>
<td>Finland</td>
<td>18</td>
<td>FI2112345600000785</td>
</tr>
<tr>
<td>Germany</td>
<td>22</td>
<td>DE89370400440532013000</td>
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<tr>
<td>Netherlands</td>
<td>18</td>
<td>NL91ABNA0417164300</td>
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<tr>
<td>Poland</td>
<td>28</td>
<td>PL61109010140000071219812874</td>
</tr>
</tbody>
</table>

Source: SWIFT Registry
# Polish IBAN

<table>
<thead>
<tr>
<th>Country code</th>
<th>Check digits</th>
<th>Bank code</th>
<th>Account number</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL</td>
<td>2 5 1 0 6 0 1 0 2 8 2 2 7 6 7 2 1 4 3 8 5 7 4 1</td>
<td>1 0 2 8 2 2 7 6 7 2 1 4 3 8 5 7 4 1</td>
<td>2 5 1 0 6 0 1 0 2 8 2 2 7 6 7 2 1 4 3 8 5 7 4 1</td>
</tr>
</tbody>
</table>

IBAN (International Bank Account Number)

Source: NBP
Less is more

**TODAY**
- 51 FUS
- 52 FUZ
- 53 FP & FGŚP
- 54 FEP

**TOMORROW**
- 1 simple transfer

**Single Payer’s Identification Standard**

**Individual IBAN for each company to pay all contributions and (in due time) also income tax**
Cashless, Paperless

✓ Programme under the auspices of the Polish Ministry of Digital Affairs and the Polish Ministry of Development (part of the Morawiecki plan),

✓ 12 streams, inter alia: e-Taxes (including e- Contribution) and e-Social Benefits
PIs and EMIs safe and prudent? (judgment by the balance sheet)
Risks associated with PIs and EMIs

- No deposit taking
- No money multiplier (no money creation through lending)
- No reserve requirement
- Limited investment capabilities
- High liquidity
- Ring fencing funds (or insurance policy/comparable guarantee)
- Supervision

<table>
<thead>
<tr>
<th>PI/EMI</th>
<th>A</th>
<th>L</th>
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<tbody>
<tr>
<td></td>
<td>Low-risk liquid assets</td>
<td>Funds of users (debt)</td>
</tr>
<tr>
<td></td>
<td>Own funds (capital)</td>
<td></td>
</tr>
</tbody>
</table>
Access to bank accounts

- AIS, PIS
- Synergies with e-IDAS
- SCA required
- Conservative approach
- What with one-clicks?
- ISO 20022
- Adoption in around April 2017
- Application in Oct. 2018 at the earliest (open free APIs by this date?),
- Great potential in open banking (PIS, AIS, KYC, Big data, lending, etc.)

...New financial paradigm...
Thank you for your attention!

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