

## POLICY PRIORITIES FOR THE PAYMENT SINGLE MARKET



**JANUŠ  
KIZENEVIČ**

Vice Minister – Ministry  
of Finance of the  
Republic of Lithuania

### Designing payments policy future

There is no doubt that payments are an essential service for maintaining critical economic activity and meeting daily social needs. As lawmakers, we are responsible for ensuring that payment services remain accessible, affordable, safe and secure for all users. At the same time, we must remain agile in responding to technological innovation and the risks that inevitably accompany it.

In today's policy debate, resilience and inclusiveness have become inseparable pillars of any credible payments framework. Resilience requires that payment systems continue to function under operational stress, cyber incidents or market disruption, while inclusiveness demands that digitalisation does not create new barriers for vulnerable groups or peripheral regions. Experience in payments market shows that these objectives are best achieved through deliberate design choices: mandatory interoperability, universal reachability, shared technical standards, strong digital identity frameworks, and pricing

models that prevent instant payments from becoming a "premium" feature.

In this context, the Digital Euro will play a crucial role in strengthening strategic autonomy and providing a public anchor in an increasingly digital payments ecosystem. However, its success will depend on whether it is embedded within a broader architecture that promotes interoperability, universal reachability of instant payments, and meaningful safeguards for accessibility. I am sure that the framework we are creating now will ensure that Digital euro is resilient and inclusive.

Adoption of DORA marks a significant step forward in strengthening the resilience of the European financial sector. By introducing harmonised requirements, DORA shifts resilience from a national supervisory concern to a coordinated European framework. This is particularly relevant in the payments domain, where operational disruptions can rapidly propagate across borders and institutions. DORA's cross-sectoral scope supports a more consistent level of preparedness across Member States, reducing regulatory fragmentation and contributing to greater trust in the stability of the EU payments ecosystem.

Offline payment functionality is other concrete example of how resilience can be operationalised. Lithuania, together with the other Baltic states, has taken steps to ensure that payment service users retain the ability to execute transactions even in situations of temporary connectivity disruption. While similar initiatives are emerging in other Member States, the absence of a coordinated EU-wide approach highlights the risk of uneven levels of resilience and a patchwork of solutions that may undermine seamless cross-border use.

At national level, stakeholder coordination platforms can complement European regulatory efforts by addressing practical implementation challenges and facilitating dialogue among market participants. In Lithuania, the payments council provides a forum for regulators, financial institutions, merchants and consumer representatives to exchange views on emerging issues in the payments market and to promote smoother implementation of regulatory changes. While such bodies do not determine technological architecture or strategic

direction, they can help identify practical obstacles, foster mutual understanding and support consistent market practices. In this sense, national coordination mechanisms contribute indirectly to reducing fragmentation by improving alignment at the level of application and market behaviour.

Financial inclusion should be treated as a non-negotiable design constraint of Europe's payments policy. Payments are not a niche financial product; they are critical infrastructure. If segments of society are excluded from digital payment systems whether due to cost, digital literacy gaps, geographic disparities or lack of access to suitable tools - the integrity of the internal market itself is weakened.

A fragmented or exclusionary payments landscape increases systemic risk and undermines Europe's strategic position. A system that only serves digitally advanced or commercially attractive users is neither resilient nor scalable. The decision to make instant payments available across the European Union as a standard service rather than a premium product was a concrete example of inclusion strengthening the single market. Universal reachability reduces fragmentation, supports cross-border economic activity and enhances overall efficiency.

**Effective policy requires  
inclusion, security  
and competitiveness  
to be built in from  
the beginning.**

Effective policy requires inclusion, security and competitiveness to be built in from the beginning, rather than treated as sequential objectives. Secure systems that are inaccessible, or competitive systems that are socially divisive, will ultimately fail to deliver long-term resilience. Europe's payments framework must therefore ensure that accessibility and affordability stand alongside robust cybersecurity standards and strong innovation incentives.



## MARIA SOFIA MOURTZINI

Deputy Head of Directorate  
of Financial Policy – Ministry  
of National Economy  
and Finance, Greece

### Building a sustainable and resilient single payments market: the case of Greece

Indeed, between 2017 and 2023, the value of digital payments for e-commerce and at physical point of sales more than doubled and is forecasted to continue to grow (ECA's special report 01/2025). The increased use of electronic payment methods, the mainstreaming of contactless transactions, and the accelerating demand for real-time, low-cost payment services reflect a structural transformation within the Single Market. Undeafinably, the COVID-19 pandemic acted as a decisive inflection point. Though, this shift reflects also the penetrating fintech innovation, especially in open banking and instant payments.

Nevertheless, Europe remains structurally dependent on non-EU payment giants. Global card schemes and major digital platforms still dominate large segments of e-commerce, card processing, and digital wallets. Even with growing European adoption of A2A alternatives and instant-payments infrastructure, market power remains concentrated among established

global non-EU providers, raising important questions about Europe's strategic autonomy, competitiveness, and resilience in the digital financial ecosystem.

The governance of the European payments market is distributed across European Institutions, European Supervisory Authorities, and Member States, each with their mandates. Even so, the urgency for close collaboration and harmonization is evident. No matter the progress, the Single Payments Market still functions in two parallel areas: national and cross-border, highlighting the need for deeper convergence to strengthen both resilience and EU competitiveness.

Recent EU initiatives, such as the PSD3/PSR, the Digital Euro package, the Financial Data Access (FIDA) framework, and the new Instant Payments Regulation show the determined effort to modernize the European payments framework, while outlining the following common principles for the EU integration:

- interoperability across systems and providers
- collaboration among public authorities, banks, and fintechs
- technological neutrality to ensure global competitiveness
- proportionality to avoid overburdening smaller actors
- digital resilience and simplification to reduce bureaucratic burdens.

Within this context, Greece is a compelling national example of advancement in digital payments and effective alignment with EU legislation. The Ministry of National Economy and Finance, closely cooperates with the Bank of Greece, and the Ministry of Development, and has maintained timely and consistent transposition of EU payments legislation, while introducing national initiatives to strengthen infrastructure, governance, and consumer protection. With this perspective, recent reforms include the establishment of an Independent Authority for Market Control and Consumer Protection (Law 5255/2025), to enhance consumer protection, as well as targeted legislative efforts with interventions to regulate and limit fees and commissions in the payments' ecosystem (Laws 5167/2024 and 5222/2025).

Further, in Greece, DIAS is the national Automated Clearing House founded in 1989, functioning as the national clearing hub for credit transfers, direct debits, and instant payments, making it a domestic infrastructure fully aligned with the European PSD2 and SEPA frameworks.

At the national level, DIAS has introduced the IRIS instant-payments scheme, that has become the most widely used instant-payment system in the country. With full interoperability with TIPS and functionality across P2P, P2B, and e-commerce channels, IRIS is now integrated into the systems of major banks, public institutions, and a widening network of businesses.

Greece has legislated mandatory acceptance of instant payments (Q4 2025). These legislative initiatives are in line with the European Court of Auditors report's findings, since the initiatives address: (i) caps for interbank transfers and ATM withdrawals, (ii) mandatory acceptance of instant payments, (iii) reinforced consumer-protection, and (iv) alignment with EU standards.

**Efficient, competitive,  
and globally resilient,  
but also sustainable,  
fair and inclusive.**

It is my belief that these measures serve sustainability, ESGs, leaving no one behind, while harnessing the digital transformation for a competitive, secure and resilient Single Payments Market. As digital transformation takes place, the challenges due to geographical characteristics remain. Financial literacy has certainly a key role. Accordingly, Greece implements the National Financial Literacy Strategy, recognizing that inclusiveness in payments requires informed and confident consumers. This is key combined with the transparency of valid and accurate data. By combining European-level regulatory ambition with national-level innovation and implementation, the EU can build a payments ecosystem that is not only **efficient, competitive, and globally resilient, but also sustainable, fair and inclusive.**



## CHRISTIAN CASTRO

Head of Public Affairs  
– CaixaBank

### Policy reflections on the future of payment services regulation

In a nutshell, the overarching purpose of EU payment regulation is to ensure that payment services across Europe are safe, efficient, reliable, low-cost, and seamlessly available across the entire EU, while supporting pan-European interoperability, strategic autonomy, innovation, and resilience.

Against this backdrop, the payments ecosystem — both in Europe and globally — is undergoing a profound and rapid transformation. In particular, new forms of public and private digital assets, together with a shared understanding of the actual benefits that blockchain technology can bring to payment services, are reshaping the policy agenda of public authorities and regulatory bodies.

As a result, careful thinking of existing regulatory approaches is required to ensure they remain both sound and coherent in a highly dynamic environment where the composition and nature of payment instruments evolve almost in real time.

Sound regulation, some examples:

In addition to enabling more efficient payment services, regulation should

remain mindful of the risks that the new instruments may pose.

In this regard, the digital euro represents a potential milestone for the EU, envisaged as a complement to other existing and future retail payment instruments. A fundamental consideration for ensuring the soundness of the digital euro regulation relates to those policy measures required to guarantee that the digital euro serves as a means of payment, not a store of value. This is central to prevent and mitigate abrupt disruptions to financial intermediation and other unintended consequences. Achieving this requires an appropriate calibration, enforcement, and governance of holding limits, implemented through a gradual approach and aligned with adequate use cases.

Instant payments offer another relevant example. There is a strong and justified interest in ensuring that instant payments reach their full potential in the EU. Yet, these efforts should be complemented by safeguards to mitigate the risk of rapid liquidity outflows during periods of stress, which could have systemic implications. For instance, tools such as cool-down mechanisms or system-level safeguards could be explored, provided they do not hinder day-to-day retail payments.

---

Careful thinking of regulatory approaches is necessary to ensure they remain sound and coherent.

---

Coherent regulation, some examples:

The diversity of digital assets and their potential use cases require efforts to promote international regulatory coherence. The emerging stablecoins landscape illustrates this challenge: international differences in reserve composition, its management or remuneration remain not fully addressed yet. Supervising these markets is also becoming increasingly complex, with a growing number of authorities involved.

Internal consistency within EU is equally relevant. For instance, achieving effective interoperability between the digital euro and other initiatives — most notably EuroPA-EPI — is essential to ensuring that Europe develops a cohesive and strategically aligned payments ecosystem. EuroPA-EPI is already building a common structure

across national solutions currently spanning 13 European countries, serving approximately 130 million users and covering around 72% of the EU and Norway's population. Its objective is to enable cross-border P2P and P2M payments, in addition to e-commerce, through a central interoperability hub. Alignment of rulebooks and standards between the digital euro and EuroPA-EPI will avoid duplicative investment, reduce operational complexity, and accelerate the rollout of truly pan-European payment capabilities.

Key enablers for the road ahead:

Tokenisation of assets is increasingly recognised as a transformative opportunity to enhance the efficiency, security and programmability of financial markets. In this context, the Eurosystem's Pontes and Appia initiatives aim to ensure that wholesale settlement in central bank money can occur safely and natively on DLT platforms. Pontes and Appia provide, respectively, a short-term bridge to existing TARGET services and a long-term blueprint for an integrated and scalable digital market infrastructure across Europe.

In parallel, projects led by the BIS — such as Project Agorá — play a crucial role in supporting assets tokenisation by addressing frictions in cross-border payments, including liquidity management and compliance screening.

These efforts underscore a clear policy imperative: Europe needs to accelerate the development of a DLT-based wholesale liquidity and settlement platform. Tokenized deposits are emerging as a pivotal building block for modernising wholesale payments, offering a form of commercial bank money suited for DLT-based settlement. Their evolution is closely tied to the development of new wholesale payment infrastructures, capable of enabling real-time, atomic and efficient settlement processes.