



Federal
Public Service
FINANCE

COLLECTION
AND RECOVERY

IOTA WEBINAR ON FINANCIAL PAYMENT PROVIDERS AND THE CHALLENGES FOR TAX RECOVERY

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FINANCIAL PAYMENT PROVIDERS: BACKGROUND

Financial payment providers can operate in multiple countries.

However, they must comply with specific regulations and licensing requirements.

The key legal framework governing payment services in the EU is the Revised Payment Services Directive (PSD2), which allows licensed payment institutions to provide services across all EU member states through passporting rights.



FOCUS ON THE EU



To operate in multiple Member States, FPPs must:

Obtain a license from a national financial regulator in an EU Member States.

Once a provider is licensed in one MS, it can use passporting to offer services across the entire EU without needing separate licenses in each country.

Companies outside the EU (e.g. from the U.S.) must obtain an EU license or partner with an EU-based institution.



EXAMPLE:

Wise



- Wise is regulated by the National Bank of Belgium.
- Wise Balances: funds can be held in different currencies within a Wise account.
- One of its features: bank details (IBAN, sort code, routing number) for different countries.
- “Foreign” accounts which maybe are not so foreign.

→ Where to seize this account?



Enforcement powers
of tax administrations
are limited to the
territory of their
country.

Some providers offer
IBANs (EU & non-EU) of
countries in which they
are not located, but
operate in.

The use of FPP's
is becoming more
and more popular.

But, if located in
another country,
recovery can only take
place using recovery
assistance.

Using multiple
account and multiple
FPP's can create an
easy way to organise
one's insolvency.

**RECOVERY
?! How ?!**



CONCLUSION

- FPP's provide many and easy options to manage payment in multiple countries and currencies. Using FPP's to obtain bank accounts in different countries can help to transfer money, and to manage financial transactions in a legal, cheap and easy way. **Such use by compliant taxpayers should not be hindered.**
- But for non-compliant taxpayers, **using FPP's located in another country than the one where the debt is owed can make recovery more difficult.**
- **The increasing use of FPPs may lead to an increase in mutual recovery assistance requests.**

