

Payment Services Regulation and Innovation

Abstract

The topic of the thesis is the regulation of payment services in the context of innovation. The thesis analyses Czech and European regulation of payment services in terms of its impact on innovation. It also proposes specific legislative changes and *de lege ferenda* recommendations to ensure that domestic regulation promotes innovation while meeting other key objectives such as consumer protection and financial stability.

The analysis carried out confirmed one of the research assumptions, namely that regulation is a key factor influencing innovation in payment services. Well-designed regulation can stimulate innovation and competition, while poorly structured, overly detailed or case-based regulation can discourage new entrants and limit experimentation with new technologies and business models. Four main characteristics of optimal regulation have been identified that effectively promote innovation, effectively manage the risks associated with the provision of payment services, while also meeting the other objectives of regulation: appropriately set barriers to entry, appropriately chosen scope and neutrality of regulation, legal certainty and proactive promotion of innovation.

Although the Czech regulation contains positive innovation-enhancing elements such as the ability of non-banks to provide payment services and a modular approach to licensing, key weaknesses negatively affecting innovation and competitiveness have been identified: Excessively long licensing procedures at the Czech National Bank, limited access to payment systems and bank accounts by non-bank providers, unguided way of defining the material scope of payment services regulation, lack of interpretive materials from the Czech National Bank, and insufficient proactive support for innovation, including the absence of a Czech regulatory sandbox.

On the basis of these findings, specific changes are proposed, including speeding up licensing procedures, ensuring direct access to payment systems for non-banks, strengthening the rights of non-bank payment service providers to set up accounts with banks, introducing a general definition of payment services and establishing a regulatory sandbox under the auspices of the Czech National Bank. These proposals aim to create a balanced regulatory framework that not only protects consumers and ensures financial stability, but also creates an environment that encourages innovation in payment services.

Keywords: payment services; regulation; innovation