

PRESS RELEASE

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EBA publishes new report on major impact of EU regulatory developments on liquidity management

Ongoing and upcoming EU regulatory changes are expected to have a significant impact on the liquidity management practices of financial institutions in terms of both volume and value of payments and the associated operational complexities.

The Euro Banking Association (EBA) has released a new report examining the far-reaching implications of three key European regulatory initiatives for liquidity management across the financial sector: the Instant Payments Regulation (IPR), the proposed Payment Services Regulation (PSR), and the proposal for Payment Services Directive 3 (PSD3), an evolution of PSD2.

Developed by the EBA Liquidity Management Working Group (LMWG), the paper explores how these measures are expected to accelerate the uptake of instant payments, promote a level playing field among market participants and transform the liquidity management landscape.

“The transition to real-time, always-on payments will reshape liquidity management as we know it,” said **Krister Billing, Chairman of the Liquidity Management Working Group**. “Our report provides an in-depth analysis of how regulatory reforms will redefine access, efficiency, and risk management across the payments value chain.”

The report notes that increased use of instant payments – especially by businesses and merchants with higher-value transactions – may amplify liquidity volatility. Because instant payments are settled on a gross, near real-time, and 24/7/365 basis, payment service providers could face new challenges in maintaining sufficient liquidity, particularly outside traditional business hours. This shift may require institutions to reserve larger liquidity buffers, potentially diverting resources from other operational areas.

In parallel, the PSD3 and PSR proposals are aimed at broadening access to payment infrastructures, building on the IPR’s provisions for non-bank payment service providers (PSPs). PSD3 formally introduces direct access rights for non-bank PSPs to EU-designated payment systems, together with the protections of the Settlement Finality Directive (SFD). This development is expected to foster competition and innovation within the payment ecosystem, while also requiring non-bank PSPs to take on new responsibilities – from managing their own

technical connectivity to independently overseeing intraday liquidity positions to mitigate operational and reputational risk.

The full report “[Navigating new waters: the ripple effects of regulation on liquidity management – Part II](#)” is available for EBA Members on the EBA Member Portal. A [fact sheet](#) is available on the EBA website.

About the EBA Liquidity Management Working Group (LMWG)

Efficient and effective liquidity management arrangements and processes are important for the business of banks and corporates alike. Liquidity managers are currently facing many challenges, including the migration of liquidity management practices into the digital area and to real-time processes.

To support liquidity management professionals in better understanding and dealing with ongoing market developments as well as related technical, operational, regulatory and organisational questions, the Euro Banking Association (EBA) launched a Liquidity Management Working Group (LMWG), which began its work in the third quarter of 2017.

The objective of the EBA Liquidity Management WG is to deliver thought leadership on liquidity management practices with a clear focus on the segment of corporates. The working group will not address commercial or business aspects. The deliverables will be primarily informative and include an analysis of trends and envisaged future developments.

For more information, please visit: [Liquidity Management Working Group](#)

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About the Euro Banking Association (EBA)

The Euro Banking Association (EBA) is a practitioners’ body for banks and other service providers supporting a pan-European vision for payments.

The mission of the EBA is to foster dialogue and experience exchange amongst payments industry practitioners towards a pan-European vision for payments. We pursue our mission through involving member organisations and relevant stakeholders in thought leadership on innovation, helping our members to



understand and implement regulation and by supporting the development of market practices.

The EBA has more than 160 members from the European Union and across the world.

For additional information about the Euro Banking Association, please visit www.abe-eba.eu or follow us on [LinkedIn](#).