



The Payment Services Directive

Changes within Europe

Introduction

Looking at today's European payment landscape, it is evident that payment products vary significantly as each country has developed payment products in accordance with local practices and legislation. In the years ahead this will change: the national payment systems will gradually move to a more efficient and harmonised European payments market. Two major initiatives will be responsible for this change:

1. The initiative taken by European Banks to standardise Euro payments which is known as the Single Euro Payments Area (commonly known as SEPA); and
2. Legislation adopted by the European Union: the Payment Services Directive (PSD).¹

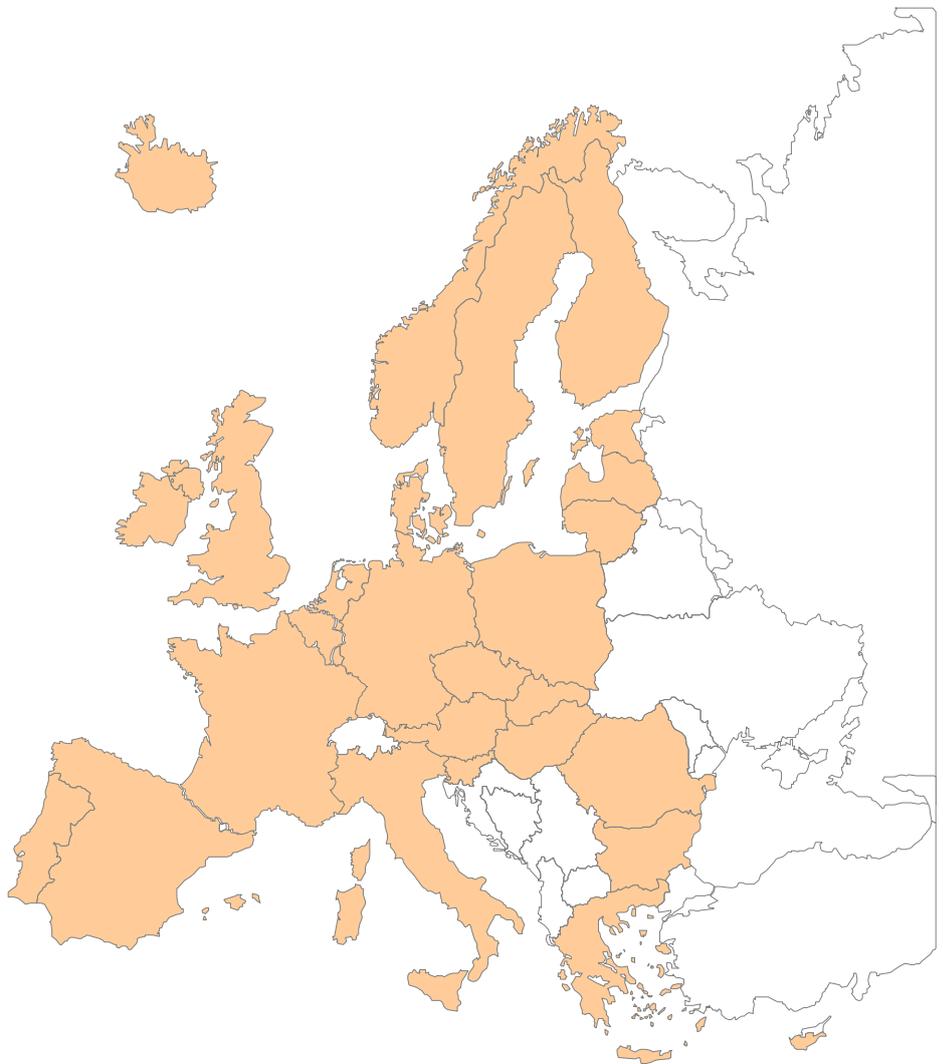
On 1 November 2009 the PSD will become law throughout Europe, providing the legal framework for all payment services including SEPA.² As your payment service provider, **ING is ready to provide you payment services that fully comply with the PSD and will continue to offer you first class payment services.**

Across all of Europe, ING offices have updated their contractual documentation and the manner in which payments are processed.

The following is a brief overview of the PSD and the most significant changes, come 1 November 2009.

What is the Payment Services Directive

The PSD is European legislation regulating the provision of payment services by banks and other institutions offering payment services. In addition to regulating most types of payment transactions in EU/EEA currencies such as credit transfers and direct debits, the PSD also regulates the initiation of payment orders via electronic banking packages, the way banks report transactions in account statements, maximum execution timelines for payment transactions and other payment related matters.



The picture shows the countries which will implement the PSD: all EU/EEA countries.

¹ EC Directive (2007/64/EC) OJ L 319/1

² For further information on SEPA please visit www.ingsepa.com

On 1 November 2009, the PSD will have to be implemented into national legislation of each EU member state as well as Norway, Iceland and Liechtenstein. As a result, banks and institutions offering payment services in all these countries will have to comply with the newly-implemented local law relating to the PSD. Although the PSD has been designed to promote harmonisation as much as possible, member states have some discretion regarding the implementation of certain provisions. Therefore, please bear in mind that there may be differences between the locally-implemented PSD laws of member states.

ING Approach

ING has taken appropriate measures to ensure compliance with the PSD, while limiting the impact of the new legislation on you to a minimum. In most cases, the way ING processes your payments will remain unchanged. Moreover, the manner of and timelines for submitting your payment instructions will not change at all.

Having said that, the PSD does contain a lot of detailed requirements, the principal objective of which is to increase market transparency by standardising rights and obligations for you, as a user of ING's payment services, as well as for ING, as your payment service provider. Therefore, ING's terms and conditions for payment services have been updated and are now available.

Changes to ING payment services

The following are the most significant changes being introduced on 1 November 2009 as a result of the PSD:

- The refund period for authorised direct debits is extended to 8 weeks;³
- Charges for your payment instructions will be allocated on a SHARED basis. That is, charges levied by ING will be paid by you and charges levied by the beneficiary's bank will be paid by the beneficiary;
- Payment charges will be reported in a more detailed fashion;
- The period during which claims for unauthorised payments may be submitted is extended to 13 months;
- The type of information to be provided by you to ING to ensure the accurate processing of payment instructions is described in full; and
- Timelines for execution of domestic and cross-border payments will be clearer.

ING recommends that you carefully consider the potential impact on your business processes and procedures of the above changes.

Any questions?

For more detailed information on the PSD, please contact your ING relationship manager or visit your local ING office. You can also send an email to psd@ing.com or visit www.INGPSD.com.

[This brochure should not be deemed to be a substitute for reading the relevant updated local terms and conditions. For a comprehensive view of the changes introduced by the PSD, please refer to these local terms and conditions.]

³ For specific local direct debit products in some countries other refund periods may apply.