

# Streamlining LNE notification requirements and assessments for greater convergence



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## Introductory remarks

Fleet card companies support European transport companies and fleet operators, enabling them to seamlessly refuel and recharge vehicles across the continent. Unlike payment instruments, fleet cards do not initiate fund transfers but rather chain purchase transactions. The fact that the authentication process is separate from the payment process for fleet card users means that fleet cards are identification rather than payment instruments. They operate under a "buy/sell" business model based on independent contractual agreements between at least three parties (in B2B relationships), handling supply transactions for fuels or other vehicle or mobility-related supplies (*i.e.*, a limited range of goods/services) and bearing the financial risk of buying and reselling fuel. Importantly, fleet card issuers do not manage client funds; customers are invoiced and pay following receipt of the goods and services purchased.

This is why **FCE calls on co-legislators to unequivocally recognise that fleet cards fall out of the scope of the PSD2 framework, as well as the forthcoming PSD3/PSR framework** due to their distinct characteristics<sup>1</sup>. These unique characteristics have led thirteen national competent authorities (NCAs)<sup>2</sup> to confirm that fleet cards fall outside the scope of PSD2. There are, however, **contrasting interpretations on this within the fleet card industry both between and within individual Member States**.

Indeed, some NCAs have adopted a broader interpretation classifying fleet cards as payment instruments that fall under the Limited Network Exclusion (LNE) provision, currently established under Article 3 (k) (ii) of PSD2. This interpretation contradicts the European Banking Authority's (EBA) view, which asserts that when fleet card companies act as resellers legally and effectively serving as merchants responsible for goods and/or services provided to cardholders and bearing the associated risks they should not fall under PSD2, as no intermediation services are involved<sup>3</sup>.

These discrepancies lead to regulatory uncertainty and unnecessary administrative burdens, undermining the EU internal market's goals.

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<sup>1</sup> See FCE's position paper "FCE observations - PSD review" from May 2025.

<sup>2</sup> Austria, Belgium, Denmark, Germany, Greece, Luxembourg, Hungary, Poland, Romania, Slovenia, Slovakia, Spain and Sweden.

<sup>3</sup> See EBA's [response](#) to the Commission's request for comments on the review of the Payment Services Directive (EBA/REP/2022/14) of 23 June 2022, Section 1, Question 3, No. 3.3, page 25 et seq. (recitals 92 and 93).

## Challenges posed by inconsistent regulatory requirements and lack of harmonisation

To address the uncertainty, FCE members have proactively notified NCAs. Despite operating under similar “buy & sell” business models, some fleet card companies within the same country have been informed that they fall outside the scope of PSD2 and do not need to submit notifications, while others have been told they fall within the scope of PSD2 but qualify for the LNE. This **inconsistency causes confusion and hinders long-term planning.**

Additionally, the inconsistencies in assessment and the administrative burden they represent are further exacerbated by the long-standing and widely recognised lack of harmonisation in the interpretation of notification requirements under Article 3(k).

The EBA attempted to address this issue by publishing [Guidelines on the limited network exclusion under PSD2](#) in February 2022. These guidelines aimed to ensure the common, uniform, and consistent application of EU law regarding Article 3(k) of PSD2. They sought to bring convergence on several aspects of the LNE notification, including the use of payment instruments within a limited network, the criteria and indicators to qualify a limited network of service providers or a limited range of goods and services, the application of the LNE by regulated entities, and the notification requirements.

Despite these Guidelines being in effect since June 2022, progress remains uneven. As of April 2025, only eighteen Member States report full compliance<sup>4</sup>. Others intend to comply<sup>5</sup>, partially comply, do not comply<sup>6</sup>, or consider the guidelines to not be applicable<sup>7</sup>. **The intended convergence of supervisory practices has not yet materialised.**

**Fleet card companies continue to navigate a fragmented landscape.** Requirements vary widely—from timelines to the depth of activity descriptions and the frequency of submissions. Some face straightforward, standardised processes, while others encounter complex, time-consuming ones. This fragmentation imposes significant operational burdens and contradicts the core principles of the single market.

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<sup>4</sup> Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Estonia, Finland, Germany, Greece, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Slovakia, Slovenia.

<sup>5</sup> Ireland, Hungary, Portugal and Romania.

<sup>6</sup> Denmark, France, Spain and Sweden.

<sup>7</sup> Croatia.

## Examples of lack of harmonisation

Outlined below are examples of the lack of harmonisation for LNE notification requirements experienced by FCE members:

- **Notification forms variations:** numerous NCAs provide a form which companies wishing to be notified under the LNE are required to complete. Countries like Austria, France, Germany, Ireland, and Spain require different, often language-specific forms. Some ask for commercial register extracts (e.g., Austria, Hungary, Spain), while others need additional documents or specific submission formats—ranging from online portals (e.g., Estonia, Finland, Germany, Ireland) to original paper submissions (e.g., Greece, Hungary, Lithuania, Portugal).
- **No formal notification process:** in countries like Belgium, Cyprus, Estonia and Lithuania, no standard form or portal exists. Companies often resort to submitting ad hoc letters, with wide variation in follow-up requests from NCAs. Some are interested in transaction volumes, others wish to know more about different fleet card types in a product portfolio, how the buy/sell business model works under which fleet card companies operate or how the settlement process works.
- **Unclear timelines and feedback:** many NCAs do not confirm receipt or provide estimated timelines for processing. Members report no acknowledgment of notifications submitted by required deadlines, creating further uncertainty.

## Recommendations

Given the inconsistencies and discrepancies highlighted above, **FCE strongly urges co-legislators to ensure legal certainty, simplification and consistent treatment of fleet card providers under the LNE regime.**

While FCE fully appreciates the rationale behind the recent amendments to Article 39 of PSD3 as adopted by the Council<sup>8</sup>, the revised wording risks unintentionally increasing regulatory divergence across Member States – particularly concerning the treatment of the buy/sell model under the LNE. This could lead to a more fragmented and unpredictable regulatory landscape than the current one, where some countries maintain notification requirements and others do not. This growing disparity will increase legal uncertainty and complicate compliance for service providers operating across the EU.

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<sup>8</sup> See Council of the European Union, Payment Services Directive (PSD) - Mandate for negotiations with the European Parliament, 13 June 2025, <https://data.consilium.europa.eu/doc/document/ST-10176-2025-INIT/en/pdf>

**Therefore, FCE calls on co-legislators to consider the following three options** regarding Article 39:

- **Delete Article 39** altogether, thereby eliminating notification requirements and removing ambiguity around the treatment of LNE activities.
- **Introduce a “negative passporting” regime**, under which no separate assessment would be required in host Member States if a company has already received a notification assessment from the competent authority of its home Member State for the same business model.
- **Only if the above two options prove unfeasible**, FCE would reluctantly support the least preferred option: the establishment of a minimum level of harmonisation of notification requirements, potentially via Regulatory Technical Standards (RTS) developed by the EBA. It should define clear assessment methodology for NCAs to evaluate the criteria and indicators under which service providers may qualify for the LNE, as well as setting out a clear notification process. While this could provide greater clarity- unlike the other two options laid out above - it carries significant risks and may create additional layers of administrative complexity unless implemented with great care.

Without decisive action, the current patchwork of thirty different approaches will continue, further entrenching legal uncertainty and running counter to the principles of regulatory coherence and market integration that underpin the single market. A clear, simplified and harmonized solution is not only preferable, but also urgently needed.