

BNP Paribas Cash Management launches first-ever service designed to assist online marketplaces with their compliance

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This is a 'first' in the banking world: BNP Paribas has launched a new service aimed at e-commerce sites and other online marketplaces, which will enable them to bring their financial transactions into full compliance with the regulations.

BNP Paribas is currently the only bank offering Credit Institution agency status to online marketplace clients – mainly e-commerce sites. BNP Paribas, which has long served as a banking partner to e-commerce players, will provide support to enable marketplace operators to carry on their business and help them comply fully with the regulations issued by ACPR, the French Prudential Supervision and Resolution Authority.

When an online marketplace carries out collection transactions on behalf of one of its retailers, it is basically providing two distinct services: taking in payment orders and executing bank transfers linked to a paying account. However, the EU Directive in force lays down that such payment services can only be carried out by an authorised payment services provider, so as to protect sellers and purchasers from incurring damage should the marketplace operator file for bankruptcy after collecting the funds.

BNP Paribas Cash Management is therefore offering to confer agency status on major online marketplaces, thus enabling them to benefit from the BNP Paribas banking licence so as to ensure that their transactions are in full compliance with the regulations. Online marketplace operators who take up this offer will have their funds protected by a top-rank banking player and also benefit from the Bank's expertise in combating money-laundering, notably the key Know Your Customer (KYC) procedures.

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