



ERP/2023/016-Ann

ERP/2023/016-Ann: actions and recommendations related to an interoperability framework for IP@POI

MSG MSCT

- **Glossary**
- **Timeline**
- **Summary**
- **Missing elements**
- **EPC recommendation**

Glossary

Term	Definition
POI	Point of Interaction
IP@POI	Instant payments at Point of Interaction (POI): payments made at POI making use of an (account-to-account) instant credit transfer scheme (e.g. SCT Inst)
IP@POI WG	ERP working group on IP@POI (active in 2019 and 2020)
MSG MSCT	EPC multi-stakeholder group on Mobile initiated SCT and SCT Inst
IG	Interoperability Guidance (MSG MSCT deliverable)
PSU	Payment service user
NFC and BLE	Near Field Communication and Bluetooth Low Energy: proximity radio frequency technologies for the exchange of data between the payer and the payee
QR-code	Quick-Response code
SCT Inst	SEPA Instant Credit Transfer scheme
SCT	SEPA Credit Transfer scheme
SRTP	SEPA Request-to-Pay scheme
CoP	Confirmation of Payee (IBAN-name matching service)
SCA	Strong customer authentication
PISP	Payment initiation service provider
PSP	Payment service provider
JTF	Joint Task-force
EPSG (ECSG)	European Payments Stakeholder Group (formerly European Cards Stakeholder Group)
CEN	European Committee for Standardization

2018-2019

- **November 2018: decision for a workstream on Instant payments at Point of Interaction (IP@POI)**
- **Two-step approach**
 - i. stocktaking of existing and planned solutions; and
 - ii. analyse the barriers to pan-European reach and usability, and how to overcome such barriers (focus on harmonisation/standardisation/interoperability).
- ***Taking into account and complement the MSG MSCT IG***
- **ERP/ working group IP@POI created** (co-chaired by EPC and Eurocommerce, Secretariat by EPC)
- **June 2019: interim report from the IP@POI WG => outcome: stocktaking, barriers**
- **November 2019: final report from the IP@POI WG => outcome: analysis of the barriers, recommendation (A to J). Decision: follow-up - making use of the work of the MSG MSCT – to develop (by a 2nd IP@POI WG) :**
 - i. a dedicated *interoperability framework* (rec. A);
 - ii. security requirements for PSU onboarding (rec. B); and
 - iii. requirements for *consumer choice of payment instrument* at the POI (rec D).

Nov 2019: recommendations

#	Addressee(s)	Recommendation	Deadline
A	MSG MSCT	Framework for IP@POI (incl. also “recognition label” for IP@POI) – rec. B,C,D to be taken in account	Nov 2020
B	multi-stakeholder group	Security requirements for PSU on-boarding (=part of rec. A)	Nov 2020
C	MSG MSCT	Specs for interconnectivity and datasets using QR-codes and NFC/BLE (=input to rec. A)	June 2020 (QR-codes) Nov 2020 (NFC/BLE)
D	Joint TF MSG MSCT+ECSG	Analysis of possible conflicts at POI between payment instruments; specifications for consumer selection of the payment instrument (=input to rec. A)	Nov 2020
E	EPC	Analyse potential new Change requests for SCT Inst scheme (pre-authorisation, recurring payments, refund, etc.)	Nov 2020
F	EPC	Analyse a potential CoP service	Nov 2020
G	EuroCommerce	Requirements for the integration and maintenance of multiple payment solutions by the merchant	June 2020
H	multi-stakeholder group	Investigate SCA models at physical POI with PISP involvement	Nov 2020
I	Competition authorities, mobile device manufacturers, mobile OS developers and GSMA / MNOs	Investigate the provisioning of access to all mobile device features (e.g., the NFC interface), for consumer choice of the payment app	June 2020
J	EPC, consumer and retailers associations, public sector	institutional communication campaign	June 2021

2020

- **2nd IP@POI WG** (co-chaired by EPC and Eurocommerce, Secretariat by the EPC)
- **June 2020: interim report from the 2nd IP@POI WG => outcome:**
 - i. stocktaking
 - ii. status update on the development of the *interoperability framework* (including governance)
- **June 2020: ERPB started the follow-up under its regular “Assessment of follow-up on ERPB statements, positions and recommendations” (for the recommendations A-J):** NB: below only those relevant for the MSG MSCT
 - A (except “*recognition label*”), B, C: **green**
 - D: started in June 2020
 - E: **green** (potential use of the SRTP scheme)
 - G: **green**
- **Nov 2020: final report from the 2nd IP@POI WG and specs for consumer selection of the payment instrument**
 - A: **yellow**
 - B: **blue**, C: **yellow**
 - D: **blue**
 - G: **blue**

Nov 2020: statement and recommendations

- **November 2020 statement:**

“Despite the progress, further work will be needed before the interoperability framework for instant payments at the POI can be established. To this end, the working group suggested a number of actions to address the technical gaps identified during the development of the interoperability framework for instant payments at the POI and to ensure that the consumer’s choice of a given payment instrument to conduct a payment transaction at the POI is respected.”

- **Recommendations from the IP@POI WG (for consideration by the ERPB in June 2021)**

#	Addressee(s)	Recommendation	Deadline
A	MSG MSCT	Further work on IGs (technical gaps): unsuccessful transactions, interoperability using PISPs and CPSP, EBA Q&A, offline use-cases	June 2021
B	JTF (MSG MSCT + ECSG)	Follow-up on the work on consumer selection of payment instrument (standards, business and technical requirements)	Nov 2021
C	multi-stakeholder group	Further work on a IP framework (from MSG MSCT work, from rec. A and E of Nov 2019 and market situation in June 2021)	Nov 2021

2021

- **June 2021:** “Assessment of follow-up on ERPB statements, positions and recommendations”
 - A: => followed-up in the ERPB/2020/rec C. (NB: The EPC position was for no further work on “recognition label”)
 - B: blue
 - C: green => followed up in the MSG MSCT deliverables
 - D: blue => followed-up in the ERPB/2020/rec B

Statement: “... Taking into consideration the progress of the work at MSG MSCT level, ongoing market developments and the fact that the feedback is yet to be received to the EBA Q&A tool, the ERPB will assess whether to conduct further work on the remaining elements of an interoperability framework during its November 2021 meeting”

- **Nov 2021:** “Assessment of follow-up on ERPB statements, positions and recommendations”
 - A: green => followed-up in the ERPB/2020/rec C
 - C: green => followed up in the MSG MSCT deliverables

Statement: The ERPB “...supported assessing whether to conduct further work on the remaining elements of an interoperability framework during its June 2022 meeting, taking into account the progress of the work at MSG MSCT level, ongoing market developments and initiatives taken by the authorities.”

- **MSG MSCT delivered its 1st version of the QR-codes specs + new recommendations:** A (new version of the specs), B: submit specs to ISO or CEN, C: adoption by the “to be established” IP@POI framework

2022

- **July 2022:** “Assessment of follow-up on ERPB statements, positions and recommendations”
 - A: **green** => followed-up in the ERPB/2020/rec C
 - C: **green** => followed up in the MSG MSCT deliverables (NB: IGs v2.0 published in Feb 2022)
 - New recommendations: ERPB/2021/rec A: **blue**, ERPB/2021/rec B: **green** (NB: EPC QR-codes specs published in June 2022)

Statement July 2022:

The ERPB “...supported assessing whether to conduct further work on the remaining elements of an interoperability framework during its November 2022 meeting, taking into account the progress of the work at MSG MSCT level, alongside ongoing market developments and initiatives taken by European public authorities.”

- **Nov 2022:** “Assessment of follow-up on ERPB statements, positions and recommendations”
 - A: **green** => followed-up in the ERPB/2020/rec C
 - C: **green** => followed up in the MSG MSCT deliverables
 - ERPB/2020/rec C (framework): “the timing for this recommendation is June 2021 to November 2021”
 - ERPB/2021/rec B: **green** (NB: QR-codes specs submitted to ISO in October 2022)

Statement: the framework is not mentioned

2023

- **May 2023:** *“Assessment of follow-up on ERPB statements, positions and recommendations”*
 - A: **green** => followed-up in the ERPB/2020/rec C
 - C: **green** => followed up in the MSG MSCT deliverables
 - H: **yellow**
 - ERPB/2020/rec C (framework): **“the timing for this recommendation is June 2021 to November 2021”**
 - ERPB/2021/rec B: **green**

Statement May 2023: **the framework is not mentioned**

Summary

- The need for an *interoperability framework* was first identified in the final report from the ERPB WG on IP@POI delivered in November 2019: recommendation **ERP/2019/recA**:
“A dedicated framework is needed to manage the interoperability rules and appropriate governance for IP at POI solutions”
- The Nov 2020 report from the WG on IP@POI outlined the *interoperability framework*, as requested in the group’s mandate:
“... to develop principles for an interoperability framework for instant payments at the POI”
- The recommendations **A, B, C** from this report set the target actions toward the creation of the framework
- *Whilst the recommendations A (MSG MSCT work) and B (consumer selection of payment instrument) were fulfilled and related deliverables finalised, the rec C became the focal point for the follow-up. Rec C:*
 - *Evaluate the related EBA Q&As, the additional services for SCT Inst (2019/recE), the recognition label (2019/recA), the deliverables from 2020/recA, and the market situation in the light of other on-going initiatives*
- As of June 2021 the ERPB has not assigned further work on the remaining elements of an interoperability framework, pending evaluation of achievement of existing items and market situation

Missing elements

- If the baseline for an *interoperability framework* is still the November 2020 report from the ERPB WG on IP@POI and its recommendations, and taking into account the current status (October 2023) the missing elements are:
 1. Evaluation of the market situation
 2. Standardisation of the EPC QR-codes specifications (NB: the work has been restarted by the EPC via CEN)

EPC recommendation

- **Taking into account the following factors:**
 - ongoing process for adoption of new legislative acts: IP regulation, PSR, PSD3, FIDA, Digital Euro and their expected impact on the entire retail payments eco-system,
 - the Digital Euro project of the ECB,
 - capacity of the market players (PSPs, MSCT solution providers, infrastructure providers, EPC) to undertake new and potentially heavily impacting projects in the field of retail payments
 - the result of the EPC own assessment of the interest of market players
- **The EPC suggests to the ERPB not to restart the work on the IP@POI framework. The opportunity for a new analysis of the market situation and the need for interoperability could be re-assessed in e.g. two years.**
- **In this context the EPC confirms its commitment to standardise the EPC specifications for QR-codes for payments via CEN, in a timeline targeting Q4 2024/Q1 2025 for publication by CEN**