

## ERPB work on transparency – Finalisation of the impact assessment

### 1. Executive summary

Based on its mandate, the [Euro Retail Payments Board](#) (ERPB) set up a working group in July 2020, with the participation of relevant stakeholders, to address the need for **enhanced transparency for beneficiary information for retail payment end-users** i.e. the easy identification, from a consumer's payment account statement or corresponding application, of to *whom*, *where* and *when* the consumer made a payment.

In June 2021, the ERPB endorsed the [recommendations](#) and the overall implementation timeline suggested by the ERPB Working Group on transparency for retail payments end-users. The recommendations focus on the accuracy of data elements that should always correspond to the payment transaction details related to whom, when and where a payment was made. In addition to the recommendations, the ERPB agreed on an overall implementation timeline of 3 years i.e. the work should be completed by end-June 2024.

Following the ERPB endorsement and in parallel to beginning implementation, relevant payment chain participants produced an [impact assessment](#) in November 2021, in view of the recognised impact of these recommendations on the payment industry. This assessment revealed that although in many cases stakeholders have already implemented the recommendations or have a dedicated plan for doing so, some issues require further attention.

The main issue relates to the use of the commercial trade name to allow consumers to easily identify to whom a payment was made. The second issue relates to the identification of the location of a purchase. In addition, the stakeholders suggested prioritising efforts to bring benefits to the consumers as soon as possible. To facilitate the work, the ERPB agreed on Terms of Reference for the finalisation of the impact assessment of implementing the recommendations to enhance the transparency for retail payment end users (see Annex 1:). This document presents the work of the group of volunteers (see Annex 2:) that contained members from several ERPB member organisations and broadly represented the industry.

To clarify the legal requirements for the use of the legal entity name, a survey was run both at national and at European levels. Furthermore, the schemes were surveyed on their possibilities to include the commercial trade name in case the legal entity name is required. The main findings of the surveys are presented in section 2 of this note. In general, national legislation allows the commercial trade name to be used in payment messages, even when a legal entity name might also be mandated or used even if not mandated. This is backed up by responses from the European Commission (EC) and European Banking Authority (EBA) to the consultation on legal requirements. However, some national legal requirements might present obstacles to the inclusion of the commercial trade name in payment messages, while one card scheme forbids it based on national law. Nonetheless, in general, scheme rules, being cognisant of

the legal background, do not present obstacles to the inclusion of the commercial trade name in payment messages, while some actively encourage payees to use the name the customer would know them by.

The exercise to prioritise the type of location information that should be used when it would be practical to do so, identified cases where the location could either be exactly stated, or else referenced in a clear way that would help the payer to recognise each transaction. The responses from the schemes show that, in most cases, location information is included in payment messages, but even when not, it is stored and available. The exception is for credit transfer schemes, in which the payer provides the information.

To ensure that the benefits to consumers are available as soon as possible, the actions leading to the implementation of the recommendations have been prioritised. Consistently collecting, using and transmitting the commercial trade name is of the highest priority together with the exact geographical location where the physical purchase was made. Including these two pieces of information in the payment account statement would bring the expected benefits to the consumers.

The timeline to complete the actions leading to the implementation varies between actors, from 6 months up to 3 years or possibly even more. The actions with highest priority would be completed by the timeline the ERPB agreed in June 2021 i.e. by June 2024 with the exception in cases where both legal entity name and commercial trade name are required and might require more extensive and complex efforts.

**2. The use of the commercial trade name**

Recommendations 1-4 and 7 of the ERPB recommendations to enhance transparency for retail payments end-users relate directly to the use of commercial trade name:

Recommendation 1	Consistently use commercial trade name and provide this name to all involved parties in the payment chain for use in client's payment account statements.
Recommendation 2	Collect commercial trade name from payees and enable payees with tools to maintain up to date configuration data.
Recommendation 3	Keep the payee's commercial trade name in transaction data.
Recommendation 4	Include commercial trade name of both ultimate payee and of intermediary platforms when necessary. Special keywords such as "booked via", "your order from", "payment processed for" may be used.
Recommendation 7	Indicate commercial trade name as displayed on the website or the commercial trade name of the online merchant for online purchases. The merchant's country should also be indicated whenever is possible.

The impact assessment from November 2021 revealed that the use of the commercial trade name, if different from the legal entity name, to allow consumers to easily identify to whom a payment was made requires further attention.

The group was mandated to, first, **clarify the legal requirements** to present, in addition to, or instead of, the commercial trade name, the legal entity name of the beneficiary of a payment, with the relevant authorities at both the EU and the national levels. And second, on this basis, the payment chain participants addressed by the recommendations should collectively **determine the options** for including the commercial trade name as part of the payment information transferred throughout the payment chain.

## 2.1 Clarification on legal requirements

To clarify the possibilities to use the commercial trade name, if different from the legal entity name, and to display the commercial trade name in the payer's payment account statement or corresponding application, the group prepared a survey addressed to both the European Commission (EC) and European Banking Authority (EBA) on the EU level and the national payments committees at the national level. The survey revealed that apart from a few cases there is no specific national legislation that prevents using *only* the commercial trade name to identify the payee in payments messages nor is there any such requirement in the EU level. For those cases where the legal entity name needs to be used or included, the commercial trade name could be added in addition to the legal entity name.

To further clarify the possibilities of the schemes to include the commercial trade name in case the legal entity name is required, the group prepared another survey addressed to the schemes operating in Europe. The survey revealed that most schemes are well-prepared to include the commercial trade name in payment messages and legally allowed to do so. Some schemes identified legal restrictions and some technical difficulties. The ways to overcome these barriers are discussed in the next section (see 2.2).

### 2.1.1 National and EU-level legal requirements

Both the EC and the EBA confirmed that there is **no EU legislation that requires the legal entity name to be displayed in payers' payment account statements**. However, there are Directives<sup>1</sup> and Regulations<sup>2</sup> that include provisions related to information required on payment transactions and the identification of the payee.

To determine whether, in addition to the European-wide Regulations and Directives, there are any **national laws** containing additional requirements, to include the payee's legal entity name in the information on the transaction that is transferred in the payment chain from the payee to the payer's bank to be included in the payment account statement, the survey was sent to the national payments committees or respective bodies.

**A majority of Member States report no specific national legal requirements** mandating the inclusion of the payee's legal entity name in **information transferred in the payment chain**. Three cited requirements in existing national legislation for AML-CTF identification, while in one of them it is additionally required for tax compliance purposes where the 'knowledge and use of the legal entity name' is required. Furthermore, two countries cite minor legal limitations for the use of the commercial trade name, e.g. the pre-requisite in one country for the name used in the payment chain to be the name that is inscribed in the public register (if the commercial trade name is not in the public register, the legal entity name must be used), and an exception in another country for court-mandated 'official credit transfers', where the legal entity name must appear in the information transferred in the payment chain.

On existing national legal requirements to include the payee's legal entity name on the payer's (end-user/consumer) payment account statement, whether paper-based or electronic (incl. mobile applications), **a majority of Member States report no national legal requirements** mandating the **inclusion of the payee's legal entity name on the payer's (end-user/consumer) payment account statement**. The only

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<sup>1</sup> PSD2: Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32015L2366>

<sup>2</sup> The Wire Transfer Regulation: Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R0847&from=ET>

Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication

exception is the pre-requisite in one country for the name used in the payment account statements to be the name that is inscribed in the public register (if the commercial trade name is not in the public register, the legal entity name must be used). Moreover, two countries cite current market or government transparency requirements that put an emphasis on the use of a payee's commercial trade name.

Finally, on existing national legal requirements on the right of a payee to use its commercial trade name to denominate its bank account, a majority of Member States report **no national legal requirements preventing the use of the commercial trade name**. In some cases the legal entity name must be used but the commercial trade name can be a supplement.

Three countries cited existing national legislation banning the use of the commercial trade name to comply with AML-CTF identification requirements. Moreover, there are restrictions on the use of commercial trade name to denominate a payee's bank account for other reasons. In one country these focus on civil law procedures, while in another country the use of the commercial trade name is restricted for tax-compliance purposes. However, these restrictions apply to the early stage of the payment process and should not prevent displaying the commercial trade name in the payment account statement.

### **2.1.2 Clarification on scheme restrictions and possibilities**

In addition to the consultation on the legality of including the commercial trade name in payment messages, the group prepared another survey addressed to payment schemes operating in Europe to establish **whether the commercial trade name is/can be used in payment files/payment messages**.

Fifty-three governing authorities of schemes responded to the survey with some of them reporting for a number of schemes. In all there were responses from sixteen card schemes, seventeen credit transfer schemes, 8 direct debit schemes, 4 e-money schemes, 2 limited network/closed loop schemes, 3 P2P/B2C/mobile payment solutions, 2 RTP schemes and 1 e-invoicing scheme. While some schemes confirmed that standards are applied without mentioning which standards were applied, the majority applied the ISO standards appropriate to the payment instrument processed by the scheme, while others used national or proprietary standards. Consequently, credit transfer and direct debit schemes reported applying ISO 20022, while card schemes reported using ISO 8583.

The schemes were asked whether currently they require the legal entity name, commercial trade name or any other names to be included in payment messages and how the commercial trade name might be transferred down the payment chain. The differences between the answers could be separated based on the payment instruments the schemes dealt with. Of the sixteen card schemes, fifteen declared that the commercial trade name was required, or commonly included even if not required, or else declared that its inclusion was not prohibited. However, for one scheme the legal entity name is required, while the commercial trade name is not.

Of the credit transfer schemes, thirteen declared that the payee's legal entity name had to be included in payment files. Of those 7 also require the commercial trade name to be included. Four of those schemes do not require the commercial trade name to be included, while of these one noted that it was nonetheless allowed to be included, as was the legal entity name.

Only one direct debit scheme does not explicitly allow the commercial trade name to be used.

All 4 e-money schemes require commercial trade name to be included in payment messages. One of the closed loop schemes requires the payee's legal entity name to be included in payment messages, while the other states that the commercial trade name is usually used. One of the RTP schemes obliges inclusion of the payee's legal entity name and does not accommodate the commercial trade name while the other allows for both without requiring either. The P2P and B2C schemes require the 'merchant and shop' names, while the mobile payment solution 'enables the commercial name of the merchant in the payment account statement of the buyer'. The e-invoicing scheme requires the commercial trade name to be included in payment messages.

The schemes were asked to comment on the feasibility of certain measures that might be used to allow the commercial trade name to be incorporated in payment messages. The first question concerned the possibility to include a new field to include the commercial trade name. Those schemes using the ISO 20022 standard suggested using the optional field, or else pointed to the procedural difficulties entailed in updating the ISO standard to include a new field. This would, of course, apply to all ISO standards equally. The second question concerned the feasibility of combining both names in the same field. This question inspired a number of answers focussing on field lengths (of 25, 40, 70 and 140 characters) but also questions about the nature of the names. For one scheme the legal entity name was required, so in combination with the commercial trade name it would have to be included in full. Other schemes require the legal entity name because this is the name that should be used to denominate payment accounts. The third question asked whether the legal entity name could be replaced by the commercial trade name. Some schemes did not consider this feasible due to the sanction screening requirements. One scheme pointed to another difficulty – the case in which the several legal entities trade under the same commercial name, making it difficult to distinguish between them.

Furthermore, the schemes were asked whether, in the absence of any legal barrier, the commercial trade name could be used instead of the legal entity name. Responses to this question referred to previously mentioned legal requirements in some cases, to a possible loss in quality of data in another and otherwise to the payee having the choice as to how it identifies itself.

Having assessed the feasibility of the possible solutions, the schemes were then asked how identified measures might be performed. The first of these questions asked how the names might be combined. The answers to this varied greatly. From one scheme describing how this is already done, to others advising against this course of action and others suggesting that a study of the feasibility of such a change involving all actors on the payment chain would have to be conducted to answer this question. Another scheme suggested that protocols for completing the combined field could achieve the desired result. The next question asked the schemes to assess how to replace the legal entity name. The answers provided varied from not supporting it for legal reasons, mentioning how it is already done, or citing technical difficulties of various levels to achieve this.

The schemes noted that the implementation time of suggested measures would depend on the solution that would be chosen mentioning timelines ranging from 1-4 years, and in one case, a need for a feasibility study.

The schemes were also asked about the possibility to include information about various actors in transactions, such as marketplaces and pass-through PSPs. Some schemes already accommodate such information, while others suggested that it would not be feasible to do so. Still others, reported that whoever in the chain is the PSP, whether that is the merchant, or the platform, will be the only addressee identified.

In addition to questions related to the possibilities on using the commercial trade name, the schemes were asked about location information and date and time information. Results to these questions benefited the prioritisation discussion (see Section 4).

## **2.2 Determining the options for using the commercial trade name**

Based on the responses to the survey on legal requirements and the survey on scheme rules, it appears that apart from a few cases there is no specific national legislation that prevents using *only* the commercial trade name to identify the payee in payments messages nor is there any such requirement at the EU level. Furthermore, most schemes are well-prepared to include the commercial trade name in payment messages and legally allowed to do so.

The schemes that cannot for legal reasons, should be invited to explore, in cooperation with national authorities, whether the identified legal obstacles can be removed to bring them in line with most other schemes in the interests of consumers and to provide a level playing field for service providers.

The schemes that identified technical difficulties, should prioritise work to overcome these within the timelines already agreed by the ERPB, i.e. the end of June 2024.

In addition, payees should ensure that when providing their commercial trade name to different schemes they always provide this information in the same way, having identified the name that will make it easiest for their customers to identify them.

Last, in cases where the legal entity name is required, but the commercial trade name can also optionally be included in payment messages, the commercial trade name should be included so that ASPSP's can provide this information in payment account statements.

### 3. Identifying the location of a purchase

Recommendation 6 of the ERPB recommendations to enhance transparency for retail payments end-users states: "Indicate exact geographical location where a physical purchase was made". It further clarified that accurate geographical location of the purchase (including city, street name and number, and country) is the relevant information for the consumer. The location of the head-office or processing entity is not.

The impact assessment from November 2021, on the issue of location, revealed that identifying the location of a purchase, for (but not limited to) physical transactions, is not always straightforward. Various factors may prevent location data from displaying properly (e.g. conflicting/inaccurate data, unavailability, P2P transactions).

The group of volunteers was mandated to **provide a generic list of possible use cases when displaying the location of purchase is neither possible nor recommendable**. The list should only apply to transactions at a physical point of interaction.

The group considered several situations in relation to supplier mobility:

1. Itinerant traders who in rural areas make a circuit with many stops. The solution could be to indicate on the statement, in respective national language(s) e.g. "food truck" or "itinerant trade".
2. Traders who set up shop on a different market each day of the week, or less frequently. The solution could be to indicate on the statement e.g. "local market".
3. Taxis and other related services, the commercial trade name is the most important information including e.g. "taxi service" as location. Nevertheless, the name of the town where the service was taken is necessary.
4. Services offered, and paid, at the home of the consumers e.g., hairdresser, nail artist, electrician. The solution could be to mention e.g. "home service" as location.
5. Payments made at a moving point of sale, the provision of the location would be difficult when the point of sale is inside a means of transportation (payments made on planes, trains, buses, ferries etc). Depending on the situation, the commercial trade name could not be enough if the consumer cannot identify the transaction (name of a shop on a ferry). The solution could be that the statement mentions the location simply as e.g. "on board".
6. Delivery of a product that has been ordered by the consumer, e.g. food delivery. If the payment is done when the order is given, the location is the brick-and-mortar shop of the provider. If the payment is done at the time of delivery the information could be limited to "payment at delivery". This solution has the advantage to avoid the issue of privacy.

From the various use cases mentioned above it can be noted that when card readers or other payee's devices are registered with a particular location, but used on a mobile basis, it is difficult for the payee to indicate the precise location. The above use cases try to provide simple solutions.

The group identified some cases that are not related to the payee mobility but where location may not be necessary, although the name of the payee is essential:

- Direct Debit transactions. A difference between recurring direct debit and the one-time direct debit is necessary.
  - For recurring direct debit, the commercial trade name is enough for the consumer to identify the transaction.
  - For one-time transaction made at the point of interaction, it is necessary to mention the location as it can be initiated from any shop of the same brand.
- Utility bills and other regular payments, e.g. salary and tax payments. The location is needed if the transaction is a physical one.
- Credit card repayments. Mutatis mutandis, same rule as for the initial transaction.

Furthermore, on P2P transactions for goods and services between two private persons, the identification of location is not possible.

The survey to the schemes revealed that the location information is treated very differently depending on the payment instrument used. For credit transfers, this would oblige the payer to input the correct information, which would introduce friction for the payer. All card schemes have requirements already in place, but the accuracy of the information varies from the exact address, to a single address for all branches of the same merchant in a city. For e-commerce transactions the URL can be given as the address. Some noted that the accuracy of the information could not be assured although measures are in place to check accuracy and presence of information. In some schemes, information on the location of merchants is stored, but not passed on down the payment chain.

#### **4. Prioritisation of efforts**

Based on the impact assessment from November 2021 and for ensuring that benefits to consumers are available as soon as possible, the group was mandated to prioritise the recommendations based on their potential impact on payment process chains. The payment chain stakeholders were asked to indicate a prioritisation in terms of order of importance to obtain transparency for payment end-users, including the underlying rationale.

The group identified proposed actions and solutions for each of the ERPB recommendations together with a prioritisation category (High – Medium – Low). The priority of proposed actions is divided into the addressees of the recommendations.

A detailed list of proposed actions and solutions for each ERPB recommendation and its addressee and the suggested priority are listed in Table 1 below.

Table 1: Prioritisation of recommendations and proposed solutions

1	2	3	4	5	6	7	8
Id	ERP Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
1.	<p><b>Consistently use commercial trade name and provide this name to all involved parties in the payment chain for use in client's payment account statements.</b></p> <p><u>Rationale:</u> It is critical that the payee uses the name that is recognisable by their clients so that transactions can be correctly identified. If the legal entity name is different from the commercial trade name, the legal entity name may be meaningless to the client.</p> <p><b>This recommendation is to be applied next to any legal requirements. For the results of survey on legal requirements, see section 2.</b></p>	Payees	National trade associations should run campaigns to explain to individual Payees why it is important for their customers, and in their own interest, that they provide their commercial trade names to their PSPs to help Payers identify easily to whom they made the payment.		Eurocommerce, SMEunited, Ecommerce Europe	High	
		Payees' PSPs	Explain to the Payees why it is important for them and for their customers that their commercial trade name is (also) included in the appropriate data field accompanying the transaction.		ECSAs, EDPIA, ETPPA, EPIF, EMA, EPC	High	
		Payers' PSPs	<p>If different from the <i>payee's</i> legal entity name and provided by the preceding processing entities, ensure that the <i>payee's</i> commercial trade name is (also) included in the appropriate data field accompanying the transaction and use this name for the generation of the consumer's payment account/card account statement.</p> <p>Ensure that the reference field in the consumer's payment account statement can accommodate a sufficient number of characters to cater for the commercial trade name of the payee, any intermediary data (such as the reference number) and</p>		ECSAs, EPIF, EMA, EPC	High	ECSAs: Depending on guidance from the schemes

<sup>3</sup> Raise awareness of the recommendations and report back to the ERPB secretariat.

<sup>4</sup> A refined timeline is proposed for those actions where the relevant actors have indicated it would likely take longer than envisaged (i.e. June 2024) to complete them.



1	2	3	4	5	6	7	8
Id	ERPB Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
			other potentially relevant data guidance such as geographical location.				
		Processors	Explain to the payees why it is important for them and for their customers that their commercial trade name is (also) included in the appropriate data field accompanying the transaction.		EDPIA	High	
		Payment schemes	Ensure that the payee's commercial trade name is collected at the start of the transaction, retained at all its subsequent stages and used for the generation of the consumer's payment/card account statement.	<p>If possible, adopt a common and co-ordinated approach to make the implementation by your members easier. Consider updating scheme rules or specifications to ensure that the commercial trade name of the <i>payee</i> is kept at all stages and appears on the <i>payer's</i> payment account statement.</p> <p>If standards need to be updated, file the necessary change request(s) to the relevant standardisation organisations.</p> <p><b><u>SEPA Payment Schemes:</u></b></p> <p><i>[From impact assessment questionnaire]</i></p> <p>The EPC has worked out an <u>EPC guidance document</u> addressed to both</p> <ul style="list-style-type: none"> <li>• <i>payees</i>, and where applicable <i>payers</i>, on how they can use the existing fields in the relevant XML messages to transport the “whom” (and the “where” and the “when”) elements;</li> <li>• SCT, SCT Inst and SDD Core scheme participants on how to</li> </ul>	EPC, ECSG	High	

1	2	3	4	5	6	7	8
Id	ERP Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
				<p>interpret the “whom” (and the “where” and the “when”) elements transported in these existing fields and how they may present this information to their <i>payer</i>-payment end users.</p> <p>In line with the abovementioned EPC guidance document, a dedicated SEPA Usage Rule will be included in the SEPA payment schemes’ implementation guidelines (notably in data element “Remittance Information / Unstructured”), which will be published before the end of June 2022.</p>			
2.	<p><b>Collect commercial trade name from <i>payees</i> and enable <i>payees</i> with tools to maintain up to date configuration data.</b></p> <p><u>Rationale:</u> To ensure the use of commercial trade name, the <i>payees</i>’ PSPs should also be involved</p>	Payees’ PSPs	<p>If this is not the case yet, ensure that the payee’s commercial trade name, when different from the legal entity name, is included in the data you collect and forward down the payment chain.</p> <p>Send regular reminders to the payees you serve, to ensure they update their commercial trade name when needed, in the appropriate data field accompanying the transaction. If this is not yet the case, provide them with guidance and tools to maintain up-to-date configuration data re. their commercial name. If necessary, consider changing or upgrading (or request the change or the upgrade of) the guidance and specifications you use.</p>		ECSAs, EDPIA, ETPPA, EPIF, EMA	High	Depending on range of efforts needed from the schemes: 6 months to 3 <sup>5</sup> years

<sup>5</sup> Over 3 years for cases where both legal entity name and commercial trade name are required.

1	2	3	4	5	6	7	8
Id	ERP Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
		Payees	If you use another name than your current commercial trade name, ask your PSP how to update your file and inform your PSP asap of any change you may bring to your commercial trade name in the future (e.g. new branding).	Unless the exclusive use of the legal entity name is mandatory in their country, national trade associations and chambers of commerce should develop guidelines to support the use of the <i>payee's</i> commercial trade name instead of/or in conjunction with the <i>payee's</i> legal entity name in the data collected from the <i>payee</i> at the POI and communicated to the payer on their payment account statement.  These guidelines should encourage <i>payees</i> to communicate the same commercial trade name to all their PSPs and to ensure that these names are kept up to date.	Eurocommerce, SMEunited, Ecommerce Europe	High	
3.	<b>Keep the <i>payee's</i> commercial trade name in transaction data.</b>  <u>Rationale:</u> Intermediary entities should avoid their names replace the commercial trade name of <i>payees</i>	Processors	Ensure your implementations correctly comply with the specifications you use and enable you to keep the <i>payee's</i> commercial trade name (instead of or in conjunction with the <i>payee's</i> legal entity name if mandatory) in the data elements received from the <i>payees</i> and/or preceding processing entities and forwarded down the payment chain.  If necessary, consider changing or upgrading the data collection process/specifications you use.	As third parties for <i>payees' PSPs</i> , the processing entities contribute to the correct processing of transactions, however they do not own data coming from the <i>payees</i> . Processors have a key role in ensuring that the processing of these data is compliant with the relevant scheme rules. Processors should continue to follow these rules.  In some cases, the processors also operate a <i>payee</i> Management System as technical service providers, where all the <i>payees' data</i> (e.g. related to the "whom") are stored and validated within the processors' infrastructures. In addition, processors often provide	EDPIA	Low	Depending on range of efforts needed from the schemes: 6 months to 3 years <sup>6</sup>

<sup>6</sup> Over 3 years for cases where both legal entity name and commercial trade name are required.

1	2	3	4	5	6	7	8
Id	ERPB Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
				consulting services to payee's PSPs and payees, helping them to meet any requirements mandated by the schemes with regard to data quality. Processors should pay particular attention to this aspect, which is identical to the action proposed for Recommendation 1.			
4.	<p><b>Include commercial trade name of both ultimate payee and of intermediary platforms when necessary. Special keywords such as “booked via”, “your order from”, “payment processed for” may be used.</b></p> <p><u>Rationale:</u> When intermediaries such as marketplaces, travel agencies and payment platforms are involved in a transaction, it may not be sufficient in some cases to provide only the payee /ultimate payee name or only the intermediary's name.</p>	Payees' Intermediary Platforms	<p>For: Payees' Intermediary Platforms and marketplaces<sup>7</sup>: Ensure that the procedures you use allow each payment message to include both the commercial trade name of the facilitating platform, and the commercial trade name of the ultimate payee (ultimate merchant) in the payee's name field. If needed, consider asking your PSP to adapt the procedures you use for such cases.</p> <p>For Integrated payment solutions (passthrough PSPs): Ensure that the procedures you use allow you to include both your pass-through PSP commercial trade name, as well as the commercial trade name of the ultimate payee. If needed, consider adapting the procedures you use.</p>	If only one field is available, suggested solution: Insert symbols such as “*” between the commercial trade name of ultimate payee (merchant) and the commercial trade name of the facilitating platform. To ensure a consistent approach it is recommended that, when a platform/marketplace is identified along with the payee, the payee's name should always come after the asterisk, with the other name coming before the asterisk.	Ecommerce Europe EPIF	High	
5.	<b>Use standards and applications suitable for including identified data</b>	Payees	Use suitable applications to provide all requested relevant information.		Eurocommerce, SMEunited, Ecommerce Europe		

<sup>7</sup> Payees' Intermediary Platforms and marketplaces that facilitate (that are responsible for filling the name field for) the authorisation of the payment for goods sold and delivered directly to the payer by the ultimate payee (the ultimate merchant).

1	2	3	4	5	6	7	8
Id	ERP Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
	<p>sets “end-to-end”. Upgrade or change these standards when necessary.</p> <p><u>Rationale:</u> Use of appropriate standards is essential to make sure that the expected information is well transmitted. These standards and applications should be adapted to the needs of the consumer.</p>	Payee's PSPs	Apply the content similar to the relevant data elements of the camt.053 ISO 20022 <sup>8</sup> message for bank-to-customer interface, if applicable.	<p><b>Card Payments:</b></p> <p>According to surveyed schemes, they would have to agree to a standard approach, because it would be unreasonable to expect acquirers to adopt several different protocols at once.</p>	ECSAs, EDPIA, ETPPA, EPIF, EMA		6 months to 3 years <sup>9</sup>
		Payers' PSPs	If necessary, consider changing or upgrading (or request the change or the upgrade of) the specifications used.		ECSAs, EPIF, EMA		
		Processors	If necessary, consider changing or upgrading (or request the change or the upgrade of) the specifications used.		EDPIA	Medium	6 months to 3 years <sup>10</sup> (needs to be coordinated with the schemes)
		Payment schemes	Ensure that the identified data sets are retained at all stages of the transaction and used for the generation of the consumer's payment/card account statement.	<p><b>SEPA Payment Schemes:</b></p> <p><i>[From impact assessment questionnaire]</i></p> <p>The EPC has worked out an <a href="#">EPC guidance document</a> addressed to both</p> <ul style="list-style-type: none"> <li>• payees, and where applicable payers, on how they can use the existing fields in the relevant XML messages to transport the “whom” (and the “where” and the “when”) elements;</li> <li>• SCT, SCT Inst and SDD Core scheme participants on how to interpret the “whom” (and the</li> </ul>	EPC, ECSG		Related to the ECSG, at the very least three years

<sup>8</sup> Bank-to-Customer Cash Management: <https://www.iso20022.org/iso-20022-message-definitions?search=camt.053>

<sup>9</sup> Over 3 years for cases where both legal entity name and commercial trade name are required.

<sup>10</sup> Over 3 years for cases where both legal entity name and commercial trade name are required.

1	2	3	4	5	6	7	8
Id	ERP Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
				<p>“where” and the “when”) elements transported in these existing fields and how they may present this information to their <i>payer</i>-payment end users.</p> <p>In line with the abovementioned EPC guidance document, a dedicated SEPA Usage Rule will be included in the SEPA payment schemes' implementation guidelines (notably in data element “Remittance Information / Unstructured”), which will be published before the end of June 2022.</p>			
6.	<p><b>Indicate exact geographical location where a physical purchase was made.</b></p> <p><u>Rationale:</u> Accurate geographical location of the purchase (including city, street name and number, country) is the relevant information for the consumer. The location of the head-office or processing entity is not).</p> <p><u>General note for the proposed solutions:</u> The</p>	Payees	<p>Ensure that you indicate the correct location in all your POIs and update the location if any change occurs.</p> <p>Proposed format: city, street name, country code</p>	<p>Itinerant traders using portable POIs e.g. food trucks, itinerant local market traders, hairdressers providing home services, etc.</p> <p>Suggested solution: indicate “Itinerant trade” or “home service” in the location field.</p> <p>Taxis and similar services</p> <p>Suggested solution: indicate “Taxi service” or “[Service name] service” in the location field.</p> <p>Payments made through POIs on board planes, trains, buses, ferries etc.</p> <p>Suggested solution: indicate “On board” as location.</p>	Eurocommerce / SMEunited / Ecommerce Europe	High	Up to 3 years <sup>11</sup> depending on efforts needed. Some schemes expect considerable changes to protocols, rules and message fields requiring time, financial resources, and updates to data storage capability.

<sup>11</sup> As all the changed would be made together, over 3 years for cases where both legal entity name and commercial trade name are required.

1	2	3	4	5	6	7	8
Id	ERP Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
	<i>decision to recommend using words (such as "Itinerant trade") should be carefully thought through to consider that they will have to be translated in different languages, and in some languages they may be excessively long.</i>			<p>Payments made through portable POIs upon delivery of goods.</p> <p>Suggested solution: indicate "payment upon delivery" in the location field.</p> <p>For P2P transactions between 2 private persons, the location is not necessary.</p>			
7.	<p><b>Indicate commercial trade name as displayed on the website or the commercial trade name of the online merchant for online purchases. The merchant's country should also be indicated whenever is possible.</b></p> <p><u>Rationale:</u> Brand name and online platform name is more relevant for consumer in case of online commerce than geographical location. The country is useful for identifying cross-border purchases.</p>	Payees	<p>Ensure that you indicate the actual commercial trade name as displayed to the consumer.</p> <p>Ensure that you indicate the following data in the location field: city, country code.</p>		Eurocommerce / SMEunited / Ecommerce Europe	Medium	
8.	<p><b>Indicate relevant transaction date.</b></p> <p><u>Rationale:</u> Using the transaction date (e.g.</p>	Payees	When the actual transaction date differs from the date on which the consumer authorised the payment, both dates should be communicated in the payer's payment account statement.	Suggested solution: the date field should include both the actual transaction date and the authorisation date if different.	Eurocommerce / SMEunited / Ecommerce Europe	Medium	

1	2	3	4	5	6	7	8
Id	ERP Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
	authorisation date) helps consumers to well identify when the actual purchase was made.		Payees should also inform payers when the actual date differs from the authorisation date.				
		Payees' PSPs	Check whether both the transaction date and the date on which the consumer authorised the payment can be transferred down the payment chain.	Although for SCT and SCT Inst messages the date and time are not included, it is possible to provide posting, settlement, or due dates.  Card schemes and others sometimes report the authorisation date and sometimes the purchase date. They should see if both can be provided when they differ.  In line with the EPC guidance document the transaction date for SEPA payments would be included in the "remittance information/unstructured" data element and not in a dedicated data element.	ECSAs, EDPIA, ETPPA, EPIF, EMA	Medium	
		Processors	Ensure that both the transaction date and the reservation date are forwarded down the payment chain.	Protocols are specified by schemes (card schemes, EPC for SCT/SDD/SCT Inst, etc.). Processors should follow these specifications.	EDPIA	N/a	
9.	<b>Include commercial trade name, geographical location of payees and transaction date in the payment account statement.</b>  <u>Rationale:</u> As a last element in the chain, the payers' PSPs should ensure all data received from preceding actors are	Payers' PSPs	Ensure the <i>payee's</i> commercial trade name and relevant intermediaries (recommendation #4 above), as well as the location (recommendation #6 above) and transaction/reservation date(s) (recommendation #8) received from the <i>payees</i> and/or preceding processing entities are provided in the consumer's payment account/card account statement.  If needed, adapt the template you use for the generation of the payment/card account statement.		ECSAs, EPIF, EMA	High	ECSAs: Depending on guidance from the schemes



1	2	3	4	5	6	7	8
Id	ERP Recommendation and rationale	Addressee	Proposed actions	Proposed solutions to deal with different use cases (when relevant)	Monitored <sup>3</sup> by	Prioritisation	Refined timeline <sup>4</sup>
	accurately reflected in the payment account statement, regardless of their format.						
10.	<p><b>Proactively ensure that their scheme rules encourage all the relevant recommendations to the largest extent possible.</b></p> <p><u>Rationale:</u> This encourages the adoption of these recommendations by all PSPs adhering to the scheme.</p>	Payment schemes	Take active measures to communicate to your members about the need to fulfil the relevant recommendations addressed to PSPs and when relevant provide them guidance and support to support a quick scaling-up of the suggested solutions in a harmonised manner across the EU.	The EPC has published a Guidance document on 25 May 2022, which was also communicated via a dedicated EPC/SMB Bulletin on 31 May.	EPC, ECSG	High	
11.	<p><b>Proactively engage with the whole sector, beyond existing membership to carry out an impact assessment by October 2021 to define a timeline for implementation of maximum 3 years of these recommendations, and report back to the ERPB on a half-year basis.</b></p> <p><u>Rationale:</u> Ensure that the recommendations are implemented by all participants.</p>	<p>For payees: Eurocommerce, SMEunited, Ecommerce Europe</p> <p>For payees' PSPs: ECSAs, EDPIA, ETPPA, EPIF, EMA</p> <p>For payers' PSPs: ECSAs, EPIF, EMA</p> <p>For Processors: EDPIA</p>	Collect input from the different actors (mentioned in column 3) in the context of the regular ERPB monitoring of the implementation of the recommendations.		ERPB Secretariat	High	



## **5. Refined timeline for implementing the recommendations**

Based on the above-mentioned elements (i.e. options for including the commercial trade name as part of the payment information transferred throughout the payment chain, a generic list of possible cases when displaying the location of purchase is not possible or recommendable, and prioritisation in terms of order of importance to obtain transparency for payment end-users) payment chain stakeholders, addressed by the ERPB recommendations, were tasked to provide a refined timeline for implementing the recommendations within the timeframe envisaged by the ERPB working group on transparency for retail payments end-users.

Although in some cases the implementation has already been done and in many cases it can be completed within the envisaged timeline (June 2024), the timeline for the implementation should be refined for some actions considering that in some cases both legal entity name and commercial trade name are required, and that some schemes expect considerable changes to protocols, rules and message fields requiring time, financial resources, and updates to data storage capability.

A refined timeline is proposed for those actions where the relevant actors have indicated it would likely take longer than envisaged (i.e. June 2024) to complete them (see Table 1 above in Section 4).

# Annex 1: Terms of Reference for the finalisation of the impact assessment of implementing the recommendations to enhance the transparency for retail payment end users



ERPB Secretariat

February 2022  
ERPB/2022/001

## Terms of Reference for the finalisation of the impact assessment of implementing the recommendations to enhance the transparency for retail payment end users

### 1. Background

In June 2021, the ERPB endorsed the recommendations and the overall implementation timeline suggested by the ERPB Working Group on transparency for retail payments end users. The recommendations focus on the accuracy of data elements that should always correspond to the payment transaction details related to whom, when and where a payment was made.

In parallel to beginning implementation, relevant payments chain participants produced an impact assessment in view of the anticipated impact of these recommendations on the payment industry. This assessment revealed that although in many cases stakeholders have already implemented the recommendations or have a dedicated plan for doing so, three issues require further attention. These were related to the use of commercial trade name, identifying of the location of purchase and prioritisation of efforts.

### 2. Objective and tasks

To finalise the impact assessment, three issues require further attention, namely:

- Use of the commercial trade name, if different from the legal name, to allow consumers to easily identify to whom a payment was made. As it might not be legally possible to use *only* the commercial trade name, clarity on the need to also include a legal name of the company/beneficiary/account holder for anti-money laundering and combating the financing of terrorism (AML/CFT) purposes and for local legal requirements, is required;
- Identifying the location of a purchase, for physical transactions, is not always straightforward. Various factors may prevent location data from displaying properly (e.g. conflicting/inaccurate data, unavailability, P2P transactions);
- Prioritisation of efforts on these recommendations considering their potential impact on payment process chains, and to ensure that benefits to consumers are available as soon as possible. This should also include a prioritisation on what data elements are most relevant to consumers if multiple of these elements exist.

On the use of the commercial trade name, first, the legal requirements to also present a legal name of the beneficiary of a payment needs to be clarified with the relevant authorities at both the EU and the national levels.

On this basis, the payment chain participants addressed by the recommendations should collectively determine the options for including the commercial trade name as part of the payment information transferred throughout the payment chain.

On identifying the location of a purchase, the payment chain stakeholders should provide a generic list of possible cases when displaying the location of purchase is not possible or recommendable. The list would only apply to transactions at a physical point of interaction.

On prioritising the recommendations, the payment chain stakeholders should indicate a prioritisation in terms of order of importance to obtain transparency for payment end-users, including the underlying rationale. The ordering would guide the implementation work.

Based on these elements, payment chain stakeholders should provide a refined timeline for implementing the recommendations within the timeframe envisaged by the ERPB working group on transparency for retail payments end-users.

### 3. Deliverables and timeline

The refined impact assessment and implementation timeline, the study on legal requirements to present the legal name of a company beneficiary of a payment, the list of possible cases for not including the purchase location, and the order of importance of the recommendations should be finalised with a view to reporting at the June 2022 ERPB meeting, at which the final target implementation date will be confirmed.

The study on legal requirements to present the legal name of a company beneficiary of a payment should be conducted by the end of the first quarter of 2022. At the same time the list of possible cases for not including the purchase location and the order of importance of the recommendations should be finalised.

The abovementioned elements, together with the options for including the commercial trade name as part of the payment information are to be included in the refined impact assessment.

The refined impact assessment is to be submitted to the ERPB Secretariat for preparation of the June 2022 ERPB meeting.

### 4. Composition

The co-chairs of the former ERPB working group on transparency for retail payments end-users, from ESG and BEUC, will lead the finalisation of the impact assessment.

Relevant stakeholders, i.e. payment chain participants addressed by the recommendations, will be invited to participate in the work. These stakeholders would ideally be the same that participated in the work of the former ERPB working group.

The work will be supported by the ERPB Secretariat.

**Annex 2: Members working on finalising the impact assessment**

<b>Name</b>	<b>Organisation</b>
<b>Jean Allix, Co-chair</b>	BEUC (European Consumers' Organisation)
<b>Diederik Bruggink, Co-chair</b>	European Savings & Retail Banking Group, ESBG
<b>Farid Aliyev</b>	European Association of Co-operative Banks, EACB
<b>Juliette Beaulaton</b>	Ecommerce Europe
<b>Sylvie Calsacy</b>	European Digital Payments Industry Alliance, EDPIA
<b>Carmen Carnero</b>	European Cards Stakeholders Group, ECSG
<b>Judith Crawford</b>	Electronic Money Association, EMA
<b>Arturo González Mac Dowell</b>	European Third Party Providers Association, ETTPA
<b>Gerhard Huemer</b>	SMEunited
<b>Jean-Philippe Joliveau</b>	European Digital Payments Industry Alliance, EDPIA
<b>Morgane Laigo</b>	Electronic Money Association, EMA
<b>Michel Van Mello</b>	EuroCommerce
<b>Anni Mykkänen</b>	European Banking Federation, EBF
<b>Anne-Sophie Parent</b>	AGE Platform
<b>Barbara Pelliccione</b>	European Payments Council, EPC
<b>Tina Peris</b>	European Savings & Retail Banking Group, ESBG
<b>Thomas Piveteau</b>	Banque de France
<b>Adria Raubert</b>	European Savings & Retail Banking Group, ESBG
<b>Kevin Condron</b>	European Central Bank
<b>Maria Huhtaniska-Montiel, Rapporteur</b>	European Central Bank