

## EURO RETAIL PAYMENTS BOARD

Statement following the seventh meeting of the Euro Retail Payments Board, held on 12 June 2017

### Follow-up to the ERPB's recommendations

The members of the Euro Retail Payments Board (ERPB) took note of the status of past ERPB recommendations and considered the follow-up to these recommendations to have been commensurate overall, albeit with a need to reconsider one past statement relating to the development of a Standardised Proxy Lookup service for achieving pan-European person-to-person (P2P) mobile payments, as detailed under the dedicated agenda item.

The ERPB Secretariat will continue monitoring the related actions taken by the relevant stakeholders and will report back to the ERPB on a regular basis.

### Progress report on implementation of the ERPB's recommendations regarding person-to-person (P2P) mobile payments

In its November 2016 meeting, the ERPB invited the Steering Committee of the Mobile Proxy Forum (MPF) to finalise, by the June 2017 ERPB meeting, a detailed work plan to enable the launch of the Standardised Proxy Lookup (SPL) service around the date on which the instant SEPA credit transfer (SCT Inst) scheme commences.

The Steering Committee submitted an interim status report presenting the progress achieved towards the implementation of the SPL service. The MPF has finalised and published the rules for the SPL service. The Steering Committee has further been considering two options for implementing the SPL: (i) defining and implementing a solution within the MPF to be built by a still-to-be-selected technology provider or (ii) capitalising on the European Commission's existing eDelivery solution whose technical specifications and (partial) funding opportunities could be exploited at the likely "cost" of a reduced set of functionalities, the implications of which would need to be carefully assessed. The MPF did not take a final decision between these two options, mainly because this decision is linked to the issue of funding, which the group identified as being a key challenge for timely implementation by November 2017. In view of this, the originally envisaged timeline for implementing the SPL service does not seem feasible anymore.

The ERPB took note of the status of the work and regretted the delay in the initially envisaged timeline. The ERPB invited the MPF to update its work plan taking into consideration the timing required for settling the funding issue, while not creating a delay that may adversely affect the uptake of SCT Inst. The MPF is to report back by the November 2017 ERPB meeting with a proposal regarding:

- the revised and final timeline,
- the technology approach to be followed considering the possible use of the eDelivery solution given its benefits in terms of lead time for implementation and possible funding, and
- the future governance set-up for the management of the SPL service.

### Instant payments in euro

Following the finalisation of the SCT Inst scheme rulebook, the European Payments Council (EPC) has opened the scheme for adherence by payment service providers (PSPs) in January 2017.

In the preparation of the effective launch of the scheme, the EPC provided the ERPB with an update on the implementation status. On the basis of the feedback from the PSPs, the EPC concluded that the implementation of the SCT Inst scheme in the market will start this year as planned and will progressively expand, with the aim of reaching a critical mass of scheme participants across SEPA by 2020.

The ERPB:

- welcomed the continued progress towards the implementation of the SCT Inst scheme;
- encouraged the supply side of the industry to increase the momentum towards implementing the SCT Inst scheme so that instant payments in euro become available to end users at pan-European level starting from November 2017;
- asked the EPC to provide a status update on the implementation of the SCT Inst scheme for the November 2017 ERPB meeting, including an overview of the percentage of PSPs adhering to SCT Inst in relation to those adhering to SCT for each SEPA country.

### **Pan-European integration of payment initiation services**

In their November 2016 meeting, ERPB members supported the need to conduct further work on the practical elements that may require market-driven standardisation to achieve the agreed objective of an efficient and integrated provision of payment initiation services. In this regard, the ERPB mandated a working group, involving relevant actors beyond the ERPB membership, to define, by June 2017, a common set of technical, operational and business requirements for the development of an integrated market for payment initiation services.

The working group identified relevant issues, sometimes with suggestions for a solution, and has succeeded in defining several common requirements, in accordance with the task given. However, the working group did not deliver on all parts of its mandate.

It was invited to present its final report taking account of the finalisation of the EBA Regulatory Technical Standards on authentication and communication and to respond fully to the different dimensions of its mandate for the next meeting.

### **Study by the European Cards Stakeholders Group on the acquirer-to-issuer domain**

In their June 2016 meeting, the ERPB agreed to continue supporting the development and use of ISO 20022 payment messages in the euro area, including in the acquirer-to-issuer domain of card payments on the basis of a study conducted by the European Cards Stakeholders Group (ECSG). The ERPB invited the ECSG to further refine the framework for a migration, taking into account various migration strategies and liaising with the relevant ISO committees, and to report back with its final analysis by the June 2017 ERPB meeting.

The final ECSG analysis found that migration to ISO 20022 should be market-driven and that initiatives could fall under one of the following scenarios or a combination of them: by functionality or group of functionalities; by one or several schemes; by a group of processors. The ECSG will try to ensure that SEPA requirements for ISO 20022 in the cards domain are taken into account by (i) identifying and monitoring initiatives, (ii) identifying and assessing specific SEPA requirements, and (iii) defining the way specific SEPA requirements should be managed.

The ERPB:

- took note of the ECSG analysis and supported the follow-up activities suggested by the ECSG to ensure that SEPA requirements for ISO 20022 are taken into account,
- asked the ECSG to report annually to the ERPB about the findings from these activities to ensure that SEPA requirements for ISO 20022 are taken into account (starting from June 2018),

- asked the ECSG to assess the feasibility of extending interaction with the ISO technical group for cards standards (for ATICA) and the Berlin Group (for SCC) and to report back to the ERPB on this assessment by June 2018.

### **Annual Report of the ERPB**

According to its mandate, the ERPB publishes annual reports on its activities. The ERPB adopted the third report covering the period from July 2016 to June 2017, to be published in July 2017.

### **Review of the ERPB's functioning**

Article 14 of the ERPB mandate foresees that “the ECB will, no later than after three years of operation, evaluate the ERPB's efficiency and functioning and, if considered necessary, introduce proposals for changes”. Overall, based on the experience gathered over the past three years, the ERPB found that the mandate needed amendments of only a limited nature.

### **Items for information**

In addition to the above, the ERPB took note of the update provided by the European Commission on work in the field of retail payments (Regulatory Technical Standards on strong customer authentication and secure communication and the Consumer Financial Services action plan). The ERPB was further debriefed on the status of the work of the ERPB working group on electronic invoice presentment and payment services whose report should be delivered at the November 2017 ERPB meeting. The ECB further informed members about the main results of a survey on the use of cash by households to be published over the summer, as well as the work conducted by the Retail Payments Working Group of the BIS Committee on Payments and Market Infrastructures. Finally, the ECB updated members on the dialogue with the clearing industry on instant payments and the status of the investigation into a TARGET instant payment settlement service.

## LIST OF ATTENDEES OF THE SEVENTH MEETING OF THE EURO RETAIL PAYMENTS BOARD (ERPB) ON 12 June 2017

Chair: Mr Yves Mersch, Member of the Executive Board

| Sector   | Members  |
|--|--|
| BEUC<br>(European Consumers' Organisation)                                 |  |
| AGE Platform (the association of consumers 50+)                            | Ms Anne-Sophie Parent ( <i>alternate</i> )<br>Secretary General AGE Platform   |
| Retailers<br>(Eurocommerce & ERRT)   | Mr Christian Verschueren ( <i>alternate</i> )<br>Director General Eurocommerce   |
| Corporates<br>(EACT & BusinessEurope)                                      | Mr Jean-Marc Servat<br>Chair EACT  |
| SMEs<br>(European Association of Small and Mid-sized Enterprises - UEAPME) | Mr Bernard Cohen-Hadad<br>Vice-President of CGPME  |
| National public administrations  |  |
| European Payments Council<br>(EPC)   | Mr Javier Santamaría<br>Chair EPC  |
| Co-operative banks<br>(European Association of Co-operative Banks - EACB)  | Mr Andreas Martin<br>Member of the Board of Managing Directors of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken |
| Savings banks<br>(European Savings & Retail Banking Group - ESBG)          | Mr Antonio Massanell Lavilla<br>Chairman of Cecabank & Member and Secretary of the Steering Committee of CaixaBank                 |
| Commercial banks<br>(European Banking Federation - EBF)                    | Mr Maurizio Sella ( <i>alternate</i> )<br>Chair of Banca Sella Holding   |
| European Payment Institutions Federation (EPIF)                            | Mr Rafael Marquez Garcia<br>Executive Vice President, Consumer Europe & Country Manager American Express UK                        |
| Ecommerce Europe<br>(web-merchants)  | Mr Dennis Van Allemeersch<br>COO – Member of Executive Board at Beate Uhse AG  |
| E-money Association  | Mr Ralf Ohlhausen<br>Chief Strategy Officer for PPRO Group   |
| National central banks<br>(on rotating basis)                              | Active participants  |
| Deutsche Bundesbank  | Mr Carl-Ludwig Thiele<br>Member of the Executive Board   |
| Banco de España  | Mr Juan Ayuso<br>Director General Operations, Markets & Payment Systems  |
| Banque de France   | Mr Denis Beau<br>Director General  |
| Central Bank of Malta  | Mr Jesmond Gatt<br>Chief Officer – Banking operations  |

|                     |  |
|---------------------|--|
| Eesti Pank          | Mr Madis Müller<br>Deputy Governor       |
|                     | <b>Observer</b>                          |
| European Commission | Mr Martin Merlin<br>Director of DG FISMA |