

## EURO RETAIL PAYMENTS BOARD

Statement following the eleventh meeting of the Euro Retail Payments Board  
held on 13 June 2019

### 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 assessed the follow-up to these recommendations to have been commensurate overall. The ERPB Secretariat will continue monitoring the actions taken by the relevant stakeholders in relation to open recommendations and report back to the ERPB on a regular basis.

### Person-to-person (P2P) mobile payments

The SEPA Proxy Lookup (SPL) service was developed as a follow-up to the June 2015 ERPB recommendations on person-to-person (P2P) mobile payments. It seeks to allow the exchange of data necessary to initiate P2P mobile payments between proxy-based mobile payment solutions at a pan-European level. The service will thus facilitate interoperability between participating P2P mobile payment solutions and facilitate cross-border payments in particular.

At its November 2018 meeting, the ERPB invited the SPL scheme manager to update the ERPB on the implementation of the SPL scheme and service at its June 2019 meeting.

Since then, preparations have progressed according to the envisaged timeline. The European Payments Council (EPC), assuming the role of scheme manager since July 2018, published the scheme rulebook in December 2018 and the technical service provider launched the service in February 2019. While there are not yet any participants in the SPL scheme, there have been several declarations of interest. The EPC expects that the attractiveness of the SPL scheme will further increase following the implementation of several changes to the rulebook, for which a public consultation will run from 24 May until 26 August 2019.

The ERPB:

- took note of the status of the work and welcomed the progress made since its last meeting, in particular the publication of the scheme rulebook and the go-live of the service;
- repeated its encouragement to P2P mobile payment solution and proxy database providers to join the SPL scheme in order to foster the processing of cross-border mobile payments and achieve pan-European reach;
- invited the European Forum for Innovation in Payments to conduct a stocktake of possible barriers to the take-up of the SPL in preparation for their 25 November 2019 meeting;
- invited the scheme manager to provide the ERPB with an update on the implementation of the SPL scheme and service at its November 2019 meeting.

## **Instant retail payments in euro**

At the invitation of the ERPB, the EPC provided a status update on the implementation of the SEPA instant credit transfer (SCT Inst) scheme, including an overview of the percentage of payment service providers (PSPs) adhering to SCT Inst. According to the EPC update, in mid-May 2019 the number of declared SCT Inst scheme participants was 2,078 (i.e. 50.7% of all SCT adherents in all SEPA countries). In this context the EPC highlighted some reported issues, including the still incomplete reachability of the scheme across SEPA and missing interoperability links between some of the declared SCT Inst scheme-compliant clearing and settlement mechanisms. The consumer and merchant representatives also stressed the need for competitive pricing.

The EPC further informed the ERPB of the work of its ad hoc multi-stakeholder group responsible for developing mobile initiated SEPA credit transfer interoperability implementation guidelines (which includes SCT Inst). The group has finalised the development of a consultative draft of the Mobile Initiated SEPA Credit Transfer Interoperability Implementation Guidelines (MSCT IIGs), a document that aims to provide an insight into the main issues related to the initiation of (instant) SEPA credit transfers in different mobile payment contexts such as person-to-person, consumer-to-business (retail payments including both in-store and m-commerce payments) and business-to-business payments.

The ECB provided an update on the TARGET Instant Payment Settlement (TIPS) service, which went live as planned on 30 November 2018 and provides an opportunity for full pan-European reachability.

In accordance with its mandate, the ERPB working group on instant payments at the point of interaction (POI) provided an interim report on the requirements for the pan-European reach of solutions for instant payments at the POI, to help foster the broader setting-up of an integrated pan-European instant payment landscape. The working group completed the first phase of its mandate, specifically to conduct a stocktake of existing and planned end-user solutions for SCT Inst-based POI payments. The interim report presented to the June 2019 ERPB meeting covers the outcome of the stocktake, including barriers reported by the respondents. On the basis of the outcome of the stocktake and the consultative report of the EPC's MSG MSCT, the working group will report back to the November 2019 ERPB meeting with a detailed analysis of the barriers to pan-European reach and usability. It will also determine what would be required to overcome these barriers so as to enable pan-European SCT Inst-based POI payments, focusing in particular on requirements for harmonisation/standardisation/interoperability.

The ERPB:

- took note of the EPC update on the implementation of and adherence to the SCT Inst scheme;
- took note of the ECB update on TIPS;
- welcomed the progress of the ERPB WG on instant payments at POI;
- re-iterated its call to the supply side of the industry to implement instant payments, ensure pan-European reach as soon as possible and at the very latest by 2020, and support end-user take-up, including by providing safe and efficient end-user solutions with competitive pricing and with the capacity to achieve pan-European reach.

## **SEPA API access scheme**

The revised Payment Services Directive (PSD2) and the related delegated act oblige Account Servicing Payment Service Providers (ASPSPs) – typically banks – to provide Third-Party Providers (TPPs) – historically non-banks – access to their online payment accounts for a defined and limited set of payment and account information services and functionalities through at least one interface, e.g. via an Application Programming Interface (API).

Following the ERPB November 2018 meeting, as well as a high-level meeting organised by the European Commission on the future for European retail payments, the ERPB agreed to explore the possibility of moving towards “open banking” by broadening the services beyond the PSD2’s scope and by following a non-regulatory, coordinated approach which could address the mutual interests of the stakeholders for the benefit of all. For this purpose the ERPB set up a working group to define the key elements of a possible SEPA API access scheme and to report by June 2019 with a high-level description of (i) the business scope of the scheme in terms of business requirements, (ii) the governance of the scheme and (iii) legal aspects to be addressed in the scheme rulebook (e.g. liability). On this basis, the ERPB would consider the possible next steps.

In line with its mandate, the working group developed these key elements, with the legal and regulatory requirements of PSD2 constituting the baseline, but going beyond this baseline to encompass value-added services that could be provided as a natural evolution of PSD2, within the contractual framework of a scheme. Conceptually, the working group positioned its work as being explorative and broad in nature, with the potential to include a variety of data and transaction initiation services. It identified a non-exhaustive list of potential business requirements based on desirable use cases for consumers and merchants. The working group concluded that a scheme would be the best approach to unlock the opportunities beyond PSD2 (“open asset sharing”) with a fair distribution of value and risk between the actors. Participation in the scheme would be voluntary. The working group identified a number of priorities which would need to be explored as a subsequent step, although a few members of the working group disagreed on this way forward.

While the ERPB saw the need for further work as outlined by the working group, it took note of the concerns raised by part of the working group and acknowledged resource constraints for some of the relevant stakeholders due to the ongoing efforts to implement and test the PSD2 interfaces by the deadline of 14 September 2019.

The ERPB:

- took note of the report and welcomed the analysis conducted by the working group;
- agreed to consider possibly resuming this work after the implementation of PSD2.

### **Annual report of the ERPB**

In line with its mandate, the ERPB agreed to finalise and publish its fifth annual report in July 2019, covering the period from July 2018 to June 2019.

### **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 (state of play on PSD2 and related RTS, state of play on the implementation of RTS on strong customer authentication, overview of the revised Cross-border Payments Regulation and update on the implementation of the FinTech Action Plan). The ERPB was informed of the status of the work of the Multi-Stakeholder Groups on (i) Electronic Invoicing Presentment and Payment services and (ii) Request-To-Pay.

# LIST OF ATTENDEES OF THE ELEVENTH MEETING OF THE EURO RETAIL PAYMENTS BOARD (ERPb) ON 13 JUNE 2019

Chair: Ms Sabine Lautenschläger, Member of the Executive Board

Sector	Members
BEUC (European Consumers' Organisation)	
AGE Platform (the association of consumers 50+)	
Retailers (Eurocommerce & ERRT)	Mr Frédéric Mazurier CEO, Market Pay (Carrefour Group)
Ecommerce Europe (web-merchants)	
Corporates (EACT & BusinessEurope)	Mr Jean-Marc Servat Chair EACT
SMEs (SMEunited)	Mr Bernard Cohen-Hadad Vice-President of CGPME
National public administrations	Mr Juan Díez Gibson ( <i>alternate</i> ) Vice-Chair EU Financial Services Committee & Deputy Director General for Strategic Analysis and International Financial System at the Spanish Treasury
European Payments Council (EPC)	Mr Javier Santamaría Chair EPC
Co-operative banks (European Association of Co-operative Banks - EACB)	Mr Andreas Martin Member of the Board of Managing Directors of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken
Savings banks (European Savings & Retail Banking Group - ESBG)	Mr Juan Morlá Tomás CEO and Board Member of Caixabank Payments
Commercial banks (European Banking Federation - EBF)	Mr Maurizio Sella ( <i>alternate</i> ) Chair of Banca Sella Holding
European Payment Institutions Federation (EPIF)	Mr Rafael Marquez Garcia Executive Vice President, Consumer Europe; Country Manager, American Express UK
E-money Association	Mr Ralf Ohlhausen Chief Strategy Officer for PPRO Group
	<b>Guest</b>
Future of European Fintech	Mr Arturo González Mac Dowell President and CEO, Eurobits technologies
<b>National central banks (on rotating basis)</b>	<b>Active participants</b>
Banco de España	Mr Juan Ayuso Director General Operations, Markets & Payment Systems
Banque de France	Ms Nathalie Aufavre Director General for Financial Stability & Operations
Banca d'Italia	Mr Livio Tornetta Deputy Director General for Markets & Payment Systems

Lietuvos Bankas	Mr Algirdas Neciunskas Director of Market Infrastructure Department
Suomen Pankki	Mr Tuomas Välimäki Member of the Board
	<b>Observer</b>
European Commission	Mr Mario Nava Director