

## EURO RETAIL PAYMENTS BOARD

Statement following the fourteenth meeting of the Euro Retail Payments Board  
held on 26 November 2020

### ECB report on a digital euro

The European Central Bank (ECB) presented the main messages from the [report](#) on the possible issuance of a digital euro – published on 2 October 2020 with a related public consultation launched on 12 October. The report was prepared by the Eurosystem High-Level Task Force on central bank digital currency and approved by the ECB's Governing Council.

The Euro Retail Payments Board (ERPBB) took note of the presentation and exchanged views on the main aspects of the report. The members noted the importance of a careful analysis of the impact that the issuance of a digital euro would have on the payments industry and expressed their wish to be consulted as part of that process. Consumer representatives stressed the need to ensure that a digital euro is designed in an inclusive way to ensure broad accessibility for consumers.

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

The Single Euro Payments Area (SEPA) Proxy Lookup (SPL) service was developed as a follow-up to the June 2015 ERPBB recommendations on person-to-person (P2P) mobile payments. It has been designed initially 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 thus enables interoperability between participating P2P mobile payment solutions and thereby enables cross-border payments in particular.

The European Payments Council (EPC) – as the SPL scheme manager – informed the ERPBB that to date the SPL scheme has no participants, due in part to potential participants waiting for others to join first, and in part to dependencies between the SPL scheme and other market developments, including the take-up of instant payments and the launch of new payment solutions which may have an impact on the SPL scheme. The EPC is monitoring the evolving market requirements (which may result in further changes to the scheme) and is promoting adherence to the SPL scheme.

The ERPBB:

- took note of the update by the scheme manager;
- took note of the SPL scheme manager's actions to improve awareness of and create interest in the SPL and invited the scheme manager to update the ERPBB at its November 2021 meeting on the results of its monitoring of market requirements and promotion of adherence to the SPL scheme;

- reiterated its expectation that P2P mobile payment solution and proxy database providers will join the SPL scheme in order to foster the processing of cross-border mobile payments and achieve pan-European reach.

### **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-November 2020 the number of declared SCT Inst scheme participants was 2,287 (i.e. 57% of all SCT adherents in all SEPA countries). The EPC highlighted some implementation issues, in particular (i) the still incomplete interoperability at infrastructure level, welcoming in this regard the measures announced in July 2020 by the Eurosystem to foster pan-European reachability of instant payments; and (ii) sanctions screening obligations at the beneficiary PSP as one of the major reasons for the unsuccessful processing of cross-border SCT Inst transactions.

The EPC further reported on the work conducted by the Multi-Stakeholder Group on Mobile Initiated Credit Transfers (MSG MSCT) on the development of a pan-European label and its usage for instant payments at the point of interaction (POI) following the recommendation issued by the ERPB in November 2019 based on the report on instant payments at the POI (Recommendation A).

The ECB provided an update on the results of the Eurosystem's monitoring of SCT Inst-take up as well as on TARGET Instant Payment Settlement (TIPS) and the measures decided in July 2020 to support the full deployment of instant payments across the euro area.

After having provided an interim report at the July 2020 ERPB meeting, and in line with its mandate, the working group on an interoperability framework for instant payments at the POI submitted its final report. The report contains:

- an overview and taxonomy for instant payments at the POI;
- technical interoperability requirements based on a generic four-corner hub model (defined as an infrastructure ensuring connectivity between instant payments service providers);
- specifications of the minimum data sets to be exchanged between the consumer and the merchant, (including derived QR code standards) and for the interoperability messages exchanged over the hub
- security and trust aspects;
- interoperability rules;
- a high level description of a framework governance;
- two annexes analysing models involving a payment initiation service provider (PISP) or a collecting payment service provider (CPSP) as a collecting entity of transactions on behalf of merchants, and their respective impacts on the interoperability of instant payments at the POI.

In addition, a joint task force of the ERPB working group and the European Cards Stakeholders Group (ECSG) provided specifications to enable consumers to select their preferred payment instrument.

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.

Finally, in response to a recommendation issued by the ERPB in November 2019 based on the report on instant payments at the POI (Recommendation G), a team consisting of the Co-Chairs of the ERPB working group, the Chair and Vice-Chair of the ECSG and the Co-Chairs of the MSG MSCT, with the support of the ERPB Working Group Secretariat has further developed a list of recommendations on how the set of requirements for the development of dedicated specifications to cover the integration and maintenance of multiple payment solutions in the merchant environment identified by EuroCommerce could be addressed.

The ERPB:

- took note of the EPC update on the implementation of and adherence to the SCT Inst scheme;
- took note of the MSG MSCT's analysis on a pan-European label and invited the EPC to present to the June 2021 ERPB the outcome of any further work in light of the market developments;
- took note of the ECB update on the Eurosystem's monitoring of SCT Inst take-up and on TIPS and welcomed the measures decided by the Eurosystem in July 2020 to support the full deployment of instant payments across the euro area;
- reiterated its call to the supply side of the industry to implement instant payments, ensure pan-European reach as soon as possible, and support end-user take-up, including by providing safe and efficient end-user solutions at a competitive price with the capacity to achieve pan-European reach;
- took note of the reporting of the ERPB working group on instant payments at the POI, welcomed the analysis conducted and endorsed the suggested recommendations for follow-up work (annexed to this statement), on the basis of which the ERPB will consider in June 2021 whether to conduct further work on a dedicated framework to manage the interoperability rules and appropriate governance for instant payments at the POI solutions;
- took note of the work conducted by EuroCommerce as a follow-up to the November 2019 report on instant payments at the POI (Recommendation G) inviting the merchants sector to identify the requirement for the development of dedicated specifications to cover the integration and maintenance of multiple payment solutions in the merchant environment, and invited EuroCommerce to share its requirements with the MSG MSCT, involving the ECSG as appropriate, in order to clarify subsequent steps, taking into account other related efforts, and to inform the ERPB about the progress at its forthcoming meetings;
- acknowledged the importance of increasing awareness of instant payments among end users, and agreed to discuss this issue further at a future ERPB meeting.

### **SEPA API access scheme**

Following the July 2020 ERPB meeting, an informal exploratory workstream was tasked with addressing inter alia the commercial baseline to allow the working group to be reactivated in November 2020. During this period the informal workstream developed:

- a letter presenting a consensus view among the workstream participants on the principles on the basis of which to resume the work on a SEPA API access scheme, namely (i) recognising the revised Payment Services Directive (PSD2) as the legal baseline, (ii) that the commercial baseline is that any service or functionality offered by account-servicing PSPs that goes beyond their legal obligations can

be considered as a value-added service in the context of a SEPA API access scheme and (iii) that the starting point for further work should be the report considered by the ERPB at its June 2019 meeting.

- a proposed time plan, defining a set of milestones taking as a baseline the follow-up actions identified in the report submitted to the June 2019 ERPB meeting. The informal workstream further agreed that the primary focus and starting point for the potential future working group should be “payment services” for questions in relation to functional requirements, whereas the requirements for the framework should be agnostic. In a next stage, however, extending the scope to functional requirements for other financial and non-financial services could be considered.

Based on this work, the ERPB Secretariat prepared a draft mandate for a working group on a SEPA API access scheme, for consideration by the ERPB.

The ERPB:

- took note of the letter and proposed time plan prepared by the informal exploratory workstream;
- welcomed the consensus achieved by the informal exploratory workstream, which constitutes the conditions for resuming a working group on a SEPA API access scheme;
- approved the mandate for the new working group, which is to be established shortly after the November 2020 ERPB meeting and should report to the ERPB by June 2021.

### **Access to cash**

Following its July meeting, the ERPB received an update on work related to access to cash, including information from the ECB on the “Study on the payment attitudes of consumers in the euro area (SPACE) and the Eurosystem’s Cash 2030 strategy as well as further analysis relating to access to and acceptance of cash in the euro area.

The ERPB:

- took note of the update provided by the ECB on the measures taken at Eurosystem level on access to cash;
- re-iterated the view expressed at its July meeting that access to and acceptance of cash is a relevant concern and may become a crucial issue in the light of developments related to the coronavirus (COVID-19) pandemic;
- agreed to establish a working group on access to and acceptance of cash, mandated to conduct by November 2021 a stock-take of ongoing initiatives by relevant stakeholders and to identify gaps not yet addressed which deserve further investigations, on this basis of which the ERPB would consider possible next steps.

### **European Cards Stakeholders Group (ECSG) reporting on cards standardisation**

At the invitation of the ERPB, the ECSG reported on the implementation of harmonised standards for payment cards, including the follow-up based on past recommendations on technical standards for payment cards. The ERPB took note of the ECSG status update for 2020.

## **Update of the ERPB workplan**

The ERPB adopted its current workplan in November 2018. In preparation for the discussion on the update of the ERPB workplan, ERPB members were invited to provide suggestions in writing. On this basis, and in view of the work stemming from the 2018-2020 workplan, members considered a list of possible topics for the next two years.

The ERPB will finalise its workplan (including prioritisation of envisaged workstreams) at its June 2021 meeting on the basis of an analysis of the issues at stake in relation to the suggestions made.

## **Items for information**

The ERPB took note of:

- the update provided by the European Commission on work in the field of retail payments, including the adoption of the digital finance package (encompassing the digital finance and retail payments strategies and the two legislative proposals on crypto assets and digital operational resilience) and the status of PSD2 implementation as regards strong customer authentication migration;
- the outcome of written procedures on the status of past ERPB recommendations. The ERPB assessed the follow-up to these recommendations as appropriate 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.
- the following documents shared with the ERPB by written procedure: the SEPA Request-to-Pay (SRTP) Scheme update provided by the EPC and the interim report of the ERPB working group on transparency for retail payments end users.

**Annex 1 – Recommendations related to instant payments at the point-of-interaction**

#	Rationale	Recommendations	Addressee(s)	Deadline
<b>A</b>	To address the technical gaps identified during the development of the interoperability framework for instant payments at the POI.	<ul style="list-style-type: none"> <li>• Analyse the interoperability of additional flows and “R”-messages between the respective instant payments service providers in the case of unsuccessful /failed transactions.</li> <li>• Further analyse technical interoperability for models involving a PISP or CPSP.</li> <li>• Analyse the impact of replies to EBA Q&amp;A questions<sup>1</sup> posted by the MSG MSCT on technical interoperability of instant payments at the POI and related security aspects;</li> <li>• Develop use cases for instant payments at the POI where the consumer device has no internet connection at the time of transaction (offline use cases) and analyse their impact on interoperability.</li> </ul> <p>These deliverables should serve as inputs for any further work on an Interoperability framework for instant payments at the POI.</p>	MSG MSCT	June 2021
<b>B</b>	The need to ensure that the consumer’s choice of a given payment instrument to conduct a payment transaction at the POI is respected.	Develop standards, business and technical requirements as appropriate, leading to interoperable specifications that ensure consumer selection of preferred payment instrument (card payment or SCT Inst) to conduct a payment transaction at the POI (physical or virtual POI) based on the ERPB document on	Group with multi-stakeholder participation consisting of market participants in card and SCT Inst payments	November 2021

<sup>1</sup> Several questions have been submitted to the EBA’s Q&A tool for questions related to the PSD2. These questions relate to:

- security requirements for the generation and storage of QR-codes
- consumer consent for (instant) credit transfers at the point of interaction
- usage and protection of customer IDs and IBANs, e.g. when encoded in a QR code
- strong customer authentication requirements for different use cases.

See EBA Q&A 2020\_5365-5367, 5476, 5477, 5570-5573, 5587)

		specifications to enable consumer selection of preferred payment instrument (ERP/2020/027).		
C	A dedicated framework is needed to manage the interoperability rules and appropriate governance for instant-payments-at-the-POI solutions.	<p>To evaluate the outcome of the following:</p> <ul style="list-style-type: none"> <li>the clarifications to be provided by the EBA Q&amp;A tool on the various questions related to the framework for interoperability of instant payments at the POI (ERP/2020/026) and its Annex 1 that have been coordinated with and entered by the MSG MSCT;</li> <li>the additional services for instant SCTs included in Recommendation E in the ERP Statement of November 2019;</li> <li>the development of a recognition label as recommended in Recommendation A in the ERP Statement of November 2019;</li> <li>the deliverables developed as per Recommendation A above</li> <li>the market situation in the light of other on-going initiatives with respect to the establishment of an interoperability framework for instant payments at the POI. At the same time the current document would be updated as appropriate.</li> </ul> <p>The ERP will consider whether to conduct further work on a dedicated framework for managing the interoperability rules and appropriate governance, depending on the outcome of the deliverables mentioned above and the market situation in June 2021.</p>	Group with multi-stakeholder participation	June 2021 till November 2021

## LIST OF ATTENDEES OF THE FOURTEENTH MEETING OF THE EURO RETAIL PAYMENTS BOARD (ERPB) ON 26 NOVEMBER 2020

**Chair: Mr Fabio Panetta, Member of the Executive Board**

Sector	Members
AGE Platform (the association of consumers 50+)	Ms Anne-Sophie Parent ( <i>alternate</i> ) AGE Platform
<i>Retailers</i> (EuroCommerce)	Mr Frédéric Mazurier CEO, Market Pay (Carrefour Group)
<i>Internet retailers</i> Ecommerce Europe	Mr Marc Nieto CEO, MPServices
<i>Corporates</i> (EACT & BusinessEurope)	Mr Jean-Marc Servat Chair, EACT
<i>SMEs</i> SMEunited	Mr Bernard Cohen-Hadad Vice-President, CPME
National public administrations	Mr Michael J McGrath ( <i>alternate</i> ) Vice-Chair EU Financial Services Committee & Assistant Secretary Funds, Insurance, Markets & Pensions Division Department of Finance Ireland
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
<i>Savings banks</i> (European Savings & Retail Banking Group - ESBG)	Mr Juan Morlá Tomás CEO and Board Member, Caixabank Payments
<i>Commercial banks</i> (European Banking Federation - EBF)	Mr Maurizio Sella ( <i>alternate</i> ) Chair, Banca Sella Holding
European Payment Institutions Federation (EPIF)	Mr Konstantinos Maragkakis EEA Chief Executive Officer, Paysafe
European Third Party Providers Association - ETPPA	Mr Arturo González Mac Dowell President and CEO, Eurobits technologies
National central banks (on rotating basis)	Active participants
Deutsche Bundesbank	Mr Burkhard Balz Member of the Executive Board
Eesti Pank	Mr Ülo Kaasik Deputy Governor
Banque de France	Ms Nathalie Aufauvre Director General Financial Stability and Operations
Banca d'Italia	Mr Livio Tornetta Deputy Head Currency Circulation and Retail Payments Directorate General



Banco de Portugal	Mr Hélder Rosalino Member of the Board of Directors
	<b>Observer</b>
European Commission	Mr John Berrigan DG Financial Stability, Financial Services and Capital Markets Union