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SEPA Proxy Lookup (SPL) Scheme: Status Update for the 26 November 2020 Meeting of the Euro Retail Payments Board (ERP/2020/024)

1 Introduction

The EPC as scheme manager of the SEPA Proxy Lookup (SPL) scheme published the first version of the SPL scheme rulebook in December 2018 to permit a launch (of the scheme) in January 2019 in line with the ERPB expectations. The SPL service currently operated by equensWorldline went live in February 2019.

The SPL scheme covers the exchange of the data necessary to initiate payments between proxy-based mobile payment solutions on a pan-European level. It aims to facilitate interoperability between participating payment solutions. The scheme is limited to a look-up function with the sole purpose of supporting the initiation of a payment. The actual payment is however not part of the scheme and is covered by any 'overseen' payment scheme within the SEPA geographic area.

2 Status update

In version 1.0 of the SPL scheme rulebook, the focus was limited to (mobile) payments whereby the mobile telephone number is used as a proxy to an International Bank Account Number (IBAN). In version 2.0 of the SPL scheme rulebook, which was published on 5 March 2020, among other changes, the email address has been added as another possible proxy in the scheme.

However, to date there are no SPL scheme participants as yet in spite of continued interest in the market.

The main factors that are impacting the success of the SPL scheme include:

- The "chicken and egg" dilemma, which is still seen as one of the main reasons for the slow take-up. The value of the scheme is directly proportional to the number of participants and potential interested participants are waiting for other interested parties to join first. In particular the participation of entities from the larger countries is recognised as being a key factor to the success of the SPL scheme/service. The progressive take-up of the SCT Inst scheme also played a certain role in this regard.
- The uncertainty about the TARGET Instant Payment Settlement (TIPS) Mobile Proxy Lookup (MPL) planning, scope and connection to the SPL scheme/service.
- More recently, the announced launch of the European Payment Initiative (EPI) and the unclarity about its impact on the SPL scheme.

The attractiveness of the scheme is however expected to increase following the higher penetration of SCT Inst and the integration of the aforementioned enhancements in version 2.0 of the SPL scheme rulebook.

3 Actions undertaken by the EPC to address the barriers identified by the European Forum for Innovation in Payments (EFIP)

The version 2.0 of the SPL scheme rulebook became effective on 1 June 2020. The main changes incorporated in this version include:

- The introduction of the email address (proxy) and reachability check as additional optional features.
- The specification of a maximum liability amount equal to the fee paid to the responding registry provider (RRP) for the provision of the data.
- The possibility for an SPL scheme participant in its role of responding registry provider (RRP) to charge a fee in exchange of services received by the initiating registry provider (IRP).

RRP fees should be clearly justifiable and established in a non-discriminatory and transparent way, that does not raise barriers to enter the Scheme or exclude actual or potential competitors.

The EPC works to improve awareness/interest creation through its communication efforts: relevant SPL and SCT Inst developments are communicated via the EPC website, social media (i.e. Twitter & LinkedIn), meetings and/or presentations.

Regular status updates are also provided to the ERPB (which ensures wider exposure).

Through all those actions the EPC has, as previously reported to the ERPB, addressed the barriers identified by EFIP that are within the EPC's remit.

4 Next steps

The EPC will for the time being continue to i) monitor the evolving market requirements (potentially resulting in a new change management cycle) and ii) promote adherence to the SPL scheme.