



EUROPEAN CENTRAL BANK
EUROSYSTEM

Update of the ERPB workplan

ERPB – 26/11/2020



Background

- ERPB adopted its **current workplan** in **November 2018**
- In preparation of June 2021 discussion on workplan update, ERPB invited to have a **first exchange of views on possible topics for the coming two years based on feedback provided by members** in written ahead of the meeting
- Presentation recalls items stemming from the 2018-2020 workplan, presents suggestions received and proposes way forward

Actions stemming from the 2018-2020 workplan

Item still in progress: Transparency for retail payments end-users

⇒ ERPB Working Group to report with final report by June 2021

Item not yet dealt with at the level of the ERPB: Access to cash

⇒ ERPB to consider in its November 2020 meeting whether any gaps warrant further work at ERPB level (see agenda item 7)

Ongoing item: Technical cards standardisation

⇒ European Cards Stakeholder Group to report to the ERPB every 12 months with update on implementation of harmonised standards for cards

Actions stemming from the 2018-2020 workplan

Items addressed by the ERPB requiring follow-up by relevant actors

Follow-up to the ERPB working group on an interoperability framework for instant at the point-of-interaction (POI)

- ⇒ Work by the **multi-stakeholder group on mobile initiated credit transfers** to address **technical gaps** identified during the development of the interoperability framework for instant payments at the POI (by June 2021)
- ⇒ **Group with multi-stakeholder participation** to **assess if a dedicated framework is needed** to manage the interoperability rules and appropriate governance for instant payments at POI solutions (from June 2021 to November 2021)

Follow-up to the informal exploratory workstream on a SEPA API access scheme (see agenda item 6)

ERPB members suggestions for updating the ERPB workplan

ERPB invited to provide suggestions to be considered in the update of the workplan in written ahead of the meeting

- **Some members refrained from suggesting new items at this stage** considering the items either ongoing or mentioned for possible further work in the ERPB context
- **Two suggestions for potential new items** received
 - Extending the scope of the work on transparency for retail payments end-users to merchants
 - Interaction of CBDC/a digital € with the remainder of the retail payments business

Extending the scope of the work on transparency to merchants

Rationale provided by the ERPB member:

- Importance of transparency for merchants to ensure payment methods are effective in particular for e-commerce where conversion rate is lower than face-to-face transactions
- Significant percentage of declined transactions can be recovered thanks to the information received by the merchant on the reason for the decline
- Crucial for issuers/payment service providers to transfer comprehensive and coherent reason codes to merchants whatever the payment method used.

Suggested approach: once the mandate of the current transparency Working Group is completed (in June 2021), the ERPB could consider such an extension when discussing the update of its workplan

Interaction of a CBDC/digital € with remainder of retail payments business

Rationale provided by the ERPB member:

- Need to consider a number of elements in development of this project.
- Elements suggested: (i) scope of the role of PSPs in the deployment of CBDC, (ii) incentives for industry to deploy a CBDC, costs associated with deployment and rewards, and how it will be differentiated as a product from bank money and e-money retail payment products, (iii) Competitive considerations and impact of CBDC on other retail payment products, including e-money, (iv) degree of intervention (supervisory, oversight, type approval, audit etc) that the ECB will need to make within the ecosystem to protect the integrity of a CBDC system on an ongoing basis and (v) business drivers for adoption of CBDC as seen from the retail sector.

Suggested approach: the digital € report is currently undergoing a public consultation after which the next steps will be decided taking into account the feedback received in the consultation. This suggestion could be reconsidered on this basis in the context of the discussion of the update of the ERPB workplan in the June 2021 ERPB meeting.

Suggested way forward

Considering the already ongoing workstreams and items requiring efforts from ERPB stakeholder associations as well as scarcity of resources, it is suggested to finalise the list and priorities of topics to be included in the update of the workplan in the next ERPB meeting.

The discussion would be supported by further analysis regarding the issues at stake to facilitate prioritisation.