

## EURO RETAIL PAYMENTS BOARD

Statement following the seventeenth meeting of the Euro Retail Payments Board  
held on 7 July 2022

### Digital euro investigation

The European Central Bank (ECB) informed the Euro Retail Payments Board (ERP/2022/014) of the work conducted in the context of the digital euro investigation phase since the last ERP/2022/014 meeting. The members were provided with an overview of the Eurosystem's analysis of priority use cases for a digital euro, foundational design options, including options for privacy, an offline functionality and tools to limit excessive take-up, options for the distribution model and stakeholder engagement.

The ERP/2022/014:

- took note of the update on the digital euro investigation phase;
- welcomed the dialogue set up with the ERP/2022/014 with digital euro technical sessions every second month, written procedures, and dedicated exchanges with stakeholder associations by sector.

### Instant retail payments in euro

At the invitation of the ERP/2022/014, the European Payments Council (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 the scheme. According to this update, as of June 2022, 61% of all SCT adherents in all Single Euro Payments Area (SEPA) countries were declared as registered as SCT Inst participants (compared to 59% in October 2021), while the figure for the euro area was 71.5% (compared to 70% in October 2021). The estimated share of SCT Inst transactions in total euro credit transfer transactions is continuing to rise gradually, having passed 11.48% in the first quarter of 2022.

The EPC multi-stakeholder group on Mobile Initiated SEPA (Instant) Credit Transfers (MSG MSCT) further reported on the work carried out on instant payments in the context of the ERP/2022/014 priorities, including, among other things, the development of a QR code standard for instant payments which is being carried out with relevant stakeholders and involves relevant standardisation bodies. The MSG MSCT developed and published for public consultation a draft document on the standardisation of QR codes for mobile-initiated SEPA (instant) credit transfers. After processing the comments received during the public consultation, a final version of the document was published on the EPC website on 17 June 2022. On this basis, the MSG MSCT is preparing a document generalised to standardisation of QR codes for mobile-initiated (instant) credit transfers, not limited to SEPA, for submission to the International Organization for Standardization (ISO/TC 68/SC 9 – Information exchange for financial services) through a fast-track procedure. The MSG MSCT has also launched an analysis to extend the QR code standard work to other proximity technologies, such as near-field communication (NFC) and Bluetooth Low Energy (BLE), with the aim of reporting to the ERP/2022/014 in November 2022.

The ERPB:

- took note of the EPC update on the implementation of and adherence to the SCT Inst scheme;
- noted that, while levels of adherence to the SCT Inst scheme continue to rise, the relatively slow progress further supports the European Commission's plans to address obstacles and increase adherence in order to realise efficiency gains and provide equal access to instant payments for all citizens;
- took note of the work conducted by the MSG MSCT, together with relevant stakeholders and standardisation bodies, at the invitation of the ERPB to develop a standard and governance framework for a QR code standard for instant payments; supported, in this regard, the proposal that, if the envisaged submission of the standard to ISO did not progress as planned – notably if the fast-track procedure failed or the process resulted in changes or another outcome that did not meet the needs of the European payments market – the document would be withdrawn from ISO and submitted instead to the European Committee for Standardization (CEN) through a fast-track procedure; invited the EPC, through the MSG MSCT, to monitor the progress of the procedure and to follow up as necessary;
- encouraged supply-side participants to complete the implementation of instant payments and to support end-user take-up, including by providing safe and efficient end-user solutions with the capacity to achieve pan-European reach at a competitive price;
- invited the EPC to report on the extension of the work on a QR code standard (making sure to involve relevant stakeholders and standardisation bodies) to include other technologies, starting with NFC and continuing with BLE, at the November 2022 ERPB meeting;
- supported assessing whether to conduct further work on the remaining elements of an interoperability framework during its November 2022 meeting, taking into account the progress of the work at MSG MSCT level, alongside ongoing market developments and initiatives taken by European public authorities.

### **SEPA Payment Account Access (SPAA) scheme**

At its November 2021 meeting the ERPB considered the report from the EPC multi-stakeholder group (MSG) on a SEPA Payment Account Access (SPAA) scheme and invited the EPC to finalise (through the SPAA MSG) the preparatory phase in the development of the future SPAA scheme, launch the development phase in 2022 and report back on its progress at the July 2022 ERPB meeting.

Since then the SPAA MSG has notably developed a draft version of the SPAA scheme rulebook, which was submitted for a 90-day public consultation on 13 June (deadline 12 September 2022). An important feature included in this draft rulebook is the option for account-servicing PSPs to charge a fee to third-party providers for the use of "premium" features (non-PSD2). The SPAA MSG has also started work on the definition of a minimum viable product that will represent the scope of the first formal version of the rulebook envisaged to be published in November 2022. Furthermore, it has started work on a quantitative assessment for which detailed inputs (i.e. estimates of business opportunities) from market participants are required.

The ERPB:

- took note of the SPAA MSG update and welcomed the progress achieved since the last ERPB meeting;
- invited the EPC, through the SPAA MSG, to continue the work on the development and finalisation of the first formal scheme rulebook envisaged in November 2022, and to report to the ERPB at its next meeting;

- encouraged supply and demand-side stakeholders to support the SPAA MSG's work on defining a minimum viable product, to facilitate the quantitative assessment and to participate in the development of a balanced and viable business model, thereby supporting the launch of a successful SPAA scheme.

### **Transparency for retail payments end users**

In June 2021 the ERPB endorsed the recommendations and the overall implementation timeline (June 2024) suggested by the ERPB Working Group on transparency for retail payments end users. The recommendations focus on ensuring that relevant and accurate data concerning to whom, when and where a payment was made are reported in account statements for consumers.

Considering the anticipated impact of these recommendations on the payment industry, the ERPB supported the proposal that relevant payments chain participants should produce an impact assessment in parallel with the start of implementation. Following an initial assessment in November 2021, payment chain participants were invited to finalise the impact assessment and implementation timeline with a view to reporting back on these at the July 2022 ERPB meeting, at which the final target implementation date would be confirmed.

This further impact assessment reached the following conclusions on the main elements considered.

- Use of the commercial trade name: except in a few cases, there is no specific legislation at either national or EU level that prevents the use of only the commercial trade name to identify a payee in payment messages. Most schemes appeared well prepared to include the commercial trade name in payment messages.
- Identification of the location of a purchase: several use cases where it is difficult for the payee to indicate the precise location have been identified.
- Prioritisation of effort: consistently collecting, using and transmitting the commercial trade name is of the highest priority together with the precise geographical location where the physical purchase was made. Including these two pieces of information in the payment account statement would provide the expected benefits to the consumers.
- Refined timeline for implementation of the recommendations: the timeline varies between actors, from six months to three years or possibly longer. The actions with highest priority would be completed by the deadline the ERPB agreed on in June 2021, i.e. by June 2024, except in cases where both the legal entity name and the commercial trade name are required, which might require more extensive and complex effort.

The ERPB:

- took note of the impact assessment conducted by payment chain stakeholders;
- endorsed the analysis, including the refined timeline for implementation of the recommendations, i.e. by no later than June 2024, with a few exceptions for the most complex cases;
- invited payment chain stakeholders identified in the June 2021 recommendations to ensure the implementation of those recommendations by all stakeholders and to report progress to the ERPB Secretariat in preparation for the regular updates on the status of past recommendations.

### **Priorities for 2022**

In November 2021 the ERPB agreed on the first priorities for 2022 based on its 2021-2023 workplan and agreed to consider further priorities going forward based on the deliverables of the planned work stream and the assessment of whether to conduct further work on the remaining elements of an interoperability framework for instant payments at the point of interaction (POI). On this basis, and considering the resource constraints of stakeholder associations, the ERPB agreed on the following priorities for the remainder of 2022.

- Finalising the submission of the QR code standard for instant payments to an international standardisation body and broadening the scope of this work to other proximity technologies, starting with NFC, given its higher penetration in the market, and continuing with BLE. The ERPB invited the EPC to conduct this work in a multi-stakeholder group involving the relevant standardisation bodies and to report back to the November 2022 ERPB meeting.
- Launching a work stream on communication with end users on instant payments with a view to reporting to the November 2022 ERPB meeting on a high-level communication strategy that will potentially be deployed in the EU, including what key messages to convey, considering ongoing developments, the stakeholders involved, the means of communication and the roll-out timeline.
- Providing feedback as required on specific outputs during the digital euro investigation phase.
- Inviting the EPC to continue its work (through the SPAA MSG) on the development of the future SPAA scheme.

In November 2022, based on those deliverables above that may imply a potential follow-up as well as on market developments, the ERPB will assess whether to conduct further work on the remaining elements of an interoperability framework for instant payments at the POI and on possible further priorities.

### **Review of the ERPB membership**

The ERPB mandate provides for a review of the membership of the ERPB every two years, both with regard to its composition and with regard to the actual members appointed to represent each stakeholder association. The ERPB reviewed its current composition and noted that, overall, based on the experience gathered with the functioning of the ERPB and recent developments, the ERPB composition is deemed fit to ensure representativeness of both the demand side and the supply side. The ERPB agreed to extend an invitation as a guest to the European Digital Payments Industry Alliance (EDPIA) to represent the interests of European processors in order to keep the balance between the demand and supply side representatives.

### **Accessibility of retail payments**

The ECB presented the outcome of a stock-take conducted by the European System of Central Banks (ESCB) in the context of the Eurosystem's retail payments strategy to investigate, among other things, how access to safe, efficient, and convenient payments for all European citizens can be promoted. This includes investigating the current ability of citizens to use and access retail payment instruments, i.e. the accessibility of retail payments. This analysis presents both challenges and opportunities resulting from the growing digitalisation in retail payments, most notably for vulnerable individuals.

The ERPB:

- took note of the outcome of the ESCB stock-take;
- exchanged views on possible actions within the remit of the ERPB that could be discussed in the context of the next update of its workplan.

### **Items for information purposes**

The ERPB took note of the following.

- The update provided by the European Commission on the work carried out in the field of retail payments, including on instant payments, access to NFC functionality, the review of the Second Payment Services Directive (PSD2), the revision of the regulatory technical standards on strong customer authentication (SCA) regarding the 90-day exemption for consumer consent renewal for account information services, the work of the Euro Legal Tender Expert Group (ELTEG) on cash acceptance and availability, and progress on the Markets in Crypto-Assets (MiCA) Regulation, the Digital Operational Resilience Act (DORA), the Digital Markets Act (DMA) and open finance.
- The outcome of the written procedure on the status of past ERPB recommendations. The ERPB assessed the follow-up of these recommendations to have been appropriate overall. The ERPB Secretariat will continue to monitor the actions taken by the relevant stakeholders in relation to open recommendations and will report back to the ERPB on a regular basis.
- The SEPA Request-to-Pay (SRTP) scheme update shared by the EPC with the ERPB in written procedure.

Annex

**LIST OF ATTENDEES OF THE SEVENTEENTH MEETING OF THE EURO RETAIL PAYMENTS BOARD (ERPB) ON 7 JULY 2022**

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

| Sector   | Members  |
|--|--|
| BEUC<br>(European Consumers' Organisation)                                       | Ms Monique Goyens<br>Director General, BEUC  |
| AGE Platform (the association of consumers 50+)                                  | Ms Anne-Sophie Parent ( <i>alternate</i> )<br>AGE Platform   |
| <i>Retailers</i><br>(EuroCommerce)   | Mr Frédéric Mazurier<br>CEO, Market Pay (Carrefour Group)  |
| <i>Internet retailers</i><br>Ecommerce Europe                                    | Mr Marc Nieto<br>CEO, MPServices   |
| <i>Corporates</i><br>(EACT & BusinessEurope)                                     | Mr Francois Masquelier<br>Chair EACT & CEO & founder of Simply Treasury  |
| <i>SMEs</i><br>SMEunited   | Mr Bernard Cohen-Hadad<br>President, CPME  |
| National public administrations  | Mr Michael J McGrath ( <i>alternate</i> )<br>Vice-Chair EU Financial Services Committee & Assistant Secretary Funds, Insurance, Markets & Pensions Division Department of Finance, Ireland |
| European Payments Council (EPC)  | Mr Javier Santamaría<br>Chair EPC  |
| <i>Co-operative banks</i><br>(European Association of Co-operative Banks - EACB) | Ms Marie-Anne Livi ( <i>alternate</i> )<br>Member of the Board of Managing Directors of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken                                   |
| <i>Savings banks</i><br>(European Savings & Retail Banking Group - ESBG)         | Mr Juan Morlá Tomás<br>CEO and Board Member, Caixabank Payments  |
| <i>Commercial banks</i><br>(European Banking Federation - EBF)                   | Mr Maurizio Sella<br>Chair of Banca Sella Holding  |
| European Payment Institutions Federation (EPIF)                                  | Mr Konstantinos Maragkakis<br>EEA Chief Executive Officer, Paysafe   |
| E-money Association  | Mr Joe Heneghan<br>CEO, Revolut Ireland  |

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| European Third Party Providers Association (ETPPA)    | Mr Arturo González Mac Dowell<br>President & CEO, Eurobits technologies   |
|   | <b>Guest</b>  |
| European Digital Payments Industry Alliance (EDPIA)   | Mr Bo Nilsson<br>Chairman of Nets, Member of Board of Nexi Group  |
| <b>National central banks<br/>(on rotating basis)</b> | <b>Active participants</b>  |
| Česká národní banka                                   | Mr Oldrich Dedek<br>Board Member  |
| Deutsche Bundesbank                                   | Mr Burkhard Balz<br>Board Member  |
| Banque de France                                      | Ms Nathalie Aufauvre<br>Director General Financial Stability and Operations   |
| Central Bank of Cyprus                                | Mr Stavros Agrotis<br>Executive Director  |
| Banque centrale du Luxembourg                         | Mr Nicolas Weber<br>Executive Director  |
| Oesterreichische Nationalbank                         | Ms Petia Niederländer<br>Director Payments, Risk Monitoring and Financial Literacy<br>Department                            |
|   | <b>Observer</b>   |
| European Commission                                   | Ms Alexandra Jour-Schroeder<br>Deputy Director General Financial Stability, Financial Services and<br>Capital Markets Union |