

Assessment of follow-up on ERPB statements, positions and recommendations

1. Introduction & summary

The aim of this document is to provide an overview on the follow-up of ERPB statements, positions and recommendations for which work is ongoing¹. The overview serves the purpose of keeping track at the ERPB level on whether ERPB statements, positions and recommendations are followed up with action by relevant stakeholders and, if not, to enable the ERPB to discuss possible remedies. A similar overview is provided for each meeting of the ERPB. This overview does not cover the recommendations on transparency for retail payments end-users endorsed by the ERPB in June 2021 considering that as a first step, relevant payment chain actors were to conduct an impact assessment of the implementation of the recommendations (agenda item 6). Going forward, these recommendations will also be encompassed by this overview.

Based on the assessment by the Secretariat further progress was made since the last review on some of the past recommendations made by the ERPB. Overall, the follow-up on ERPB recommendations remains satisfactory. The Secretariat will continue to monitor developments related to these open items and new recommendations and will report back to the next meeting of the ERPB (in November 2022).

¹ The record of past recommendations deemed closed as at 15 November 2019 is available at: https://www.ecb.europa.eu/paym/groups/erpb/shared/pdf/12th-ERPb-meeting/Follow-up_on_past_recommendations.pdf?235684b4ccf985065f56691af48fcdeb

2. Methodology of the assessment

To ensure a better and more user-friendly overview of the status of the follow-up on past ERPB statements, recommendations and positions, a simple traffic light system with four grades is applied:

- **Red:** means that no significant efforts have been done or there are significant obstacles faced by the relevant stakeholders preventing progress on the given recommendation or issue. Hence, **more attention and efforts are needed in the future and the recommendation or issue requires further attention at the ERPB level.**
- **Yellow:** means that *either*
 - efforts have been made on the given recommendation or issue by the relevant stakeholders but further – previously not planned – efforts may be needed *or*
 - there is a risk that obstacles may arise with regard to further progress on the recommendation or issue

The recommendation or issue could require further attention at the ERPB level in the future.

- **Green:** means that all necessary efforts have been made by the relevant stakeholders on the given recommendation or issue and the issue at hand is on track to be fully resolved in the near future. **Barring unexpected developments there is no need for further attention to the matter at the ERPB level.**
- **Blue:** means that due to the necessary efforts made by the relevant stakeholders the given recommendation or issue has been fully followed up / relevant stakeholders are in full compliance with the given recommendation and **the issue is to be treated as closed.**

These traffic lights are complemented by textual remarks / assessment of the follow-up on the given issue or recommendation to provide more detailed information and to underpin the traffic light assessment.

3. Overall assessment of the follow-up and status of ERPB recommendations, stances and statements

Overall, ERPB recommendations and statements made in the past meetings of the ERPB have been followed up by the relevant stakeholders. The majority of traffic light assessments given to the recommendations and other ERPB stances are set to green.

Substantial progress has notably been achieved in the follow-up to the ERPB recommendations regarding the development of a QR-code standard for instant payments (ERPB/2021/RecA and B). The EPC Multi-Stakeholder Group on Mobile initiated Credit Transfer (MSG MSCT) developed and published for public consultation a draft document on the Standardisation of QR-codes for mobile initiated credit transfers. After processing the comments received during the public consultation, a final version of the document has been published on the EPC website on 17 June 2022. On this basis, the MSG MSCT is preparing a document on standardisation of QR-codes for (instant) credit transfers for submission to ISO TC 68 SC 9 through a fast track procedure. The ERPB supported 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 CEN through a fast-track procedure.

4. Detailed assessment of follow-up on ERPB statements, positions and recommendations²

ERPB recommendations on SEPA Credit Transfer (SCT) – SEPA Direct Debit (SDD) post migration issues made in December 2014

ERPB/2014/rec3: It is recommended to follow up with EU Member States and take appropriate action to ensure the enforcement of EU law related to payment accessibility as stipulated in Article 9, Regulation EU (No) 260/2012.

Addressed to: European Commission and Member States

Status: The SEPA implementation report adopted by the Commission in November 2017 comprehensively reviews the application of the Regulation in the 28 Member States and insists on the need for a continued fight against IBAN discrimination.

An assessment by the ESCB in the second half of 2018 notes that IBAN discrimination is still an ongoing issue and the ERPB urges national competent authorities to increase their efforts to tackle IBAN-discrimination and resolve complaints by consumers in a timely manner. The lack of action by competent authorities in several other Member States is being addressed by the Commission through a procedure called “EU-Pilot” which allows for direct communication between the Commission and the Member State concerned and is the last step before an infringement case is launched (if needed). Infringement proceedings against one Member State are ongoing.

The assessment of the recommendation should thus remain yellow.

Assessment of follow-up: **Yellow**

² Based on feedback from the relevant (addressed) stakeholders.

ERP/2014/rec13: It is recommended to look for more appropriate attributes in a long term perspective (e.g., Legal Entity Identifier (LEI) as a unique entity identifier) to identify a creditor.

Addressed to: EPC (supported by the ECB and standardisation authorities)

Status: In 2015 and 2017, the EPC analysed the feasibility of using the LEI to identify creditors and found that the necessary conditions were not met in particular due to a low proportion of enterprises having an LEI.

It is noted that no change request related to LEI was received by the EPC from the market for the 2020 change management cycle of the SEPA payment schemes.

Finally, the first release of the Rulebook of the SEPA Request-to-Pay (SRTP) scheme (published by the EPC at the end of November 2020) has introduced the LEI as a possible identifier for SRTP service providers.

Assessment of follow-up: No concrete follow-up actions needed at the ERP level.

ERP recommendations on pan-European electronic mandates made in December 2014

ERP/2014/rec25: It is recommended– after putting in place the implementation acts as foreseen in the Regulation (EU) No 910/2014 – to continue to monitor the cross-border usage of qualified electronic signatures and, if needed, take further steps to ensure cross-border usability for payment service providers (PSPs) and PSUs.

Addressed to: European Commission

Status: Regulation 910/2014 ensures interoperability, based on mutual recognition of solutions for public services which should enable also the private sector to use qualified e-signatures on a cross-border level. The European Commission Action Plan insists further on encouraging remote ID recognition (action 11: "The Commission will facilitate the cross-border use of electronic identification and know-your-customer portability based on eIDAS to enable banks to identify customers digitally – Q4 2017"). In early 2018, the Commission launched a dedicated expert group to explore these issues further and to analyse whether common EU guidelines are necessary. The group, comprising of regulators, supervisors, financial institutions, consumer groups and representatives from the existing groups composed of experts from Member States on e-identity and anti-money laundering concluded its work in December 2019.

Two [reports](#) were then published in February 2020:

1. An overview and assessment of existing remote identification and on-boarding solutions in the banking sector, and;
2. Assessing Portable Know Your Customer (KYC)/Customer Due Diligence (CDD) Solutions in the Banking Sector – the Case for an Attribute-Based and Levels of Assurance (LoA)-rated KYC framework for the Digital Age.

The Commission adopted a proposal for a framework for a European Digital Identity (legislative package of a Regulation and a Recommendation on a European digital identity, replacing the eIDAS Regulation) on 2 of June 2021, which introduces an obligation for EU Member States to issue so-called European Digital Identity Wallets. Together with legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules of 20 July 2021, the proposal should considerably reinforce the framework under which digital identities can be developed within the EU and the deployment of solutions in the financial sector.

The European Digital Identity proposal is currently under the co-decision procedure, and both co-legislators are expected to reach their individual positions by the end of the year, opening the door to Trilogue negotiations in 2023. In parallel, in the framework of the e-IDAS expert group, the Commission Services are working with Member States on a common Union Toolbox, which will develop the technical framework for the European Digital Identity Wallets. Following a public consultation earlier this year, a first version of the Toolbox should be published in October 2022. Moreover, on 22 February 2022, the Commission published a call for support for the implementation of the European Digital Identity Framework, the so called Large Scale Pilot, to test the interoperability and scalability of use-cases within national and cross-border implementation contexts and to build the necessary expertise and infrastructure to facilitate provision of the EUDI Wallet. The call is open until 17 August 2022. In addition, the Commission is looking for a contractor

to provide services in support of the infrastructure for a European Digital Identity Wallet. The tender was opened on 13 June 2022 and will close on 22 July 2022. The purpose of this tender is to put in place a framework contract for the means to develop and implement the European Digital Identity Wallet based on the proposal for a European digital identity framework and on the accompanying Commission recommendation for a common union toolbox.

Assessment of follow-up: **Green**

ERPB recommendations and invitations on person-to-person (P2P) mobile payments made in June 2015

ERPB/2015/rec1: Consensus and cooperation between the existing local solutions should be developed by organising a forum for existing EU P2P mobile payment solutions to work on pan-European interoperability. In particular, the forum should come together to develop a set of rules and standards (framework) related to joining and using pan-European mobile payment services. In addition, a governance structure (responsible for, inter alia, defining, publishing and maintaining the framework) needs to be set up.

Addressed to: EPC and existing providers of P2P mobile payment solutions

Status: The Mobile Proxy Forum (MPF) has published the rules for operating, joining and participating to the SEPA Proxy Lookup (SPL).

The MPF came to an agreement on the future governance of the SPL service, which should be set up as part of the EPC.

Following the signing of the transfer of copyright agreement in relation to the SPL rules and the SPL API specification by the EPC and MPF in July 2018, the MPF was disbanded and the EPC started with preparing the implementation of the SPL scheme. The EPC has assumed its role of SPL scheme manager by establishing a scheme participant group (made up of all registered, committed or “interested” eligible scheme participants) reporting to the EPC Board, as a replacement for the MPF (this group had its inaugural meeting on 27 September 2018). As a second step, the establishment of an SPL Scheme Management Board is planned (not expected to take place before 2022).

The first release of the SPL scheme Rulebook (including API specifications) was published by the EPC in December 2018. The second release of the Rulebook was published in March 2020 with an effective date of 1 June 2020. No decision has been made yet on whether/when to initiate a new change management cycle.

Assessment of follow-up: **No immediate follow-up required at the ERPB level. The recommendation has been followed-up by implementing the SPL scheme and service while it is so far not used.**

ERPB recommendations related to mobile and card-based contactless payments

ERPB/2015/rec8: The ERPB recommends to:

- i. Speed up the creation of a single common POI kernel specification for contactless transactions and make the specifications publicly available as soon as possible. (December 2016)
- ii. Limit the number of terminal configuration options in the EMV specifications, in order to allow consistency among implementations and provide consumers with a streamlined payment experience across different terminals. (December 2016)
- iii. Include a parameter in the EMV specifications that would allow the identification of the form factor of the consumer device used for the initiation of the contactless transaction. (December 2016)

Addressed to: EMVCo

Status: The European Cards Stakeholder Group (ECSG) feasibility study submitted to the November 2017 ERPB meeting confirmed that the best possible long term solution is to use specifications under development by EMVCo (“EMV 2nd Gen”).

EMVCo announced to its Board of Advisors on 9 October 2019 that EMV 2nd Gen is no longer the best approach for EMV chip and would not be progressed. Instead EMVCo commenced work on a viability

analysis to deliver an EMV contactless kernel and the features of EMV 2nd Gen draft specifications that could be incorporated into the existing EMV Chip specifications and related timelines.

Following a detailed review of the EMV Contactless Kernel Specification with EMVCo Associates in February and March 2022, a draft specification is now available on the EMVCo website for public review. EMVCo aims to release the final specification later in 2022 once its publication is approved by the EMVCo Board of Advisors.

Assessment of follow-up: **Yellow**

ERP/2015/rec9: The ERPB recommends to:

- i. Define an aligned European mandate for the implementation of contactless-enabled POIs, including a specification of where they should be available. The ECB should act as facilitator for this. (June 2016)
- ii. Harmonise the level of transaction limits at POIs at country level for each use case/payment context. (Ongoing)
- iii. Request the use of open protocols in the POI domain and the POI-to-acquirer domain which are compliant with the SEPA Cards Standardisation Volume and labelled by the Cards Stakeholders Group. (June 2017)
- iv. Mandate a common implementation plan for the EMV Next Generation specifications with an appropriate migration period. (December 2017)

Addressed to: Card scheme sector

Status: (i) The majority of the newly implemented terminals have contactless capability and, in general, markets are working to the international schemes' mandates for the deployment of contactless terminals, as terminals accept international schemes in addition to the domestic schemes. In this context, international schemes have mandated POI contactless capability since 2020 and local schemes are aligned with them.

(ii) The level of transaction limits is harmonised in most countries and the tendency is to increase the contactless transaction amount limit. Due to COVID-19 the limit has increased to 50 euros across several Member States.

(iii) A common implementation plan has not been adopted yet. Next steps in the implementation of the EMV Next Gen specifications may be determined by the market once the specifications are published (reference to ERP/2015/rec8).

(iv) As of 2019 EMVCo has decided to focus on improving EMV 1st Gen from a security view point and in parallel continue their work on EMV 2nd Gen.

Assessment of follow-up: **Green**

ERP/2015/rec13: The ERPB recommends to:

- i. Agree on and pursue the development of specifications for a "smart secure platform" (enabling the provision of value-added services relying on authentication of the user, regardless of the mobile device, communication channel or underlying technology), taking into account the requirements of mobile payments, and building on the work already done by EMVCo and GlobalPlatform. (December 2017)
- ii. Develop implementation guidelines (December 2016) (building on work already done by GlobalPlatform) that define:

- a process that provides service providers with the credentials for access to secure elements;

- a process that allows a service provider to be authenticated, to securely obtain the credentials to access a mobile device's hardware vaults (i.e. the secure element), and to communicate with these vaults.

Addressed to: European Telecommunications Standards Institute (ETSI)

Status: (i) The specification TS 103 465 gives the requirements for the Smart Secure Platform (SSP). The first version was published in August 2019. It has been updated since then to introduce new SSP features, commands and interface requirements. The last published version dates from January 2022.

The technical realisations consist of a multipart specification TS 103 666. The first two parts are the SSP general characteristics (TS 103 666-1) and the Integrated SSP (103 666-2). They are available on ETSI website and their last published versions were in October 2021 and September 2020, respectively. Part three of the series (TS 103 666-3) deals with embedded SSP (eSSP) Type 1 and was published in July 2020. Part of these series (TS 103 666-4) describes the embedded SSP (eSSP) Type 2 and was published

in April 2022. In addition, a interface specification for the SSP (TS 103 713) defining SPI interfaces was first published in November 2019; the last revision dates from May 2022. A new specification for the SSP over I3C® interface (TS 103 818) was published in April 2022 Regarding the testing environment of the newly born SSP. In February 2021 the first version of TS 103 813 “SSP Test Specification – SPI Interface” was published on the ETSI website; the latest version dates from February 2022 Multipart specifications on SSP testing were also expected for publication in 2021. The first part of the series - TS 103 999-1 “Smart Secure Platform (SSP); Part 1: Test Specification, general characteristics” was finalised and published on ETSI website in September 2021. The second part - TS 103 999-2 “SSP Test Specification - SSP, iSSP characteristics” was published in December 2021. ETSI Technical Committee on Secure Element Technologies (the name was changes from TC SCP to TC SET in January 2022) is currently working on a technical specification for SSP Test Tool Interface Specification (TS 103 834) and on a technical report of legacy test tool interfaces; both foreseen to be published early 2023.

(ii) Implementation guidelines have been considered by the SET Technical Committee and concrete propositions have been identified as a promising future objective that will be further discussed by the Plenary meeting in the upcoming months.

Assessment of follow-up: **Green**

ERP/2015/rec14: The ERPB recommends to require mobile devices to be certified in accordance with the future “Smart Secure Platform” being developed by ETSI (see ERP/2015/rec 13). (December 2018)

Addressed to: Mobile payment service providers

Status: The implementation of this recommendation is dependent on the achievement of ERP/2015/rec13.

Assessment of follow-up: **Green**

ERP/2015/rec16: The ERPB recommends to provide access to the mobile device’s contactless interface in order to ensure that the consumer can have a choice of payment applications from different mobile payment service providers, independently of the mobile device and the operating system used. (Ongoing)

Addressed to: Mobile device manufacturers, mobile operating system developers, GSMA/MNOs, and competition authorities

Status: On 16 June 2020 the European Commission (DG-Competition) opened antitrust investigations, inter alia, into practices regarding access to mobile device’s contactless interface (NFC) by Apple. On 2 May 2022, the Commission sent a Statement of Objections informing Apple of its preliminary view that Apple abused its dominant position in mobile wallet markets on iOS devices and restricted competition by limiting access to the NFC technology. A Statement of Objections is a formal step in an antitrust investigation which does not prejudice the outcome. In addition, the Digital Markets Act, on which agreement between co-legislators has been reached and which is expected to be published in the Official Journal shortly, will have a direct effect on access to NFC for mobile payments. It will require companies designated as gatekeepers to ensure effective interoperability with hardware and software features they use themselves in their ecosystems. The Apple Pay investigation will inform the future application of the Digital Markets Act with regard to the analysis of the security concerns and effective and proportionate access to NFC.

Assessment of follow-up: **Yellow**

ERP recommended requirements on Payment initiation Services (adopted in June 2018)

ERP/2018/sta1: The ERPB confirmed the technical, operational and business requirements stemming from the November 2017 working group report. Technical requirements should however be considered in light of the developments that occurred since then and in particular in view of the Opinion provided by the EBA and the work of the API Evaluation Group. The ERPB also endorsed the set of additional business and operational requirements stemming from the June 2018 working group report.

Status: With regard to technical requirements, such as those for the Account Servicing PSP (ASPSP)-Third Party Provider (TPP)-interfaces and their functionality, the API Evaluation Group published the final

outcome of its work on recommended functionalities on 10 December 2018³, including those issues where consensus between the API Evaluation Group members has not been possible.

For the operational requirements, relating to PSD2-certificates and operational directory services, the latest version of the ETSI technical standard covering the regulatory technical standards requirements on certificates has been published in March 2019. The EBA register of payment and electronic money institutions under PSD2 went live on 19 March 2019. Multiple providers are offering operational directory services in which an ASPSP can check -also in real-time during a payment initiation or account information request- whether the TPP is (still) authorised.

With respect to business requirements, i.e. those relating to event and dispute handling, at least one provider is offering such a mechanism.

(Note: In order to reap the full benefits of PSD2 for the provision of innovative and competitive payment initiation and account initiation services, the ERPB agreed to define the key elements of a Scheme. The ERPB working group on a SEPA API access scheme agreed on a report defining those key elements, with the understanding that the scheme is the best approach to unlock the opportunities beyond PSD2, with a fair distribution of value and risk between the actors. The report was endorsed by the ERPB in its June 2021 meeting, and the EPC was invited to take up the role of a scheme manager. The EPC started this work in Q3 2021.)

Assessment of follow-up: **Green**

ERPB recommendations related to instant payments at the point-of-interaction (adopted in November 2019 and November 2020)

ERPB/2019/recA: The ERPB recommends developing: (i) a dedicated interoperability framework with common rules and procedures, and (ii) a pan-European label and its usage for instant payment at POI solutions. These developments should take into account the work executed under ERPB/2019/recB, ERPB/2019/recC, and ERPB/2019/recD.

Addressed to: ERPB Working Group on instant at POI, Multi-Stakeholder Group on Mobile Initiated Credit Transfers (MSG MSCT)

Status: The ERPB Working Group on instant payments at POI has submitted a document on an Interoperability Framework for instant payments at the POI to the November 2020 ERPB meeting. Further work on the establishment of the framework with an appropriate governance would be needed subject to ERPB approval.

The MSG MSCT has developed a presentation proposing two different views concerning the development of a pan-European label for instant payments at POI solutions that was submitted to the November 2020 ERPB meeting. The ERPB took note of the MSG MSCT's analysis and invited the EPC to present the outcome of any further work in light of market development to the June 2021 ERPB meeting. The ERPB took note of the subsequent position taken by the EPC during their June 2021 ERPB meeting.

The work on a dedicated interoperability framework and a pan-European label will be further followed-up under recommendation ERPB/2020/recC.

Assessment of follow-up: **Green**

ERPB/2019/recB: The ERPB recommends developing security requirements for PSU onboarding processes to be adopted by instant payments service providers and merchants. A framework for this should also be developed (see ERPB/2019/recA).

Addressed to: ERPB WG on instant at POI, MSG MSCT

Status: A joint task force between the ERPB Working Group on instant payments at POI and the MSG MSCT has developed a document on security requirements for PSU onboarding processes to be adopted by instant payments service providers and merchants that has been integrated as chapter 10 in the ERPB Working Group document on an Interoperability framework for instant payments at the POI. The document is also integrated as a separate chapter into the MSCT Interoperability Guidance (MSCT IG – EPC269-19)

Assessment of follow-up: **Blue**

³<https://www.europeanpaymentscouncil.eu/sites/default/files/kb/file/2018-12/API%20EG%20045-18%20Recommended%20Functionalities%2010%20December%202018.pdf>

ERP/2019/recC: The ERPB recommends developing functional and security specifications for interconnectivity of instant payments at POI solutions, including the specification of the minimal data set to be exchanged between consumer and merchant while covering different proximity technologies. This work should serve as input to the work under ERP/2019/recA.

ERP/2020/recA: The ERPB recommends

- Analysing the interoperability of additional flows and “R”- messages between the respective instant payments service providers in the case of unsuccessful /failed transactions.
- Further analysing technical interoperability for models involving a PISP or CPSP.
- Analysing the impact of replies to EBA Q&A questions¹ posted by the MSG MSCT on technical interoperability of instant payments at the POI and related security aspects;
- Developing 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.

These deliverables should serve as inputs for any further work on an Interoperability framework for instant payments at the POI.

Addressed to: MSG MSCT

Status on the two above recommendations:

The functional and security specifications for interconnectivity as well as the minimum data sets to be exchanged between the consumer and the merchant and their respective instant payments service providers have been specified in the 2nd edition of the MSCT Implementation Guideline (EPC269-10v2.0), published in February 2022, following a 3-month public consultation on the EPC website. This MSCT Implementation Guideline contains also a few so-called offline use cases that are currently being further analysed in view of the recent EBA answers received on Q&A 2020_5247 and 2020_5367. The MSG MSCT is also still awaiting the EBA answer on Q&A 2021_6298 which will impact the MSCT IG.

Assessment of follow-up: **Green**

ERP/2019/recD: The ERPB recommends (i) conducting a technical and security analysis on possible proximity conflicts at the POI addressing multiple payment instruments (card payment, instant credit transfers, etc.); (ii) developing appropriate specifications to enable consumer selection of preferred payment instrument to conduct a transaction at the POI. This work should serve as input to the work under ERP/2019/recA.

Addressed to: ERPB WG on instant at POI, MSG MSCT

Status: A joint Task Force between the ERPB Working Group on instant payments at POI and the ECSG has developed a dedicated document that specifies principles and provides an overview on use cases for consumer selection of preferred payment instrument to conduct a transaction at the POI, which was submitted to the ERPB in November 2020 and published as ERP/2020/27.

Assessment of follow-up: **Blue**

ERP/2020/recB: The ERPB recommends developing 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 specifications to enable consumer selection of preferred payment instrument (ERP/2020/027).

Addressed to: MSG MSCT

Status: A joint Task Force between the MSG MSCT and the ECSG was established in March 2021 that developed a document on *Business requirements for the consumer selection of preferred payment instrument at the POI* where both physical and virtual POIs have been covered. This document has been submitted to the ERPB meeting of 25 November 2021 and published on the EPC and ERPB websites.

Assessment of follow-up: **Green**

ERP/2019/recE: The ERPB recommends: (i) analysing the appropriateness of defining new services for SCT Inst, including pre-authorisation, recurring payments, refund, etc.; (ii) updating the SCT Inst rulebook to cover for these services as needed.

Addressed to: EPC

Status: In December 2019, the EPC received three change requests (CRs) from EuroCommerce. These change requests have been submitted to a public consultation as part of the SEPA payment schemes' 2020 change management cycle.

The outcome of the public consultation can be summarised as follows:

- the vast majority of scheme participants supported the EPC recommendation that these CRs cannot be part of the scheme and that the future SEPA Request-to-Pay (SRTP) scheme of the EPC can support these use cases;
- however, some other contributors favoured these CRs; they consider that such features should be part of the SCT Inst scheme rulebook and not just be limited to the SRTP scheme; they pointed out that otherwise service providers wishing to support such use cases would have to adhere to the SRTP scheme which would drive up costs and operational complexity.

Based on the outcome of the public consultation and the input provided by the relevant internal EPC working group and the two SEPA Payment Scheme Stakeholder Fora, the EPC Scheme Management Board meeting decided not to include these three CRs in the 2021 SCT Inst scheme rulebook.

In parallel, the EPC and EuroCommerce had two bilateral discussions dedicated to their three CRs.

The outcome of those discussions was that the use cases under the "Initial payment with unknown final amount" and "instalment payment" items might best be covered by the second version of the SRTP scheme planned to be published in November 2021, as suggested by the EPC.

As for the "refund" item, the EPC provided EuroCommerce with more information on the possibility already existing in the SCT Inst scheme to label an SCT Inst instruction as a 'Repayment' and agreed to investigate whether the pain.001 message supports the inclusion of the original SCT Inst instruction reference (as a consequence, also the inter-PSP pacs.008 message) as requested by EuroCommerce. The EPC's investigation led to the conclusion that currently only the Remittance Information field in the pain.001 message would be suitable for the transport of such "Original Debtor/Originator Reference".

Following this analysis, the EPC itself will not develop a concrete rulebook change request for the 2022 SEPA payment scheme rulebook change management cycle. Instead, the EPC will take up clarifications about the use of the remittance information for such refunds in the next version of the clarification paper on SCT and SCT Inst rulebooks (EPC 131-17) which was published on 6 July 2021.

Assessment of follow-up: **Green**

ERP/2019/recF: The ERPB recommends analysing the possibility of introducing a "Confirmation of payee" service in the context of the SEPA credit transfer schemes.

Addressed to: EPC

Status: The EPC did a preliminary assessment of this matter and concluded that further analysing a possible inclusion of a "Confirmation of payee" (CoP) functionality into the SEPA payment schemes through the regular SEPA payment scheme rulebook change management process would require comprehensive statistical evidence demonstrating the need and business case for such a functionality.

At this point in time, the EPC still lacks such comprehensive statistical evidence. There remains a dependency on the EBA/ECB payment fraud statistical reporting framework's implementation for obtaining authorised push payment fraud data. Such quantitative data would be a key element to support a potential scheme change request to introduce a CoP functionality into the SEPA payment schemes through the 2024 SEPA payment scheme rulebook change management process.

The EPC will start re-assessing this matter in the second half of June 2022 notably based on a stock-taking exercise of CoP solutions currently used or under development in some national communities.

Furthermore, the EPC will duly consider what the European Commission - following its Retail Payments Strategy of September 2020 - may publish after Summer 2022 around instant payments and more particularly regarding consumer protection.

Assessment of follow-up: **Yellow**

ERP/2019/recG: The ERPB recommends identifying the requirements for the development of dedicated specifications to cover the integration and maintenance of multiple payment solutions in the merchant environment.

Addressed to: EuroCommerce

Status: EuroCommerce has identified a set of requirements for the development of dedicated POI specifications in its update for the July 2020 ERPB meeting. A small 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 different topics could be addressed, which it has submitted to the November 2020 ERPB meeting.

Assessment of follow-up: **Blue**

ERP/2019/recH: The ERPB recommends investigating the authentication models for strong customer authentication at physical POIs supported by the consumer's ASPSP when a PISP is involved and the related impact on the consumer's experience, compliant with legal requirements.

Addressed to: EC, EBA and other relevant stakeholders

Status: The European Banking Authority, in cooperation with the European Commission, developed an Opinion on obstacles under Article 32(3) of the regulatory technical standards on strong customer authentication and secure communication (published on 4 June 2020) which addresses a number of issues raised by market players, including mandatory redirection at the point-of-sale and the authentication procedures that ASPSPs' interfaces are required to support. In the Opinion, the EBA clarifies that "the method(s) of carrying out the authentication of the PSU (i.e. redirection, decoupled, embedded or a combination thereof) that ASPSPs should support will depend on the authentication procedures made available by the ASPSP to its PSUs and should support all these authentication procedures". The Opinion also states that "If the interfaces provided by ASPSPs do not support all the authentication procedures made available by the ASPSP to its PSUs, this would be a breach of Article 30(2) RTS and an obstacle under Article 32(3) RTS".

The EBA opinion addresses the aspect of compliance with legal requirements entailed in this recommendation. A follow-up opinion on supervisory actions to ensure the removal of obstacles to account access under PSD2 was published in February 2021, which prescribed NCAs to take action by April 30, 2021 and, in the event of encountered obstacles to set a deadline to respective ASPSPs to remove the obstacle(s). Some examples of supervisory actions are given and any obstacle identified should be removed within the shortest possible time and without undue delay. In the event that non-compliant ASPSPs do not remove any identified obstacles by the deadline set by the NCA, more effective supervisory measures should be taken.

Moreover, the European Commission provided further clarity in the context of strong customer authentication requirements at the point of sale via responses to several questions received in the EBA's Q&A tool. Amongst others, the European Commission provided clarifications as regards the dynamic linking requirement (Q&A 2020_5247), the consumer's explicit consent to the PISP for processing of personal data (Q&A 2020_5570), and the information to be provided by the PISP to the payer prior to the initiation of the transaction (Q&A 2020_5573).

Assessment of follow-up: **Yellow**

ERP/2019/recI: The ERPB recommends investigating the provisioning of access to all mobile device features (e.g. the contactless interface) in order to ensure that the consumer can choose between payment

applications from different mobile payment providers, independently of the mobile device and the operating system used.

Addressed to: Competition authorities, mobile device manufacturers, mobile operating systems developers and GSMA/MNOs.

Status: On 16 June 2020 the European Commission (DG-Competition) opened antitrust investigations, inter alia, into practices regarding access to mobile device's contactless interface (NFC) by Apple. On 2 May 2022, the Commission sent a Statement of Objections informing Apple of its preliminary view that Apple abused its dominant position in mobile wallet markets on iOS devices and restricted competition by limiting access to the NFC technology. A Statement of Objections is a formal step in an antitrust investigation which does not prejudice the outcome. In addition, the Digital Markets Act, expected to be published in the Official Journal shortly, will have a direct effect on access to NFC for mobile payments. It will require companies designated as gatekeepers to ensure effective interoperability with hardware and software features they use themselves in their ecosystems. The Apple Pay investigation will inform the future application of the Digital Markets Act with regard to the analysis of the security concerns and effective and proportionate access to NFC.

Assessment of follow-up: **Yellow**

ERP/2019/recJ: The ERPB recommends coordinating in cooperation with the instant payments at POI service providers an institutional communication campaign of the ERPB members to increase the familiarity with instant payments at POI solutions (in-store and e- and m-commerce). The communication campaign should result in the creation and distribution of informative material on instant payments at POI payment solutions to all ERPB members and affiliates. Moreover, ERPB members and the ECB are requested to make the informative material produced available on their websites.

Addressed to: EPC, consumer and retailers associations, public sector

Status: No specific communication action has been undertaken at this stage as it is still premature, apart from what is published of the MSCT MSG and relevant ERPB working group work.

Assessment of follow-up: **NA***

**the deadline for this recommendation is mid-2021*

ERP/2020/recC: The ERPB recommends evaluating the outcome of the following:

- the clarifications to be provided by the EBA Q&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;
- the additional services for instant SCTs included in Recommendation ERP/2019/recE in the ERPB Statement of November 2019;
- the development of a recognition label as recommended in Recommendation ERP/2019/recA in the ERPB Statement of November 2019;
- the deliverables developed as per Recommendation ERP/2020/recA
- 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.

The ERPB 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.

Addressed to: Group with multi-stakeholder participation

Status: **NA***

Assessment of follow-up: **NA***

**the timing for this recommendation is June 2021 to November 2021*

ERP recommendations related to the next steps in the development of the QR code standard for instant payments (adopted in November 2021)

ERP/2021/recA: The ERPB recommends: (i) to extend the current QR code standard specifications to a “generic QR code standard” for MSCTs that covers also all other MSCT payment contexts (P2P, B2C, B2B and invoices) and both SCT Inst and SCT, (ii) to launch a public consultation on this “generic QR code standard” for MSCTs and (iii) to prepare and publish a final version of the “generic QR code standard” following this public consultation.

Status: The MSG MSCT has finished the development of a final draft document on the Standardisation of QR-codes for MSCTs (EPC024-22) in February 2022. Subsequently an 8-week public consultation was launched on the document. The MSG MSCT has processed over the past months all comments received through this public consultation and prepared a final version of the document. This final version was published on the EPC website on 17 June 2022.

Assessment of follow-up: **Blue**

ERP/2021/recB: The ERPB recommends to submit the final version of the “generic QR code standard” in an appropriate format through a fast-track procedure to an international standardisation body such as the International Organization for Standardization (ISO)/TC 68/SC 9 or the European Committee for Standardization (CEN).

Status: The MSG MSCT started the preparation of a document on Standardisation of QR-codes for (instant) credit transfers⁴ based on EPC024-22 (see ERP/2021/recA above) in the appropriate format for submission to ISO TC 68 SC 9 through a fast track procedure. If this procedure would fail, the document would be submitted to CEN through a fast track procedure.

Assessment of follow-up: **Green**

⁴ Not necessarily SCT or SCT inst.