

## **MANDATE OF THE WORKING GROUP ON PAN-EUROPEAN ELECTRONIC MANDATE SOLUTIONS**

Based on Article 8 of the mandate of the Euro Retail Payments Board a working group is set up with the participation of relevant and volunteering stakeholders to identify and address issues representing barriers to the emergence of a pan-European integrated market for electronic mandate services used for SEPA direct debit.

**Scope:** Electronic mandates are very widely used for SDD in the euro area. Yet, the current market situation and the current plans of national banking communities suggest that most of the existing solutions are used - or planned to be used - only within national borders. This casts a doubt over whether pan-European electronic mandate solutions for SDD would be widely available in the medium term and genuine concerns are expressed regarding the chance of on-going market fragmentation. This situation also potentially prevents creditors to follow the requirement of the SEPA migration end date regulation to accept all payment accounts in SEPA (regardless of their location) for SDD collections. Apart from perceived legal barriers preventing cross-border use, cost and business considerations of the supply side could also play a role in the lack of take-up of pan-European solutions. Therefore, it is important to assess the situation and the perceived existing barriers and devise a plan to remove them.

**Deliverables:** The working group is expected to put forward high level recommendations to address legal, technical or any other issues which prevent pan-European e-mandate solutions to emerge and to be used. The working group is expected to gather and analyse information from market participants (PSPs and PSUs, on both the creditor and the debtor side) on their considerations of using or not using electronic mandates both in the national and cross-border context for SDD. It is expected to assess the issues in relation to their effect on the functioning of the Single Euro Payments Area. The working group is not expected to deliver suggestions for SDD business requirements nor for technical implementation specifications as this is a task for the SCT/SDD scheme owner. The form of communicating the findings and the recommendation of the working group is a report to the ERPb.

**Time horizon:** The working group is expected to start working immediately after its set-up and deliver its results to the second meeting of the ERPB in late 2014. It is envisaged to dissolve the working group after it reported its findings to the ERPB.

**Participants and chairmanship:** membership in the working group is open to all volunteering members of the ERPB. It is envisaged that to be successful the working group will ideally consist of representatives of payment service providers, corporates, e-commerce, consumers, and public administrations. One representative of the ECB and a limited number of representatives of euro area NCBs are invited to join the working group as active participants. A representative of the EU Commission will be invited as observer. The working group is to be co-chaired by the EPC (supply side) and E-commerce Europe (demand side).

Members representing their associations will be appointed by the ERPB Chair based on suggestions by their association via written procedure until 6 June 2014. All other participants will join the group – after expressing interest to the ERPB secretariat – based on invitation by the ERPB Chair until 6 June 2014.

**Rules of procedure:** the mandate of the ERPB defines a broad set of rules for the procedures of its working groups: the working group takes positions on a  $\frac{3}{4}$  majority basis, dissenting opinions are mentioned in any relevant documents prepared by the working group. The members of the group decide on how to organise secretariat support, timing and rules of meetings and communication via written procedure, as well as on the need and format of any interim working documentation produced. Costs related to the operation, meetings, chairmanship and secretariat are met by the members of the group.