



EUROPEAN CENTRAL BANK

EUROSYSTEM

Amount limit and bulk payments for SCT Inst

07/12/2021
AMI-Pay meeting

Andreja Birsa
ECB



Background

- In September 2021, the AMI-Pay and NSGs were **invited** to respond to a questionnaire focusing on two aspects:
 - Increase of SCT Inst amount limits at PSP level and
 - PSPs' and CSMs' needs for processing of bulk SCT Inst
- The aim of the presentation is to summarise feedback to the questionnaire and propose way forward

Amount limit

Discussion of the SCT Inst amount limits with corporate clients

- 65 replies out of 72: 35% have discussed the issue with their corporate clients, while 55% have not
- Of those that have discussed it with clients 43% have mentioned that clients were interested in higher amount limits
- Other important aspects of instant payments for corporate clients is 24/7 availability, reachability and transaction speed

Amount limit

Do you accept SCT Inst transactions above € 100,000?

- Approx. 70% PSPs replied no
- For those who have replied yes, most answer that they do not apply any limit, some apply limits for cross-border payments of 100.000
- The higher limit is most often based on a multilateral agreement, namely community agreement

Amount limit

Plans for future changes i.e. applying a higher limit or removing the limits:

- For those **accepting above** the current scheme level:
 - ✓ Approx. 40 % have no plans for future changes while approx. 40% envisage changes such as removal of the limit by more PSPs or in general, some mention specifically that they will follow market needs
- For those who are **currently using the limit** defined at scheme level
 - ✓ The majority answered that they don't plan to apply a higher limit on their own in the near future but will follow EPC standards

Amount limit

Would you support a further increase in the maximum amount set at scheme level?

- ✓ Yes: 42%
 - ✓ No: 48%
 - ✓ Neutral: 10%
- Some (12% out of 42%) mention that it should be a priority to **increase the reach of SCT Inst** first, before increasing the limit (it seems that communities with wider adoption of SCT Inst are more likely to look into additional specifics of SCT Inst)
 - Suggestions for an increase reach from €250.000 to €1.000.000 to no limit at all over a time frame from immediately to five years. Most of respondents prefer no limit (almost 30% out of 42%) and then €1.000.000
 - Two respondents suggested to **reconsider this topic** in one to two years before implementing any change

Amount limit

Would it be useful to publish the limits applied by individual PSPs and/or PSP communities at the European level?

- Yes: 23% - the majority suggested to publish them at the CSM level or the EPC website
- No: 73% - many of those who answered against the publication were generally not in favour of individual different limits by PSPs but rather favoured a general scheme level or no limit at all
- Neutral: 4%

Regarding integration in businesses' payment interfaces

- Only limited feedback (22 answers / 78 participants): of these **63% yes, 32% no**
- E.g. reach tables real-time availability through APIs or common format such as excel

In addition... EPC on the amount limit

- In June 2021 SCT Inst Scheme Evolution and Maintenance WG (SEMWG) meeting it was agreed that currently there is no appetite from the market to amend the current maximum amount let alone to abolish it
- This decision was taken based on the consultation among SEMWG members communities where large majority of respondents do not see a need to change the amount limit
- SEMWG members agreed to discuss this topic again in 2022

Proposed way forward on the amount limit

- As there are still more respondents against the increase of the amount limit at the moment and this corresponds with the EPC results, it is suggested to reconsider the issue after the EPC review next year, taking also into consideration potential measures proposed by the European Commission to facilitate instant payments.

Bulk payments

Do you offer services to business users enabling the submission of SCT Inst instructions in batch format?

PSPs:

- Yes, we already offer these services: 26% - majority stated that these are based on commonly agreed standards
- Yes, plan to offer these services in the future: 25%
- No, we don't offer nor plan to offer these services: 49%
- Majority of PSPs does not see any role for CSMs in this process

CSMs:

- The majority of CSMs responding do not offer nor plan to offer bulk SCT Inst
- Only Iberpay already offers the service while Nexi is planning to offer it in the future

Bulk payments

Would you see a need to establish standardised/harmonised solution(s) to process SCT Inst instructions received in batch format from businesses at the euro area level?

- Yes 45%
 - No 46%
 - Neutral 9%
-
- **CSMs followed by EPC have been mentioned several times as potential entities to take the lead in developing harmonised solutions**

Proposed way forward on bulk payments

- More than half of PSPs respondents offer or are planning to offer these services in the future and almost half of them see the need to standardize such services. Therefore, AMI-Pay with extended representation of CSMs could further investigate possibilities of standardization.

**Thank you for your
attention!**

