

MANDATE OF THE WORKING GROUP ON A SEPA API ACCESS SCHEME (NOVEMBER 2020 – JUNE 2021)

Based on Article 8 of the mandate of the Euro Retail Payments Board (ERPB) a working group is set up with the participation of relevant stakeholders to further define key elements of a potential SEPA API access Scheme (“Scheme”). The working group takes as starting point the report presented to the ERPB for its June 2019 meeting¹, as well as the outcome of the informal exploratory workstream addressing the conditions to re-start the ERPB Working Group on a SEPA API access scheme².

1. Scope

The revised Payment Services Directive (PSD2) introduced Payment Initiation Services (PIS), Account Information Services (AIS) and the confirmation on the availability of funds to boost innovation and competition in payment services. The related Regulatory Technical Standards on Strong Customer Authentication and Common and Secure Communication (RTS) require Account Servicing Payment Service Providers (ASPSPs) to offer an interface. To meet this particular legal requirement, a large majority of ASPSPs has chosen to implement an Application Programming Interface (API).

In order to reap the full benefits of PSD2 for the provision of innovative and competitive PIS and AIS services in an integrated European market, the ERPB agreed that the working group should define the key elements of a Scheme. These key elements shall be developed with the legal and regulatory requirements of PSD2 constituting the “baseline”, which has now been set, but also going beyond such baseline to encompass value-added (‘premium’) services that may be provided in context of ‘open banking’ as a natural evolution of PSD2 within the contractual framework of the Scheme. These key elements could establish the foundation of a possible future rulebook and of possible future implementation guidelines of the Scheme.

In this regard, the legal and regulatory requirements represent the indispensable basis upon which to establish a Scheme in the sense of (i) business requirements, (ii) governance arrangements, as well as (iii) a standardised API interface.

The working group will focus its discussions and its report on functions and services on top of the PSD2 baseline. It is agreed that any service and functionality offered by ASPSPs that goes beyond their legal obligations can be considered as a value-added service in the context of a SEPA API access Scheme and is subject to a competitive, sustainable and fair distribution of value and risk between the actors.

¹ See: https://www.ecb.europa.eu/paym/groups/erpb/shared/pdf/11th-ERPB-meeting/Report_from_the_ERPB_WG_on_a_SEPA_API_Access_Scheme.pdf.

² See: https://www.ecb.europa.eu/paym/groups/erpb/shared/pdf/14th-ERPB-meeting/Reporting_by_the_informal_workstream_on_a_SEPA_API_access_scheme.pdf

2. Deliverables

The ERPB working group is expected to prepare a report with the following deliverables:

1. Conduct a cross-check with other on-going workstreams (covering e.g. e-identity, Request-to-Pay, instant payments at the point-of-interaction, mobile initiated SEPA Credit Transfers) that may impact the development of the potential payment related part of the Scheme.
2. Validate, update, and prioritise business requirements from the previous report.
3. In addition to consumer-to-business customer journeys, draft customer journeys and derive business requirements for P2P payments, business-to business payments and other payments.
4. Assess the landscape of existing governance entities in order to identify a potential Scheme manager(s) or recommend the creation of a new scheme manager.
5. Assess with relevant subject matter experts the potential extension in a next stage to other financial as well as non-financial services as may be required.
6. Start drafting scheme requirements between asset holders and asset brokers for certain issues based on the above working assumptions related to inter alia eligibility criteria, business conditions, rights and obligation of participants, security, liability, and compliance.

The working group may consider providing additional key elements that may be needed to enhance the efficiency and/or safety of a Scheme.

3. Time horizon

The working group will be established shortly after the November 2020 ERPB meeting and shall deliver its report by June 2021.

4. Participants and chairmanship

The working group shall include representatives of banks and PIS/AIS providers with a broad experience and a good understanding of the key business, operational and technical requirements as well as the legal and governance elements that are needed for a Scheme. Knowledge and expertise in 'open banking' services based on API technology would be an asset. While representation of the ERPB supply side shall remain lean, it shall equally represent the different business models of both ASPSPs and TPPs. It is equally important to have representatives of ERPB demand side stakeholder groups actively participating in the WG. 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. Furthermore, a representative of the European Commission will be invited as observer. The working group will be co-chaired by a representative of the European Third Party Providers Association and a representative of the banking sector. The secretariat will be provided by the European Payments Council.

Members and the co-chairs will be appointed by the ERPB Chair based on suggestions from their respective associations.

5. 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 secretarial 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 carried by the members of the group themselves. Members of the working group may interact with representatives of European standardisation initiatives for specific topics, where relevant.