ERPB Secretariat

27 June 2016

ERPB/2016/006

Update of the ERPB workplan

The Euro Retail Payments Board (ERPB) adopted its current work plan in May 2014 and fine-tuned it during the autumn of 2014. Further to a preliminary exchange of views on the update of the ERPB workplan during their 26 November 2015 meeting, the ERPB members were invited to provide suggestions in written.

This note puts forward a proposal for updating the ERPB workplan on the basis of the suggestions received by ERPB members. In this regard, it first recalls as background the actions stemming from the previous workplan on which work is still ongoing or that have not yet been covered that would need to be taken into account in the update of the workplan. This note then focuses on the possible new items to be added to the ERPB workplan for the next two years. For each of these items, the note presents the underlying rationale explained by the ERPB member before proposing a suggested approach.

1. Actions stemming from the 2014-2016 workplan

While substantial progress has been achieved by the ERPB on its rolling workplan, a number of work items are still in progress, some though completed require follow-up, and finally a few items have not yet been addressed, as detailed below.

Items on which analytical / policy work is ongoing at ERPB level:

- Instant payments

In its November 2015 meeting, the ERPB endorsed the general scheme design proposal of the instant SEPA Credit Transfer Scheme (SCTinst) presented by the EPC. On this basis, the ERPB expects the EPC to make an SCTinst rulebook available for adherence by PSPs from November 2016 with a view to implementing the scheme by November 2017.

The EPC thereafter published the draft SCTinst rulebook for a three-month public consultation on 12 April.

- E-invoicing

In its November 2015 meeting, the ERPB agreed to set-up a working group to prepare a report by November 2016 reviewing the landscape of electronic invoice/bill presentment and payment (EIPP/EBPP) services in Europe and analysing the barriers to the take-up (including the reasons why previous attempts have failed) and to the integration of such solutions in Europe. Based on this analysis, the ERPB will then consider whether additional work is warranted.

Items addressed by the ERPB requiring follow-up by relevant actors:

- Technical card standardisation[1],

The ERPB endorsed the SEPA Cards Standardisation Volume and invited the Cards Stakeholders Group (CSG) to follow up by implementing procedures for conformance assessment. The CSG was also invited to prepare a study on the merits of a single messaging standard in the acquirer-to-issuer domain (submitted to the June 2016 ERPB meeting) and to report to the ERPB every 12 months on the progress made in card standardisation in Europe.

- Person-to-person mobile payments

In its June 2015 meeting, the ERPB issued recommendations to the P2P mobile solution providers to establish cooperation in order to achieve interoperability at European level. The EPC organised a workshop involving relevant stakeholders to facilitate the launch of such cooperation in January 2016, during which the decision was made to set up a steering committee tasked to deliver a pan-European proxy look-up service. While appreciating the efforts made, the Steering Committee is encouraged to put special emphasis to this dossier. The ERPB invited the Steering Committee to submit a progress report to the November 2016 ERPB meeting, including in particular a detailed work plan with clear deliverables and milestones to be aligned with those for the SCTInst scheme and which can be translated into tangible results by November 2017.

- Contactless mobile- and card-payments

In its November 2015 meeting, the ERPB endorsed the recommendations proposed by the working group on mobile- and card-based contactless payments. Work on the implementation of these recommendations is ongoing.

Items not yet dealt with at ERPB level:

---

[1] As agreed by the ERPB in June 2015, the Card Stakeholders Group (CSG) will prepare a study on the single messages standard for the acquirer-to-issuer domain and will regularly report back on the progress in technical card standardisation in Europe.

- E-commerce payments

Payments made in the e-commerce context are becoming more and more important in everyday life and give rise to special payment situations. The Payment Services Directive 2 will allow for third party payment initiation services which could be particularly relevant in this field. In this regard, during the November 2015 meeting of the ERPB, concerns were raised that payment initiation services will be introduced by various PSPs in a non-interoperable/non-standardised way, leading to fragmentation especially for cross-border transactions (see further details in section 2).

⇨ It is suggested to amend this item of the current workplan in light of the suggestion provided in section 2.

- Business practices of card schemes

The Interchange Fee regulation provides a number of business rules for card schemes in Europe which will affect trends of integration in the European card market. The ERPB needs a solid understanding of these trends in relation to its mandate to work for an integrated European retail payments market.

⇨ Considering resource constraints, as well as the need to reach a solid understanding of the trends affecting integration in the European card market as a result of the Interchange Fee regulation, it is suggested not to carry this item over to the new work plan. This item may however be reintroduced in updating the workplan depending on the relevance of the developments underway for the mandate of the ERPB.

- Accessibility, simplicity and choice for payment service users

The fast pace of innovation in retail payment services may give rise to issues for payment service users who are not necessarily able to use these services or understand the inherent complexities. The Payment Accounts Directive is a major step in protecting such customers. The ERPB could look into remaining issues after this Directive has been implemented.

⇨ While the recently adopted Payment Accounts Directive is a major step in improving simplicity and consumers' choice, the European Accessibility Act adopted by the European Commission in December 2015 should improve the accessibility of ATMs, banking services and e-commerce services to persons with functional limitations. In this context, AGE Platform Europe and De Nederlansche Bank will prepare an issues note for discussion at the November 2016 ERPB meeting to assess whether further progress may be needed. Following that discussion, the ERPB may consider developing a joint position on the accessibility of retail payment services to inform the debate on the European Accessibility Act.

From the above, it appears that several items from the 2014-2016 workplan represent either on-going work at ERPB level, or may require further ERPB attention depending on the follow up by stakeholders and future developments. These items therefore need to be taken into account in the update of the ERPB workplan, in particular having regard to scarce resources from ERPB members' associations. It should also be highlighted that developments in the European Commission's work – notably the follow-up to the Green Paper on retail financial services – may also impact the ERPB workplan.

2. Suggested new items for updating the ERPB workplan

On the basis of the feedback provided by ERPB members, and having in mind the resource constraints from the members' stakeholders associations, the following items are suggested for updating the ERPB workplan for the next two years. It is noted that this workplan may be amended depending on emerging developments.

Pan-European integration of payment initiation services (PIS)

- Underlying rationale

Concerns have been raised that PIS will be introduced by various PSPs in a non-interoperable/non-standardised way thus leading to new fragmentation especially for cross-border transactions.

- Suggested approach

The issue is brought to the ERPB in its June 2016 meeting (see agenda item 7), raising to the ERPB the possibility to discuss the principles for facilitating the provision of harmonised pan-European PIS. If supported by the ERPB, this item would lead to refine the objective of the work to be carried out by the ERPB for e-commerce compared to the previous workplan (as referred to in section 1 of this note).

EU-wide interoperability framework and scheme(s) enabling both national and cross-border acceptance of bank guaranteed e-identities and electronic signatures

- Underlying rationale

In the digital world, certainty of identity and assurance of document and data authenticity (including when stored) are indispensable throughout use cases and workflows. The deployment and acceptance of such certainty and assurance bring significant benefits to all stakeholders in society. Even in the presence of a legal framework, in any environment the traditional challenges of a network industry have to be overcome, in addition within the European Union there is the challenge of interoperability and, longer term, convergence of solutions. The European legislator issued the Regulation on electronic identification

and trust services for electronic transactions in the internal market (eIDAS – and accompanying Implementation Regulations and Decisions) with direct relevance for e-government to access public services. Going forward the idea would be to work towards an EU-wide interoperability framework and scheme(s) which would enable both national and cross-border acceptance of bank-guaranteed e-identities and electronic signatures. This interoperability framework (recognising a range of technologies and authentication protocols) would furthermore enable interconnection with public schemes where they already exist, and private sector solutions would be available for public sector use in all other situations.

- Suggested approach

While being supportive in general, it is suggested to wait for the outcome of the European Commission consultation on the Green Paper on retail financial services before possibly considering any work in this field given that specific questions in the Green Paper were addressing e-identity and e-signatures. The European Commission could be invited to present the e-IDAS Regulation in an upcoming ERPB meeting (e.g. November 2016) when the follow-up to the green Paper on retail financial services should be clear.

Cybersecurity

- Underlying rationale

The fight against payment fraud in general and cybercrime in particular is a key priority for banks due to its impact on society and payment infrastructures. The mounting sophistication of attack vectors calls for a collective approach between payment actors and law enforcement and Intelligence Services.

- Suggested approach

While payment fraud and cybercrime in particular are key issues for the future of retail payment services, this topic is more relevant from an oversight/supervisory perspective and other actors are already dealing with this issue. It is therefore suggested to raise awareness on cyber resilience in general in an upcoming ERPB meeting (e.g. November 2016) but not to work actively on it at this stage.

Developments in the European Commission's work in the field of retail payments

As noted above, developments in the European Commission's work in the field of retail payments may impact the ERPB workplan. This is in particular the case for the follow-up to the Green Paper on retail financial services.