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Intermediary Status Update of the Steering Committee of the Mobile Proxy Forum to the November 2016 meeting of the Euro Retail Payments Board

1. Introduction

Since the June 2016 meeting of the ERPB, the Steering Committee of the Mobile Proxy Forum (MPF) has met on two occasions:

- Third meeting on 29 June 2016.
- Fourth meeting on 13 October 2016.

Two additional organisations[1] joined, which brings the total amount of Steering Committee members to 36 (excluding the observers from the ECB and the EU).

2. Terms of Reference (ToR) Steering Committee of the MPF

The Steering Committee approved its terms of reference during the 29 June 2016 meeting.

The Steering Committee will be responsible for putting in place a pan-European standardised proxy lookup (SPL) service and interoperability framework which allow P2P mobile payment data (i.e. proxy + IBAN) to be exchanged among P2P mobile payment solutions on a pan-European level. The Steering Committee will have regard to future support for additional proxy types and account identifiers.

3. SPL service rules development

As the majority of Steering Committee members had indicated their interest to contribute to the development of rules for operating, joining and participating in the SPL service it was decided that the Steering Committee itself would produce the SPL rules and that hence no separate subgroup would need to be created.

A list of preliminary rules has been established based on an initial brainstorming session, including for example:

- SPL service only ever returns one IBAN in response to a lookup.
- It will be assumed that all required consents have been collected for any information disclosed via the SPL.
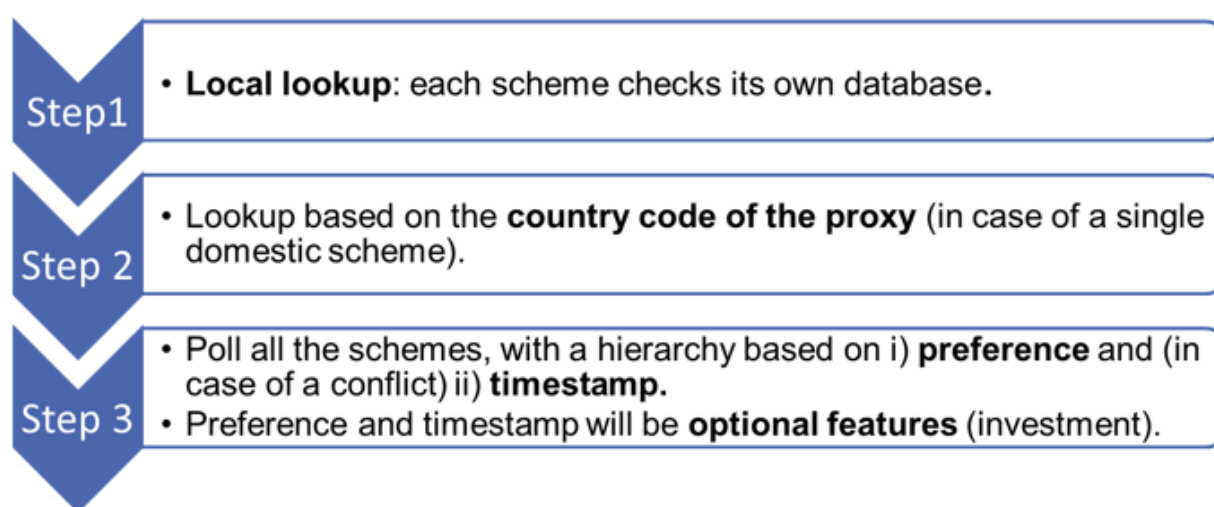- The lookup request function can be done by anyone who fulfils the SPL service membership requirements.

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[1] EBA Clearing and ACI Worldwide.

In addition, the Steering Committee discussed several polling hierarchy logic proposals for a scenario whereby multiple solutions have a claim on the same mobile telephone number.

The Steering Committee agreed that the chosen polling hierarchy logic would need to comply with the following criteria (in no particular order):

- Fairness (i.e. compliant with competition law).
- Transparency and traceability (i.e. criteria should be published).
- Effectiveness (i.e. implementable by November 2017).
- Efficiency.
- Supportable by existing solutions.

Following a detailed review of several proposals, the majority of the Steering Committee concurred with the following high-level polling hierarchy logic:

Step1 • **Local lookup**: each scheme checks its own database.

Step 2 • Lookup based on the **country code of the proxy** (in case of a single domestic scheme).

Step 3 • Poll all the schemes, with a hierarchy based on i) **preference** and (in case of a conflict) ii) **timestamp.**
• Preference and timestamp will be **optional features** (investment).

Additional preliminary rules in relation to step 3 were also debated.

4. <u>MPF project plan</u>

The MPF project plan is being further fine-tuned in line with the expectation to launch the SPL service towards the end of 2017.

The project plan consists inter alia of the following key sections:

- Creation of the Steering Committee (done)
- Creation of a Technical Working Group
- Creation of a Legal Working Group
- Creation of a Market Implementation Working Group (name to be confirmed)
- Set-up of a pan-European SPL service (which includes e.g. development of rules (underway), definition of a polling hierarchy logic (done), commercial review of appointing one or more suppliers of the SPL service, preparation of the Request for Proposal (RFP) for the selection of technology suppliers of the SPL service, creation of a new legal entity, …)

The Steering Committee will be invited to approve the work plan at its next meeting in December 2016.

5. <u>Next steps</u>

As a first priority, the Steering Committee is working towards the finalisation of the rules for operating, joining and participating in the SPL service by the end of 2016.

In addition, the December 2016 Steering Committee is expected to setup a Technical Working Group responsible for developing inter alia the API standard and a working group that will focus on the market implementation of the SPL service.

It is furthermore envisaged that the Mobile Proxy Forum will need to morph into a 'coalition of the willing' that will fund the SPL service. Hence, a new legal entity with legal and financial responsibilities will need to be created in the course of 2017.

The next meeting of the Steering Committee is scheduled to take place on 14 December 2016.