

EURO RETAIL PAYMENTS BOARD

Statement following the eighteenth meeting of the Euro Retail Payments Board
held on 21 November 2022

Digital euro investigation

The European Central Bank (ECB) informed the Euro Retail Payments Board (ERP) of the work conducted in the context of the digital euro investigation phase since the last ERP meeting. The members were provided with an overview of the Eurosystem's analysis of design choices related to the roles of supervised intermediaries and the Eurosystem in the processing of digital euro payments, funding/defunding functionalities and advanced functionalities for a digital euro. Members further received an update on the Eurosystem's analysis of distribution model aspects, including the analysis of form factor options and delivery approach, and the prototyping exercise.

The ERP:

- took note of the update on the digital euro investigation phase;
- welcomed the frequent exchanges with the ERP at technical level, including technical sessions on digital euro on a bi-monthly basis, written procedures, and dedicated exchanges with stakeholder associations by sector.

Instant retail payments in euro

The European Commission advised the ERP of the adoption of a legislative proposal relating to instant payments on 26 October 2022. The current proposal includes a set of measures aimed at increasing the availability and use of instant payments in euro by removing identified obstacles. The ERP noted that addressing these obstacles and providing instant payments on a pan-European basis is of strategic importance to the work of the ERP.

At the invitation of the ERP, the European Payments Council (EPC) provided a status update on the implementation of the SEPA Instant Credit Transfer (SCT Inst) scheme, including an overview of the percentage of payment service providers (PSPs) adhering to the scheme. According to this update, as of October 2022, 61% of all SCT adherents in all Single Euro Payments Area (SEPA) countries were declared as registered as SCT Inst participants, while the figure for the euro area was 71.5%. The estimated share of SCT Inst transactions in total euro credit transfer transactions is continuing to rise gradually, having passed 13.29% in the third quarter of 2022 compared to 11.48% in the first quarter of 2022.

The EPC advised that on 27 October 2022 an "entry-into-force time" for the 2023 SCT Inst scheme rulebook for 19 November 2023 at 03:30 CET, which will be preceded by a SEPA-wide downtime of 30 minutes, has been formally announced. This aims to facilitate a smooth change-over from the 2009 version to the 2019 version of the ISO 20022 standard for the XML messages used for the SCT Inst scheme.

The EPC multi-stakeholder group on Mobile Initiated SEPA (instant) Credit Transfers (MSG MSCT) further reported on the work carried out on instant payments in the context of the ERPB priorities, with a focus on the development of a QR code standard for instant payments which is being carried out with relevant stakeholders and involves relevant standardisation bodies. Since the last update, the EPC MSG MSCT has prepared a document in ISO format on specifications of QR-codes for (instant) credit transfers which the EPC submitted on 29 September 2022 to ISO TC 68 SC 9 through a fast-track procedure. The MSG MSCT further progressed on the analysis to extend the QR code standard work to other proximity technologies, such as near-field communication (NFC) and Bluetooth Low Energy (BLE), with the aim to finalise a proposal for public consultation by end 2022 in view of an 8-week public consultation in the first quarter of 2023.

Finally, the co-chairs of the workstream on communication on instant payments towards end-users presented the proposed high-level communication strategy to be potentially deployed in the EU. In line with the mandate it received, the workstream suggested key messages to convey (both general messages for all potential end-users of instant payments as well as messages for specific end-user target groups), a set of suggested communication channels for the specific parties involved and an estimated timeline for the roll-out of the communication strategy. This includes a recommendation by the workstream to defer the launch of a communication campaign until after the European Commission legislative proposal on instant payments would have been adopted and the key messages have been adapted where necessary to avoid potential confusion due to possible inconsistencies with the future legal framework, as well as to consider the development of an Instant Payments trust mark as a separate future exercise.

The ERPB:

- took note of the European Commission's update on the legislative proposal;
- took note of the EPC update on the implementation of and adherence to the SCT Inst scheme;
- noted that the plateauing of levels of adherence to the SCT Inst scheme since the last ERPB meeting supports the European Commission's legislative initiative to address obstacles and increase adherence in order to realise efficiency gains and provide equal access to instant payments for all citizens;
- took note of the work conducted by the MSG MSCT, together with relevant stakeholders and standardisation bodies, at the invitation of the ERPB to develop a standard and governance framework for a QR code standard for instant payments; recalled, in this regard, that, if the submission of the standard to ISO did not progress as planned – notably if the fast-track procedure failed or the process resulted in changes or another outcome that did not meet the needs of the European payments market – the document would be withdrawn from ISO and submitted instead to the European Committee for Standardization (CEN) through a fast-track procedure; invited the EPC, through the MSG MSCT, to monitor the progress of the procedure and to follow up as necessary;
- invited the EPC to report on the extension of the work on a QR code standard (making sure to involve relevant stakeholders and standardisation bodies) to include other technologies, starting with NFC and continuing with BLE, at the June 2023 ERPB meeting;
- encouraged supply-side participants to complete the implementation of instant payments and to support end-user take-up, including by providing safe and efficient end-user solutions with the capacity to achieve pan-European reach at a competitive price;
- took note of the report of the workstream on communication on instant payments to end-users and endorsed in principle the high-level strategy proposed. The ERPB agreed to postpone any decision on the launch of a communication campaign until after the European Commission legislative proposal on instant payments would have been adopted by the EU co-legislators and the key messages have been adapted where necessary. The ERPB noted that this would not, however, prevent individual ERPB

members from engaging earlier in communications based on the key messages developed by this initial report of the workstream.

SEPA Payment Account Access (SPAA) scheme

At its July 2022 meeting the ERPB considered the report from the EPC multi-stakeholder group (MSG) on a SEPA Payment Account Access (SPAA) scheme and invited the EPC to continue (through the SPAA MSG) the work on the development and finalisation of the future SPAA scheme, including the first version of the scheme rulebook.

Since then the SPAA MSG has notably finalised a draft version of the SPAA scheme rulebook, after assessing the comments from the 90-day public consultation closed on 12 September 2022. It is envisaged that the services described in this first version of the rulebook will initially be optional. This version of the rulebook will be submitted to the EPC Board for its meeting 23 November 2022. The SPAA MSG has, with the support of an independent consultant, also progressed work on a high-level cost calculation methodology.

The SPAA MSG will further progress on defining a 'minimum viable product' (MVP – a set of mandatory services to be supported by the Asset Holders, which goes beyond the basic PSD2 Open Banking' services) based on market demand (including a quantitative assessment) and on the outcome of the work on business conditions performed by the independent economic consultant. This MVP will be reflected in a revised version of the first SPAA scheme rulebook for publication in 2023 subject to EPC Board approval.

The ERPB:

- took note of the SPAA MSG update and welcomed the progress achieved since the last ERPB meeting;
- invited the EPC, through the SPAA MSG, to continue the work on the definition of a 'minimum viable product' based on market demand and on business conditions to be included in an updated version of the rulebook, and to report to the ERPB at its next meeting;
- reiterated its encouragement to the supply and demand-side stakeholders to support the SPAA MSG's work on defining a minimum viable product, to facilitate the quantitative assessment and to participate in the development of a balanced and viable business model, thereby supporting the launch and take-up of a successful SPAA scheme.

Update of the ERPB workplan

The ERPB adopted its current workplan in June 2021, with a review of the priorities in the subsequent meetings. In preparation for the discussion on the update of its workplan, the ERPB was invited to share in written suggestions for possible topics for the coming two years.

Based on the suggestions received, and considering the already ongoing workstreams requiring efforts from ERPB stakeholder associations and scarcity of resources, the ERPB agreed on not initiating any new activity at this stage and on reviewing the work plan at its June 2023 meeting in light of topics suggested to be retained in section 2 of the background note as well as all relevant developments that may affect the work plan.

Items for information purposes

The ERPB took note of the following.

- The update provided by the European Commission on the work carried out in the field of retail payments, including on instant payments, access to NFC functionality, the review of the Second Payment Services Directive (PSD2), the revision of the regulatory technical standards on strong customer authentication (SCA) regarding the 90-day exemption for consumer consent renewal for account information services, updates on the Markets in Crypto-Assets (MiCA) Regulation, the Digital Operational Resilience Act (DORA), open finance and digital IDs.
- The outcome of the written procedure on the status of past ERPB recommendations. While progress has been achieved on the follow-up to ERPB recommendations, the ERPB considered that more attention should be devoted to the implementation of the recommendations on transparency for retail payments end-users. The ERPB Secretariat will continue to monitor the actions taken by the relevant stakeholders in relation to open recommendations and will report back to the ERPB on a regular basis.
- The EPC update on the SEPA Request-to-Pay (SRTP) and the European Cards Stakeholders Group update on cards standardisation shared with the ERPB in written procedure.

Annex

**LIST OF ATTENDEES OF THE EIGHTEENTH MEETING OF THE
EURO RETAIL PAYMENTS BOARD (ERP) ON 21 NOVEMBER 2022**

List of participants

Chair: Mr Fabio Panetta, Member of the Executive Board

Sector	Members
BEUC (European Consumers' Organisation)	Ms Monique Goyens Director General, BEUC
AGE Platform (the association of consumers 50+)	Ms Anne-Sophie Parent (<i>alternate</i>) Secretary General, AGE Platform
<i>Internet retailers</i> Ecommerce Europe	Mr Marc Nieto CEO, MPServices
<i>Corporates</i> (EACT & BusinessEurope)	Mr François Masquelier Chair EACT & CEO & founder of Simply Treasury
<i>SMEs</i> SMEunited	Mr Bernard Cohen-Hadad President, CPME
National public administrations	Mr Michael J McGrath (<i>alternate</i>) Vice-Chair EU Financial Services Committee & Assistant Secretary Funds, Insurance, Markets & Pensions Division, Department of Finance, Ireland
European Payments Council (EPC)	Mr Javier Santamaría Chair EPC
Co-operative banks (European Association of Co-operative Banks - EACB)	Ms Marie-Anne Livi (<i>alternate</i>) Member of the Executive Committee of Credit Agricole Payment Services
<i>Savings banks</i> (European Savings & Retail Banking Group - ESBG)	Mr Joachim Schmalzl Executive Board member, DSGV
<i>Commercial banks</i> (European Banking Federation - EBF)	Mr Maurizio Sella Chair of Banca Sella Holding
European Payment Institutions Federation (EPIF)	Mr Konstantinos Maragkakis EEA Chief Executive Officer, Paysafe
E-money Association	Mr Joe Heneghan

	CEO, Revolut Ireland
European Third Party Providers Association - ETPPA	Mr Arturo González Mac Dowell President & CEO, Eurobits technologies
	Guest
EDPIA	Mr Bo Nilsson President of EDPIA, Chairman of Nets, Member of Board of Nexi Group
National central banks (on rotating basis)	Active participants
Banco de España	Mr Juan Ayuso Director General Operations, Markets & Payment Systems
Banque de France	Ms Nathalie Aufauvre Director General Financial Stability and Operations
Banca d'Italia	Mr Livio Tornetta Director General Currency Circulation and Retail Payments
Central Bank of Cyprus	Mr Stavros Agrotis Executive Director
Banque centrale du Luxembourg	Mr Nicolas Weber Executive Director
Sveriges Riksbank	Ms Christina Wejshammar Head of Payments Department
	Observer
European Commission	Mr John Berrigan Director General Financial Stability, Financial Services and Capital Markets Union