EUROPEAN CENTRAL BANK

EUROSYSTEM

ERPB Secretariat

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Update of the ERPB workplan

The Euro Retail Payments Board (ERPB) adopted its current work plan in June 2016. In preparation of the discussion on the update of the ERPB workplan, 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 2016-2018 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 two items are still pending, as detailed below.

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

- Electronic invoice/bill presentment and payment (EIPP)

On the basis of the analysis from an ERPB working group, the ERPB endorsed in their November 2017 meeting a set of minimum requirements for the development of pan-European interoperability of EIPP services as well as the next steps to achieve such interoperability.

In this regard, the ERPB supported following a step-by-step approach. In this regard, the work would first focus on the adoption of a technical ISO 20022-based message for request-to-pay for EIPP and the harmonisation with the EIPP servicing messages to form a "common language" for communication between different EIPP providers. The ERPB invited the EPC to coordinate the required work among the

payment services providers with the involvement of other stakeholders including e-invoicing solution providers, within one year and with an interim reporting in June 2018.

After completion of the first step, the ERPB would consider the work on the other steps suggested by the Working Group, namely (i) a common EIPP framework consisting of a minimum set of rules, to support integration of existing EIPP solutions and provide guidance on emerging EIPP solutions for delivering harmonised EIPP services, and (ii) minimum rules for enabling EIPP provider switching and required technical messages to allow payees and payers to move from one provider to another without onerous switching costs or effort.

- Person-to-Person (P2P) mobile payments

Following the invitation from the ERPB, the Steering Committee of the Mobile Proxy Forum is working towards the development of the standardised proxy-lookup (SPL) service by October 2018 and a market go-live date in January 2019 to support the development of instant payments in Europe. In June 2018 the MPF reported back to the ERPB with a report presenting the outcome of the request for proposal, the technology approach to be followed and the future governance set-up for the management of the SPL service. While most of the MPF work has been conducted, the ERPB will still need to monitor the progress of the work until the launch of the service to ensure the timely implementation of the SPL.

- Technical card standardisation

Following the invitation by the ERPB in their June 2015 meeting, the ECSG reports to the ERPB every 12 months, with an update on how the implementation of harmonised standards related to payment cards in Europe progresses.

Items not yet dealt with at ERPB level:

- E-identity:

In the framework of the last update of the ERPB workplan, the ERPB considered a suggestion to work on an EU-wide interoperability framework enabling both national and cross-border acceptance of bank guaranteed e-identities and electronic signatures. While being supportive in general, it was back then agreed 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.

⇨ It is suggested to take this item into account for the update of the workplan in light of the suggestion provided in section 2.

- Broader accessibility:

At its November 2016 meeting, the ERPB considered an issues note prepared by AGE Platform Europe and De Nederlandsche Bank on broader accessibility for payment users. The ERPB took note of the issues raised and agreed that interested members should aim to identify possible further work that would fall within its remit at one of its upcoming meetings. Following the interim report of the informal working group presented in November 2017 and work has continued in the meantime.

⇨ The final report of the informal group will be presented to the ERPB in November 2018. On this basis the ERPB will discuss potential follow-up within the scope of its mandate.

From the above, it appears that several items from the 2016-2018 workplan represent either on-going work, 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.

2. Suggested new items for updating the ERPB workplan

On the basis of the feedback provided by ERPB members, the following items have been identified as a preview of potential topics that could be further considered for the update of the ERPB workplan.

Technical interoperability of POI acceptance solutions for instant payments

- Underlying rationale

In the light of current developments connected with instant payments, there are still some major issues that need to be dealt with at the EU level with an aim to ensure European payment service users possibility to pay EU-wide using interoperable solutions, while not stifling innovations. This is especially the case for payments with instant payments at point-of-interaction (POI). While for P2P instant payments the Standardised Proxy Lookup service with pan-European reach is envisaged to be put in place, there is a need to assure standardisation of interfaces that are required to make payments at POI terminals at the EU level.

- Suggested approach

The topic of "technical interoperability of POI acceptance solutions for instant payments" would constitute a natural next step to the work conducted by the ERPB in the field of instant payments. This effort should however consider the EPC endeavour to set up an ad hoc multi-stakeholder group tasked to develop

Mobile Initiated SEPA Credit Transfer Interoperability Implementation guidelines (including SCT Inst). The EPC ad hoc group will start work in May 2018 and produce a draft deliverable for public consultation by Q1 2019.

In this regard, the ERPB could:

- re-iterate the need for interoperability of mobile solutions at pan-European level and that the EPC multi-stakeholder work on interoperability would be essential in that context. The ERPB could assess regularly whether the market is following this ERPB policy objective and consider whether specific actions are required on this basis.
- Discuss in its next meeting, on the basis of the progress made in the work of the EPC Multi Stakeholder Group, whether the ERPB would have a role to play with regard to the technical interoperability of POI solutions for instant payments.

E-identity

- 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. 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, given the wider trend of digitalisation in providing payments services, it could be considered whether any action at ERPB level is required to ensure that the cross-border mutual recognition of e-IDs does not remain limited to the public sector but will be available in the payment sector at pan-European level.

- Suggested approach

The Commission is currently conducting work in the field of e-identity, notably as part of the follow-up to the Green Paper on retail financial services and of eIDAS. On the basis of a presentation from the European Commission in the November 2018 ERPB meeting, ERPB members could consider whether the ERPB could play a role for achieving a pan-European approach as regards payment related e-identity.

Fraud prevention and liability

- Underlying rationale

Fraud is a key threat for electronic payments (and beyond) which requires all parties to be aware and contribute to its prevention; the (initial and final) liability allocation of fraud losses is also an important economic aspect. Preventing payment fraud and cybercrime in particular, including by effective information sharing among actors, are key issues for the future of retail payment services in particular in a context where instantaneity is developing.

- Suggested approach

The ERPB could consider whether to launch a workstream on this topic, aiming at identifying major fraud threats and gaps in fraud prevention, coordinated actions to increase awareness (e.g. through communication initiatives) in view of preventing fraud more effectively (including through sharing of best practices and information) with better detection and rapid response.

Such a possible work would need to build upon the relevant work conducted at the European and international level.

Obstacles to electronic payments

- Underlying rationale

Innovation and increased efficiencies/competition are clearly linked to electronic payments/digitisation. In this context, the ERPB could identify obstacles to electronic payments and ways to address these obstacles.

- Suggested approach

The ERPB could consider launching work addressing the obstacles to electronic payments taking into account the work already conducted at ERPB level and on the basis of the outcome of this analysis, assess whether follow-up actions in the remit of the ERPB would need to be considered.

Transparency on payment transactions reporting

- Underlying rationale

The reference information included in a payment transaction, and displayed in (online) account statements, is an important element in the use of any payment instrument. Lack of standardisation in the PSP-to-customer domain may currently lead to suboptimal implementation for customers making it

difficult to identify the transactions done in account statements. To fight fraud, the facilitation/simplification of reporting is an important issue.

- Suggested approach

The ERPB could consider launching work on this topic in order to standardise reporting statements.

Access to cash

- Underlying rationale

Consumers sometimes face difficulties in accessing to cash. Though consumers can access cash through bank branches if there is no ATM available, they can however do so only at a high price. As regard ATMs, there are also issues of availability: in some regions consumers have to travel many kilometres to find an ATM available.

- ERPB Secretariat assessment

This topic relates to the broader access issue and could possibly be considered as part of the work conducted by the informal group on broader accessibility, widening its current scope.

Suggested way forward:

Considering the already ongoing workstreams and follow-up to previous ERPB recommendations (including from the PIS report) requiring efforts from the ERPB stakeholder associations as well as the scarcity of resources, it is suggested to finalise the list and priorities of topics to be included in the update of the workplan in the next ERPB meeting. This discussion would be supported by further analysis regarding the issues at stake to facilitate prioritisation.