

**EURO RETAIL PAYMENTS BOARD**

Statement following the sixteenth meeting of the Euro Retail Payments Board  
held on 25 November 2021

**Digital euro investigation**

The European Central Bank (ECB) informed the Euro Retail Payments Board (ERPB) of the work conducted in the context of the digital euro investigation phase launched on 1 October 2021. A digital euro would be a central bank liability made available in digital form for use in retail payments. The investigation phase will aim to address key issues regarding the design and distribution of a digital euro. It will examine the use cases that a digital euro should serve as a matter of priority to meet its objectives, the possible features and functionalities of a digital euro, interactions with the European retail payments market, the business model for supervised intermediaries in the digital euro ecosystem and the technical solutions that could best handle these issues. It will also explore legal questions around the possible introduction of a digital euro.

The members were further presented with a proposed approach to engage the ERPB in the investigation phase, including (i) the provision of information on developments in the investigation phase via the regular ERPB meetings, unless those developments warrant further interaction; and (ii) the drafting of written procedures to gather the ERPB's feedback on specific outputs during the investigation phase.

The ERPB:

- took note of the update on the digital euro investigation phase;
- welcomed the envisaged approach to engage the ERPB in the investigation phase.

**Access to and acceptance of cash**

In November 2020 the ERPB decided to set up a working group to prepare a report on access to and acceptance of cash and the respective conditions thereof. In line with the group's mandate, the report focused on the gap analysis – based on a stocktaking exercise – on access to and acceptance of cash. Overall, the working group found that, despite the increase in the use of digital payment means, cash continues to be broadly accessible in the euro area, mainly via traditional cash access points. Additional (alternative) cash access points have also been identified, mainly in the form of independent ATM deployers (IADs), cashback and cash-in-shop schemes. The working group further identified specific issues related to access to and acceptance of cash, namely:

- For access to cash: the challenges reportedly faced by consumers accessing cash in certain regions; the need for a sustainable cost/profit model for ATMs, notably in the context of declining cash usage; regulatory fragmentation and unclear guidance on access and accessibility measures across EU countries while noting the contribution of the European Accessibility Act to harmonise accessibility

requirements<sup>1</sup>; the slow scaling-up of cashback and cash-in-shop as alternative ways of accessing cash; and limited alternative ways to prevent cash supply deficits.

- For acceptance of cash: the need to maintain a minimum level of cash infrastructure and cash services, the lack of clarity about the implications of legal tender status for cash payments, and the lack of clarity on how the costs of different means of payments (including cash) affect their use.

Based on this analysis, the working group suggested revisiting the evolution of cash access and acceptance in the future to ensure that cash remains an inclusive, efficient and sustainable means of payment for consumers alongside digital retail payment means. In doing so, attention could be paid to other ways to provide access to cash in the market beyond alternative cash access points (e.g. IADs, cashback and cash-in-shop) and what role they could best play in the future. The evolution of access to and acceptance of cash could be further monitored through either a new ERPB working group or a dedicated body (e.g. the European Forum for Innovation in Payments, given its membership of national payment committees, and/or the Euro Cash Advisory Group), in consultation with industry stakeholders. As part of this follow-up work, a study on post-pandemic consumer attitudes towards payments in the euro area and a study on the societal costs and benefits of different payment instruments in the euro area (provided a minimum number of participants is guaranteed) would be welcome.

The ERPB welcomed the comprehensive analysis conducted by the working group and agreed to consider the follow-up actions raised by the working group in the next update of the ERPB workplan, taking into account existing fora/workstreams.

### **Instant retail payments in euro**

At the invitation of the ERPB, 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 SCT Inst. According to this update, as of October 2021 59% of all SCT adherents in all Single Euro Payments Area (SEPA) countries were declared as registered SCT Inst participants, representing a plateau compared with the last update. On the other hand, the share of SCT Inst transactions in total euro credit transfer transactions continues to rise steadily, having passed 10% in the third quarter of 2021.

The EPC recalled a number of implementation issues, in particular (i) the lack of interoperability between clearing and settlement mechanisms (in this regard the EPC welcomed the pan-European reachability measures for instant payments announced by the Eurosystem in July 2020), and (ii) regulatory obstacles such as sanctions screening obligations – one of the main causes of the unsuccessful processing of cross-border SCT Inst transactions.

The EPC multi-stakeholder group on Mobile Initiated SEPA Credit Transfers (MSG MSCT) further reported on the work carried out on instant payments in the context of the ERPB priorities, namely:

- The standardisation and governance of QR codes for instant payments at the point of interaction (POI), following the ERPB invitation in June 2021: the MSG MSCT, involving relevant stakeholders and standardisation bodies, as per the ERPB invitation, developed a dedicated document that covers (i) a technical standard for QR codes for instant payments at the POI, and (ii) the registration and issuance

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<sup>1</sup> The European Accessibility Act shall be transposed by 28 June 2022 and applied by 28 June 2025 in all EU Member States.

of an identifier to instant payments service providers (used for routing purposes in the QR codes for interoperability of instant payments), which should become part of the governance of an interoperability framework for instant payments at the POI. The MSG MSCT put forward a number of recommendations on the next steps for the development of the QR code standard and governance framework. In the context of this follow-up work, more options for the consumer-presented data could potentially be added, depending on further guidance that has been sought from the European Banking Authority (EBA) on the inclusion of the customer ID issued by the account servicing payment service provider in clear text.

- Business requirements for the consumer selection of preferred payment instrument in reply to ERPB recommendation B of November 2020: The MSG MSCT provided input in the context of a joint task force with the European Cards Stakeholders Group (ECSG) for the development of business requirements for consumer selection of preferred payment instrument at the POI.
- The development of dedicated POI specifications, following up on ERPB recommendation G of November 2019 requesting that merchants “identify the requirements for the development of dedicated specifications to cover the integration and maintenance of multiple payment solutions in the merchant environment”. An ad hoc group including the co-chairs of the MSG MSCT, the Chair and Vice-Chair of the ECSG and the management of nexo standards, with the support of the EPC Secretariat, reviewed the possibility of taking a multi-stakeholder approach to implement this recommendation. The ad hoc group aims to report to the ERPB in November 2022 on the progress made on these various recommendations.

#### The ERPB:

- took note of the EPC update on the implementation of and adherence to the SCT Inst scheme;
- took note of the work conducted by the MSG MSCT, together with relevant stakeholders and standardisation bodies on the ERPB invitation, to develop a standard and governance framework for a QR code standard for instant payments, as well as the work on recommendations endorsed by the ERPB in November 2019 and November 2020;
- took note of the European Commission update concerning its initiative – to be delivered in the second quarter of 2022 – to accelerate the roll-out of instant payments, and its work on the accompanying impact assessment;
- encouraged supply side participants to implement instant payments, if they have not already done so, thereby ensuring pan-European reach as soon as possible, 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;
- endorsed the MSG MSCT recommendations for next steps in the development of the QR code standard (as annexed to this report), encouraged the MSG MSCT to continue analysing alternative options for consumer-presented QR codes in view of the further guidance provided by the EBA, and invited the MSG MSCT to report on its progress at the June 2022 ERPB meeting;
- invited the EPC to broaden the scope of work on a QR code standard (making sure to involve relevant stakeholders and standardisation bodies) to include other technologies, starting with near-field communication (NFC) and continuing with Bluetooth low energy (BLE), and to report back at the June 2022 ERPB meeting;
- supported assessing whether to conduct further work on the remaining elements of an interoperability framework during its June 2022 meeting, taking into account the progress of the work at MSG MSCT level, ongoing market developments and initiatives taken by the authorities.

## **Person-to-person mobile payments**

The SEPA Proxy Lookup (SPL) service was developed as a follow-up to the June 2015 ERPB recommendations on person-to-person (P2P) mobile payments. The SPL has been designed to allow the exchange of data necessary to initiate P2P mobile payments between proxy-based mobile payment solutions at a pan-European level, thereby enabling interoperability between participating P2P mobile payment solutions.

The EPC – as the SPL scheme manager – provided an update on the results of its monitoring of market requirements and promotion of adherence to the SPL scheme. While the scheme and service are available, they have no participants to date, although the scheme manager recently received a first concrete manifestation of interest. The uptake of the SPL has been held back by dependencies between the SPL and other market developments, including the take-up of instant payments and the launch of new solutions that may have an impact on demand for the SPL and on requirements for the scheme and service. The scheme manager is monitoring relevant market developments and promoting adherence.

The ERPB:

- took note of the update by the scheme manager;
- invited the scheme manager to update the ERPB when participants join the scheme;
- agreed to reassess the situation once the elements identified as holding back the SPL's take-up have evolved.

## **SEPA API Access Scheme**

In its June 2021 meeting, the ERPB considered the report from the working group on a SEPA application programming interface (API) Access Scheme and invited the EPC to take up the role of scheme manager in relation to payment accounts, in line with the requirements defined in the report. In line with the invitation received, the EPC established the SEPA Payment Account Access Multi-Stakeholder Group (SPAA MSG) to launch the preparatory phase in the development of the SPAA scheme.

The EPC announced that on the previous day its Board had accepted the ERPB invitation to assume the role of scheme manager for SEPA payment account access (SPAA). The EPC further provided a status update on the SPAA MSG's activities. So far the SPAA MSG has focused on refining the scheme's concrete scope, prioritising customer journeys and requirements and setting up a scheme development plan.

The ERPB welcomed the EPC's positive response to the ERPB invitation to take up the role of scheme manager and took note of the work conducted by the SPAA MSG.

The ERPB invited the EPC to finalise its work (through the SPAA MSG) on the preparatory phase in the development of the future SPAA scheme, launch the development phase in 2022 and report back on its progress at the June 2022 ERPB meeting.

## **Transparency for retail payments end users**

In June 2021, the ERPB endorsed the recommendations and the overall implementation timeline (June 2024) suggested by the ERPB Working Group on transparency for retail payments end users. The recommendations focus on the accuracy of data elements that should always correspond to the payment transaction details related to whom, when and where a payment was made.

Considering the anticipated impact of these recommendations on the payment industry, the ERPB supported the proposal for relevant payments chain participants to produce an impact assessment in parallel to beginning

implementation. In preparation for the November 2021 ERPB meeting, the ERPB Secretariat was invited to convene a meeting with all stakeholders in which the stakeholders would present their planning, their refined timeline and the status of implementation. The impact assessments revealed that in many cases stakeholders have already implemented the recommendations or have a dedicated plan for doing so. Three issues require further attention, namely:

- the use of the commercial trade name to allow consumers to easily identify to whom a payment was made: it might not be legally possible to use only the commercial trade name; no clarity has yet been reached over whether the legal name also has to be included for anti-money laundering and combating the financing of terrorism (AML/CFT) purposes and for local legal requirements;
- identifying the location of a purchase: for physical transactions it was pointed that various factors may prevent location data from displaying properly (e.g. conflicting/inaccurate data, unavailability, P2P transactions);
- the need to prioritise efforts on these recommendations, considering their potential impact on payment process chains, and to ensure that benefits to consumers are available as soon as possible.

The ERPB:

- Took note of the impact assessments conducted by payment chain stakeholders.
- Endorsed the suggested approach for the three issues revealed by the impact assessment, namely:
  - Use of commercial trade name: after the legal requirements on the need to present the legal name of a company beneficiary of a payment are clarified with the relevant authorities at both the EU and the national levels, payment chain participants addressed by the recommendations would collectively determine the options for including the commercial trade name as part of the payment information transferred throughout the payment chain. This study would be conducted by payment chain stakeholders by the end of the first quarter of 2022 and would constitute the basis for a refined impact assessment, to be submitted to the ERPB in June 2022, on the recommendations on the commercial trade name.
  - Identifying the location of a purchase: in implementing the recommendations, stakeholders would acknowledge cases in which identifying the location of a purchase might not be appropriate/feasible, and for which the lack of a location would not impact the spirit of the recommendation if the commercial trade name and date are provided.
  - Prioritisation of efforts: among the three broad categories covered by the recommendations, “to whom” and “when” a payment was made were deemed more critical than “where” it was made. However, such prioritisation should not call into question the timely implementation of all the recommendations.
- Invited payment chain stakeholders, in parallel to implementing the recommendations, to finalise the impact assessment and implementation timeline, with a view to reporting back on these items at the June 2022 ERPB meeting, at which the final target implementation date will be confirmed. The co-chairs of the former ERPB working group on transparency for retail payments end-users will lead the finalisation of the impact assessment with relevant stakeholders and support from the ERPB Secretariat. The Secretariat will prepare terms of reference for this work, to be finalised by the ERPB in written procedure.

## **Priorities for 2022**

In June 2021, the ERPB agreed on the main priorities for the update of its 2021-2023 workplan and agreed to consider further priorities going forward, based on the deliverables of the planned workstream and the

assessment of whether to conduct further work on the remaining elements of an interoperability framework for instant payments at the POI. On this basis, and considering resource constraints of stakeholder associations, the ERPB agreed on the following priorities for 2022:

- Finalising the work on the development of a QR code standard for instant payments and broadening its scope to include other technologies, starting with NFC, given its higher penetration in the market, and continuing with BLE. The ERPB invited the EPC to conduct this work in a multi-stakeholder group involving the relevant standardisation bodies and to report back to the June 2022 ERPB meeting.
- Providing feedback as required on specific outputs during the digital euro investigation phase.
- Finalising the impact assessment of the recommendations on transparency for retail payments end users while making progress on their implementation.
- Inviting the EPC to finalise its work (through the SPAA MSG) on the preparatory phase in the development of the future SPAA scheme and launch the development phase in 2022.

In June 2022, based on the deliverables above that may imply a potential follow-up as well as on market developments, the ERPB would assess whether to conduct further work on the remaining elements of an interoperability framework for instant payments at the POI, on communication with end users on instant payments, and on possible further priorities.

### **Items for information purposes**

The ERPB took note of:

- The update provided by the European Commission on the work carried out in the field of retail payments, including on instant payments, the Payment Services Directive (PSD2) review, IBAN discrimination, the work of the Euro Legal Tender Expert Group (ELTEG) on cash acceptance and availability, and progress on the Markets in Crypto-Assets (MiCA) regulation, the Digital Operational Resilience (DORA) regulation, the Digital Markets Act (DMA) and a European digital ID.
- The outcome of the written procedure on the status of past ERPB recommendations. The ERPB assessed the follow-up on these recommendations to have been appropriate overall. 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 following documents shared with the ERPB in written procedure: the SEPA Request-to-Pay (SRTP) scheme update provided by the EPC and the ECSG on cards standardisation.

**Annex 1 – Recommendations related to the next steps in the development of the QR code standard for instant payments**

#	Addressee	Rationale	Recommendation	Deadline
<b>A</b>	MSG MSCT	To develop a generic QR code standard for all MSCT payment contexts that is widely adopted by the market	Extend the current QR code standard specifications to a “generic QR code standard” for MSCTs that covers also all other MSCT payment contexts (P2P, B2C, B2B and invoices) and both SCT Inst and SCT.	Dec. 2021
			To launch a public consultation on this “generic QR code standard” for MSCTs.	Q1 2022
			To prepare and publish a final version of the “generic QR code standard” following this public consultation.	Q1 2022
<b>B</b>	EPC	To ensure that the generic QR code standard becomes a recognised international standard available for wide market adoption	To submit the final version of the “generic QR code standard” in an appropriate format through a fast-track procedure to an international standardisation body such as the International Organization for Standardization (ISO)/TC 68/SC 9 or the European Committee for Standardization (CEN).	Q2 2022

Annex 2

**LIST OF ATTENDEES OF THE SIXTEENTH MEETING OF THE EURO  
RETAIL PAYMENTS BOARD (ERPB) ON 25 NOVEMBER 2021**

**Chair: Mr Fabio Panetta, Member of the Executive Board**

Sector	Members
BEUC (European Consumers' Organisation)	
AGE Platform (the association of consumers 50+)	Ms Anne-Sophie Parent ( <i>alternate</i> ) AGE Platform
<i>Retailers</i> EuroCommerce	
<i>Internet retailers</i> Ecommerce Europe	Mr Marc Nieto CEO, MPServices
<i>Corporates</i> EACT & BusinessEurope	Mr Francois Masquelier Chair EACT & CEO & founder of Simply Treasury
<i>SMEs</i> SMEunited	
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
<i>Co-operative banks</i> (European Association of Co-operative Banks - EACB)	Mr Andreas Martin Member of the Board of Managing Directors of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken
<i>Savings banks</i> (European Savings & Retail Banking Group - ESBG)	
<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



	<b>Guest</b>
European Digital Payments Industry Alliance (EDPIA)	Mr Gilles Grapinet Chairman & CEO, Worldline
<b>National central banks (on rotating basis)</b>	<b>Active participants</b>
Bulgarian National Bank	Ms Nina Stoyanova Deputy Governor
Deutsche Bundesbank	
Banco de España	
Banque de France	Ms Nathalie Aufauvre Director General Financial Stability and Operations
De Nederlandsche Bank	Ms Inge van Dijk Director Payments & Market infrastructure
Banka Slovenije	Mr Jožef Bradeško Vice Governor
	<b>Observer</b>
European Commission	Mr John Berrigan DG Financial Stability, Financial Services and Capital Markets Union