



EUROPEAN CENTRAL BANK

EUROSYSTEM

ERPB Secretariat

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## **Assessment of follow-up on ERPB statements, positions and recommendations**

### **1. Introduction & summary**

The aim of this document is to provide an overview on the follow-up of ERPB statements, positions and recommendations for which work is ongoing<sup>1</sup>. The overview serves the purpose of keeping track at the ERPB level on whether ERPB statements, positions and recommendations are followed up with action by relevant stakeholders and, if not, to enable the ERPB to discuss possible remedies. A similar overview is provided for each meeting of the ERPB.

**Based on the assessment by the Secretariat further progress was made since the last review on some of the past recommendations made by the ERPB. While progress has been achieved on the follow-up to ERPB recommendations, specific attention should be devoted to the implementation of the recommendations on transparency for retail payments end-users. The Secretariat will continue to monitor developments related to these open items and new recommendations and will report back to the next meeting of the ERPB (in June 2023).**

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<sup>1</sup> The record of past recommendations deemed closed as at 15 November 2019 is available at: [https://www.ecb.europa.eu/paym/groups/erpb/shared/pdf/12th-ERPBM-meeting/Follow\\_up\\_on\\_past\\_recommendations.pdf?235684b4ccf985065f56691af48fcdeb](https://www.ecb.europa.eu/paym/groups/erpb/shared/pdf/12th-ERPBM-meeting/Follow_up_on_past_recommendations.pdf?235684b4ccf985065f56691af48fcdeb)

## 2. Methodology of the assessment

To ensure a better and more user-friendly overview of the status of the follow-up on past ERPB statements, recommendations and positions, a simple traffic light system with four grades is applied:

- **Red:** means that no significant efforts have been done or there are significant obstacles faced by the relevant stakeholders preventing progress on the given recommendation or issue. Hence, **more attention and efforts are needed in the future and the recommendation or issue requires further attention at the ERPB level.**
- **Yellow:** means that *either*
  - efforts have been made on the given recommendation or issue by the relevant stakeholders but further – previously not planned – efforts may be needed *or*
  - there is a risk that obstacles may arise with regard to further progress on the recommendation or issue

**The recommendation or issue could require further attention at the ERPB level in the future.**

- **Green:** means that all necessary efforts have been made by the relevant stakeholders on the given recommendation or issue and the issue at hand is on track to be fully resolved in the near future. **Barring unexpected developments there is no need for further attention to the matter at the ERPB level.**
- **Blue:** means that due to the necessary efforts made by the relevant stakeholders the given recommendation or issue has been fully followed up / relevant stakeholders are in full compliance with the given recommendation and **the issue is to be treated as closed.**

These traffic lights are complemented by textual remarks / assessment of the follow-up on the given issue or recommendation to provide more detailed information and to underpin the traffic light assessment.

### **3. Overall assessment of the follow-up and status of ERPB recommendations, stances and statements**

Overall, ERPB recommendations and statements made in the past meetings of the ERPB have been followed up by the relevant stakeholders.

Substantial progress has notably been achieved in the follow-up to the ERPB recommendations regarding the development of a QR-code standard for instant payments (ERPB/2021/RecA and B). The EPC Multi-Stakeholder Group on Mobile initiated Credit Transfer (MSG MSCT) 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<sup>2</sup>.

Yet, specific attention should be devoted to the recommendations on transparency for retail payments end-users endorsed by the ERPB in July 2021. Following the finalization of the impact assessment in July 2022, the implementation of the recommendations on transparency for retail payments end-users is now covered by the monitoring of the status of past ERPB recommendations. The feedback from relevant stakeholders highlights that in most cases some actions have been undertaken to implement the recommendations, but some obstacles may arise that would require further efforts. In such cases the secretariat has followed up with correspondents to suggest alternative approaches to some issues. One example is the suggestion that, in order to include information in payment files, the fields in which information can be entered will need to accommodate more characters, or else a new field would be needed. A number of respondents pointed out that without an industry-wide effort this could not be done. This is, of course correct, but at least all members should first assess whether any change would be needed. In addition, some respondents noted that they have communicated the needs stemming from the ERPB recommendations to their members and expect to receive feedback. Consequently, the assessment of implementation of recommendations were set to yellow.

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<sup>2</sup> It is recalled that in its July 2022 meeting, the ERPB supported that, if the envisaged 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 CEN through a fast-track procedure.

#### 4. Detailed assessment of follow-up on ERPB statements, positions and recommendations<sup>3</sup>

##### **ERPB recommendations on SEPA Credit Transfer (SCT) – SEPA Direct Debit (SDD) post migration issues made in December 2014**

**ERPB/2014/rec3:** It is recommended to follow up with EU Member States and take appropriate action to ensure the enforcement of EU law related to payment accessibility as stipulated in Article 9, Regulation EU (No) 260/2012.

**Addressed to:** European Commission and Member States

**Status:** The SEPA implementation report adopted by the Commission in November 2017 comprehensively reviews the application of the Regulation in the 28 Member States and insists on the need for a continued fight against IBAN discrimination.

An assessment by the ESCB in the second half of 2018 notes that IBAN discrimination is still an ongoing issue and the ERPB urges national competent authorities to increase their efforts to tackle IBAN-discrimination and resolve complaints by consumers in a timely manner. The lack of action by competent authorities in several other Member States is being addressed by the Commission through a procedure called “EU-Pilot” which allows for direct communication between the Commission and the Member State concerned and is the last step before an infringement case is launched (if needed). Infringement proceedings against one Member State are ongoing.

The assessment of the recommendation should thus remain yellow.

**Assessment of follow-up:** **Yellow**

**ERPB/2014/rec13:** It is recommended to look for more appropriate attributes in a long term perspective (e.g., Legal Entity Identifier (LEI) as a unique entity identifier) to identify a creditor.

**Addressed to:** EPC (supported by the ECB and standardisation authorities)

**Status:** In 2015 and 2017, the EPC analysed the feasibility of using the LEI to identify creditors and found that the necessary conditions were not met in particular due to a low proportion of enterprises having an LEI.

It is noted that a change request related to LEI was received by the EPC from the market for the 2022 change management cycle of the SEPA payment schemes but was not supported by the public consultation.

Finally, the first release of the Rulebook of the SEPA Request-to-Pay (SRTP) scheme (published by the EPC at the end of November 2020) has introduced the LEI as a possible identifier for SRTP service providers.

**Assessment of follow-up:** **No concrete follow-up actions needed at the ERPB level.**

##### **ERPB recommendations on pan-European electronic mandates made in December 2014**

**ERPB/2014/rec25:** It is recommended– after putting in place the implementation acts as foreseen in the Regulation (EU) No 910/2014 – to continue to monitor the cross-border usage of qualified electronic signatures and, if needed, take further steps to ensure cross-border usability for payment service providers (PSPs) and PSUs.

**Addressed to:** European Commission

**Status:** Regulation 910/2014 ensures interoperability, based on mutual recognition of solutions for public services which should enable also the private sector to use qualified e-signatures on a cross-border level. The European Commission Action Plan insists further on encouraging remote ID recognition (action 11: "The Commission will facilitate the cross-border use of electronic identification and know-your-customer

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<sup>3</sup> Based on feedback from the relevant (addressed) stakeholders.

portability based on eIDAS to enable banks to identify customers digitally – Q4 2017"). In early 2018, the Commission launched a dedicated expert group to explore these issues further and to analyse whether common EU guidelines are necessary. The group, comprising of regulators, supervisors, financial institutions, consumer groups and representatives from the existing groups composed of experts from Member States on e-identity and anti-money laundering concluded its work in December 2019.

Two [reports](#) were then published in February 2020:

1. An overview and assessment of existing remote identification and on-boarding solutions in the banking sector, and;
2. Assessing Portable Know Your Customer (KYC)/Customer Due Diligence (CDD) Solutions in the Banking Sector – the Case for an Attribute-Based and Levels of Assurance (LoA)-rated KYC framework for the Digital Age.

The Commission adopted a proposal for a framework for a European Digital Identity (legislative package of a Regulation and a Recommendation on a European digital identity, replacing the eIDAS Regulation) on 2 of June 2021, which introduces an obligation for EU Member States to issue so-called European Digital Identity Wallets (EDIW). Together with legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules of 20 July 2021, the proposal should considerably reinforce the framework under which digital identities can be developed within the EU and the deployment of solutions in the financial sector.

The European Digital Identity proposal is currently under the co-decision procedure, and both co-legislators are expected to reach their individual positions by the end of the year (2022), opening the door to Trilogue negotiations in 2023. In parallel, in the framework of the e-IDAS expert group, the Commission Services are working with Member States on a common Union Toolbox, which will develop the technical framework for the EDIWs. Following a public consultation earlier this year, a first version of the Toolbox was shared with the expert group in October 2022. Moreover, on 22 February 2022, the Commission published a call for support for the implementation of the European Digital Identity Framework, the so called Large Scale Pilot, to test the interoperability and scalability of use-cases within national and cross-border implementation contexts and to build the necessary expertise and infrastructure to facilitate provision of the EUDI Wallet. The decision on the funding of the large-scale pilots for the EUDIW is planned for communication to applicants in early November. In addition, the Commission is looking for a contractor to provide services in support of the infrastructure for the EDIW. The contract is expected to be awarded and signed in Q4-2022.

**Assessment of follow-up:** **Green**

## **ERPB recommendations and invitations on person-to-person (P2P) mobile payments made in June 2015**

**ERPB/2015/rec1:** Consensus and cooperation between the existing local solutions should be developed by organising a forum for existing EU P2P mobile payment solutions to work on pan-European interoperability. In particular, the forum should come together to develop a set of rules and standards (framework) related to joining and using pan-European mobile payment services. In addition, a governance structure (responsible for, inter alia, defining, publishing and maintaining the framework) needs to be set up.

**Addressed to:** EPC and existing providers of P2P mobile payment solutions

**Status:** The Mobile Proxy Forum (MPF) has published the rules for operating, joining and participating to the SEPA Proxy Lookup (SPL).

The MPF came to an agreement on the future governance of the SPL service, which should be set up as part of the EPC.

Following the signing of the transfer of copyright agreement in relation to the SPL rules and the SPL API specification by the EPC and MPF in July 2018, the MPF was disbanded and the EPC started with preparing the implementation of the SPL scheme. The EPC has assumed its role of SPL scheme manager by establishing a scheme participant group (made up of all registered, committed or "interested" eligible

scheme participants) reporting to the EPC Board, as a replacement for the MPF (this group had its inaugural meeting on 27 September 2018).

The first release of the SPL scheme Rulebook (including API specifications) was published by the EPC in December 2018. The second release of the Rulebook was published in March 2020 with an effective date of 1 June 2020. No decision has been made yet on whether/when to initiate a new change management cycle.

**Assessment of follow-up: No immediate follow-up required at the ERPB level. The recommendation has been followed-up by implementing the SPL scheme and service while it is so far not used.**

### **ERPB recommendations related to mobile and card-based contactless payments**

**ERPB/2015/rec8:** The ERPB recommends to:

- i. Speed up the creation of a single common POI kernel specification for contactless transactions and make the specifications publicly available as soon as possible. (December 2016)
- ii. Limit the number of terminal configuration options in the EMV specifications, in order to allow consistency among implementations and provide consumers with a streamlined payment experience across different terminals. (December 2016)
- iii. Include a parameter in the EMV specifications that would allow the identification of the form factor of the consumer device used for the initiation of the contactless transaction. (December 2016)

**Addressed to:** EMVCo

**Status:** The European Cards Stakeholder Group (ECSG) feasibility study submitted to the November 2017 ERPB meeting confirmed that the best possible long term solution is to use specifications under development by EMVCo ("EMV 2nd Gen").

EMVCo announced to its Board of Advisors on 9 October 2019 that EMV 2nd Gen is no longer the best approach for EMV chip and would not be progressed. Instead EMVCo commenced work on a viability analysis to deliver an EMV contactless kernel and the features of EMV 2nd Gen draft specifications that could be incorporated into the existing EMV Chip specifications and related timelines.

EMVCo has published on October 5, 2022, a new specification to support the evolution of contactless and mobile payments and simplify global acceptance for merchants, solution providers and payment systems. Version 1 of the EMV® Contactless Kernel Specification has been developed in collaboration with EMVCo Associates and approved for release by the EMVCo Board of Advisors.

The published specification supports the evolution of contactless and mobile payments, including advanced security technologies to protect against future threats. Key features include:

- Secure Channel for privacy, eavesdropping prevention, and protection of sensitive data against 'man-in-the-middle' and mitigation of relay attacks.
- Elliptic Curve Cryptography (ECC) for card authentication.
- Support for biometric and mobile card verification methods.
- Optimised for cloud operation.
- Optional on-card data storage with privacy and integrity protection.

**Assessment of follow-up: Green**

**ERPB/2015/rec9:** The ERPB recommends to:

- i. Define an aligned European mandate for the implementation of contactless-enabled POIs, including a specification of where they should be available. The ECB should act as facilitator for this. (June 2016)
- ii. Harmonise the level of transaction limits at POIs at country level for each use case/payment context. (Ongoing)
- iii. Request the use of open protocols in the POI domain and the POI-to-acquirer domain which are compliant with the SEPA Cards Standardisation Volume and labelled by the Cards Stakeholders Group. (June 2017)
- iv. Mandate a common implementation plan for the EMV Next Generation specifications with an appropriate migration period. (December 2017)

**Addressed to:** Card scheme sector

**Status:** (i) The majority of the newly implemented terminals have contactless capability and, in general, markets are working to the international schemes' mandates for the deployment of contactless terminals, as terminals accept international schemes in addition to the domestic schemes. In this context, international schemes have mandated POI contactless capability since 2020 and local schemes are aligned with them.

(ii) The level of transaction limits is harmonised in most countries and the tendency is to increase the contactless transaction amount limit. Due to COVID-19 the limit has increased to 50 euros across several Member States.

(iii) A common implementation plan has not been adopted yet. Next steps in the implementation of the EMV Next Gen specifications may be determined by the market once the specifications are published (reference to ERPB/2015/rec8).

(iv) As of 2019 EMVCo has decided to focus on improving EMV 1st Gen from a security view point and in parallel continue their work on EMV 2nd Gen.

**Assessment of follow-up:** **Green**

**ERPB/2015/rec13:** The ERPB recommends to:

i. Agree on and pursue the development of specifications for a "smart secure platform" (enabling the provision of value-added services relying on authentication of the user, regardless of the mobile device, communication channel or underlying technology), taking into account the requirements of mobile payments, and building on the work already done by EMVCo and GlobalPlatform. (December 2017)

ii. Develop implementation guidelines (December 2016) (building on work already done by GlobalPlatform) that define:

- a process that provides service providers with the credentials for access to secure elements;

- a process that allows a service provider to be authenticated, to securely obtain the credentials to access a mobile device's hardware vaults (i.e. the secure element), and to communicate with these vaults.

**Addressed to:** European Telecommunications Standards Institute (ETSI)

**Status:** (i) The specification TS 103 465 gives the requirements for the Smart Secure Platform (SSP). The first version was published in August 2019. It has been updated since then to introduce new SSP features, commands and interface requirements. The last published version dates from January 2022.

The technical realisations consist of a multipart specification TS 103 666. The first two parts are the SSP general characteristics (TS 103 666-1) and the Integrated SSP (103 666-2). They are available on ETSI website and their last published versions were in August 2022 both. Part three of the series (TS 103 666-3) deals with embedded SSP (eSSP) Type 1 and was published in July 2020. Part of these series (TS 103 666-4) describes the embedded SSP (eSSP) Type 2 and was published in April 2022. In addition, a interface specification for the SSP (TS 103 713) defining SPI interfaces was first published in November 2019; the last revision dates from May 2022. A new specification for the SSP over I3C® interface (TS 103 818) was published in April 2022 Regarding the testing environment of the newly born SSP. In February 2021 the first version of TS 103 813 "SSP Test Specification – SPI Interface" was published on the ETSI website; the latest version dates from February 2022 Multipart specifications on SSP testing were also expected for publication in 2021. The first part of the series - TS 103 999-1 "Smart Secure Platform (SSP); Part 1: Test Specification, general characteristics" was finalised and published on ETSI website in September 2021. The second part - TS 103 999-2 "SSP Test Specification - SSP, iSSP characteristics" was published in December 2021. ETSI Technical Committee on Secure Element Technologies is currently working on a technical and test specifications for SSP Test Tool Interface Specification (TS 103 834) and on a technical report of legacy test tool interfaces (TS 103 835); both foreseen to be published early 2023.

(ii) Implementation guidelines have been considered by the SET Technical Committee and concrete propositions have been identified as a promising future objective that will be further discussed by the Plenary meeting in the upcoming months.

**Assessment of follow-up:** **Green**

**ERPB/2015/rec14:** The ERPB recommends to require mobile devices to be certified in accordance with the future "Smart Secure Platform" being developed by ETSI (see ERPB/2015/rec 13). (December 2018)

**Addressed to:** Mobile payment service providers

**Status:** The implementation of this recommendation is dependent on the achievement of ERPB/2015/rec13.

**Assessment of follow-up:** **Green**

**ERPB/2015/rec16:** The ERPB recommends to provide access to the mobile device's contactless interface in order to ensure that the consumer can have a choice of payment applications from different mobile payment service providers, independently of the mobile device and the operating system used. (Ongoing)

**Addressed to:** Mobile device manufacturers, mobile operating system developers, GSMA/MNOs, and competition authorities

**Status:** On 16 June 2020 the European Commission (DG-Competition) opened antitrust investigations, inter alia, into practices regarding access to mobile device's contactless interface (NFC) by Apple. On 2 May 2022, the Commission sent a Statement of Objections informing Apple of its preliminary view that Apple abused its dominant position in mobile wallet markets on iOS devices and restricted competition by limiting access to the NFC technology. A Statement of Objections is a formal step in an antitrust investigation which does not prejudice the outcome. In addition, the Digital Markets Act, on which agreement between co-legislators has been reached and which was published in the Official Journal on 12 October 2022, will have a direct effect on access to NFC for mobile payments. It will require companies designated as gatekeepers to ensure effective interoperability with hardware and software features they use themselves in their ecosystems. The Apple Pay investigation will inform the future application of the Digital Markets Act with regard to the analysis of the security concerns and effective and proportionate access to NFC.

**Assessment of follow-up:** **Yellow**

### **ERPB recommended requirements on Payment initiation Services (adopted in June 2018)**

**ERPB/2018/sta1:** The ERPB confirmed the technical, operational and business requirements stemming from the November 2017 working group report. Technical requirements should however be considered in light of the developments that occurred since then and in particular in view of the Opinion provided by the EBA and the work of the API Evaluation Group. The ERPB also endorsed the set of additional business and operational requirements stemming from the June 2018 working group report.

**Status:** With regard to technical requirements, such as those for the Account Servicing PSP (ASPSP)-Third Party Provider (TPP)-interfaces and their functionality, the API Evaluation Group published the final outcome of its work on recommended functionalities on 10 December 2018<sup>4</sup>, including those issues where consensus between the API Evaluation Group members has not been possible.

For the operational requirements, relating to PSD2-certificates and operational directory services, the latest version of the ETSI technical standard covering the regulatory technical standards requirements on certificates has been published in March 2019. The EBA register of payment and electronic money institutions under PSD2 went live on 19 March 2019. Multiple providers are offering operational directory services in which an ASPSP can check -also in real-time during a payment initiation or account information request- whether the TPP is (still) authorised.

With respect to business requirements, i.e. those relating to event and dispute handling, at least one provider is offering such a mechanism.

*(Note: In order to reap the full benefits of PSD2 for the provision of innovative and competitive payment initiation and account initiation services, the ERPB agreed to define the key elements of a Scheme. The ERPB working group on a SEPA API access scheme agreed on a report defining those key elements, with the understanding that the scheme is the best approach to unlock the opportunities beyond PSD2, with a fair distribution of value and risk between the actors. The report was endorsed by the ERPB in its June 2021 meeting, and the EPC was invited to take up the role of a scheme manager. The EPC started this work in Q4 2021.)*

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<sup>4</sup><https://www.europeanpaymentscouncil.eu/sites/default/files/kb/file/2018-12/API%20EG%20045-18%20Recommended%20Functionalities%2010%20December%202018.pdf>



**Assessment of follow-up:** Green

**ERPB recommendations related to instant payments at the point-of-interaction (adopted in November 2019 and November 2020)**

**ERPB/2019/recA:** The ERPB recommends developing: (i) a dedicated interoperability framework with common rules and procedures, and (ii) a pan-European label and its usage for instant payment at POI solutions. These developments should take into account the work executed under ERPB/2019/recB, ERPB/2019/recC, and ERPB/2019/recD.

**Addressed to:** ERPB Working Group on instant at POI, Multi-Stakeholder Group on Mobile Initiated Credit Transfers (MSG MSCT)

**Status:** The ERPB Working Group on instant payments at POI has submitted a document on an Interoperability Framework for instant payments at the POI to the November 2020 ERPB meeting. Further work on the establishment of the framework with an appropriate governance would be needed subject to ERPB approval.

The MSG MSCT has developed a presentation proposing two different views concerning the development of a pan-European label for instant payments at POI solutions that was submitted to the November 2020 ERPB meeting. The ERPB took note of the MSG MSCT's analysis and invited the EPC to present the outcome of any further work in light of market development to the June 2021 ERPB meeting. The ERPB took note of the subsequent position taken by the EPC during their June 2021 ERPB meeting.

The work on a dedicated interoperability framework and a pan-European label will be further followed-up under recommendation ERPB/2020/recC.

**Assessment of follow-up:** Green

**ERPB/2019/recB:** The ERPB recommends developing security requirements for PSU onboarding processes to be adopted by instant payments service providers and merchants. A framework for this should also be developed (see ERPB/2019/recA).

**Addressed to:** ERPB WG on instant at POI, MSG MSCT

**Status:** A joint task force between the ERPB Working Group on instant payments at POI and the MSG MSCT has developed a document on security requirements for PSU onboarding processes to be adopted by instant payments service providers and merchants that has been integrated as chapter 10 in the ERPB Working Group document on an Interoperability framework for instant payments at the POI. The document is also integrated as a separate chapter into the MSCT Interoperability Guidance (MSCT IG – EPC269-19)

**Assessment of follow-up:** Blue

**ERPB/2019/recC:** The ERPB recommends developing functional and security specifications for interconnectivity of instant payments at POI solutions, including the specification of the minimal data set to be exchanged between consumer and merchant while covering different proximity technologies. This work should serve as input to the work under ERPB/2019/recA.

**ERPB/2020/recA:** The ERPB recommends

- Analysing the interoperability of additional flows and “R”- messages between the respective instant payments service providers in the case of unsuccessful /failed transactions.
- Further analysing technical interoperability for models involving a PISP or CPSP.
- Analysing the impact of replies to EBA Q&A questions<sup>1</sup> posted by the MSG MSCT on technical interoperability of instant payments at the POI and related security aspects;
- Developing use cases for instant payments at the POI where the consumer device has no internet connection at the time of transaction (offline use cases) and analyse their impact on interoperability.

These deliverables should serve as inputs for any further work on an Interoperability framework for instant payments at the POI.

**Addressed to:** MSG MSCT

### **Status on the two above recommendations:**

The functional and security specifications for interconnectivity as well as the minimum data sets to be exchanged between the consumer and the merchant and their respective instant payments service providers have been specified in the 2<sup>nd</sup> edition of the MSCT Implementation Guidance (EPC269-10v2.0), published in February 2022, following a 3-month public consultation on the EPC website. This MSCT Implementation Guidance also contains a few so-called offline use cases that are currently being further analysed in view of the recent EBA answers received on Q&A 2020\_5247 and 2020\_5367. The MSG MSCT is also currently reviewing EBA's very recent answer on Q&A 2021\_6298 which will impact the MSCT IG and might impact the Standardisation of QR-codes for MSCTs (EPC024-22).

**Assessment of follow-up:** **Green**

**ERP/2019/recD:** The ERPB recommends (i) conducting a technical and security analysis on possible proximity conflicts at the POI addressing multiple payment instruments (card payment, instant credit transfers, etc.); (ii) developing appropriate specifications to enable consumer selection of preferred payment instrument to conduct a transaction at the POI. This work should serve as input to the work under ERP/2019/recA.

**Addressed to:** ERPB WG on instant at POI, MSG MSCT

**Status:** A joint Task Force between the ERPB Working Group on instant payments at POI and the ECSG has developed a dedicated document that specifies principles and provides an overview on use cases for consumer selection of preferred payment instrument to conduct a transaction at the POI, which was submitted to the ERPB in November 2020 and published as ERP/2020/27.

**Assessment of follow-up:** **Blue**

**ERP/2020/recB:** The ERPB recommends developing standards, business and technical requirements as appropriate, leading to interoperable specifications that ensure consumer selection of preferred payment instrument (card payment or SCT Inst) to conduct a payment transaction at the POI (physical or virtual POI) based on the ERPB document on specifications to enable consumer selection of preferred payment instrument (ERP/2020/027).

**Addressed to:** MSG MSCT

**Status:** A joint Task Force between the MSG MSCT and the ECSG was established in March 2021 that developed a document on *Business requirements for the consumer selection of preferred payment instrument at the POI* where both physical and virtual POIs have been covered. This document has been submitted to the ERPB meeting of 25 November 2021 and published on the EPC and ERPB websites.

**Assessment of follow-up:** **Green**

**ERP/2019/recE:** The ERPB recommends: (i) analysing the appropriateness of defining new services for SCT Inst, including pre-authorisation, recurring payments, refund, etc.; (ii) updating the SCT Inst rulebook to cover for these services as needed.

**Addressed to:** EPC

**Status:** In December 2019, the EPC received three change requests (CRs) from EuroCommerce. These change requests have been submitted to a public consultation as part of the SEPA payment schemes' 2020 change management cycle.

The outcome of the public consultation can be summarised as follows:

- the vast majority of scheme participants supported the EPC recommendation that these CRs cannot be part of the scheme and that the future SEPA Request-to-Pay (SRTP) scheme of the EPC can support these use cases;
- however, some other contributors favoured these CRs; they consider that such features should be part of the SCT Inst scheme rulebook and not just be limited to the SRTP scheme; they pointed out that otherwise service providers wishing to support such use cases would have to adhere to the SRTP scheme which would drive up costs and operational complexity.

Based on the outcome of the public consultation and the input provided by the relevant internal EPC working group and the two SEPA Payment Scheme Stakeholder Fora, the EPC Scheme Management Board meeting decided not to include these three CRs in the 2021 SCT Inst scheme rulebook.

In parallel, the EPC and EuroCommerce had two bilateral discussions dedicated to their three CRs.

The outcome of those discussions was that the use cases under the “Initial payment with unknown final amount” and “instalment payment” items might best be covered by the second version of the SRTP scheme planned to be published in November 2021, as suggested by the EPC.

As for the “refund” item, the EPC provided EuroCommerce with more information on the possibility already existing in the SCT Inst scheme to label an SCT Inst instruction as a ‘Repayment’ and agreed to investigate whether the pain.001 message supports the inclusion of the original SCT Inst instruction reference (as a consequence, also the inter-PSP pacs.008 message) as requested by EuroCommerce. The EPC’s investigation led to the conclusion that currently only the Remittance Information field in the pain.001 message would be suitable for the transport of such “Original Debtor/Originator Reference”.

Following this analysis, the EPC itself did not develop a concrete rulebook change request for the 2022 SEPA payment scheme rulebook change management cycle. Instead, the EPC took up clarifications about the use of the remittance information for such refunds in the next version of the clarification paper on SCT and SCT Inst rulebooks (EPC 131-17) which was published on 6 July 2021.

**Assessment of follow-up: Green**

**ERP/2019/recF**: The ERPB recommends analysing the possibility of introducing a “Confirmation of payee” service in the context of the SEPA credit transfer schemes.

**Addressed to:** EPC

**Status:** The EPC did a preliminary assessment of this matter and concluded that further analysing a possible inclusion of a “Confirmation of payee” (CoP) functionality into the SEPA payment schemes through the regular SEPA payment scheme rulebook change management process would require comprehensive statistical evidence demonstrating the need and business case for such a functionality.

At this point in time, the EPC still lacks such comprehensive statistical evidence. There remains a dependency on the EBA/ECB payment fraud statistical reporting framework’s implementation for obtaining authorised push payment fraud data. Such quantitative data would be a key element to support a potential scheme change request to introduce a CoP functionality into the SEPA payment schemes through the 2024 SEPA payment scheme rulebook change management process.

The EPC started re-assessing this matter in the second half of June 2022 notably based on a stock-taking exercise of CoP solutions currently used or under development in some national communities.

Furthermore, the EPC will duly consider the potential implications of the provisions in the Proposal for a Regulation regarding instant payments published by the European Commission on 26 October 2022 concerning Payee IBAN/name matching.

**Assessment of follow-up: Yellow**

**ERP/2019/recG**: The ERPB recommends identifying the requirements for the development of dedicated specifications to cover the integration and maintenance of multiple payment solutions in the merchant environment.

**Addressed to:** EuroCommerce

**Status:** EuroCommerce has identified a set of requirements for the development of dedicated POI specifications in its update for the July 2020 ERPB meeting. A small team consisting of the Co-Chairs of the ERPB Working Group, the Chair and Vice-Chair of the ECSG and the Co-Chairs of the MSG MSCT with the support of the ERPB Working Group Secretariat has further developed a list of recommendations on how the different topics could be addressed, which it has submitted to the November 2020 ERPB meeting.

**Assessment of follow-up: Blue**

**ERP/2019/recH**: The ERPB recommends investigating the authentication models for strong customer authentication at physical POIs supported by the consumer's ASPSP when a PISP is involved and the related impact on the consumer's experience, compliant with legal requirements.

**Addressed to:** EC, EBA and other relevant stakeholders

**Status:** The European Banking Authority, in cooperation with the European Commission, developed an Opinion on obstacles under Article 32(3) of the regulatory technical standards on strong customer authentication and secure communication (published on 4 June 2020) which addresses a number of issues raised by market players, including mandatory redirection at the point-of-sale and the authentication procedures that ASPSPs' interfaces are required to support. In the Opinion, the EBA clarifies that "the method(s) of carrying out the authentication of the PSU (i.e. redirection, decoupled, embedded or a combination thereof) that ASPSPs should support will depend on the authentication procedures made available by the ASPSP to its PSUs and should support all these authentication procedures". The Opinion also states that "If the interfaces provided by ASPSPs do not support all the authentication procedures made available by the ASPSP to its PSUs, this would be a breach of Article 30(2) RTS and an obstacle under Article 32(3) RTS".

The EBA opinion addresses the aspect of compliance with legal requirements entailed in this recommendation. A follow-up opinion on supervisory actions to ensure the removal of obstacles to account access under PSD2 was published in February 2021, which prescribed NCAs to take action by April 30, 2021 and, in the event of encountered obstacles to set a deadline to respective ASPSPs to remove the obstacle(s). Some examples of supervisory actions are given and any obstacle identified should be removed within the shortest possible time and without undue delay. In the event that non-compliant ASPSPs do not remove any identified obstacles by the deadline set by the NCA, more effective supervisory measures should be taken.

Moreover, the European Commission provided further clarity in the context of strong customer authentication requirements at the point of sale via responses to several questions received in the EBA's Q&A tool. Amongst others, the European Commission provided clarifications as regards the dynamic linking requirement (Q&A 2020\_5247), the consumer's explicit consent to the PISP for processing of personal data (Q&A 2020\_5570), and the information to be provided by the PISP to the payer prior to the initiation of the transaction (Q&A 2020\_5573).

**Assessment of follow-up:** **Yellow**

**ERP/2019/recI**: The ERPB recommends investigating the provisioning of access to all mobile device features (e.g. the contactless interface) in order to ensure that the consumer can choose between payment applications from different mobile payment providers, independently of the mobile device and the operating system used.

**Addressed to:** Competition authorities, mobile device manufacturers, mobile operating systems developers and GSMA/MNOs.

**Status:** On 16 June 2020 the European Commission (DG-Competition) opened antitrust investigations, inter alia, into practices regarding access to mobile device's contactless interface (NFC) by Apple. On 2 May 2022, the Commission sent a Statement of Objections informing Apple of its preliminary view that Apple abused its dominant position in mobile wallet markets on iOS devices and restricted competition by limiting access to the NFC technology. A Statement of Objections is a formal step in an antitrust investigation which does not prejudge the outcome. In addition, the Digital Markets Act, which was published in the Official Journal on 12 October 2022, will have a direct effect on access to NFC for mobile payments. It will require companies designated as gatekeepers to ensure effective interoperability with hardware and software features they use themselves in their ecosystems. The Apple Pay investigation will inform the future application of the Digital Markets Act with regard to the analysis of the security concerns and effective and proportionate access to NFC.

**Assessment of follow-up:** **Yellow**

**ERP/2019/recJ**: The ERPB recommends coordinating in cooperation with the instant payments at POI service providers an institutional communication campaign of the ERPB members to increase the familiarity

with instant payments at POI solutions (in-store and e- and m-commerce). The communication campaign should result in the creation and distribution of informative material on instant payments at POI payment solutions to all ERPB members and affiliates. Moreover, ERPB members and the ECB are requested to make the informative material produced available on their websites.

**Addressed to:** EPC, consumer and retailers associations, public sector

**Status:** The ERPB (July 2022) launched a work stream on communication with end users on instant payments with a view to reporting to the November 2022 ERPB meeting on a high-level communication strategy that will potentially be deployed in the EU, including what key messages to convey, considering ongoing developments, the stakeholders involved, the means of communication and the roll-out timeline.

**Assessment of follow-up: NA\***

*\*the deadline for this recommendation was mid-2021*

**ERPB/2020/recC:** The ERPB recommends evaluating the outcome of the following:

- the clarifications to be provided by the EBA Q&A tool on the various questions related to the framework for interoperability of instant payments at the POI (ERPB/2020/026) and its Annex 1 that have been coordinated with and entered by the MSG MSCT;
- the additional services for instant SCTs included in Recommendation ERPB/2019/recE in the ERPB Statement of November 2019;
- the development of a recognition label as recommended in Recommendation ERPB/2019/recA in the ERPB Statement of November 2019;
- the deliverables developed as per Recommendation ERPB/2020/recA
- the market situation in the light of other on-going initiatives with respect to the establishment of an interoperability framework for instant payments at the POI. At the same time the current document would be updated as appropriate.

The ERPB (July 2022) supported assessing whether to conduct further work on the remaining elements of an interoperability framework during its November 2022 meeting, taking into account the progress of the work at MSG MSCT level, alongside ongoing market developments and initiatives taken by European public authorities.

**Addressed to:** Group with multi-stakeholder participation

**Status:** NA\*

**Assessment of follow-up: NA\***

*\*the timing for this recommendation was June 2021 to November 2021*

**ERPB recommendations related to the next steps in the development of the QR code standard for instant payments (adopted in November 2021)**

**ERPB/2021/recA:** The ERPB recommends: (i) to 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, (ii) to launch a public consultation on this “generic QR code standard” for MSCTs and (iii) to prepare and publish a final version of the “generic QR code standard” following this public consultation.

**Status:** The MSG MSCT finished the development of a final draft document on the Standardisation of QR-codes for MSCTs (EPC024-22) in February 2022. Subsequently an 8-week public consultation was launched on the document. The MSG MSCT has processed all comments received through this public consultation and prepared a final version of the document. This final version was published on the EPC website on 17 June 2022.

**Assessment of follow-up:** **Blue**

**ERPB/2021/recB:** The ERPB recommends 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).

**Status:** The MSG MSCT prepared a document in ISO format on Specifications of QR-codes for (instant) credit transfers<sup>5</sup> (EPC193-22) based on EPC024-22 (see ERPB/2021/recA above), which the EPC submitted to ISO TC 68 SC 9 through a fast track procedure on 29 September 2022. If the fast track procedure is accepted, the publication is forecast for end May 2023. If this procedure would fail, the document would be submitted to CEN through a fast-track procedure.

**Assessment of follow-up:** **Green**

**ERPB recommendations on transparency for retail payments end-users (adopted in June 2021, impact assessment finalised in July 2022)**

**ERPB recommendations on transparency for retail payments end-users made in June 2021**

Following adoption of the recommendations on transparency for retail payments end-users an impact assessment was conducted. Therefore, the recommendations listed below are based on those listed in the impact assessment.

**ERPB/2021/rec1:** It is recommended that each payee consistently uses its commercial trade name and that this name is provided to all involved parties in the payment chain for use in client's payment account statements.

**Addressed to:** Payees, payees' PSPs, payers' PSPs, processors and payment schemes

**Status:** E-commerce Europe has shared detailed explanations with all its national associations in the EU and has encouraged them to share this information with their members. So far, no feedback has been received from payees. Nevertheless, the recommendations will continue to be shared with members, who will be and encouraged the disseminate among their members periodically via email, and at the occasion of regular meetings (4 times a year). E-commerce Europe will make sure to report back on any issue encountered, and if possible, on specific aspects of the recommendations (e.g. marketplaces). EuroCommerce reported that there is sufficient awareness among merchants and that actions have already been taken. However, to support further progress, EuroCommerce Payment System Committee decided to launch additional campaigns towards members to meet the recommendations in a timely manner within their capabilities. They also asked them to take further action on a national level and inform the members as there are also national differences in some details. As EuroCommerce does not cover the entire retail community, they also asked the other stakeholders (acquirers, PSPs and banks) in the payments value chain to launch further campaigns and take the necessary actions. The ECSAs noted that in one country, the national card scheme conducted two workshops with payees in which attention was raised regarding this topic and that further information will be provided. They also informed that payers' PSPs in one country included the commercial trade name and other information in the account statement if provided by the payee. They noted that the EPC schemes rules gave guidance about the inclusion of the commercial trade name, but similar guidance has not yet been received from card schemes. Therefore, in their view, they are not required to take any action. The processors are working to educate the merchants about the importance using the commercial trade name by default. Of the schemes, the EPC has explained to members how they can use existing datasets and attributes to improve transparency and updated the SEPA implementation guidelines. The ECSG will set up a working group to assess possible impacts in the SEPA Cards Standardisation Volume ('ECSG's Volume') of this and other recommendations. The PISPs report that no action is required by them as no changes are required, however this could potentially change due to actions of other participants in the market.

**Assessment of follow-up:** **Yellow**

**ERPB/2021/rec2:** It is recommended that each payee consistently uses its commercial trade name and that this name is provided to all involved parties in the payment chain for use in client's payment account statements.

**Addressed to:** Payees' PSPs, payees (and processors, although included in the category payees PSPs)

**Status:** E-commerce Europe has shared detailed explanations with all its national associations in the EU and has encouraged them to share this information with their members. So far no feedback has been received from payees. Nevertheless, the recommendations will continue to be shared with members, who will be and encouraged the disseminate among their members periodically via email, and at the occasion

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<sup>5</sup> Not necessarily SCT or SCT inst.

of regular meetings (4 times a year). E-commerce Europe will make sure to report back on any issue encountered, and if possible, on specific aspects of the recommendations (e.g. marketplaces). EuroCommerce reported that there is sufficient awareness among merchants and that actions have already been taken. However, to support further progress, EuroCommerce Payment System Committee decided to launch additional campaigns towards members to meet the recommendations in a timely manner within their capabilities. They also asked them to take further action on a national level and inform the members as there are also national differences in some details. As EuroCommerce does not cover the entire retail community, they also asked the other stakeholders (acquirers, PSPs and banks) in the payments value chain to launch further campaigns and take the necessary actions. The ECSAs advised that according to German law the legal name has always to be provided to the payee. If the legal name and the commercial trade name are different from each other, it is possible to provide the commercial trade name in most cases as well. There are some cases where this is not possible at the moment (collecting PSP) but there are ongoing market discussions to find a solution (in order to meet the given deadline by the middle of 2024). Processors, suggest limitations to their role, but can support large merchants during onboarding to use a consistent commercial trade name at all stages of set-up. The PISPs report that PISPs provide Merchants with the tools required to introduce and update their commercial names as they appear in the payment transaction, i.e. PISPs get the Merchant name from the configuration tool to "write" it in the initiation request.

**Assessment of follow-up: Yellow**

**ERP/2021/rec3:** It is recommended that each payee consistently uses its commercial trade name and that this name is provided to all involved parties in the payment chain for use in client's payment account statements.

**Addressed to:** Processors

**Status:** Processors are examining whether there is any possibility for information they process to be lost in the processing, no evidence has so far been found.

**Assessment of follow-up: Yellow**

**ERP/2021/rec4:** Include commercial trade name of both ultimate payee and of intermediary platforms when necessary. Special keywords such as "booked via", "your order from", "payment processed for" may be used.

**Addressed to:** Payees' intermediary platforms

**Status:** E-commerce Europe has shared detailed explanations with all its national associations in the EU and has encouraged them to share this information with their members. So far no feedback has been received from payees. Nevertheless, the recommendations will continue to be shared with members, who will be and encouraged the disseminate among their members periodically via email, and at the occasion of regular meetings (4 times a year). E-commerce Europe will make sure to report back on any issue encountered, and if possible, on specific aspects of the recommendations (e.g. marketplaces).

**Assessment of follow-up: Yellow**

**ERP/2021/rec5:** Use standards and applications suitable for including identified data sets "end-to-end". Upgrade or change these standards when necessary.

**Addressed to:** Payees, payees' PSPs, payers' PSPs, processors and payment schemes

**Status:** E-commerce Europe has shared detailed explanations with all its national associations in the EU and has encouraged them to share this information with their members. So far no feedback has been received from payees. Nevertheless, the recommendations will continue to be shared with members, who will be and encouraged the disseminate among their members periodically via email, and at the occasion of regular meetings (4 times a year). E-commerce Europe will make sure to report back on any issue encountered, and if possible, on specific aspects of the recommendations (e.g. marketplaces). EuroCommerce reported that there is sufficient awareness among merchants and that actions have already been taken. However, to support further progress, EuroCommerce Payment System Committee decided to launch additional campaigns towards members to meet the recommendations in a timely manner within their capabilities. They also asked them to take further action on a national level and inform the members

as there are also national differences in some details. As EuroCommerce does not cover the entire retail community, they also asked the other stakeholders (acquirers, PSPs and banks) in the payments value chain to launch further campaigns and take the necessary actions. The ECSAs note that, at least in Germany, it is possible, using existing applications, to achieve this objective with the exception of collecting PSPs. Work will be done to meet this objective by the June 2024 deadline. However, they also note in relation to recommendation 8 that in the one card scheme the authorisation date and transaction date are the same. Processors note that, any action to update the standards would only be possible through a collaboration with the whole ecosystem (cards schemes, PSPs, payments schemes). However, they are deploying the necessary changes following the EPC guidelines issued on 25 May 2022 and awaiting possible updates to ECSG's Volume, which might follow an assessment of the impact of the transparency recommendations on the Volume in case this requires further work. The PISPs report that this recommendation is not applicable to them.

**Assessment of follow-up: Yellow**

**ERP/2021/rec6:** Indicate exact geographical location where a physical purchase was made.

**Addressed to:** Payees

**Status:** E-commerce Europe has shared detailed explanations with all its national associations in the EU and has encouraged them to share this information with their members. So far no feedback has been received from payees. Nevertheless, the recommendations will continue to be shared with members, who will be and encouraged the disseminate among their members periodically via email, and at the occasion of regular meetings (4 times a year). E-commerce Europe will make sure to report back on any issue encountered, and if possible, on specific aspects of the recommendations (e.g. marketplaces). EuroCommerce reported that there is sufficient awareness among merchants and that actions have already been taken. However, to support further progress, EuroCommerce Payment System Committee decided to launch additional campaigns towards members to meet the recommendations in a timely manner within their capabilities. They also asked them to take further action on a national level and inform the members as there are also national differences in some details. As EuroCommerce does not cover the entire retail community, they also asked the other stakeholders (acquirers, PSPs and banks) in the payments value chain to launch further campaigns and take the necessary actions.

**Assessment of follow-up: Yellow**

**ERP/2021/rec7:** Indicate commercial trade name as displayed on the website or the commercial trade name of the online merchant for online purchases. The merchant's country should also be indicated whenever is possible.

**Addressed to:** Payees

**Status:** E-commerce Europe has shared detailed explanations with all its national associations in the EU and has encouraged them to share this information with their members. So far no feedback has been received from payees. Nevertheless, the recommendations will continue to be shared with members, who will be and encouraged the disseminate among their members periodically via email, and at the occasion of regular meetings (4 times a year). E-commerce Europe will make sure to report back on any issue encountered, and if possible, on specific aspects of the recommendations (e.g. marketplaces). EuroCommerce reported that there is sufficient awareness among merchants and that actions have already been taken. However, to support further progress, EuroCommerce Payment System Committee decided to launch additional campaigns towards members to meet the recommendations in a timely manner within their capabilities. They also asked them to take further action on a national level and inform the members as there are also national differences in some details. As EuroCommerce does not cover the entire retail community, they also asked the other stakeholders (acquirers, PSPs and banks) in the payments value chain to launch further campaigns and take the necessary actions.

**Assessment of follow-up: Yellow**

**ERP/2021/rec8:** Indicate relevant transaction date.

**Addressed to:** Payees, payees' PSPs and processors



**Status:** E-commerce Europe has shared detailed explanations with all its national associations in the EU and has encouraged them to share this information with their members. So far no feedback has been received from payees. Nevertheless, the recommendations will continue to be shared with members, who will be and encouraged the disseminate among their members periodically via email, and at the occasion of regular meetings (4 times a year). E-commerce Europe will make sure to report back on any issue encountered, and if possible, on specific aspects of the recommendations (e.g. marketplaces). EuroCommerce reported that there is sufficient awareness among merchants and that actions have already been taken. However, to support further progress, EuroCommerce Payment System Committee decided to launch additional campaigns towards members to meet the recommendations in a timely manner within their capabilities. They also asked them to take further action on a national level and inform the members as there are also national differences in some details. As EuroCommerce does not cover the entire retail community, they also asked the other stakeholders (acquirers, PSPs and banks) in the payments value chain to launch further campaigns and take the necessary actions. According to the ECSAs, in one card scheme, it is not possible to include both the authorisation date and the transaction date in cases where they are not the same. According to German law the legal name has always to be provided to the payee. If the legal name and the commercial trade name are different from each other, it is possible to provide the commercial trade name in most cases as well. There are some cases where this is not possible at the moment (collecting PSP) but there are ongoing market discussions to find a solution (in order to meet the given deadline by the middle of 2024). Processors note that, any action to update the standards would only be possible through a collaboration with the whole ecosystem (cards schemes, PSPs, payments schemes). However, they are deploying the necessary changes following the EPC guidelines issued on 25 May 2022 and awaiting possible updates to ECSG's Volume, which might follow an assessment of the impact of the transparency recommendations on the Volume, in case this requires further work. PISPs report that they cannot intervene in the transaction date and the authorization date as they are only initiating the payment as if they were the customer. i.e. they rely on the ASPSP for both the transaction date and the authorization date. In some instances, they can also write a requested execution date in the case of future dated payments or recurring payments. But the actual execution date will be written by the ASPSP.

**Assessment of follow-up:** **Yellow**

**ERP/2021/rec9:** Indicate exact geographical location where a physical purchase was made.

**Addressed to:** Payers' PSPs

**Status:** The ECSAs informed that payers' PSPs included information in the account statement if provided by the payee. The EMA will survey members in the future to assess progress but believes that all aspects with the exception of the location information are already correctly recorded.

**Assessment of follow-up:** **Yellow**

**ERP/2021/rec10:** Proactively ensure that their scheme rules encourage all the relevant recommendations to the largest extent possible.

**Addressed to:** Payment schemes

**Status:** The EPC has explained to members how they can use existing datasets and attributes to improve transparency and updated the SEPA implementation guidelines. The ECSG will set up a working group to assess possible impacts for the ECSG Volume of this and other recommendation.

**Assessment of follow-up:** **Yellow**