

Update of the ERPB workplan

The Euro Retail Payments Board (ERPB) adopted its current workplan in November 2018. In preparation for the discussion on the update of its workplan, in November 2020, the ERPB had a first exchange of views on possible topics for the coming two years based on feedback provided by members ahead of the meeting. The ERPB agreed to finalise its workplan on this basis, at its June 2021 meeting.

This note puts forward a proposal for updating the ERPB workplan based on 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 of that have not yet been covered that would need to be taken into account in the update of the workplan. This note then presents the possible new items to be added to the ERPB workplan for the coming two years before outlining a suggested way forward.

1. Actions stemming from the 2018-2020 workplan

While substantial progress has been achieved by the ERPB on its workplan, a number of actions are stemming from the 2018-2020 workplan: (i) some work items are still in progress, (ii) some, though completed, require follow-up, (iii) some issues have been identified by the ERPB for further work and finally (iv) some items are ongoing.

Item still in progress

In November 2020, the ERPB agreed to establish a working group on **access to and acceptance of cash**, mandated to conduct a stock-take of ongoing initiatives by relevant stakeholders and to identify gaps not

yet addressed which deserve further investigations. On this basis the ERPB would consider possible next steps.

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

The ERPB working group on transparency for retail payments end-users was mandated to make appropriate recommendations for easy identification, from a consumer's payment account statement or corresponding application, of **to whom, where** and **when** the consumer made a payment. The working group completed its analysis and delivered its report to the June ERPB. This report contains several recommendations addressed to a wide set of stakeholders of the retail payments market that will require effort for implementation.

The working group on an **interoperability framework for instant payments at the point-of-interaction (POI)** delivered on its mandate in November 2020. Some of the recommendations required follow-up. The EPC multi-stakeholder group on mobile initiated credit transfers (MSG MSCT) was invited to address technical gaps identified during the development of the interoperability framework. The progress of this work is presented to the June ERPB meeting. In addition, the ERPB should assess whether to conduct further work on a dedicated framework to manage the interoperability rules and appropriate governance for instant payments at the POI solutions. Considering the progress of the work at the MSG MSCT level, ongoing market developments and that the feedback to the EBA Q&A tool is still to be received, the ERPB would be in a best position to assess whether to conduct further work on the remaining elements of an interoperability framework in its November 2021 meeting. In the meantime, further work on the development of a QR-code standard beyond what was already included in the report of the ERPB working group of November 2020 could be conducted, also supporting ongoing market developments. In this regard, it could be useful to conduct work involving relevant stakeholders and standardisation bodies on the requirements for such a standard, as well as what its governance and the process for future updates to the standard. This work could thereafter be broadened to other technologies such as NFC or BLE.

Issues identified by the ERPB for further work

The deployment of pan-European instant payments is a key strategic objective of the ERPB that has been addressing a number of factors to support this objective. In addition, in its November 2020 meeting, the ERPB acknowledged the importance of raising awareness of instant payments among end-users and agreed to discuss this issue at a future ERPB meeting. To address current challenges concerning the lack of awareness of instant payments, the ERPB agreed to consider launching an ERPB workstream on end-user communication in the context of the November ERPB meeting discussion on the priorities going forward.

Ongoing items

Following the invitation it received from the ERPB, the European Cards Stakeholder Group (ECSG) is reporting every 12 months with an update on the implementation of harmonised standards for cards.

The ERPB further follows-up on a regular basis on the status of ERPB statements, positions and recommendations for which work is ongoing. 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

2. ERPB members suggestions for updating the ERPB workplan

In preparation of the November 2020 discussion, the ERPB was invited to suggest topics to be considered in the update of the workplan.

Some members explicitly noted that they would refrain from suggesting new items considering the actions stemming from the current workplan and ongoing items.

Two suggestions for potential new items were submitted:

- Extending the scope of the work on transparency for retail payments end-users to merchants
 - o Rationale provided by the ERPB member: transparency is key for merchants to ensure that payment methods are effective in particular for e-commerce where the conversion rate is lower than for face-to-face transactions. A significant percentage of declined transactions can be recovered thanks to the information received by the merchant on the reason for the decline. It is crucial for issuers/payment service providers to transfer comprehensive and coherent reason codes to merchants whatever the payment method used.
 - o Suggested approach: considering the follow-up work stemming from the report on transparency for retail payments end-users impacting a large number of stakeholders, and that the new workstream focusing on merchants would likely impact the same stakeholders, it is suggested to reconsider whether/when to launch this work once the impact assessment for the implementation of the recommendations on transparency for retail payments end-users would be available.

- Analysing the interaction of a CBDC/digital € with the remainder of the retail payments business
 - o Rationale provided by the ERPB member: there is a need to consider a number of elements in the possible development of CBDC/a digital €, including (i) the scope of the role of

payments service providers in the deployment of CBDC, (ii) the incentives for the industry to deploy a CBDC, costs associated with deployment and rewards, and how it will be differentiated as a product from commercial bank money and e-money retail payment products, (iii) competitive considerations and the impact of CBDC on other retail payment products, including e-money, (iv) the degree of intervention (supervisory, oversight, type approval, audit etc) that the ECB will need to make within the ecosystem to protect the integrity of a CBDC system on an ongoing basis and (v) the business drivers for adoption of CBDC as seen from the retail sector.

- Suggested approach: Following the decision taken on 14 July 2021 on the launch of the digital euro investigation phase on 1 October 2021, a market advisory group is being set-up in order to feed input from market practitioners in the Eurosystem's considerations. The Eurosystem will engage with the ERPB on a regular basis in order to keep its members informed regarding the progress of the investigation phase and to ascertain the views of members.

3. Way forward

Based on the above and considering the already ongoing workstreams requiring efforts from ERPB stakeholder associations and scarcity of resources, the members agreed to:

- Continue work as planned for the ongoing and current workstreams, i.e. the completion of the work on access to and acceptance of cash by November 2021, the follow-up to work requiring actions from stakeholders with in particular the follow-up actions stemming from the report on transparency for retail payments end-users presented to the June 2021 ERPB;
- Invite the EPC to conduct in a group with multi-stakeholder participation and involving relevant standardisation bodies further work on the development of a QR-code standard detailing the requirements for such a standard, as well as its governance and process for future updates. The outcome of this work would be reported to the November 2021 ERPB meeting. This work could thereafter be broadened to other technologies such as NFC or BLE;

In November 2021, based on the above deliverables (that may imply potential follow-up) and on the assessment whether to conduct further work on the remaining elements of an interoperability framework for instant payments at the POI, the ERPB will consider the further priorities going forward.