

## Approved Minutes 1<sup>st</sup> meeting ad hoc Multi-Stakeholder Group Mobile Contactless SEPA Card Payments (MSG MCP) 31 January 2017

**Circulation: MSG MCP**

**Restricted: No**

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### 1. Welcome and opening of the meeting

The Co-Chair Mr. D-I Flatraaker opened the meeting at 10h00 and welcomed the participants to the 1<sup>st</sup> meeting of the ad hoc multi-stakeholder group for the update of the Mobile contactless SEPA card payments interoperability implementation guidelines (MCP IIG, EPC 178-10v2.0). He explained that the aim was to have the group co-chaired by delegates representing both sides of the ecosystem: the supply and the demand sides.

### 2. Roll call of delegates

The participants were invited to briefly introduce themselves. The list of participants and apologies may be found in Annex I. Mr. P. Spittler was appointed as Co-Chair for the group, representing the demand side.

AP1.1	Update and distribute the MSG MCP member list	M. De Soete	ASAP
AP1.2	To request GSMA to nominate a delegate to the MSG MCP	M. De Soete	By next MSG MCP meeting

### 3. Approval of the agenda

The proposed meeting agenda (MSG MCP 003-17v0.1) was reviewed and subsequently approved.

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#### **4. Multi-stakeholder group MCP IIG**

Mr. D.-I. Flatraaker explained the main purpose of the multi-stakeholder group, namely the update of the mobile contactless interoperability implementation guidelines. This aims to be a coordinated effort towards interoperability for these types of payments while contributing to the vision specified in the ERPB report on mobile and card-based contactless proximity payments. The current document has a PSP centric approach and the suggestion was made to approach the subject more from a user-based perspective. Users need to gain trust in the mobile environment for payments. How payments work in this environment should be explained through the description of different use cases. At the same time it was acknowledged that the market is quickly changing and nobody can predict how the market will evolve. Therefore it was agreed to address the most critical areas and barriers with a focus on usability for customers (both consumers and merchants). Customers should get a consistent user experience.

Next, the mandate for the multi-stakeholder group (MSG MCP 001-17) was reviewed and further discussed. Various participants suggested to cover also other proximity technologies (e.g., QR codes, bluetooth, etc.) in the guidelines. At the same time it was recognised that standardisation was much more advanced for NFC-based contactless mobile payments. As a consequence there is extensive material available for this type of contactless payments which is not at all the case for proximity payments based on the other technologies. Covering non-NFC based payments would imply an extension of the scope which would require an update of the mandate. After some discussion it was agreed to stick to the current mandate: interoperability guidelines for mobile contactless SEPA card payments based on NFC technology in a 1<sup>st</sup> phase. If there is sufficient interest and support in the group, further work could be envisaged in a next phase to cover other proximity technologies, subject to approval of the "to be updated mandate" at that time.

Furthermore it was re-confirmed, following a question from Mr. J. Allix, representing BEUC, that the group will consider card-based payments only. It was recognised that with the introduction of SEPA instant credit transfers in Europe, also mobile payments based on SCT Inst will grow in importance, however they fall outside the scope of the current mandate.

#### **5. Presentation on current MCP IIG**

Mrs. M. De Soete provided a presentation on the existing MCP IIG (EPC 178-10v2.0). The MCP IIG include, next to the EPC vision on mobile contactless SEPA card payments (MCPs), high-level business principles and provides a description of MCPs while introducing the different stakeholders in the ecosystem. Furthermore, it gives a high level overview of the different phases involved in an MCP. Dedicated sections are devoted to the provisioning and life cycle management of the MCP application residing on a secure element (SE) and an analysis is made on different service models depending on the SE type, along with their advantages and main challenges. The document further contains a high level overview of the transaction flows involved in MCPs and an overview on the overall MCP architecture, as well as a mapping of standards and specifications defined by other standard and industry bodies in the mobile ecosystem. Furthermore, it describes the technical infrastructure needed, as well as the security requirements, for the different components in the MCP architecture.

The EPC came to the conclusion that an extensive update of this document is required, including:

- Inclusion of non-SE based solutions (e.g., HCE and cloud-based solutions);
- Inclusion of biometrics as customer verification method;
- Alignment with the Regulatory Technical Standards on strong customer authentication and secure communication drafted by the European Banking Authority in support of PSD2;
- Updates on the selection of the application to align with the Card Interchange Fee Regulation;
- Alignment with the new version of the White paper on Mobile payments (EPC492-09) and ISO 12812-Part 1: Mobile Financial Services – General framework;
- Alignment of definitions with the ERPB report on Mobile and card based contactless proximity payments;
- Updates of references.

In addition, the document needs to be fully aligned with the new version 8.0 of the SEPA Cards Standardisation Volume in which it is referenced and which it complements by providing greater detail on many subjects.

In view of the nature of this document, the EPC believed that the maintenance of the document would best be done in a multi-stakeholder group to allow involvement and contributions from all main player groups in the ecosystem.

## **6. Presentation by EMVCo**

Mr. B. Latgé provided a presentation on behalf of EMVCo with a special focus on the organisation's activities in the area of mobile contactless payments. After an introduction on the mission and scope of EMVCo, he gave an insight into the roles of EMVCo versus the Card Payment Schemes. He further explained how EMVCo connects to other stakeholders in the card payment ecosystem via their business and technical associates. He also highlighted some of their liaisons including GSMA, GlobalPlatform, NFC Forum and FIDO. Next, he provided an overview on their recent activities related to MCPs. He gave an insight into the EMVCo mobile testing and approval activities. This includes the mobile product level 1- card emulation testing of mobile devices and the security testing and level 2 testing of SEs. The next steps will include the testing of other form factors such as wearables and the update of the PPSE testing to support eSEs and multiple interfaces. He further explained the update of the AAUI (Application Activation User Interface) specifications. This document will be split into a part covering the Payment Card Management (HCE) and a part specifying the PPSE and application management on an SE. A draft of the new document would become available to technical associates in March 2017. Last but not least he informed about an MOU that has been signed between EMVCo and the FIDO Alliance with the aim to define a technical framework for local authentication. The co-operation has started with the development of shared use cases for CDCVM. The aim is to agree on functional and security requirements for each CDCVM used for payments and to develop later on a certification framework based on these requirements.

AP1.3	To check on the EMVCo requirements concerning signage of contactless interface on POI	B. Latgé	Before next MSG MCP meeting
AP1.4	To provide a link to the EMVCo White paper on Best practices for POS	B. Latgé / M. De Soete	Before next MSG MCP meeting

## 7. Status on Recommendations ERPB report on contactless payments

The group reviewed the status of the various recommendations related to mobile and card-based contactless proximity payments as approved during the ERPB meeting in November 2015 following the report produced by the dedicated ERPB Working Group. The document ERPB/2016/014 was used for this purpose.

It was reported in relation to ERPB/2015/rec8 that a draft version 0.5 of the EMV Next Generation Specifications are currently under review with the EMVCo technical associates and these specifications include a single POI kernel. Further information on ERPB/2015/rec8iii would be sought (see AP1.5).

Regarding ERPB/2015/rec9i, there is a mandate alignment amongst the international card schemes: all newly installed POI terminals shall support contactless as of January 2016, all POI terminals shall support contactless as of January 2020. Concerning ERPB/2015/rec9ii it was reported that there is a harmonisation at country level and the tendency is to increase the contactless transaction amount limit. With respect to ERPB/2015/rec9iii it was clarified that there is no mandate from the international card schemes but that some domestic schemes might impose it (see AP1.7).

Concerning ERPB/2015/rec10 it was reported that the new version of the Cards Standardisation Volume (version 8.0) is expected to be approved for publication at the ECSG Board meeting on 9 February 2017.

Related to ERPB/2015/rec12 the group was informed that all buses in the UK will support contactless by end 2018 while for rail to would be covered in the franchising agreements to support contactless by end 2020. In Germany public transport is to support contactless for payments only. In France, more in particular in Paris, public transport faces the challenge to change their readers in order to support EMVCo based contactless payments. In Denmark 100% coverage of contactless for public transport (a closed loop system, not EMVCo based) is expected by end 2018 (see also AP1.9).

The group was informed that ERPB/2015/rec13 is delayed and that the MOU between ETSI and EMVCo is still under negotiations (see also AP1.10).

Regarding ERPB/2015/rec16 it is unclear what the exact status is and who has been involved in the discussions. Mrs. J. Looman offered to seek more information (see AP1.12).

The following APs were agreed upon.

AP1.5	To provide feedback on the status of Recommendation ERPB/2015/rec8 iii. to EMVCo	B. Latgé	Before next MSG MCP meeting
AP1.6	To provide feedback on the status of Rec. ERPB/2015/rec9 i. on behalf of American Express	B. Smith	Before next MSG MCP meeting
AP1.7	Check on status for domestic card schemes with respect to Recommendation ERPB/2015/rec9 iii.	R. Koch	Before next MSG MCP meeting
AP1.8	To check on the status of the contactless retailers guide with EuroCommerce related to Recommendation ERPB/2015/rec11	P. Spittler	Before next MSG MCP meeting
AP1.9	To check on the status of Recommendation ERPB/2015/rec 12 with PAN Nordic	M. Hoffmann	Before next MSG MCP meeting
AP1.10	To request ETSI to provide a status on Recommendation ERPB/2015/rec 13	M. De Soete	Before next MSG MCP meeting
AP1.11	To request GSMA to provide a status on ERPB/2015/rec15	M. De Soete	Before next MSG MCP meeting
AP1.12	To check who provided the status report on Recommendation ERPB/2015/rec16 and what actions have been taken	J. Looman	Before next MSG MCP meeting

## 8. Brainstorm on updates needed to the MCP IIG

Next, a brainstorming session was held on the updates needed to the MCP IIG (EPC178-10v2.0). For this session the e-mail received from Mr. C. Sarazin, on behalf of the card schemes represented in the ECSG, was reviewed and taken into account. It was agreed that the first topics which would need to be discussed are the exact scope of and audience for the new document.

In view of the e-mail received from Mr. C. Sarazin and following similar remarks from some of the delegates present, it was agreed that the MCP IIG should avoid any overlap with the SEPA Cards Volume. To get a better insight into the work programme of the ESCG in 2017, it was decided to invite the ECSG to make a presentation at the next meeting.

It was further clarified that the current MCP IIG cover both the MCP application lifecycle (provisioning and maintenance) and the MCP transaction process whereas the SEPA Cards Standardisation Volume produced by the ECSG only covers MCP transaction aspects.

The following points reflect the outcome of the brainstorm:

- **Scope:**

- Mobile proximity: split between mobile contactless (NFC-based) and other proximity technologies. NFC based as first priority in view of resources and timelines;
- Complementary to the Cards Standardisation Volume, providing more detail;
- Cover both MCP application life cycle management (provisioning and maintenance) and the MCP transaction;
- # MCPs on the mobile device / wallet concept / # different technical solutions (SE-based, HCE based);
- Purchase experience – payments only part of purchase experience (VAS: couponing, loyalty, etc.);
- Additional card services: e.g. refund, cancellation, etc. (develop use cases)
  
- Impact of regulations (RTS) – What does the collective industry (existing incumbents) expects w.r.t. consistent customer experience;
- Focus on interoperability Issuers / Merchants;
- Testing and certification: overview with references to appropriate industry work.

- **Audience:**

- Industry facing document – can be used by industry to address users (consumers & merchants) for a cohesive experience
- Help new entrants to understand where are the risks, where things might become problematic
- Customer experience (# devices) (consumers and merchants) – we need to help them.

Mr. R. Koch informed about the work in the UK on guidelines for digital wallets which includes topics such as recruiting customers, registration of customers, personalisation, activation, face to face payments, special services such as referrals, etc. The document could be used as input depending on the level of detail the MCP IIG would aim to provide.

It was further suggested that the document should handle both browser based and in-app payments. The take-up of ApplePay, SamsungPay, etc. shows that not only the payments industry but also other market players play a role in defining the customer payment experience. The MCP IIG document should help new entrants in the mobile ecosystem to explain where there are risks, where things may become problematic, what you need to think about before delivering to the market.

A question was raised by Mr. J. Allix whether the work on the proxy look-up service for mobile P2P payments should be taken into account as well. The Co-Chair, Mr. D.-I. Flatraaker re-iterated that the MCP IIG should be limited to card-based payments only, those specified in the SEPA Cards Standardisation Volume. He also informed that the EPC is planning to look further into non-card based mobile payments during the 2<sup>nd</sup> half of this year for potential further developments in a multi-stakeholder group. The group was informed that the EPC White paper on Mobile Payments (EPC 492-09) which is currently being updated following a 3-months public consultation describes use cases for mobile non-card based payments. It was suggested to distribute the document to the group for information.

AP1.13	To request ECSG to provide a presentation at the next meeting on their 2017 work plan	M. De Soete	Before next MSG MCP meeting
AP1.14	To check with UK Cards to provide a presentation on their guidelines on digital wallets at the MSG MCP April meeting	R. Koch	ASAP
AP1.15	To share the EPC White paper on Mobile payments (EPC 492-09 v4.7.5) (public consultation version)	M. De Soete	ASAP

## 9. Organisation and workplan of the Multi-stakeholder Group

Based on the brainstorm held during the meeting, Mrs. M. De Soete suggested to prepare a first draft document for review and further discussion at the next meeting. It was further agreed to develop a list of use cases to be covered which should also include CDCVM based use cases and "special" services such as a refund.

Next the proposed meeting schedule till September 2017 was reviewed and agreed (see Annex III).

AP1.16	To develop a document on scope and audience for the MCP IIG based on the output of the brainstorm (MSG MCP 006-17)	M. De Soete with D.I. Flatraaker and P. Spittler	Before next MSG MCP meeting
AP1.17	To develop a draft list of MCP use cases for review and discussion at the next MSG MCP meeting	M. De Soete	Before next MSG MCP meeting
AP1.18	To update and distribute the MSG MCP meeting calendar	M. De Soete	ASAP

## 10. Liaison and monitoring

Mrs. M. De Soete informed about an e-mail received from GlobalPlatform offering some input on their recent work which would be relevant for the new version of the MCP IIG. The following AP was agreed.

AP1.19	Invite GlobalPlatform to provide a presentation on their recent work related to contactless payments	M. De Soete	MSG MCP April meeting 2017
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## 11. Next steps

It was agreed that the next meeting should be devoted to the review of the scope, the audience and use cases to be covered by the new document.

## 12. A.O.B.

The next meeting will take place on 21 February 2017 from 10hrs till 16hrs in Brussels. The exact meeting place will be confirmed closer to date.

AP1.20	Check on the availability of a meeting room at EPIF for the next MSG MCP meeting on 21 February 2017	B. Smith	ASAP
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## 13. Closure of the meeting

The Co-Chairs closed the meeting around 16h00 and thanked all participants for the valuable meeting and the interactive discussions as well as the EPC for hosting the meeting.

## ANNEX I

### List of participants – 1st MSG MCP meeting 31 January 2017

Name	Affiliation	Status
<b>Co-Chairs</b>		
Dag Inge Flatraaker	EPC (DNB Bank)	Yes
Pascal Spittler	Eurocommerce	Yes
<b>EPC</b>		
Michael Hoffman	Danish Bankers Association	Yes
Matthias Hönisch	BVR	Apologies
Patrice Hertzog	Crédit Mutuel	Yes
Ben Smith	EPIF (Amex)	Yes
Karel Wouters	Bancontact	Apologies
<b>ECSG</b>		
Martin Haussmann	Verifone	Yes
Guido Hogen	Smart Payment Association	Yes
Cédric Sarazin	Cartes Bancaires	Apologies
<b>ERPB WG</b>		
Richard Koch	ECPA	Yes
Jean Allix	BEUC	Yes
Christian Schollmeyer	ESBG	Apologies
Andy Fulton	Visa	Yes
Christophe Zehnacker	MasterCard	Yes
Bastien Latgé	EMVCo	Yes
Judith Looman	Eurosystem	Yes
<b>Secretariat</b>		
Marijke De Soete	EPC	Yes

## ANNEX II

### Action points January 2017

Ref. AP	Action	Owner	Due date/ status
1.1	Update and distribute the MSG MCP member list	M. De Soete	ASAP
1.2	To request GSMA to nominate a delegate to the MSG MCP	M. De Soete	By next MSG MCP meeting
1.3	To check on the EMVCo requirements concerning signage of contactless interface on POI	B. Latgé	Before next MSG MCP meeting
1.4	To provide a link to the EMVCo White paper on Best practices for POS	B. Latgé / M. De Soete	Before next MSG MCP meeting
1.5	To provide feedback on the status of Recommendation ERPB/2015/rec8 iii. to EMVCo	B. Latgé	Before next MSG MCP meeting
1.6	To provide feedback on the status of Rec. ERPB/2015/rec9 i. on behalf of American Express	B. Smith	Before next MSG MCP meeting
1.7	Check on status for domestic card schemes with respect to Recommendation ERPB/2015/rec9 iii.	R. Koch	Before next MSG MCP meeting
1.8	To check on the status of the contactless retailers guide with EuroCommerce related to Recommendation ERPB/2015/rec11	P. Spittler	Before next MSG MCP meeting
1.9	To check on the status of Recommendation ERPB/2015/rec 12 with PAN Nordic	M. Hoffmann	Before next MSG MCP meeting
1.10	To request ETSI to provide a status on Recommendation ERPB/2015/rec 13	M. De Soete	Before next MSG MCP meeting
1.11	To request GSMA to provide a status on ERPB/2015/rec15	M. De Soete	Before next MSG MCP meeting
1.12	To check who provided the status report on Recommendation ERPB/2015/rec16 and what actions have been taken	J. Looman	Before next MSG MCP meeting
1.13	To request ECSG to provide a presentation at the next meeting on their 2017 work plan	M. De Soete	Before next MSG MCP meeting
1.14	To check with UK Cards to provide a presentation on their guidelines on digital wallets at the MSG MCP April meeting	R. Koch	ASAP

1.15	Share the EPC White paper on Mobile payments (EPC492-09 v4.7.5) (public consultation version)	M. De Soete	ASAP
1.16	To develop a document on scope and audience for the MCP IIG based on the output of the brainstorm (MSG MCP 006-17)	M. De Soete with D.I. Flatraaker and P. Spittler	Before next MSG MCP meeting
1.17	To develop a draft list of MCP use cases for review and discussion at the next MSG MCP meeting	M. De Soete	Before next MSG MCP meeting
1.18	Update and distribute the MSG MCP meeting calendar	M. De Soete	ASAP
1.19	Invite GlobalPlatform to provide a presentation on their recent work related to contactless payments	M. De Soete	MSG MCP April meeting
1.20	Check on the availability of a meeting room at EPIF for the next MSG MCP meeting on 21 February 2017	B. Smith	ASAP

## ANNEX III

### MSG MCP Meeting Calendar

Date	Location
31 January 2017	EPC Secretariat
21 February 2017	EPIF Secretariat
3 April 2017	EPC Secretariat
10 May 2017	EPC Secretariat
8 June 2017	EPC Secretariat
6 July 2017	EPC Secretariat
17 August 2017	EPC Secretariat
22 September 2017	EPC Secretariat

All physical meetings will be held from 10hrs till 16hrs