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Distribution: Steering Committee of the MPF

SUMMARY

4th MEETING of the Steering Committee of the Mobile Proxy Forum (Meeting held on 13 October 2016: 11:00 - 16:00) (Venue: IBIS Brussels Centre St Catherine Hotel) (Approved by the Steering Committee)

1. Welcome (SCP2P 001-16)

The Chair, J. Maynard opened the meeting and welcomed the participants (see annex I for the list of attendees), especially newcomer ACI Worldwide, to the fourth meeting of the Steering Committee.

2. Approval of the agenda (SCP2P 019-16)

The agenda was approved unchanged.

3. Approval of the summary and review of the action points of the third meeting of the Steering Committee (SCP2P 016-16)

The summary was reviewed and approved subject to a couple of editorial updates.

J. Crawford asked to clarify the rationale for not taking a stronger position in the Terms of Reference in relation to the use of additional proxy types and account identifiers. The Chair reiterated that the Steering Committee had concurred during its June 2016 meeting that the initial focus should be on 'proxy + IBAN', in line with the ERPB recommendations and also in view of the challenging deadline.

The approved summary will be published shortly on the EPC website.

4. Review and agree on the polling hierarchy for the SPL service (SCP2P 017-16)

At the previous meeting, the Steering Committee members had been invited to share their views on a polling hierarchy logic in a scenario whereby multiple solutions have a claim on the same mobile telephone number. In addition, members had been asked to share their view on the following two questions:

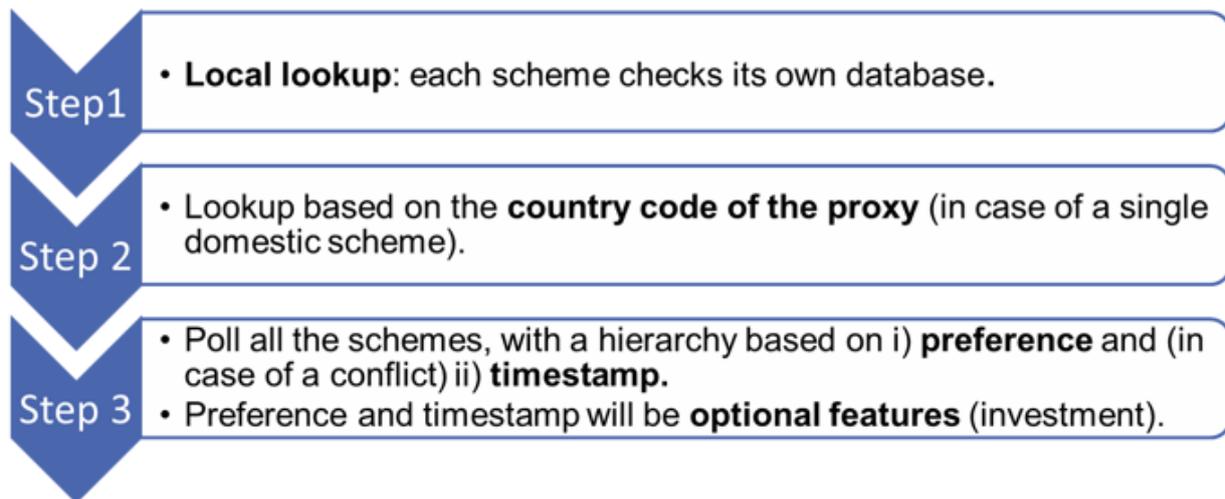
- Do members think that the Steering Committee is likely to mandate that joining organisations have to adapt their systems beyond just the lookup/response mechanism, in order to interoperate?
- Can members who represent local schemes please comment on the likelihood of them being able make those sorts of changes with the timetable for a 2017 launch?

An overview of the different proposals received (and answers to the above questions) had been summarised in document 'SCP2P 017-16' and distributed for review to the members prior to the meeting.

The Steering Committee agreed that the preferred polling hierarchy logic would need to comply with the following criteria (in no particular order):

- Fairness (i.e. compliant with competition law).
- Transparency and traceability (i.e. criteria should be published).
- Effectiveness (i.e. implementable by November 2017).
- Efficiency.
- Supportable by existing solutions.

Following a detailed review of the different proposals, the majority of the Steering Committee concurred with the following polling hierarchy logic, which satisfies the above mentioned criteria:



In addition, the members discussed the following (preliminary) supplementary rules related to step 3:

- Response should be provided within a reasonable SLA.
- 'Preference' relates to the fact that the customer opts in to receive payments into a specific account (consent is required). This is only possible if the PSP has developed this additional feature.
- If only a PSP responds that has not build the preference feature then there is no conflict and the payment will be directed to this PSP.
- If there is a conflict then the payment will be directed to the PSP that has been selected as preferred.
- If no one has built the preference/timestamp feature then the payment will not be directed. (Note: this is still a debating point. Not directing the payment was seen by some members as a better approach as opposed to directing it randomly given that the latter would create confusion in a situation whereby the payee does not receive a payment notification).
- If two PSPs respond and they both have been selected as preferred then the timestamp will be checked. The payment will be directed to the PSP with the most recent mobile payment service – IBAN relationship.

The efficiency of the polling logic could be revisited after for example one year.

A technical working group should be established in order to define an API. This API could include two optional fields, one for the timestamp and one to indicate preference.

W. Machielse informed that the Joint initiative - pan-European Mobile P2P Interoperability (the Berlin Group, participating Mobile P2P scheme services in Europe, and associated infrastructure providers) is already working on an API, but it has not been decided yet to support the preference and timestamp fields.

The Chair remarked that it would be worthwhile to have some figures in relation to the number of people that have PSP accounts in multiple countries. It was agreed that this percentage would be very low especially taking into account that only approximately 5% of payments are currently cross-border and that probably less than 5% of this percentage are P2P payments.

It was commented that the (expected) low number of transactions could potentially deter PSPs from investing in building additional features.

5. Development of draft rules for operating, joining and participating in the SPL service (SCP2P 018-16)

A first draft version of draft rules for operating, joining and participating to the SPL service had been sent for review to the Steering Committee prior to meeting. This document was based on the preliminary results of a brainstorming session that took place at the 29 June 2016 meeting and additional comments received from a couple of members.

The document as such was not reviewed but the following general comments were noted:

- The idea from the start was that the SPL service would be a centralised hub in order to avoid having to make many connections (cost efficiency). W. Machielse however commented that the hub (or switch) can also work in a decentralised way and that IP VPN allows for multiple connections. The Chair reiterated that the decentralised approach had been disregarded from the beginning.
- The ERPB report states that the underlying payment method will be a SEPA payment instrument (note: long term expectation is SEPA instant payment).
- The Mobile Proxy Forum will need to morph into a coalition of the willing that will fund the SPL service. As a result, a new legal entity with legal and financial responsibilities will need to be created.
- The new legal entity will be tasked with selecting one or more commercial organisations (via a public consultation) to provide the technical functionality of the SPL service. It could also for example develop a default contractual framework.
- There is currently no code in ISO 20022 to tag a payment as a P2P mobile payment. W. Machielse informed that his organisation is currently in discussion with ISO to add an extra code in the ISO 20022 external code list. The ECB commented that this would be a topic that would require follow-up.
- What should be done in case a PSP loses its license but does not inform the SPL service?
- The cost of operating the SPL service is currently unknown.

6. Review draft project plan and agree on milestones (SC2P 006-16)

At the previous meeting it was communicated that the Steering Committee is expected to work towards a launch of the SPL service in November 2017.

An updated version of the draft project plan will be distributed for review to the Steering Committee members.

7. Report to the 28 November 2016 meeting of the Euro Retail Payments Board (ERP)

Based on the outcome of today's meeting, a draft intermediary status report will be prepared and sent for review to the members of the Steering Committee.

The approved report will need to be submitted to the ERPB by 4 November 2016 cob.

8. AOB

Revised Wire Transfer Regulation

In relation to the Revised Wire Transfer Regulation, members had been asked via email if they considered the need for the Payer's PSP to include the name of the Payee, and either an account number or unique transaction reference as a significant design impact on the SPL service.

It was commented that this information is required from a KYC and AML perspective. However, further research would be needed given that data protection laws are not the same in every country. Moreover, it was noted that the SPL service should not store information.

Payment Systems Market Expert Group (PSMEG)

An MPF status update presentation for the 19 October 2016 meeting of the PSMEG will be prepared and distributed for information to the Steering Committee members. The Vice-Chair of the Steering Committee (K. S. Olsen) will provide the presentation.

9. Next meeting

The next meeting date will be communicated in due course via email.

Note in editing: The next meeting will be held on 14 December 2016 (11-16 CET) in Brussels.

10. Closure of the meeting

The Chair thanked the members for their valuable contribution and closed the meeting around 16.00 CET.

ANNEX I: List of attendees of the 4th meeting of the Steering Committee on 13 October 2016

N°	Organisation	Representative	Attendance
Steering Committee Members			
1.	ACI Worldwide	Scaffidi Domenico	Yes
2.	Banca Sella	Susta Enrico	
3.	Barclays	Foulds Darren	
4.	Bundesverband deutscher Banken	Tenner Tobias	Apologies
5.	Caixa Bank	Herrero Francesc Xavier	Yes
6.	Caixa Geral de Depositos	Leite Monica	Yes
7.	Consorzio CBI	David Simona	Yes
8.	Cringle	Bandov Frane	
9.	Danske Bank	Olsen Sylvest Kasper	Apologies
10.	Dutch Payments Association	Boudewijn Gijs (alternate: Blom Marnix)	(Yes)
11.	Electronic Money Association (EMA)	Crawford Judith (alternate: Gerhartinger Hartwig)	Yes
12.	Elisa / Ekisa Rahoitus Oy	Mari Heikkinen	Apologies
13.	Erste Bank	Kazmi Zaf	
14.	EPIF	Cowling Robert (alternate: Garcia Paloma)	Yes
15.	Fire Financial Services	Davey Paul	
16.	EBA Clearing	Plompen Petra	Yes
17.	Gemalto	Gaston Lorenzo	Apologies
18.	GetSwish AB / Swish	Silvén Gunnel	Yes
19.	ICBPI	Miotto Giovanni	
20.	MasterCard	Perryman Mark (alternate: Martin Esteban)	Yes
21.	Nordea Mobile & Emerging Payments	Mårtenson Rasmus	Yes
22.	Payfriendz	Allen Howard	Yes
23.	Paym	Maynard John	Yes
24.	Pietsch Consult	Pietsch Thomas	Apologies
25.	Polski Standard Platności	Mazurkiewicz Dariusz	Yes
26.	Redsýs	Torres Miguel	Yes
27.	Seamless	Fredell Peter	Yes
28.	SEQR Benelux	van der Hart Peter	Apologies
29.	SIA	Polissi Marco	Yes
30.	SIBS	Mesquita Teresa	Yes
31.	SRC Security Research & Consulting	Machielse Wijnand (alternate: Ortwin Scheja)	Yes
32.	SWIFT	Kuntz Vincent	
33.	UBS	Schilling David (alternate: Stahel Philipp)	Apologies
34.	VocaLink	Senechal Nick	Yes
35.	Wone	Tuzi Daren	Apologies
36.	Wordline	Deudon Arnaud	
Observers			
37.	ECB	Tur Hartmann Francisco	Yes
38.	ECB	Plooij Mirjam	Yes
39.	European Commission	Esclapez Pierre-Yves	Yes
EPC Secretariat			
40.	EPC	Goose Etienne	Yes
41.	EPC	Godefroi Christophe	Yes

Annex II: List of action points

Ref.	Action	Owner	Status/Target
4.01	Prepare an MPF status update presentation for the October 2016 meeting of the PSMEG and distribute for information to the Steering Committee members.	EPC Secretariat	18 October 2016
4.02	Publish the approved summary of the 3rd meeting on the EPC website.	EPC Secretariat	28 October 2016
4.03	Schedule the next meeting of the Steering Committee.	EPC Secretariat	20 October 2016
4.04	Prepare the intermediary status report to the November 2016 meeting of the ERPB and distribute for review to the Steering Committee.	EPC Secretariat	27 October 2016
4.05	Review the intermediary status report to the November 2016 meeting of the ERPB.	Steering Committee members	2 November 2016
4.06	Submit the intermediary status update to the November 2016 meeting of the ERPB.	EPC Secretariat	4 November 2016
4.07	Update the draft project plan of the MPF.	EPC Secretariat	3 November 2016
4.08	Review the updated project plan of the MPF.	Steering Committee members	2 December 2016
4.09	Prepare and distribute an updated version of the draft rules for operating, joining and participating in the SPL service.	EPC Secretariat	11 November 2016
4.10	Review updated version of the draft rules for operating, joining and participating in the SPL service and provide change suggestions or additions.	Steering Committee members	2 December 2016
4.11	Provide an update on the discussion with ISO in relation to the P2P mobile payments code.	W. Machielse	14 December 2016