

## Approved Minutes 1<sup>st</sup> meeting MSG MSCT Plenary 25 May 2018

*(For approval by MSG MSCT)*

**Circulation: MSG MSCT**

**Restricted: No**

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### 1. Welcome and opening of the meeting

The EPC-related Co-Chair 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 on mobile initiated SEPA credit transfers, including SCT Instant (MSG MSCT). The group is composed of delegates representing both the supply and the demand sides of the ecosystem.

### 2. Roll call of delegates and election of Co-Chair

The list of MSG MSCT members (MSG MSCT003-18v0.4) was shown on screen and the group was informed about the open seats that were expected to be filled by the next meeting. The participants were also informed about the possibility to nominate an alternate, who could replace them, if needed, to attend meetings.

AP1.1	Distribute an e-mail for the nomination of alternates	M. De Soete	ASAP
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Next, the participants to the meeting were invited to briefly introduce themselves. The list of participants and apologies may be found in Annex I.

D.-I. Flatraaker explained that the aim was to have the group co-chaired and that therefore an invitation for candidates was sent to the MSG prior to the meeting. The group was informed that the Secretariat only received one candidature for this position, namely from P. Spittler, representing EuroCommerce. D.-I. Flatraaker thanked EuroCommerce for this nomination and P. Spittler was subsequently appointed by the group by acclamation.

### 3. Approval of the agenda

The proposed meeting agenda (MSG MSCT004-18v0.2) was reviewed and subsequently approved with a change of order between items 6 and 7 on the proposal of P. Spittler.

### 4. Ad-hoc multi-stakeholder group MSCT

Mr. D.-I. Flatraaker explained the main purpose of the multi-stakeholder group, namely the development of mobile initiated SEPA credit transfer interoperability implementation guidelines, including SCT Instant (MSG MSCT IIGs). This aims to be a coordinated effort towards interoperability for these types of payments, more in particular focusing on the customer-to-bank space. The aim is to have a customer centric approach, users need to gain trust in the mobile environment for payments. Moreover, the mobile channel is

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considered to be an important enabler for the growth of instant payments both in the P2P and C2B contexts. 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).

Next, the mandate for the multi-stakeholder group (MSG MSCT001-18) was reviewed on screen. The need was identified to further clarify the word “interoperability” in the document which seems to be sometimes confused with “reachability”. The retailers present stressed the importance to look into various SCT services, in analogy to Card services, to make the payment instrument attractive for C2B payments.

A comment was also made that mobile payments as such are not that much different to payments from a P.C. – except for the capabilities offered by a mobile device. Therefore it is important to also address user interface guidelines.

Next, a proposed Code of Conduct for the group, prepared by the EPC, was presented and reviewed on screen (MSG MSCT005-18). The code was adopted without any further comments.

## **5. Presentation on SCT and SCT Instant schemes**

B. Clarebout from the EPC Secretariat joined the group for a presentation on the SCT and SCT Instant schemes (Pres EPC024-18). He provided a definition for the SCT schemes and an insight into the four layers involved: the channels to initiate the SCT residing in the competitive space, the scheme which has been developed through a co-operation model, the clearing and the settlement.

A question was raised concerning the “request to pay” and it was clarified that this functionality currently falls outside the potential remit of the scheme as long as PSPs are not involved, and it is directly between the payer and payee.

M. Battistella informed about the work of the EIPP (E-invoice Presentment and Payment) MSG on the “Request to pay” message which is relevant for the MSCT IIGs. In the EIPP model of the “Request to pay” at least one PSP – the Payer’s PSP – is always involved. This is an optional service currently outside the schemes and which could potentially become part of the SCT/SCT Instant schemes subject to submission to the formal change request process for scheme extensions.

Next, B. Clarebout gave an overview of the different components and documentation involved in the schemes. He clarified that the SCT and SCT Instant implementation guidelines define the ISO 20022 XML messages. These are mandatory guidelines for the messages between scheme participants (interbank IGs) and mandatory guidelines for the customer-to-bank (C2B) messages which each scheme participant is obliged to support in its role as Originator Bank at the request of the Originator. The latter are mainly used when the originator is a business. Consumers are likely to use other channels such as on-line banking or a mobile app.

It was further clarified that the usage of the BIC (Business Identifier Code) is no longer mandatory in the EEA (European Economic Area) in the C2B space but it is still required in the interbank space.

After having provided an overview of the different actors involved in the SCT schemes, B. Clarebout presented the transaction processing flows for the two schemes.

Several questions were raised with respect to the SCT Instant scheme. It was clarified that the timestamp for the initiation of the SCT Instant transaction is at the originator bank, not at the merchant's POI (Point of interaction) in case of a C2B payment. Concerns were raised by retailers regarding the optional message "notification of funds made available to beneficiary", more in particular for in-store payments and the related interpretation of PSD2, which would need to be further analysed.

A comment was made that time delays are important for in-store payments and the question was raised if any transaction time figures were available. B. Clarebout clarified that reporting is in place since the beginning of 2018 which currently shows a maximum average of 3 seconds and 95% of the transfers are conducted in less than 5 seconds. It was further mentioned that scheme participant communities can shorten the current target time of 10 seconds and increase the existing cap of 15,000 Euro. A comment was subsequently made that maybe for mobile payments this cap should be lowered.

J. Allix, on behalf of BEUC, raised a concern regarding the notification to the originator which is only mandatory in case the transaction is not successful. It was clarified that the originator can always check their account and that subject to the agreement between the originator and their bank, additional confirmation information may be sent by the originator bank. M. Battistella also commented that the need for a confirmation may be different in a mobile P2P than in a mobile C2B context.

P. Spittler remarked that it was a challenge how to differentiate between an SCT and an SCT Instant payment.

M. Alamo requested penetration figures of the scheme participants per country and was informed that those were available from the EPC website.

*Note in editing:* a link to the appropriate page on the EPC website was provided subsequent to the meeting.

O. Vos commented that it was a disadvantage that chargeback procedures do not exist for the SCT schemes because this would be a nice feature for the consumers. P. Spittler explained that commercial disputes must not be solved through payment instruments as dedicated retail disputes or return processes are available to customers.

B. Clarebout further informed that if any changes to the SCT schemes would be requested in view of the MSCT work, this would have to follow the "regular" change request procedure. The maintenance cycle of the rulebooks is two years.

A. Schindler reported that the QR document which was distributed to the meeting and the one that is posted on the EPC website do not seem to be the last updated version of the document. B. Clarebout ensured that immediate corrective action would be taken on the website.

The following action points were agreed:

AP1.2	Distribute the presentation on SCTs and Instant SCTs + links to SCT and SCT Instant rulebooks	M. De Soete	ASAP
AP1.3	To distribute the latest version of the EPC QR code document	M. De Soete	ASAP

## 6. MSCT IIGs

Next the draft Table of Content (ToC) for the MSCT IIGs, which was distributed prior to the meeting, was presented and reviewed on screen (MSG MSCT 002-18). The following was agreed for the MSG MSCT:

- A new section on on-boarding to be added to the ToC
- In the introduction of the document it should be mentioned that MSCT may be part of a mobile banking app
- Mobile B2B should be part of the scope – to be reflected in the ToC
- In section 6.8 basic services for MSCT should be described. Interaction with other services should be considered.
- Add Mobile app in section 7.5
- Section 7.8 should also discuss QR-code security.
- Section 7.10 needs to include the SEPA Proxy Lookup (SPL) Service

It was further suggested that the document should make recommendations “what should be done” rather than staying only descriptive “what could be done”. This was requested in particular related to merchant fears for fragmentation of the market.

D.I. Flatraaker reminded that the group should work within their given mandate but they could also identify topics where further work would be needed.

It was further mentioned that the customer buy-in is “key” for the market take-up of MSCT. The group will need to find the right balance between what is technically possible and how to improve the customer experience.

J. Allix reported that BEUC has requested the ERPB to conduct work on the match of the payee’s name with the IBAN.

Finally, D.-I. Flatraaker suggested that, related to possible gaps and barriers it might be worthwhile to check the ERPB report on mobile contactless payments (MCPs) since some of the barriers identified in this report remain valid for MSCT.

The following action points were agreed:

AP1.4	Update the MSCT ToC and distribute to MSG	M. De Soete	By 20 June 2018
AP1.5	To distribute the ERPB report on MCPs	M. De Soete	ASAP

## 7. MSCT use cases

Next, the draft document prepared by the EPC on MSCT use cases was briefly introduced and it was agreed that it would be more efficient to have a detailed analysis and discussion in a dedicated smaller subgroup (see agenda item 9).

M. van Mello raised a concern that the proposed use cases were not complete, that the group should rather consider the complete “customer journey”, including on-boarding. The EPC representatives replied that they consider on-boarding to be a separate process as described in the EPC White paper Mobile payments (see agenda item 8) and in line with ISO 12812- Mobile financial services. In order to allow an effective discussion on the topic, the retail sector was invited to prepare a description of a customer journey for presentation and discussion at the dedicated subgroup meeting (see agenda item 9).

AP1.6	To prepare a description of a customer journey for review and discussion at the workstream meeting 22 June 2018	EuroCommerce	In due time
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## 8. Identification of relevant input material

The EPC informed about the White paper on Mobile payments (EPC492-09)v5.0 that was updated last year and which contains various sections addressing MSCT, parts of which could possibly serve as input to the development of the MSCT IIGs.

Also the SEPA specification for initiating an SCT via a QR-code had been distributed as input to the work (EPC069-12v1.1).

Next D. Dardailler provided a presentation on the W3C work relevant to MSCT, namely the streamlined merchant checkout on the Web (MSG MSCT007-18). After a brief introduction to the organisation he informed that they are working on an open web platform (a layer above https) of which HTML5 is a cornerstone. It is an open standard (no IPR) that should ease market take-up. It consists of a set of libraries that allow various forms of real time communication between browsers. Amongst the services considered are web payments – the aim is to bring e-commerce to a standard framework from a merchant perspective. The presentation also included some slides on how SEPA credit transfers could work which unfortunately were not readable in view of the format used, but which deserve to be further analysed.

The following APs were agreed:

AP1.7	To distribute the W3C presentation	M. De Soete	ASAP
AP1.8	To provide an insight into the timelines for the W3C deliverables	D. Dardailler	At next MSG MSCT meeting
AP1.9	To provide a more readable version of the diagrams on SEPA credit transfers in the W3C presentation	D. Dardailler / I. Jacobs	ASAP

G. Réant from HPS followed with a presentation on “How to convey the “transfer request” message from a payee to a payer (e.g. related to an invoice). After explaining the problem setting, he briefly discussed which data should be conveyed and made an analysis on the different transport layers available for this message. He made a short analysis of a “transfer request” url versus a “transfer request” file. He further elaborated

on the latter solution and discussed the file format (e.g. via a QR code) and related security risks.

AP1.10	To distribute the HPS presentation	M. De Soete	ASAP
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## 9. Organisation and workplan of the ad-hoc multi-stakeholder group

Next the organisation and scheduling of the work was discussed. The meeting calendar of the MSG till the end of this year was fixed (see Annex III).

In order to advance the work in an effective way it was proposed to create work-streams that would be responsible to develop input documents on dedicated topics for consideration and further discussion afterwards in the full group. Three topics have been identified for the time being:

- MSCT use cases,
- Security & risk
- High level barriers.

It was agreed to immediately start the first two work-streams and the following list of participants for each of these streams was identified during the meeting.

*Note in editing:* Both lists were further completed after the meeting by 31 May 2018.

### Members Work-stream MSCT Use cases

Name	Affiliation
<b>Co-Chairs</b>	
Dag-Inge Flatraaker	EPC (DNB Bank)
Pascal Spittler	EuroCommerce (Ikea)
<b>Members</b>	
Patrice Hertzog	Crédit Mutuel
Olivier Felique	KBC
David Callanan	BPFI (AIB)
Philippe Evenot	La Banque Postale
Otto Vos	Payconiq
Henrik Hodam <i>alternate:</i> Thomas Feiler	EquensWorldline
Dainius Burneika	UAB „Mobilieji mokėjimai“ (MOQ)
Marco Polissi	SIA S.p.A.
Paolo Martino	TAS Group
Grzegorz Leńkowski	National Clearing House KIR
Michel van Mello	Colruyt, representing EuroCommerce
Marina Fajardo Alamo	Carrefour
Gilles Bourron	Total
Massimo Battistella	EACT
Ian Jacobs	W3C

## Members Workstream Security & Risk

Name	Affiliation
<b>Co-Chairs</b>	
Dag-Inge Flatraaker	EPC (DNB Bank)
Pascal Spittler	EuroCommerce (Ikea)
<b>Members</b>	
Philippe Evenot	La Banque Postale
EPC PSSG nominee / tbc	
Guido Hogen	Smart Payment Association
Gilles Réant	HPS Worldwide
Timur Suyargulov <i>alternate:</i> Dmitry Yatskaer	OpenWay
Marina Fajardo Alamo	Carrefour
Jean Allix	BEUC
Pierre-Yves Marche	GSMA (Orange)

Both work-streams would have a physical meeting and prepare input documents for the next MSG MSCT meeting on 7 September 2018.

The following APs were agreed:

AP1.11	To set-up a meeting of the workstream on MSCT use cases on 22 June 2018	M. De Soete	In due time
AP1.12	To set-up a meeting of the workstream on security and risk on 29 August 2018	M. De Soete	In due time
AP1.13	To prepare the MSG MSCT meeting calendar	M. De Soete	ASAP
AP1.14	To launch Outlook invitations for all meetings	M. De Soete	ASAP

### 10. Liaison and monitoring

No further liaisons needed have been identified for the time being.

### 11. Next steps

It was agreed that the next meeting should be devoted to the review of input materials prepared by the respective work-streams as well on the review of the first draft of the first section of the MSCT IIGs, including the scope, the objectives and audience.

### 12. A.O.B.

The next meeting will take place on 7 September 2018 from 10hrs till 16hrs at EuroCommerce in Brussels.

### **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 European Banking Federation for hosting the meeting.

**ANNEX I**  
**List of participants – 1st MSG MSCT meeting**  
**25 May 2018**

<b>Name</b>	<b>Affiliation</b>	<b>Attendance</b>
<b>Co-Chairs</b>		
Dag-Inge Flatraaker	EPC (DNB Bank)	Yes
Pascal Spittler	EuroCommerce (Ikea)	
<b>EPC - MTF CTLP / MPWG</b>		
Patrice Hertzog	Crédit Mutuel	Yes
Olivier Felique	KBC	Yes
David Callanan	BPFI (AIB)	Yes
tbd		
<b>EPC - SEM WG</b>		
Axel Schindler	BVR (German Cooperative Banks)	Yes
Philippe Evenot	La Banque Postale	Yes
<b>EPC - PSSG</b>		
tbd		
<b>Vendors / Manufacturers</b>		
Guido Hogen	Smart Payment Association	Yes
Timur Suyargulov <i>alternate:</i> Dmitry Yatskaer	OpenWay	Yes
Gilles Réant	HPS Worldwide	Yes
<b>Service Providers</b>		
Otto Vos	Payconiq	Yes
Henrik Hodam	EquensWorldline	Yes
Dainius Burneika	UAB „Mobilieji mokėjimai“ (MOQ)	Yes
Hans Rainer van de Berg	Van den Berg AG	Apologies
Marco Polissi	SIA S.p.A.	Yes
Paolo Martino	TAS Group	Yes
Grzegorz Leńkowski	National Clearing House KIR	Yes
tbd	PISP	
<b>Retailers</b>		
Michel van Mello	EuroCommerce (Colruyt)	Yes
Marina Fajardo Alamo	Carrefour	Yes
Gilles Bourron	Total	Yes
<b>EACT</b>		
Massimo Battistella	EACT	Yes
<b>BEUC</b>		
Jean Allix	BEUC	Yes
<b>Standard / Industry Organisations</b>		
Daniel Dardailler <i>alternate:</i>	W3C	Yes

Ian Jacobs		
Peter van Leeuwen	GSMA	Yes
Pierre-Yves Marche	GSMA	Yes
<b>Observers</b>		
Mirjam Plooij	ECB	Yes
Axelle Waterkeyn <i>alternate:</i>	NBB	Yes
Karine Schummer	NBB	
Roxanne Romme	European Commission	Yes
<b>Secretariat</b>		
Marijke De Soete	EPC	Yes

## ANNEX II

### Action points May 2018

Ref. AP	Action	Owner	Due date/ status
1.1.	Distribute an e-mail for the nomination of alternates	M. De Soete	ASAP
1.2.	Distribute the presentation on SCTs and Instant SCTs + links to SCT and SCT Instant rulebooks	M. De Soete	ASAP
1.3.	To distribute the latest version of the EPC QR code document	M. De Soete	ASAP
1.4.	Update the MSCT ToC and distribute to MSG	M. De Soete	By 20 June 2018
1.5.	To distribute the ERPB report on MCPs	M. De Soete	ASAP
1.6.	To prepare a description of a customer journey for review and discussion at the workstream meeting 22 June 2018	EuroCommerce	In due time
1.7.	To set-up a meeting of the workstream on MSCT use cases on 22 June 2018	M. De Soete	By 15 June 2018
1.8.	To set-up a meeting of the workstream on security and risk on 29 August 2018	M. De Soete	Bin due time
1.9.	To distribute the W3C presentation	M. De Soete	ASAP
1.10	To provide an insight into the timelines for the W3C deliverables	D. Dardailler	At next MSG MSCT meeting
1.11	To provide a more readable version of the diagrams on SEPA transfers in the W3C presentation	D. Dardailler / I. Jacobs	ASAP
1.12	To distribute the HPS presentation	M. De Soete	ASAP
1.13	To prepare the MSG MSCT meeting calendar	M. De Soete	ASAP
1.14	To launch Outlook invitations for all meetings	M. De Soete	ASAP

## ANNEX III

### MSG MSCT Meeting Calendar

Meeting date	Meeting location
22 June 2018 (9hrs30-15hrs30) Workstream MSCT use cases	EPC Secretariat
29 August 2018 Workstream security & risk	EPC Secretariat
7 September 2018	EuroCommerce
12 October 2018	tbd
12 November 2018	tbd
13 December 2018	tbd

All physical meetings will be held from 10hrs till 16hrs, except otherwise indicated