

Extension of Mandate of Ad-hoc Multi-stakeholder Group on Mobile Initiated (instant) SEPA Credit Transfers

Scope: Further analysis of new MSCT use cases, different interoperability models and a new release of MSCT IG.

Rationale: The mobile channel is considered to be an important enabler for the further market take-up of (instant) credit transfers as a complement to card payments for customer-to-business, person-to-person and business-to-business transactions. Moreover, the availability of solutions for the mobile device is crucial to support the development of the new SCT Instant Scheme and for the implementation of Instant Payments at the Point of Interaction (IPs at the POI)¹.

The ad-hoc Multi-stakeholder Group on Mobile Initiated SEPA Credit Transfers has been established in Q2 2018 and developed according to their mandates the following documents:

- *“Mobile Initiated SEPA (Instant) Credit Transfers Interoperability Guidance”* (MSCT IG - EPC 269-19).
- *“Technical interoperability of MSCTs based on payee-presented data”* (EPC 312-19v1.0)
- *“Technical interoperability of MSCTs based on payer-presented data”* (EPC 096-20v1.0) (awaiting publication subject to approval of the document by the EPC Board).

Those documents have been leveraged to a large extent by the ERPB WG for the development of an *Interoperability framework for IPs at the POI*. The MSG MSCT has also contributed through a Joint Task Force with the ERPB WG to the development of *Security requirements for PSU onboarding to be used by IP service providers and merchants*.

According to the extension of their mandate (MSG MSCT061-19v1.1), as approved by the EPC Board in November 2019, the MSG MSCT has also developed an MSCT roadmap (MSG MSCT 089-20).

Furthermore, the MSG MSCT already started, based on market demands, the feedback received through the public consultations on the documents on technical interoperability of MSCTs and the priorities identified during the development of the MSCT roadmap, *an analysis of new MSCT use cases* for C2B payment contexts for SCT instant based on QR-codes and NFC technology, such as those involving a *Payment Initiation Service Provider* (PISP) or a *Collecting PSP* (CPSP - as a collector of the transactions on behalf of the merchant), MSCT transactions with *unknown final transaction amount* and so-called *offline MSCT use cases* whereby the consumer device has no internet

¹ See also the EC Retail Payment Strategy (https://ec.europa.eu/finance/docs/law/200924-retail-payments-strategy_en.pdf)

connection during the transaction (MSG MSCT 090-20). The aim is to also investigate the impact of the new models involving a PISP or a CPSP on the technical interoperability requirements of MSCTs.

In addition, the MSG MSCT is studying *the security aspects of QR-codes and their data* (MSG MSCT 078-20).

It further plans to analyse the *interoperability requirements* and process flows that might be needed between the respective MSCT service providers in case of *unsuccessful /failed MSCT transactions and r-transactions*.

Note that many of the topics listed above have also been identified by the ERPB WG as remaining gaps that would need to be further investigated to achieve interoperability of IPs at the POI. The ERPB WG has included a dedicated recommendation² into their final report addressed to the MSG MSCT to further analyse these topics by June 2021.

While developing some of this work, the MSG MSCT has also encountered a number of challenges and unclarities with respect to the application of the PSD2, RTS and supporting EBA guidelines for which several questions have been tabled to the EBA Q&A tool (see EBA Q&A 2020_5365 to 5367, 5476, 5477, 5570 to 5573, 5587) during the recent months. Feedback on these questions is awaited by the MSG MSCT in the coming months to progress and finalise some of these developments.

The MSG MSCT considers it also to be important to develop a *2nd release of the MSCT IG* (EPC 269-19v1.0) in order to integrate all MSCT deliverables into a single document and apply the appropriate maintenance to the document in view of the market and technical evolutions over the past 2 years. The development of one integrated document is also intended to address several comments received through the public consultations on the documents EPC312-19 and EPC096-20.

Deliverables:

In order to ensure time to market deliverables and coordination with current market initiatives, the extension of the mandate is requested to develop the following two documents:

New MSCT use cases and their interoperability for C2B payment contexts

- Draft final document (MSG MSCT 090-20) for 8-week public consultation *by February 2021*.
- Final document following the public consultation *by June/July 2021*.

² See Recommendation A in the document on an Interoperability framework for IPs at the POI, developed by the dedicated ERPB WG, submitted to the ERPB in November 2020.

2nd release of the MSCT IG (EPC 269-19)

- Draft document for 3 months public consultation *by May/ June 2021*.
- Final document following the public consultation *by December 2021*.

Time horizon: The MSG MSCT is expected to continue their work from January 2021 till end 2021, in order not to interrupt the on-going activities. The new developments could then be contributed as technical and security inputs to any further development of an Interoperability framework of IPs at the POI.

Rules of procedure: The rules specified in the MSG MSCT mandate (MSG MSCT 001-18v1.0) apply. However, it is expected that at least for H1 2021 all meetings will be conducted as virtual meetings. Furthermore, it is proposed to complement the composition of the MSG MSCT as appropriate with representatives of new initiatives that entered the market since Q2 2020.