



## Internal Use

### Approved

## Minutes of the 5<sup>th</sup> meeting of the second phase of the Request To Pay Multi-Stakeholder Group (RTP MSG)

**Venue:** Skype meeting

**Distribution:** RTP MSG

**Meeting Date:** 19 October 2020 (14.00-16.00 CEST)

### 1 Welcome and opening of the meeting

The co-Chairs J-Y. Jacquelin and P. Spittler welcomed the members to the fifth meeting of the Request To Pay Multi-Stakeholder Group (RTP MSG). Please see Annex I for the list of attendees.

### 2 Approval of the agenda (RTP MSG 009-20)

The agenda was approved unchanged.

### 3 Approval of the minutes and review of the action points of the 4<sup>th</sup> meeting of the second phase of the RTP MSG (RTP MSG 010-20)

The draft minutes of the 4<sup>th</sup> meeting which was organised via Skype on 2 October 2020 were approved subject to the inclusion of a number of comments provided by a French EPC member.

The approved minutes and related agenda will be published in due course on the EPC website.

### 4 Discussion on fundamental concerns raised by the European Third Party Providers Association (ETPPA)

The ETPPA representative read out a statement on behalf of ETPPA, the Electronic Money Association (EMA) and the European Payment Institutions Federation (EPIF), which covered a number of fundamental concerns in relation to the SEPA RTP (SRTP) scheme. The statement (see Annex III) will be sent after the meeting to the RTP MSG members.

The EPC Director General first of all thanked the RTP MSG for its contribution to the development of the SRTP scheme. Next, he provided the following high-level feedback in relation to the statements that were made verbally by the ETPPA representative, however stressing that he had not had the opportunity to consider the supporting written text in advance, as not shared ahead of the meeting:

- Stakeholders have been involved in the development of the SRTP scheme from the start through the RTP MSG (effectively as from early 2019) and via participation in the SRTP rulebook public consultation of last Summer.



- An open and transparent policy was respected with regard to the constitution of the RTP MSG.
- To ensure transparency, the RTP MSG input will be included in the SRTP rulebook public consultation document that will be published on the EPC website before the end of 2020.
- The EPC is a PSP membership organisation. Accordingly, the participation in the RTP TF for the development of an SRTP rulebook was open to any EPC member to participate, including EPIF and EMA.
- The EPC is by definition “agnostic” towards infrastructure, technology, solutions, operating and business models and leaves all strategic and commercial choices to the market. It only strives to foster harmonisation, integration and innovation for payments in Europe, in line with its mission and the Euro Retail Payments Board (ERPB) priorities.
- In line with the request of the ERPB, the EPC developed an SRTP scheme which will be open to PSP and non-PSP entities on the basis of a level-playing field.
- The EPC believes that the SRTP scheme falls outside the scope of PSD2. Moreover, a participant to the SRTP scheme is not required to use the SCT or SCT Inst schemes, or the other way round. In other words, the SRTP can be followed by any type of credit transfer and the SCT and SCT Inst schemes are being adapted to support any RTP message, not only those based on the SRTP scheme rules.
- In line with the November 2019 RTP MSG specifications report, the SRTP rulebook focuses on a generic 4-corner model, as the most complete and complex one, without excluding other models, which are explicitly mentioned in the SRTP rulebook.
- The EPC plans to launch another public consultation next year in relation to the second release of the rulebook (in line with the 2-phase approach as described in the November 2019 RTP MSG report). The strong stakeholder involvement in the RTP activities will hence continue for Phase 2 of the development of the SRTP scheme and beyond.
- The EPC - which is entirely outside the commercial space - believes that the market is the best judge for new initiatives and developments, and sees competition as a key driver of progress and innovation for payments and the economy (and end-users).
- All EPC (payment as well as payment-related) schemes have an “S” denoting “SEPA” as the first letter of their acronym (i.e., SCT, SDD, SPL, SRTP) which refers to their geographical scope (and to the geographical remit of the EPC activities), without claiming any exclusivity for offering a pan-European scheme of any sort.
- The EPC SCT and SCT Inst implementation guidelines will be agnostic to the type of RTP.
- The EPC believes that the work in relation to the SRTP scheme is compliant with the applicable legislation (however, PSD2 does not apply).

The ETPPA representative remarked that the ETPPA does not question the openness and transparency of the EPC, but rather the outcome of this initiative and added that a potential negative impact on the market position of third-party service providers (TPPs) is to be avoided. The main ask of the ETPPA is essentially related to the widespread demand for harmonisation of the RTP business. He reiterated that the RTP industry has been a very competitive market for well over a decade - including “bank and bank-independent initiatives” - and that this RTP standardisation attempt is seen as creating a significant distortion of that competitive space by proposing a “bank-centric 4-corner model” only. He continued by saying that even though the SRTP scheme is open to non-PSPs, the way it is designed would only make sense if a TPP would have a contract with a consumer’s ASPSP. This is hence a sensitive commercial issue. He moreover added that for the non-bank side a 3-corner model makes much more sense and that as a result there is no incentive for non-banks to participate in a 4-corner model.



The co-Chair J-Y. Jacquelin reiterated that the SRTP rulebook clearly states that RTP Service Providers (RTP SPs) can either be PSPs (including TPPs) or non-PSPs. The ETPPA representative however replied that even in a 3-corner model it would still be difficult to provide a service without a contract with a consumer Account Servicing Payment Service Provider (ASPSP).

The EACT representative was surprised by what was being discussed, as the development of the SRTP scheme is a logic continuation of the work of the E-Invoice Presentment and Payment (EIPP) MSG (for which several public consultations had been launched). If an RTP SP receives an RTP, it can present it to the Payer, and then for example a Payment Initiation Service Provider (PISP) could be involved without the need for an ASPSP. The ETPPA representative however highlighted that a PISP is rather a merchant service provider than a consumer service provider.

A French EPC member who was also a co-Chair of the EIPP MSG agreed with the statement of the EACT representative and added that the EIPP MSG had built the EIPP framework over a period of three years and that on the basis of this work, the SRTP scheme has been constructed. He added that from the beginning the goal had always been to have a scheme that is open to any player e.g. also for e-invoice providers, who do not fall under PSD2. Moreover, the member further stressed that a 4-corner model is not necessarily a banking model. It ensures the needed reachability between Payees and Payers via PSP or non-PSP RTP SPs and nothing prevents the TPP from becoming RTP SP and this only on the payee side. Furthermore, in the first release of the rulebook there is no reference to payment guarantee.

The ETPPA representative indicated that he had followed the work of the EIPP MSG and that he indeed had not seen any issues. In his view, the issue arose when the scope was extended beyond e-invoice messages and covering e- and m- commerce. He added that it is in this context that there is a big difference between banks and non-banks (in relation to payment guarantee / certainty). Moreover, he noted that even though the topic of payment guarantee is not yet included in version 1, it is planned to be included in version 2 (and via an AOS it could potentially already be introduced in version 1).

The co-Chair P. Spittler informed that EuroCommerce had asked at the November 2018 ERPB meeting to extend the scope of RTP to retail payments, and that this had been endorsed by the ERPB without any opposition. The ETPPA representative commented that there had been opposition from ETPPA, EMA and BEUC at the November 2019 meeting of the ERPB but that it had not made a difference. He added that his role is to make the voice of his stakeholders heard, and that he hopes that in a future release there is a possibility to include PISP use cases. In this context he already welcomed the news about the fact that the SCT/SCT Inst implementation guidelines would be agnostic of the type of RTP.

The BEUC representative reminded that as a member of the EIPP MSG he had insisted a lot to focus on the RTP, as in his view it was the most important part of the work. He however added that at that time BEUC was asking for standards and not necessarily a scheme (in view of added complexity). He also informed that he supports the idea of harmonising the RTP standards, as this would be important and very useful for consumers.

Following a comment on the attribute 'Placeholder for fees' (included in the SRTP rulebook), the co-Chair J-Y Jacquelin clarified that this attribute has nothing to do with interchange fees and that this attribute can be used by both PSP and non-PSP RTP SPs.

In reaction to all the comments shared, the EPC Director General summarised that:

- The EPC is totally committed to continuing the dialogue and ensuring transparency with the RTP MSG, also in relation to the second release of the SRTP rulebook.



- The SRTP scheme is open to any party that can fulfil objective minimum security, technical and operational requirements.
- The SRTP scheme is totally agnostic to any business model.
- The EPC believes in competition and to let the market decide on how the SRTP scheme will develop in the future.
- The EPC will respond to all the ETPPA related questions in a transparent way.

The ETPPA representative remarked that there is indeed a willingness to cooperate and reiterated that it is not the openness of the EPC that is questioned but rather the usefulness of the SRTP scheme to non-bank PSPs.

## 5 Report on the SRTP Trust & Security Framework

The Trust & Security Framework (TSF) had been shared with the RTP MSG prior to the meeting.

The co-Chair J-Y Jacquelin informed that this framework, which will be included as an annex to the first release of the SRTP scheme rulebook, covers the following topics:

- RTP SP onboarding.
- Responsibility of an RTP SP to identify and authenticate its own customers (Payer/Payee).
- Authentication/identification/non-repudiation in the inter-RTP SP provider space.
- Liabilities of RTP SPs.

It was explained that applicant RTP SPs will need to be certified by an independent third party (certification body) to give assurance that they have the 'capability' from an operational, security, and business continuity point of view to fulfil the list of requirements as specified in the TSF (e.g. provide a secure and reliable technical infrastructure for the connection with the RTP eco-system in order to exchange RTP messages as described in the SRTP Rulebook that are based on the ISO 20022 standard; ensure reachability and interoperability with the other SRTP scheme participants). The EPC is planning to outsource this certification process to a third party certification body, which will be selected by means of a Request for Proposal (RfP).

The co-Chair J-Y Jacquelin added that this certification process should also provide further trust and security for the consumers.

Next, the RTP MSG members were invited to share their views on the TSF. The following comments and suggestions were noted:

- Following a question from the BEUC representative, it was clarified that the authentication performed by the RTP SPs towards their customers is not related to Strong Customer Authentication (SCA) as defined under PSD2. The adequate identification and authentication of a Payee should give certainty to the Payer that the Payee is indeed who he claims to be. But equally a Payee wants to be ensured that he is reaching out to the correct Payer. In this context, co-Chair P. Spittler commented that experience has learned that onboarding with eIDAS certificates takes a long time. The co-Chair J-Y Jacquelin informed that the onboarding process (i.e. the how) will need to be further discussed as part of the RFP process and that as a result, the list with certification requirements will be further elaborated.
- The ETPPA representative commented that infrastructure service providers usually have their own requirements for onboarding, which could potentially be different and even more restrictive than what is described in the TSF. A French EPC member reiterated that the SRTP scheme will be infrastructure agnostic and as result there is no need to include certification requirement in the TSF related to infrastructure service providers. The EBA



Clearing representative informed that in general terms a distinction should be made between requirements for participating in a service versus a scheme. The French EPC member commented that the infrastructure service provider should respect the criteria that are included in the TSF and not come up with additional restrictions. Co-Chair J-Y Jacquelin added that infrastructure service providers could have other requirements for example in relation to testing but that this would indeed be out of scope of the TSF. The ETPPA representative however highlighted the fact that infrastructure service providers might not be used to deal with non-PSPs.

- Suggestion to remove the reference to “Transport Layer Security (TLS) 1.3 or higher”. It was noted in this context that the Electronic Banking Internet Communication Standard (EBICS) currently refers to TLS 1.2 as the standard with the right cyphers keys.
- The BEUC representative had some questions on the liabilities of the RTP SPs and regarding what the consequences would be if they would not respect the rules of the rulebook. It was clarified that the Dispute Resolution Committee (DRC) is responsible for investigating breaches of the rulebook and for determining appropriate sanctions. A possible consequence of a breach could for example be that the adherence of a participant is terminated. Also, it was noted that the Legal Support Group is currently finalising its review of the dedicated liability section in the rulebook itself.

## 6 Next steps

The RTP TF has scheduled a conference call on 28 October 2020 to finalise the review of the SRTP rulebook. Following finalisation, the rulebook will be published on 30 November 2020 on the EPC’s website (subject to approval by the Board at its 18 November 2020 meeting).

Co-Chair J-Y Jacquelin informed that the related implementation guidelines are expected to be published around mid-December 2020 and that the adherence process is envisaged to be opened around February or March 2021. It was highlighted that these timelines are still preliminary at this point in time and that they might change subject to Board approval.

The FIME representative remarked that in principle the SRTP scheme will not be able to start before the certification body has been established and has become operational and that it would be challenging to complete this process within a two-month period (in particular with regard to the need to develop a test plan and concrete tools).

## 7 AOB

The co-Chair J-Y Jacquelin informed that due to changes in his professional life he would step down as Chair of the RTP TF and RTP MSG as from 1 January 2021 onwards. He took this opportunity to thank the co-Chair P. Spittler as well as the RTP MSG members for the constructive work of the last couple of years. The co-Chair P. Spittler equally thanked J-Y Jacquelin for the good cooperation.

## 8 Closure of meeting

The co-Chairs closed the meeting around 15.45 PM CEST.



## Annex I: List of attendees

Co-Chairs	Institution	Attendance
Jean-Yves Jacquelin	EPC (Erste Bank Austria)	Yes
Pascal Spittler	IKEA (nominated by EuroCommerce)	Yes
Members		
Alain Benedetti	EPC (BNP Paribas, nominated by FBF)	Yes
Andrew Pankratov	OpenWay	Yes
Arnaud Crouzet	FIME	Yes
Christian Pirkner	Bluecode International AG (nominated by EMPSA)	Apologies
Christophe Fonteneau	Request Network (nominated by EESPA)	Apologies
Diana Layfield	Google	
Francis De Roeck	EPC (BNP Paribas Fortis, nominated by Febelfin)	Yes
Frans van Beers	EPC (Dutch Payments Association)	Yes
Harris Monteiro da Silva	EPC (Crédit Agricole, nominated by FBF)	Yes
Jacques Vanhautère	EPC (SEPAmail.eu, nominated by FBF)	Yes
Jean Allix	BEUC	Yes
Jörn-Jakob Röber	Trustly (nominated by ETPPA)	Apologies
József Czimer	Capsys	Yes
Luca Riccardi	EPC (ABI)	Yes
Marc Bröking	CGI	Yes
Massimo Battistella	Telecom Italia (nominated by EACT)	Yes
Michel van Mello	Colruyt (nominated by EuroCommerce)	Yes
Petra Plompen	EBA Clearing	Yes
Philippe Bellens	Worldline	Yes
Ralf Ohlhausen	PPRO & Tink (nominated by ETPPA)	Yes
Rasmus Eskestad	Bits (nominated by EACHA)	Yes
Simone Lavicka	Ingenico	Apologies
Observers		
Dominique Forceville	SWIFT	Yes
Mirjam Plooi	ECB (Eurosystem)	Apologies
Michela Tocci	Banca d'Italia (Eurosystem)	Yes
Katarzyna Hilliard <sup>1</sup>	EC/DG FISMA	Apologies
Guest		

<sup>1</sup> Replacing Roxane Romme



Kerstin Junius <sup>2</sup>	ECB	Yes
Peter Neubauer <sup>3</sup>	Bluecode International AG (EMPSA)	Yes
<b>EPC Secretariat</b>		
Christophe Godefroi	EPC	Yes
Etienne Goosse	EPC	Yes
Silvia Di Lillo	EPC	Yes

## Annex II: Action points

Ref.	Action	Owner	Deadline
5-01	Share the ETPPA, EMA & EPIF statement with the RTP MSG members	R. Ohlhausen	19 October 2020
5-02	Publish the approved agenda and minutes of the fourth meeting of the RTP MSG	EPC secretariat	22 October 2020

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<sup>2</sup> Replacing Mirjam Plooij at this meeting

<sup>3</sup> Replacing Christian Pirkner at this meeting





## Annex III: EPC RTP MSG statement – on behalf of ETPPA, EMA and EPIF

The European Request-to-Pay industry has been very competitive for well over a decade. In our view, this EPC RTP standardisation attempt is creating a significant distortion of that competitive space by proposing a bank-centric 4-corner model only. The ERPB endorsed “RTP specifications for a standardisation framework” specifically requests on page 23 that “3-corners or 2-corners (direct) models should be also enabled”, which is clearly not the case here. This has therefore not been a multi-stakeholder activity, at least not from the supply-side perspective, but a bank-sided project, which does not meet the ERPB endorsed scope, and without sufficient input from non-bank stakeholders.

Instead of using the payment requests of the PSD2/Open Banking framework and the PSD2-APIs, which all European PSPs have just implemented with great efforts, it completely undermines Open Banking by suggesting the introduction of a new type of payment requests for which a new infrastructure and new APIs will be required. And of course this begs the question why banks would prefer that over using their existing PSD2-APIs themselves and improve those if anything was missing?

Moreover, the future releases of this RTP scheme shall accommodate a lot of the functionality needed to make the SCT Inst payment instrument more competitive with the card instrument and by not adding these to SCT Inst itself, they will not be available to other RTP schemes or solutions. Amending SCT Inst by adding a link to a prior RTP, which was proposed and then recently agreed by the EPC, seems to be exclusive to this new EPC RTP scheme, which would then be an unacceptable preferential treatment.

Furthermore, it would be inappropriate to call this new scheme “SEPA RTP” as if it was the only SEPA-wide RTP solution, whilst the opposite is actually the case, because only PSD2-based Open RTP is available SEPA-wide today. Both merchants and consumers would probably be very confused by creating such a wrong impression.

If the EPC would really like to go down such a confrontational approach, i.e. going into full-blown competition with PSD2-based RTP schemes or solutions, we can obviously not support that. If instead there was willingness to really accommodate the interests of non-bank PSPs, we would be very happy to support such an effort and help the EPC Taskforce redesigning this proposal in a way that could also work for non-banks. For example, we could look at use cases involving a PISP, like other multi-stakeholder groups are currently doing as well, and then adjust the specifications accordingly.

Another fundamental concern is the separation of this scheme from the infrastructure operating it. We understand that EPC schemes shall always be infrastructure agnostic, but this creates serious issues in this case. The infrastructure providers for the other EPC schemes, the so-called Clearing & Settlement Mechanisms (CSMs), are the prime candidates here, too. So far, there is only one, EBA Clearing, and their proposed charges and rules seem to be prohibitive for non-banks. It can be expected that other CSMs are also not used to dealing with non-bank PSPs, let alone non-PSP fintech’s or merchants. Leaving the core element of the interaction between the payer and the payee RTP Service Provider just to them may also hinder a level playing field.





Apart from these fundamental concerns, we also have some specific concerns about specific datasets and attributes, but they actually also reflect the fact that use cases involving non-banks as RTP Service Providers have not been fully thought through.

Finally, we would like to highlight that the involvement of non-banks has raised questions in other working groups about PSD2 and GDPR stipulations relating to “payer consent” and the “confidentiality of the IBAN or other static tokens or proxies”. The EPC seemed highly concerned about that and therefore submitted these questions to the EBA for clarification, so that we would now expect their answer to be awaited, before starting a scheme, which might then not be compliant with PSD2 and GDPR.

In summary, we can understand the EPI and EBA Clearing’s desire for a bank-centric and interchange-enabling RTP scheme as the “missing brick” for their plans, but we would strongly recommend leaving the creation of that to themselves. The EPC’s mission is to “represent all PSPs on all European payment issues and strive to harmonise payments in SEPA to benefit European competitiveness and innovation”. If there was any need to harmonise RTP this should be done in an open approach, like the UK has done, which uses and expands the Open Banking/PSD2 framework, rather than developing a bank-sided scheme, which starts from scratch, duplicates all efforts and is likely to create an unlevel playing field between banks and non-banks in the payments ecosystem.