

Extension of Mandate for Multi-stakeholder Group on Mobile Initiated (instant) SEPA Credit Transfers (MSG MSCT)

Scope: Further development of QR-code standard for MSCTs, standardisation of NFC and BLE as proximity technology for MSCTs, new MSCT services, impact of EBA answers to Q&A questions and a new release of the 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 Multi-stakeholder Group on Mobile Initiated (Instant) SEPA Credit Transfers (MSG MSCT) 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, 1st release).
- *Technical interoperability of MSCTs based on payee-presented data* (EPC312-19v1.0)
- *Technical interoperability of MSCTs based on payer-presented data* (EPC096-20v1.0)
- *New MSCT use cases and interoperability models* (EPC031-21)
- *MSCT technical interoperability - unsuccessful and R-transactions* (MSG MSCT 108-20)
- *Minimum data sets for MSCT technical interoperability messages* (MSG MSCT 020-21)
- *Draft 2nd release MSCT IG (MSCT IG, EPC 269-19v1.14).*

On the latter document, the MSG MSCT is currently processing the comments received through the public consultation on the document held in Q3 2021 as well as the changes needed in view of some recently received answers from the EBA on some of the questions posted to the Q&A tool in 2020².

Most of the documents mentioned above have been leveraged to a large extent in 2020 by the ERPB WG for the development of the document ERPB/2020/026 on an *Interoperability framework for IPs at the POI*.

¹ See also the EC Retail Payment Strategy https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/payment-services/payment-services_en#strategy)

² EBA Q&A 2020_5476 and 2020_5477.

The MSG MSCT has also contributed in 2020 through a Joint Task Force with the ERPB WG to the development of *Security requirements for PSU on-boarding to be used by IP service providers and merchants*, which was integrated into ERPB/2020/026.

In 2021, the MSG MSCT established a Joint Task Force with the European Cards Stakeholders Group to develop *Requirements for consumer selection of preferred payment instrument at the POI* (MSG MSCT 045-21) as requested in Recommendation B of the ERPB Statement ERPB/2020/035, published in November 2020.

During the past two months, the MSG MSCT has also conducted work on the development of a QR-code standard for IPs at the POI, beyond what had already been set out in the report of the ERPB WG on an interoperability framework for IPs at the POI (ERPB/2020/026), covering the requirements for such a standard as well as its governance and the process for future updates (see MSG MSCT 107-21), as requested by the ERPB Statement (ERPB/2021/012), published in June 2021.

The MSG MSCT had developed in 2020 an MSCT roadmap (MSG MSCT 089-20) which they have recently updated in view of the market evolution and have submitted for approval to the EPC Board in November 2021 (see EPC 224-21).

While continuing the work on MSCTs, there still remain a number of unclarities with respect to the application of the PSD2, RTS and the supporting EBA guidelines which are awaiting answers from the EBA, namely questions 2020_5367, 5570 and 5573³. They may considerably impact the current version of the MSCT IG (EPC269-19v1.14).

In accordance to the updated MSCT roadmap the MSG MSCT aims to cover the following topics under an extension of their mandate:

- The extension of the QR-code for IPs at the POI to all MSCT payment contexts (C2B, P2, B2C, B2B and invoices) based on SCT Inst or SCT;
- The standardisation of other proximity technologies, namely NFC and BLE for MSCTs and the appropriate governance as needed;
- New services for MSCTs, including deferred payments;
- Analysis of the to be received EBA answers on Q&A and updates to the MSCT IG;
- Development of POI requirements for MSCTs through joint work with the ECSG and nexo, including further work on consumer selection of preferred payment instrument;
- Support and coordination on MSCTs with the SEPA Payment Account Access MSG and the further development of the RTP scheme;
- Support on technical and security matters related to the interoperability of IPs at the POI as support to potential development of an Interoperability Framework for IPs at the POI.

³ Clarifications on proximity versus remote electronic payments for MSCTs at physical POIs and the payer consent and information on the usage of a PISP for C2B payments.

Finally, the aim is to develop a 3rd release of the MSCT IG (EPC 269-19v1.0) in order to integrate all new MSCT deliverables, implement the impact of the EBA answers to the remaining Q&A questions posted by the MSG MSCT and apply the appropriate maintenance to the document in view of the market and technical evolutions.

Workplan:

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

1. Deliverables

Finalisation 2nd release MSCT Interoperability Guidance (MSCT IG)

- Final document following the public consultation conducted in Q3 2021 and EBA answers received on some of the Q&A questions, by Q1 2022.

QR-code standard for MSCTs

- Final document following the public consultation, by March/April 2022.
- Submission to International Standardisation Body in appropriate format, by Q2 2022.

Usage of NFC and BLE for MSCTs

- Draft final document for 8-week public consultation, by Q3 2022.
- Final document following the public consultation, by Q4 2022.

3rd release of the MSCT IG (EPC 269-19)

- Draft document for 3-month public consultation by end Q4 2022 / early Q1 2023, hereby integrating all new 2022 work and the impact of EBA answers to the remaining Q&A questions.
- Final document following the public consultation, by Q2 2023.

3. Coordination with the further development of the SRTP scheme and the SEPA Payment Account Access MSG concerning requirements for MSCTs.

4. Coordination with potential further work on an Interoperability Framework for IPs at the POI.

5. Potential coordination with European Cards Stakeholders Group (ECSG) if their scope would be expanded to also cover account-based payments and potential joint work on POI requirements with ECSG and nexo.

Time horizon: The MSG MSCT is expected to continue their work from January 2022 till mid-2023, in order not to interrupt the on-going activities.

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 2022 most of the 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 2021.