

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

Scope: Development of specifications and guidelines to support the interoperability of MSCTs.

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 further market take-up of SCT Instant¹ and for the implementation of Instant Payments at the Point of Interaction (IPs at the POI)².

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 Transfer Payments and Technical Interoperability Guidance* (MSCT IG - EPC 269-19, 2nd release).
- *Security requirements for PSU on-boarding to be used by IP service providers and merchants (developed in a joint Task Force with the ERPB WG on Instant Payments)* (integrated into ERPB/2020/026).
- *Requirements for consumer selection of preferred payment instrument at the POI (developed in a joint Task Force with the ECSG)* (MSG MSCT 045-21).
- *Standardisation of QR-codes³ for MSCTs* (EPC024-22v2.0).
- *Specification of QR-codes for Mobile Initiated Credit Transfers (MCTs) in ISO format* (EPC193-22v1.2).
- *MSCT roadmap (MSG MSCT 089-20v2.0 – internal document)*.
- *Interoperability of MSCTs based on NFC⁴ or BLE⁵* (EPC287-22v0.18).

Note that some of the documents mentioned above have been developed on the request of the Euro Retail Payments Board (ERPB).⁶

¹ See also https://ec.europa.eu/finance/docs/law/221026-proposal-instant-payments_en.pdf

² 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

³ Quick-Response codes

⁴ Near Field Communication

⁵ Bluetooth Low Energy

⁶ See <https://www.ecb.europa.eu/paym/groups/erpb/html/index.en.html>

Concerning the latter document listed above, the MSG MSCT is currently processing the comments received through the public consultation on the document held in Q1 2023. The publication of the final document on the EPC website is planned for end June / early July 2023.

Up to now, the MSG MSCT has covered technical interoperability features for a broad set of use cases for mobile (instant) credit transfers, including instant payments at the POI⁷ while dealing with different technologies for the exchange of the necessary information between the payer and the payee to enable the initiation of the transaction. The work has been conducted in a multi-stakeholder context catering for the interests of all stakeholders involved. However, currently there are several parallel activities to the MSG MSCT work, both from a legal, public policy and commercial perspective that will play an important role in the further evolution and market take-up of MSCTs (such as the revised PSD2, the new Instant Payment Regulation proposal, the new open finance framework, the eIDAS Wallet, the Digital Euro, payment market driven initiatives, etc.). At the same time there are EPC resource constraints that require a re-modulation of the MSG MSCT activities.

In view of all these factors it seems logical that the following adjustments are made to the MSG MSCT work:

- Slow down the work in order to await more clarity and the implications of the above mentioned activities.
- Once more clarity is obtained in Q3-Q4 2023 / Q1 2024, adjust the focus and scope (both on use cases and technology) so it better fits the market and policy interests for a more fast track evolution and deployments. This might involve a more stepwise approach.
- Grant more time to the EPC to plan for the necessary resources to support the further MSG MSCT activities.

The future MSG MSCT work will cater for the necessary maintenance needed to the MSCT IG, in view of technical and market developments, new Regulations (such as the Digital Market Act and the expected Regulation on Instant Payments), alignment with the EBA answers received on the EBA Q&A questions related to MSCTs posted by the group, alignment with the “new versions of” EPC scheme rule books and the new EPC schemes since November 2021. Furthermore the documents EPC024-22 and EPC287-22 will be fully integrated into this new release. During this maintenance process, the MSG MSCT will consider to re-structure the document to improve the readability and to ease the potential future additions to and maintenance of the document.

⁷ Point of Interaction

Workplan:

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

Deliverables:

1. **3rd release Mobile Initiated SEPA (Instant) Credit Transfer Payments and Technical Interoperability Guidance (MSCT IG – EPC269-19)⁸**
 - Final draft document(s) for a 3-month public consultation: end January 2024.
 - Final document(s) for publication on the EPC website: end July 2024.
2. **Updated MSCT roadmap proposal (MSG MSCT 089-20)**

Updated document by April 2024. This proposal may also cover possible items related to the evolutions of SEPA schemes and expected Regulations and European initiatives (e.g., proposed amendments to the PSD2, SEPA Regulation, open finance Regulation, Instant Payments Regulation, Digital Euro, EPSG, e-IDAS, items resulting from the ERPB workplan and payment market driven initiatives).
3. Support for the further **International Standardisation of the Specification of QR-codes for MCTs (EPC193-22v1.2)** through the ISO fast track procedure process. If this ISO process would fail, the document could be submitted for a fast track procedure to CEN.
4. **Coordination with European Payments Stakeholders Group (EPSG)** in view of the EPSG's new scope with as aim to leverage at maximum the MSG MSCT work, and to avoid any overlapping.
5. **Monitoring** as needed of **the e-IDAS framework regulation, architecture and pilots** (e.g. NOBID⁹)

Time horizon: The MSG MSCT is expected to continue their work from 1 July 2023 till 30 September 2024.

Rules of procedure: The rules specified in the MSG MSCT mandate (MSG MSCT 001-18v1.0) apply. However, it is expected that the meetings will continue to 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 Q3 2023.

⁸ As an effect of the document re-structuring previously mentioned, the content of the MSCT Interoperability Guidance v3.0 could be a subset of the v2.0 of the same document, and/or be focused on new topics of relevant interest for the market

⁹ <https://www.nobidconsortium.com/about/>