Minutes

SPAA MSG 019-23
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European Payments Council

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Approved

Minutes of the twenty-fifth meeting of the SEPA Payment Account Access Multi-Stakeholder Group (SPAA MSG)

Venue: Teleconference (via Microsoft Teams)

Distribution: SPAA MSG

Meeting Date: 20 September 2023 (10.00-12:00 CEST)

1 Welcome by the SPAA MSG Co-Chairs

The co-chairs A. González Mac Dowell and G. Boudewijn welcomed the members to the twenty-fifth meeting of the SEPA Payment Account Access Multi-Stakeholder Group (SPAA MSG).

A quorum was declared, including a number of proxies which were approved by the SPAA MSG.

The group was informed that M. Kostro would not participate in the discussion on business conditions and as a result he would also refrain from voting.

The list of attendees and proxies can be found in Annex I.

2 Approval of the agenda (SPAA MSG 018-23)

The agenda was approved as distributed.

3 Approval of the minutes of the 24th meeting of the SPAA MSG (SPAA MSG 017-23)

The minutes of the meeting that took place on 31 May 2023 were approved (including the comments received) and will be published in due course on the EPC website.

4 Status update on latest developments

The SPAA MSG co-chairs informed about:

- An informal meeting with DG FISMA that had taken place earlier this month to ask their view on the proposed way forward in relation to the business conditions.
- Their participation at the Open Banking Expo that is taking place on 18-19 October 2023 in London.
- An interview with the co-chairs that was published on 6 September 2023 by The Paypers entitled "Exclusive interview on SEPA Payment Account Access Scheme: Creating a vibrant European Open Banking ecosystem".

5 Status update on SPAA MSG financials

The EPC Director General, G. Andreoli updated the group on the current status of the SPAA scheme related financials, and in particular on the related budget overrun. Co-chair G. Boudewijn commented that this will be a matter for the EPC Board to resolve but at the same time reminded that the SPAA MSG should be as disciplined as possible in relation to requesting external advice. Co-chair A. González Mac Dowell agreed that the message should be taken seriously. T. Sabri was of the view that the group has been disciplined in its requests for external advice and that compared to other similar projects, the SPAA scheme related budget is very reasonable.

G. Andreoli moreover informed that a 2024 funding round will be organised among the Module 3 and SPAA Scheme Interest Group participants and he expressed his hope that participation will be as numerous as this year, taking into consideration that there is still plenty of important work to do. In this context, it was also agreed that another status update meeting should be scheduled (after the October 2023 Board meeting) with the Module 3 and Interest Group participants to inform them about the latest SPAA MSG activities.

6 Update on the activities of the SPAA RM WB and SPAA BC WB

M. Kostro in his role of chair of the SPAA Risk Management Work Block (SPAA RM WB), reported that the WB had completed a draft version of the Risk Management Annex (RMA) and that the Payments Security Support Group (PSSG) is expected to provide further input in relation to the information security risks. He reminded that the April 2023 SPAA MSG had agreed with the view of the WB that at this stage there would be no need to establish a homologation body and that instead the focus should be on the development of a self-test catalogue (a tool to facilitate self-assessment for the scheme participants). He informed that a proposal had been sent to the co-chairs to include a self-test catalogue in the API Security Framework (ASF) and to invite the joint SPAA/SRTP Work Block (in charge of the ASF) to start working on this topic. He furthermore clarified that once the self-test catalogue has been developed, the API standardisation initiatives could be invited to share their views.

Please see item 7 for the outcome of the latest meeting of the SPAA Business Conditions Work Block (SPAA BC WB).

7 Approval of a way forward - as recommended by the SPAA BC WB - regarding the default SPAA scheme business conditions (Pres EPC 069-23; SPAA BC WB 011-23)

At its 12 September 2023 meeting, the SPAA BC WB agreed on a recommended way forward regarding the default SPAA scheme business conditions, which takes into account the responses received from the external economic consultant on a set of factual questions[1] as well as the following clarifications:

- The economic consultant did not include in its final report a single, final, payback time value (i.e., 4-years, as initially perceived by part of the group) but instead considered a SPAA payback 'corridor' between 4 and 7 years.
- The payback period should be a single scheme-wide value. i.e., no different payback periods for different assets or functionalities as some had initially understood.
- The 4-year payback period, on the basis of the economic consultant's experience, represents the average asset holder's cost-recovery (i.e., average between 3 and 5 years) and is not backed-up by the data collection performed on the asset holders' representative sample, as initially understood.
- The 7-year payback period, as included in the annex to the final report, is the minimum payback period (for AHs) that (largely) meets the asset brokers' 'optimal fees', resulting

[1] The related document (SPAA BC WB 011-23) including the responses from the economic consultant was also shared for information with the SPAA MSG prior to the meeting.

from the sensitivity analysis performed by the economic consultant on a representative sample of asset brokers - within a black-box approach.

- The economic consultant is de facto leaving it to the SPAA MSG to decide how to determine the payback period in the 4-7 years corridor for the SPAA-related investments.

As a next step, G. Andreoli presented the way forward as recommended by the SPAA BC WB:

1. The economic consultant will be asked to conduct an internal survey, by leveraging on their European network of professionals, to assess (a) the methodology used by the asset holders (AHs) to evaluate their payback time (e.g., undiscounted[2] vs. discounted cash flows), (b) AHs average payback time for 'standard' projects, and (c) AHs average payback time for 'strategic/innovative' projects comparable to SPAA. As a result:
   - the outcome of (a) and (b) will be used to further substantiate and further document the economic consultant's previous analysis.
   - The updated SPAA scheme's payback period of reference will be the outcome of (c).
   - The 5 October 2023 EPC Board will be invited to approve the budget needed to finance this internal survey.
2. Volume analysis assumptions to be reviewed by the economic consultant:
   - Considering the potential beneficial impact of new legislative proposals on the SPAA data volumes.
   - Considering setting 2027 as Y1 (instead of 2026), shifting SPAA volumes accordingly in case of delayed activities.
3. Volume projections[3] to be reassessed in view of potential traffic flowing via direct access versus dedicated interfaces:
   - Option 1: via consulting National Competent Authorities ('NCAs' i.e., Central Banks) - for version 1.0 of the business conditions (depending on whether the required information is available).
   - Option 2: via consulting TPPs through a dedicated survey - only for version 2.0 of the business conditions, and subject to Board approval in a next phase (Q4 2024 or Q1 2025).

In line with the above recommended approach, version 1.0 of the default fees will at last be calculated by the economic consultant, based on the updated payback period [step 1 (c)], and on the "baseline volumes" already communicated by the economic consultant in their February 2023 report, adjusted - if applicable - according to steps 2 and 3.

G. Andreoli moreover added that the recommended way forward had been validated by the EPC's internal and external competition counsels as it ensures that the determination of a SPAA-related payback time is performed in an objective and transparent manner, by avoiding the risk of anticompetitive behaviours and outcomes, such as collusion and price fixing, under Article 101, TFEU. It was moreover noted that an alternative suggestion of simply taking a payback period of 5.5 years - based on an arithmetic average between the 4 and 7-year payback periods - was not deemed acceptable by the external competition lawyer.

In relation to option 1 under step 3, co-chair G. Boudewijn commented that further clarity is needed regarding i) the reporting obligations and ii) the current implementation status of the ECB's Regulation on payment statistics.

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[2] The economic consultant's methodology was based on the undiscounted cash flow principle.

[3] The transaction asset volumes, based on the data provided by EuroCommerce, will not be reassessed.

K. Junius informed that potentially the Forum on the Security of Retail Payments (SecuRe Pay Forum) could be contacted in relation to option 1 as all the national competent authorities (NCAs) are grouped in this forum.

Co-chair A. González Mac Dowell's understanding (based on limited information) was that in Spain, the number of accesses to accounts needs to be reported to Banco de España. He also highlighted the fact that the reassessment of the volume projections (step 3) is limited to the data asset volumes and that potentially based on the outcome of steps 2 and 3, an updated version of the default fees could be calculated. Finally, he also commented that theoretically it could be possible that the payback period resulting from the internal survey would be higher than 7 years.

Following a question from M. Altamura, co-chair G. Boudewijn explained that step 3 is related to the fact that potentially not all API traffic is reported and added that in order to resolve this, further clarity would be required on the related reporting obligations. On the topic of potential 'hidden' traffic, co-chair A. González Mac Dowell explained (based on his experience as Eurobits CEO) about the situation in Spain where less than 1% of the traffic was done via APIs (due to the fact that apparently Banco de España had provided exemptions to most ASPSPs - and without making these exemptions public). G. Boudewijn commented that ASPSPs also have reporting obligations regarding the availability of their dedicated interfaces, which are however different from the obligations that are covered under the Regulation on payment statistics.

C. Marcelis asked where and by when the SPAA MSG wants to land and what can be done to avoid that the project would be halted. She furthermore questioned what would happen in case the default fees would be considered too low. Co-chair G. Boudewijn responded that it is not up to the SPAA MSG to 'land' the fees and that during the 'go to market' phase it will become clear whether the default fees allow for competitive pricing. R. Ohlhausen however commented that when the (recalculated) default fees will be disclosed it should immediately be clear whether these allow for competitive pricing or not. He continued by saying that TPPs are of the view that competition related issues are being looked at from the wrong angle because SPAA is a completely new project and hence it is of utmost importance to be able to have competitive fees from the start. The competition issue is rather related to the EPC being the scheme manager and as such the TPPs are of the view that it would be better to consult DG COMP (for example to ask their views on having different payback periods for different services) instead of consulting the EPC's external competition lawyer. He continued by saying that for now, there is no other choice than to accept the current situation but repeated that as soon as the default fees are disclosed it will be clear whether or not these are competitive. He moreover added that in order to overcome the competition topic, a pragmatic outlook is needed on how competitive fees can be achieved. Co-chair G. Boudewijn agreed that for now this is what the group needs to work with and that in parallel an assessment should be done in due course to find a solid and 'bulletproof' way to be able to 'recalibrate' the default fees in a next phase (inter alia based on lessons learned). In this context, he informed that he and Ralf will set up a separate meeting to further discuss this matter. He also made reference to article 17 'Fees on digital euro payment services' (in the Proposal for a Regulation of the European Parliament and of the Council on the establishment of the digital euro), which gives input on the maximum inter-PSP fees.

G. Andreoli presented the proposed internal survey questions that would be sent to the economic consultant. M. Altamura however suggested to ask the economic consultant to explain how they define "innovative/strategic projects" as a robust definition would be required in order to avoid discussions after the survey will have been completed. Co-chair G. Boudewijn commented that different asset holders might have different methodologies regarding the interpretation of innovative/strategic projects and added that the economic consultant should have the knowledge to correctly assess the similarities between projects that are comparable to SPAA. In addition, it was acknowledged that i) different types of projects will have different payback periods (also, payback periods for compliance projects would be less relevant as the investment has to be done anyway and some compliance projects could have an “infinite” payback period) and ii) the focus is on projected (ex-ante) payback periods, not on payback periods .

It was agreed that the above reflections and comments related to the survey could be shared for information with the economic consultant. The economic consultant is however in charge of conducting the survey in accordance with the ‘black box’ principle (meaning for example that the SPAA MSG itself cannot set the parameters of the survey).

M. Battistella asked what the impact will be on the default fees once the initial investment has been recouped. The co-chairs reminded that the economic consultant adopted a cost-plus approach (in line with the June 2021 report of the EPRB Working Group on a SEPA API Access Scheme) which includes a reasonable margin. They agreed that this is indeed a good question that will need to be revisited in a next phase. Co-chair G. Boudewijn informed that this topic will also be tackled in his aforementioned meeting with R. Ohlhausen.

Following a question from G. Debost it was clarified that the EPC budget would be used to fund this additional survey (subject to Board approval).

As a next step, the SPAA MSG was invited to vote on the approval of the way forward as recommended by the SPAA BC WB regarding the default SPAA scheme business conditions. A 3/4 majority vote (N=15) was obtained. Three members abstained from voting and two members voted against. As a result, the EPC Board will be invited at its October 2023 meeting to approve the additional budget for contracting the economic consultant to conduct the internal survey as described above.

Following a question, G. Debost explained that the French community voted against the recommended way forward as they are not convinced that there is a need to review the payback period and because of the impact on the EPC’s limited budget. In addition, they find the focus of the internal survey not sufficiently clear.

8 Approval of the 2024 SPAA scheme work plan (Pres EPC052-23)

A draft version of the proposed 2023 SPAA scheme work plan had been distributed for review prior to the meeting. Following a suggestion from the co-chairs, the following two topics were added:

- Development of a pragmatic and solid mechanism to reassess the default fees.
- Revision of the SPAA MSG mandate.

M. Altamura also referred to the need of agreeing a standardised method for the ‘fees not borne by the payer’ topic, but this will be covered under the first SPAA scheme change management cycle. In addition, it was clarified that the possible interplay with the proposal for a Regulation of the European Parliament and of the Council on framework for Financial Data Access (FIDA) will be discussed at the EPC Board’s strategic meeting in October 2023.

The updated work plan will be sent for approval to the October 2023 meeting of the EPC Board.

9 Next steps

Subject to approval from the EPC Board at its October 2023 meeting and following the completion of the survey by the economic consultant, the SPAA MSG will at its next meeting, which is envisaged to take place by the end of October 2023[4], be invited to i) endorse the update to the final report on SPAA scheme business conditions and ii) forward the update to the final report to the Board (containing the updated version 1.0 of the default fees). Following this, the Board at its November 2023 meeting will be invited to approve the publication of the SPAA scheme's default fees v1.0 on the EPC website.

10 AOB

The co-chairs took this opportunity to thank H. Robache for his valuable contributions to the SPAA MSG and SPAA API WB. They also whished him all the best for his retirement.

11 Closure of meeting

The co-chairs thanked the SPAA MSG members and closed the meeting at around 12:15 CEST.

[4] The next meeting, initially planned for 24 October 2023 was rescheduled to 6 November 2023.

Annex I: List of attendees

Country	Name	Institution	Attendance
	Co-Chairs		
EU	Arturo González Mac Dowell	Supported by the three ENCSAs	Yes
EU	Gijs Boudewijn	Nominated by the three ECSAs	Yes
	Members		
AT	Hendrik Muus	PSA	Apologies
DE	Christian Wenz	PPI AG	Yes
DE	Hartwig Gerhartinger	Paysafe Group	Yes[5]
DE	Hermann Fürstenau	Association of German Public Banks (VÖB)	Apologies
DE	Tino Meissner	Deutsche Bank	Apologies[6]
EU	Anni Mykkänen	EBF	Apologies[7]
EU	Krzysztof Korus	EPIF	Apologies[8]
EU	Farid Aliyev	EACB	Yes[9]
EU	Massimo Battistella	EACT	Yes
EU	Christel Marcelis	EuroCommerce	Yes
EU	Ralf Ohlhausen	ETPPA	Yes
EU	Tarik Zerkti	PRETA S.A.S.	Apologies
EU	Thaer Sabri	EMA	Yes
EU	Miriam Schütt	DSGV (nominated by ESBG)	Apologies[10]
FR	Fanny Rodriguez	Fintecture (nominated by Bridge)	Yes[11]
FR	Gildas Le Louarn	Linxo	Apologies
FR	Géraldine Debost	Crédit Agricole S.A.	Yes

[5] Had to leave earlier and hence provided his proxy to R. Ohlhausen

[6] Had given his proxy to H. Furstenau who did not attend the meeting

[7] Proxy to G. Boudewijn

[8] Had to leave earlier and hence provided his proxy to R. Ohlhausen

[9] Had to leave earlier

[10] Had given her proxy to H. Furstenau who did not attend the meeting

[11] Proxy to A. G. Mac Dowell

FR	Hervé Robache	STET	Apologies[12]
IE	Jack Wilson	TrueLayer	Yes[13]
IT	Alessandro Impellizzeri[14]	CBI S.c.p.a.	Yes
IT	Marco Altamura[15]	Intesa Sanpaolo	Yes
NL	Martijn Bos	Plaid	Apologies
NL	Maciej Kostro	ING	Yes
PT	João Sarilho	SIBS	Yes
SE	Oscar Berglund	Trustly	Apologies
UK	Andrew Boyajian	Tink	Yes
	Observers		
EU	Steve Ryan	European Commission	Yes
EU	Kerstin Junius	European Central Bank	Yes
	EPC Secretariat		
	Christophe Godefroi		Yes
	Giorgio Andreoli		Yes
	Silvia Di Lillo		Apologies

[12] Proxy to G. Debost

[13] Had to leave earlier and hence provided his proxy to R. Ohlhausen

[14] Alternate for A. Castelli

[15] M. Criscione attended at the start of the meeting until M. Altamura joined.

Annex II: Action points

Ref.	Action	Owner	Status/Target
23.8	Reassess the need to create a dedicated work block related to the billing of business conditions	SPAA MSG	December 2023
23.9	Involve the API standardisation initiatives in relation to a SPAA scheme self-test catalogue	M. Kostro / SPAA MSG secretariat	December 2023
25.1	Invite the Board to approve the additional budget for contracting the economic consultant to conduct an internal survey to finalise the business conditions	SPAA MSG Secretariat	21 September 2023
25.2	Schedule the following meetings: - Next SPAA MSG meeting - Next status update meeting for the Module 3/ SPAA Scheme Interest Group participants	SPAA MSG Secretariat	29 September 2023