

Consultation on a retail payments strategy for the EU

Finanssiala ry:n vastaus

Fields marked with * are mandatory.

Introduction

This consultation will soon also be available in 23 European Union official languages.

If you wish to respond in one of these languages, please wait until then to provide your replies.

Consumers and companies make payments to fulfil their everyday needs and activities. Today, in Europe, they have at their disposal a broad range of payment options, but digitalisation and innovation bring new opportunities to make payments faster, easier, more transparent, and affordable, in particular in cross-border situations.

In accordance with its Work Programme for 2020, the Commission will adopt a Strategy on an integrated EU Payments Market (hereinafter “Retail Payments Strategy for the EU” or “RPS”). It is to be submitted alongside the Digital Finance Strategy, which will be adopted to promote digital finance in Europe while adequately regulating the risks, and in light of the mission letter of Executive Vice-President Dombrovskis.

This strategy will be an important contribution to reinforcing the international role of the euro. Payments are strategic: where decisions are made, where data is stored, where infrastructures are located are of considerable importance in terms of the EU's sovereignty. This strategy will aim at both strengthening Europe's influence and consolidating its economic autonomy. Safe and efficient payment systems and services can also make a strong contribution to improving the EU's ability to deal with emergencies such as the Covid-19 outbreak. Contactless payments in shops can help to contain the spread of viruses. Innovative, non-cash, payments solutions can enable all Europeans to make the purchases they need even if they are confined at home. This crisis is further accelerating the digitalization of the economy and, consequently, of payments. Instant payments are in this context becoming more strategic than ever before.

This consultation, together with the consultation on a new Digital Finance Strategy, is a key step towards the adoption of a Retail Payments Strategy for Europe.

Payments are vital to the economy and to growth, while the smooth functioning of payment systems is paramount to financial stability. The use of non-cash means of payment has consistently increased over the years in the EU and this trend is expected to continue with digitalisation.

EU legislation in the payments sphere has played a key role in promoting a fair, transparent, innovative, and competitive payments market in the EU. The E-money Directives ([EMD1](#) and [EMD2](#)) and the first Payment Services Directive ([PSD1](#)) introduced a licensing regime that allowed for the issuance of E-money and the provision of payment services by non-bank financial institutions. This prompted the development of a number of FinTechs operating in the

payments sphere, a trend that further accelerated due to the changes introduced by the second Payment Services

Directive ([PSD2](#)) which enabled new business models based on the sharing of data, such as payment initiation services (PIS) and account information services (AIS). At the same time, PSD2 elevated the general level of the security of payment transactions through the implementation of strong customer authentication (SCA). PSD2 has become a worldwide reference in terms of open banking and secure transactions. The EU regulatory framework in the payments sphere supports the Single Euro Payments Area (SEPA), whose objective is to make cross-border payments in euro as cost-efficient and safe as domestic payments, in particular through [Regulation 924/2009 on cross-border payments](#).

Technology has also shaped the evolution of the retail payments market. Indeed, payments are a dynamic, constantly evolving business, heavily relying on technology. Over the last decade, they have been influenced by an unprecedented development of a broad range of technologies. In an increasingly connected world, consumer expectations are also evolving, making speed, convenience and ubiquity the new expected normal, at no expected additional cost. European citizens also count on the benefits of a truly integrated Single Market, which should allow them to make cross-border payments in the EU as easily and as fast as at home.

As for many sectors, digitalisation and the use of innovative technologies bring new opportunities for payments, such as: a more diverse offering of services enabled by access to mobile and internet networks; systems enabling payments credited to beneficiaries in just a few seconds (the so-called “instant payments”); potentially fully automated payments associated with the development of the Internet of Things; and the execution of smart contracts in a blockchain environment. Other technologies, such as those supporting e-ID, can also be leveraged to facilitate customer on-boarding and payments authentication in domestic and cross-border contexts.

The size of the Single Market also offers opportunities for payment businesses to scale-up beyond the domestic sphere, for pan-European payment solutions to emerge, and potentially for European-scale champions in payments to become competitive globally. This would also facilitate payments in euro between the EU and other jurisdictions and reduce EU dependency on global players, such as international card schemes, issuers of global “stablecoins” and other big techs. The Commission launched in December 2019 a [public consultation to gather information and inputs regarding the regulation of cryptoassets, including stablecoins](#). The present consultation will therefore not include questions on this topic, as payment related aspects were also included in that consultation.

However, digitalisation also brings potential new risks, such as heightened opportunities for fraud, money laundering and cyber-attacks (in this regard, the Commission launched a [public consultation on improving resilience against cyberattacks in the financial sector](#) in December 2019). It also has an impact on competition and market structures in view of the growing role played by new market actors currently outside the scope of payments legislation, such as big tech companies benefitting from a large customer base. Also, the possible impact of “stablecoins” on monetary sovereignty has prompted many central banks to investigate the issuance of central bank digital currencies (CBDCs). Nor should we neglect the potential risks, in a digital world, of financial exclusion – including with regard to the access to basic payment services, such as cash withdrawals.

Other challenges arise from a yet incomplete roll-out of instant payments in Europe. It will be important to avoid outcomes that re-create fragmentation in the Single Market, when a substantial degree of harmonisation has been achieved in the framework of SEPA.

As the emergence of new risks and opportunities accelerates with digitalisation, the development of the FinTech sector and the adoption of new technologies, the EU must adopt a strategic and coherent policy framework for payments. The RPS will be an opportunity to put together, in a single policy document, the main building blocks for the future of payments in Europe.

In line with the Better Regulation Principles, the Commission is herewith inviting stakeholders to express their views. The questionnaire is focused around four key objectives:

- 1. Fast, convenient, safe, affordable and transparent payment instruments, with pan-European reach and “same as domestic” customer experience;**

2. An innovative, competitive, and contestable European retail payments market;
3. Access to safe, efficient and interoperable retail payments systems and other support infrastructures;
4. Improved cross-border payments, including remittances, facilitating the international role of the euro.

The outcome of this consultation will help the Commission prepare its Retail Payments Strategy, to be published in Q3 of 2020.

Please note: In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact fisma-retail-payments@ec.europa.eu.

More information:

- [on this consultation](#)
- [on the consultation document](#)
- [on payment services](#)
- [on the protection of personal data regime for this consultation](#)

Section 2: Questions for all stakeholders

Ensuring the EU's economic sovereignty is a priority of the Commission. The Commission's Work Programme for 2020 includes the adoption of a Communication on strengthening Europe's economic and financial sovereignty. As laid down in the [Commission's Communication "Towards a stronger international role of the euro"](#), supporting the international role of the euro is instrumental. Efficient payments in euro will support these objectives, and will also contribute to making our financial infrastructures more resilient to extraterritorial sanctions, or other form of pressure, from third countries.

Question 10. Please explain how the European Commission could, in the field of payments, contribute to reinforcing the EU's economic independence:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is important that the EU has a modern, digital and well-functioning payments market, where European consumers and businesses have a choice of easy, fast and safe payment methods, suitable to their different needs. Europe should be a digital front runner, also when it comes to payments. The EU Commission can support this development by enhancing:

- removal of barriers from interoperability and a full deployment of instant payments across borders and currencies
- level playing field between the European PSPs and non-European players, also by implementing measures to fully support competitiveness in terms of technologies. Measures would be needed to rebalance the level playing field between heavily

regulated entities (e.g. ASPSPs), and non-regulated new players (e.g. Big Techs), covering topics such as capital requirements, infrastructures, customer data and innovation/experimentation

- possibilities for a sustainable business case for all the players in the EU
- market-driven common European standards and proven best practices for payments
- development of minimum standards for API, not only for financial institutions, but for open data across industry sectors
- strong cybersecurity and fraud prevention measures, including more information sharing between the banks and between the banks and authorities on fraud. Commission action is needed regarding other players than merely PSPs to combat the fraud.

Question 11. Please explain how the retail payments strategy could support and reinforce the international role of the euro:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The euro already has a relatively well-established status as a currency. Its role is reinforced by payment schemes and infrastructures that support euro-denominated payments and meet market demand. The SEPA Instant Credit Transfer could become the new standard for international payments, further reinforcing the role of the euro.

Initiatives like the global adoption of ISO20022 standard, and SWIFT GPI, can facilitate the payments in euro. Important work is carried out within EPC to explore the possible broadening of the credit transfer rulebooks to 'one leg out' transactions. But further development of common standards and best practices by the industry is needed as well.

More consistent regulatory requirements between the EU and other jurisdictions is needed to guarantee a level playing field to all parties.

A. Fast, convenient, safe, affordable and transparent payment instruments with pan-European reach and “same as domestic” experience

Instant payments as the new normal

Digitalisation and new technologies have fostered the emergence of innovative players with new payment services offerings, based in particular on instant payment systems and related business models. As these new payment services offerings are mostly domestically focused, the landscape at EU level is very fragmented. In particular, such fragmentation results from:

1. the current levels of adherence to the SEPA Instant Credit Transfer (SCT Inst.) scheme, which vary between Member States (MS);
2. the fact that in some MS instant credit transfers are a premium service while in others they are becoming “a new normal” and

3. the non-interoperability across borders of end-user solutions for instant credit transfers.

At the same time, there is a rapidly rising consumer demand for payment services that work across borders throughout Europe, and that are also faster, cheaper and easier to use.

Question 12. Which of the following measures would in your opinion contribute to the successful roll-out of pan-European payment solutions based on instant credit transfers?

N.A. stands for "Don't know / no opinion / not relevant"

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
a. EU legislation making Payment Service Providers' (PSP) adherence to SCT Inst. Scheme mandatory	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. EU legislation mandating the replacement of regular SCT with SCT Inst.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. EU legislation adding instant credit transfers to the list of services included in the payment account with basic features referred to in Directive 2014/92/EU	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Development of new payment schemes, for example SEPA Direct Debit Inst. Scheme or QR interoperability scheme ²	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Additional standardisation supporting payments, including standards for technologies used to initiate instant payments, such as QR or others	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

¹ For the purpose of this consultation, a scheme means a single set of rules, practices and standards and/or implementation

guidelines agreed between payment services providers, and if appropriate other relevant participants in the payments ecosystem, for the initiation and/or execution of payment transactions across the Union and within Member States, and includes any specific decision-making body, organisation or entity accountable for the functioning of the scheme.

Please specify what new payment schemes should be developed according to you:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

New payment schemes should be developed in response to identified market needs. Payment scheme owners like EPC and NPC (Nordic Payments Council) have governance and procedures in place, that ensure that market demand from end customers and payment service providers can be raised and assessed in a structured way. Also, both associations conduct open public consultations which give all stakeholders a possibility to influence the payment schemes being developed.

Development of Request-to-Pay scheme at EPC is an essential addition to the successful roll-out of the pan-European solutions for instant payments. RTP rulebook will be an important element in the development of future bill payment solutions based on account-to-account transfers. Request-to-pay scheme and the solutions and services built on top of the scheme should be as open as possible and fully reachable for all creditors and payers in the Euro area.

We don't see any need for a SEPA Instant Direct Debit.

Please specify what kind of additional standardisation supporting payments should be developed:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We support the ongoing work on the development of standards for the interoperability of mobile initiated SEPA Credit Transfers and Instant Credit Transfers and work on the framework for instant payments at Point of Interaction.

There is also a need to continue the work for pan-European e-invoicing standards. These standards could be used in conjunction with Request-to-Pay to support cross-border money collection and B2B invoicing and the standards would reduce the need for national e-invoicing solutions.

Please specify what other measures would contribute to the successful roll-out of pan-European payment solutions based on instant credit transfers:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Interoperability of Clearing and Settlement Mechanisms is a fundamental requirement for the reachability of instant payments. The SCT Instant scheme compliant CSMs need to discuss and find a solution to this issue so that a PSP can by participating to only one CSM reach PSPs that participate to other CSMs.

Several initiatives have been launched which may eventually support the rollout of instant

credit transfers, including development of the request to pay-rulebook which can prove out to be “the missing link” for many new payment solutions based on account to account-transfers. Also, the ongoing standardisation work under the auspices of EPC with the aim of promoting mobile-initiated SCT payments is also promising in this context. In addition, we have taken note of the European Payment Initiative, brought forward by a number of large European banks, but we are not yet in a position to evaluate this due to lack of information.

With regard to corporate clients, a key point is the need of adapting their internal processes to cope with immediate availability of funds and to instantly complete the underlying transaction (instant invoicing, instant warehouse unloading).

We see no need for regulatory measures.

Question 13. If adherence to SCT Inst. were to become mandatory for all PSPs that currently adhere to SCT, which of the possible following end-dates should be envisaged?

- By end 2021
- By end 2022
- By end 2023
- Other
- Don't know / no opinion / not relevant

Please specify what other end-date should be envisaged if adherence to SCT Inst. were to become mandatory:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Ample base of participants in the SCT Inst scheme has already been achieved, and the current SEPA Regulation requirements are fit for purpose without a need for additional end-date.

If any deadline is mandated, PSPs must be given a sufficiently lengthy rollout period (not before the end 2025) due to technical build and consumer considerations.

Question 13.1 Please explain your answer to question 13:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In our view the market transition towards 24/7/365 mindset, new services and customers' expectations will increasingly contribute the take-up of SEPA Instant Credit Transfers. The focus should be on building value added products based on SCT Instant, so that instead of regulatory pressure, PSPs will want to adhere in order to compete in the new payments landscape.

The number of adhering banks is steadily growing and already by now in many European countries 70-80% of the customer accounts are reachable. The increase of the maximum amount of SEPA instant credit transfer to 100,000 euros in the beginning of July, and the new payment scheme 'Request to Pay' to be published this year will bring new possibilities and advantages for the PSPs and add attractiveness of the SCT Instant Scheme.

Question 14. In your opinion, do instant payments pose additional or increased risks (in particular fraud or money laundering) compared to the traditional credit transfers?

- Yes
- No
- Don't know / no opinion / not relevant

Question 14.1 If you think instant payments do pose additional or increased risks compared to the traditional credit transfers, please explain your answer:

A number of factors in combination contribute to a higher level of risk. These factors are 1) immediacy of the transactions; 2) the increasingly complex payments landscape; 3) evolving payment technologies and novel digital crime threats; 4) tightening regulatory requirements and expectations for the prevention of money laundering and financial crime; 5) substandard information sources for reliable identification of politically exposed persons, beneficial owners of legal entities, individuals subject to financial sanctions; 6) EU and national data protection and other regulatory requirements preventing timely sharing of suspicious transaction information between the relevant financial institutions and payment service providers.

Particularly, when payments cross markets with several interconnected but separate instant payment schemes, there may be instances where the involved parties' fraud prevention, detection and/or resolution capabilities are not sufficiently aligned. Furthermore, since many instant payment services are also carried out through third parties, there is a systemic lack of insight, leading to inadequate capabilities for robust fraud detection.

We believe that more information sharing between the banks and between the banks and authorities on fraud would be an efficient tool in preventing cybercrime and fraud.

When encouraging initiatives on a further deployment of instant payments, fraud prevention and AML risk management should be an inherent part of the discussion. Know-your-customer procedures should be strengthened and harmonised in all countries.

Question 15. As instant payments are by definition fast, they could be seen as aggravating bank runs. Would an ad-hoc stopgap mechanism be useful for emergency situations, for example a mechanism available to banks or competent authorities to prevent instant payments from facilitating faster bank runs, in addition to moratorium powers (moratorium powers are the powers of public authorities to freeze the flow of payments from a bank for a period of time)?

- Yes
- No
- Don't know / no opinion / not relevant

Question 15.1 If you think an ad-hoc stopgap mechanism would be useful for emergency situations, please explain your answer and specify under which conditions:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

SCT Inst scheme participants already apply limits relating to SCT Inst transactions, and

typically there is no fully open capacity for customers to instruct a continuous and limitless flow of transactions. Most payment service providers enforce specific maximum amounts (sometimes lower than the Rulebook's maximum amount) and impose daily accumulated maximum instructed amounts (and not just for SCT Inst transactions, but usually aggregated for all types of outbound credit transfers). In addition, these limits can be adapted very fast when necessary. The scheme participants also apply daily ATM withdrawal limits to protect their customers in case of fraud or similar activity.

While we do not see instant payments aggravating bank runs as such, there might be other circumstances where an ad-hoc stopgap mechanism might be required. We believe that the ability to introduce such a mechanism would be an important addition to the regulatory toolbox. Obviously, the conditions under which such mechanism can be activated should be clearly defined and explicitly limited to the most severe circumstances only.

From a merchant's perspective, payment solutions based on instant credit transfers may require adjustments to the merchant's current IT, accounting, liquidity management systems, etc. On the other hand, current card-based payment solutions do not require such adjustments. Merchant service charges may also differ, depending on the type of payment solution offered to the merchant (card-based or SCT-based).

Question 16. Taking this into account, what would be generally the most advantageous solutions for EU merchants, other than cash?

- Card-based solutions
- SCT Inst.-based solutions
- Other
- Don't know / no opinion / not relevant

Please specify what other solution(s) other than cash would be the most advantageous for EU merchants:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 16.1 Please explain your answer to question 16:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Different merchants have different needs for suitable payment instruments. There is no single option that serves all the needs (omnichannel/high-street/online-only merchant). The customer segments of the merchant play a role as well (domestic/international/other).

Most merchants prefer card payments because of the global reach and means for currency conversion, established infrastructure and rules and access to a broad customer base, but within EU SEPA Instant Credit Transfer has a potential to become a cost efficient and attractive alternative with reach.

Question 17. What is in your view the most important factor(s) for merchants when

deciding whether or not to start accepting a new payment method?

Please rate each of the following proposals:

N.A. stands for "Don't know / no opinion / not relevant"

	1 (unimportant)	2 (rather not important)	3 (neutral)	4 (rather important)	5 (fully important)	N.A.
Merchant fee	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The proportion of users using that payment method	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Fraud prevention tools /mechanisms	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Seamless customer experience (no cumbersome processes affecting the number of users completing the payment)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Reconciliation of transactions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Refund services	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what other important factor(s) you would foresee:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Other factors affecting to the decision for a new payment method:

- Investment costs of updating or acquiring required hardware and/or software to accept a new payment method. Any additional fees related to the new payment method.
- Interoperability with already existing payment methods
- Commitment from and cooperation among all parties involved in the payment value chain
- The proportion of new customer segments
- Maturity of the new payment method - expected operating life
- Challenge of integration of new payment solutions into multiple consumer devices and across multiple channels
- Agreements needed on new business models in the overall ecosystem (with local and

- global players, payment and non-payment related)
- Speed and efficiency of the payment transaction
- Value added services to increase penetration by enhancing the customer experience, e.g. cashback, identification etc and internal operational efficiency
- Brand of the payment method
- Clear and easy-to-understand scheme rules (e.g. liability).
- Robust and reliable payment solutions - always accessible (e.g. offline capabilities)
- Easy access by customers to PSP support (e.g. helpdesks) when problems with payments occur

Question 17.1 Please explain your answer to question 17:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

For merchants to accept a new payment method there needs to be demand for it (number of customers paying with it) or a promise of a new value proposition to merchants and payment users.

Merchants will look for a right balance in accepting different payment methods. Merchants don't want to confuse customers with too many different payment instruments.

The integration of the payment method should not require significant efforts on the merchant side. Reconciliation of transactions is particularly relevant for larger merchants.

Multi-channel availability and multi-device usability are key success factors for a new payment method. Consumers must be able to use the method on all devices and in all payment contexts.

Question 18. Do you accept SEPA Direct Debit (SDD) payments from residents in other countries?

- Yes, I accept domestic and foreign SDD payments
- No, I only accept domestic SDD payments
- I do not accept SDD payments at all
- Don't know / no opinion / not relevant

Question 18.1 If you do accept SEPA Direct Debit (SDD) payments from residents in other countries, please explain why:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Leveraging on the development of digital identities (digital ID)

The issue of use of digital ID for customer on-boarding is addressed in the digital finance consultation. However as financial services evolve away from traditional face-to-face business towards the digital environment, digital identity solutions that can be relied upon for remote customer authentication become increasingly relevant. PSD2 has introduced "strong customer authentication" (SCA), which imposes strict security requirements for the initiation and processing of electronic payments, requiring payment service providers to apply SCA when a payer initiates an

electronic payment transaction. In some Member States, digital identity schemes have been developed for use in bank authentication based on national ID schemes. However until now such schemes are focused on the domestic markets and do not function across borders. On the other hand, many other “SCA compliant” digital identity solutions have been developed by financial institutions or specialist identity solution providers that rely on other means to identify and verify customers.

Question 19. Do you see a need for action to be taken at EU level with a view to promoting the development of cross-border compatible digital identity solutions for payment authentication purposes?

- Yes, changes to EU legislation
- Yes, further guidance or development of new standards to facilitate cross-border interoperability
- Yes, another type of action
- No, I do not see a need for action
- Other
- Don't know / no opinion / not relevant

Please specify what other need(s) for action you would foresee or what other type(s) of action you would recommend:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Implementation of the EU eIDAS regulation and compatible identity solutions seems to be fairly slow in the member states. Much could be done within this framework. The eIDAS regulation is a good starting point for cross-border digital identity solutions within the EU. Payments authentication could be built on this framework.

Question 19.1 Please explain your answer to question 19:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

As long as no single standard is adopted within the EU, cross-border activity will be hampered not only for payments but also in other areas of financial services.

Implementation of the EU eIDAS Regulation and compatible identity solutions still seems to be fairly low in EU Member States. The eIDAS Regulation is however a good starting point for cross-border digital identity solutions within the EU. Regarding payments, this framework could be built upon alongside existing SCA solutions and enable a more streamlined SCA experience for customers across Europe.

Industry-wide cooperation with involvement of relevant European stakeholders and support from EU institutions should aim at defining a security and liability model that fosters trust and acceptance by end-users.

Promoting the diversity of payment options, including cash

Digitalisation has contributed to an increase in non-cash payments. However, a large percentage of daily payment transactions still rely on cash.

Question 20. What are the main factors contributing to a decreasing use of cash in some countries EU countries?

Please rate each of the following factors:

N.A. stands for "Don't know / no opinion / not relevant"

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
Convenience of paying digitally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The increasing importance of e-commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Contactless payments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
The shrinking availability of ATMs	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The cost of withdrawing cash	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Digital wallets	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cash backs for card payments	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EU or national Regulation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please specify which EU or national regulation(s) may contribute to a decreasing use of cash in some countries in the EU:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Please specify what other factor(s) may contribute to a decreasing use of cash in some countries in the EU:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The main driver behind the decrease in the use of cash is the increasing digitalisation of societies and customer preference to use electronic payments. The life of consumers is increasingly digital: they increasingly shop in a digital environment and pay by electronic means. In general consumers favour electronic payments for their convenience, security and ease of use.

Question 21. Do you believe that the EU should consider introducing measures to preserve the access to and acceptance of cash (without prejudice to the limits imposed by Member States for large cash transactions)

- Yes
- No
- Don't know / no opinion / not relevant

Question 21.1 Please explain your answer to question 21:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In Finland access and acceptance of cash is followed closely by authorities (Bank of Finland and the Finnish Financial Supervisory Authority). Even if cash usage is decreasing, the access and acceptance levels are satisfactory. Market driven developments function well.

Question 22. Which of the following measures do you think could be necessary to ensure that cash remains accessible and usable by EU citizens?

Please rate each of the following proposal:

N.A. stands for "Don't know / no opinion / not relevant"

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A.
Promote a sufficient coverage of ATMs in the EU, including in remote areas	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EU legislation adding 'free-of-charge cash withdrawals' to the list of services included in the "payment account with basic features" referred to in the Payment Accounts Directive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Ensure that cash is always accepted as a means of payment at point of sale	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 22.1 Please specify what other measures would be necessary to ensure that cash remains accessible and usable by EU citizens:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In Finland cash withdrawals are possible at ATMs, grocery stores, kiosks, and bank branches, and cash is delivered to consumers also by secured mail. The wide network with various cash supply channels supports different customer needs and segments well. This development has been market-driven in dialogue with authorities.

B. An innovative, competitive and contestable European retail payments market

The current EU legal framework for retail payments includes EMD2 and PSD2. To ensure that both Directives produce their full-intended effects and remain fit for purpose over the next years, the Commission is seeking evidence about:

1. PSD2 implementation and market developments;
2. experience with open banking;
3. adequacy of EMD2 in the light of recent market developments; and
4. prospective developments in the retail payments sphere.

The topic of open banking is also included, from a broader perspective, in the Digital Finance consultation referred above.

PSD2 implementation and market developments

Two years after the entry into force of PSD2 and without prejudice to its future review, it is useful to collect some preliminary feed-back about the effects of PSD2 on the market.

Question 23. Taking into account that experience with PSD2 is so far limited, what would you consider has been the impact of PSD2 in the market so far?

Please rate the following statements:

N.A. stands for "Don't know / no opinion / not relevant"

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (fully agree)	N. A.
PSD2 has facilitated access to the market for payment service providers other than banks	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PSD2 has increased competition	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PSD2 has facilitated innovation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PSD2 has allowed for open banking to develop	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
PSD2 has increased the level of security for payments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what other impact PSD2 had in the market so far:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

PSD2 has laid a good foundation enabling third parties to connect on a level playing field also increasing the development of Open banking and APIs. We believe in the long run it will allow the development of potential new business models to offer new and convenient payment experiences to customers, as well as opening a new era towards the development of the data sharing economy. However, the market is not yet reaping the full benefits of PSD2.

Competition in payment services is increasing. On the other hand, complexity of measures for increased security and the coverage of the full range of clients and use-cases is challenging, including for non-PSP entities. Due to the complexity of the regulation, the overall cost of implementation to comply with PSD2 has been high to all stakeholders. Implementation of PSD2 has also created some confusion among customers regarding the new services, service providers and their role.

Question 23.1 Please explain your answer to question 23:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is too early to have a full picture of the market impact, as the market is still in the implementation phase. It is to be seen if PSD2 will improve the competitiveness of internal markets or if the fruit will be passed on to players outside the EU (e.g. Platform providers and Card schemes). However, at local level the competitive landscape is shifting as new European payment service providers enter the Finnish market.

Due to PIS/AIS/CC services, costs of the ASPSPs have increased together with security risks.

It may be concluded that the PSD2 has not yet met the objectives in this. From the level playing field perspective the division of building costs for access into accounts does not seem justified.

Extremely detailed legislation/Technical Standards (EBA RTS SCA) set too tight frames jeopardising well-functioning markets. Legislation has been partly unclear and the process to get implementation guidelines from EBA has been slow. In order to foster innovation in a sustainable way, the legislation should be absolutely unbiased and leave room for initiatives that benefit all parties. A detailed legislation in one area might reduce investments in other interesting innovations and services as well as better user experience.

We will see the whole impact of SCA in payments when SCA is fully implemented in e-commerce transactions. Any significant increase in the security level of payments and a resulting fraud reduction have not yet been observed. A more frequent use of Strong Customer Authentication in payments - especially for card payments - should definitely have the potential of significantly reducing fraud. As the RTS on SCA introduces an extensive set of exclusions and exemptions from the SCA requirement, it remains to be seen to what extent the usage of these exemptions will reduce the impact in reduction of fraud.

Question 24. The payments market is in constant evolution. Are there any activities which are not currently in the list of payment services of PSD2 and which would raise specific and significant risks not addressed by current legislation?

- Yes
- No
- Don't know / no opinion / not relevant

Question 24.1 Please explain your answer to question 24:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that the relevant payment services are well covered in PSD2. Nevertheless, it may be that 'crypto assets', 'stable coins' and other digital currency developments may require further regulatory attention to ensure security, integrity and a level playing field in payments.

We propose that a possible revision of PSD should provide better clarity on the borderline between paper-based payments and electronic payments.

There have been ambitions to create national emergency systems and services in the event of exceptional circumstances. These plans clearly contravene with the idea of SEPA and may cause fragmentation in the services. In addition, they would dramatically increase the costs of retail payments. There should be a pan-European harmonised regulation for the level of the required preparedness arrangements. This regulatory framework should be based on careful review of costs and efficiency.

Question 25. PSD2 introduced strong customer authentication to mitigate the risk of fraud or of unauthorised electronic payments. Do you consider that certain new developments regarding fraud (stemming for example from a particular technology, a means of payment or use cases) would require

additional mitigating measures to be applied by payment services providers or users?

- Yes
- No
- Don't know / no opinion / not relevant

Question 25.1 Please explain your answer to question 25 and specify if this should be covered by legislation:

The effect of the Strong Customer Authentication requirement on reducing fraud and strengthening security remains unclear, since it has been postponed until the end of 2020 e.g. in regard to card-based e-commerce payments - one of the main areas of fraud.

However, it should be noted that fraud mitigation is not, and can not be, a single layer approach. Vigilance on other factors besides Strong Customer Authentication will remain important. The recent developments regarding fraud have been comparatively low-tech, i.e. the fraudulent activities have been mainly directed at the clients using or accessing the electronic payment facilities rather than at the facilities themselves. However, as the threat landscape keeps becoming increasingly complex, there should be means in place for requiring additional mitigating measures from both the payment service providers and the clients.

Finally, it would be important to acknowledge that many crime phenomena such as phishing, scams, rogue robocalls, etc. are not something that the payment service providers are able to deal with alone. For this reason, it would be important for the Commission to take appropriate action to ensure that this combat is joined and supported by other relevant players as well.

Question 26. Recent developments have highlighted the importance of developing innovative payment solutions. Contactless payments have, in particular, become critical to reduce the spread of viruses.

Do you think that new, innovative payment solutions should be developed?

- Yes
- No
- Don't know / no opinion / not relevant

Question 26.1 If you answered yes to question 26, please explain your answer:

3000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Mobile payments in general should be promoted. Mobile devices have achieved full market penetration and rich service levels in most, if not all, EU Member States, making the mobile channel ideal for leveraging and promoting the use of different payment instruments. Cross-industry cooperation on specifications, guidelines and best practices has been identified as a critical success factor in the mobile payments area.

No doubt new innovative payment solutions will be developed in future (e.g. IoT), but educating clients on the use of already developed innovative payment solutions is also important.

Innovative payment solutions should be market-driven. Legislation should leave enough space for implementation and market innovation with benefits to all parties.

Question 27. Do you believe in particular that contactless payments (based on cards, mobile apps or other innovative technologies) should be further facilitated ?

- Yes
- No
- Don't know / no opinion / not relevant

Question 27.1 Please explain your answer to question 27.

(Please consider to include the following elements: how would you promote them? For example, would you support an increase of the current ceilings authorised by EU legislation? And do you believe that mitigating measures on fraud and liability should then be also envisaged?):

3000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Currently there is no need to increase the maximum limits for contactless payments set in EBA RTS SCA.

The banks in Finland promote contactless payments towards their customers. The volumes of contactless payments have shown a significant and a steady rise during the last few years. This development has been market driven.

We believe contactless payments may be further facilitated by compelling smartphone manufacturers to open their NFC antenna to the issuer to increase adoption and enrich services of mobile contactless payments.

The development of the QR code standard, for example, could also help promote contactless payments.

Improving access to payment accounts data under PSD2

Since 14 September 2019, the PSD2 Regulatory Technical Standards on Strong Customer Authentication and Common and Secure Standards of Communication are applicable, which means that account servicing payment service providers (ASPSPs) must have at least one interface available to securely communicate – upon customer consent – with Third-party providers (TPPs) and share customers' payment accounts data. These interfaces can be either a dedicated or an adjusted version of the customer-facing interface. The vast majority of banks in the EU opted for putting in place dedicated interfaces, developing so-called Application Programming Interfaces (APIs). This section will also consider recent experience with APIs.

Some market players have expressed the view that in the migration to new interfaces, the provision of payment initiation and account information services may be less seamless than in the past. Consumer organizations have raised questions with regard to the management of consent under PSD2. The development of so-called “consent dashboards” can, on the one hand, provide a convenient tool for consumers who may easily retrieve the information on the different TPPs to which they granted consent to access their payment account data. On the other hand, such dashboards may raise competition issues.

Question 28. Do you see a need for further action at EU level to ensure that open banking under PSD2 achieves its full potential?

- Yes
- No
- Don't know / no opinion / not relevant

Question 29. Do you see a need for further action at EU level promoting the standardisation of dedicated interfaces (e.g. Application Programming Interfaces – APIs) under PSD2?

- Yes
- No
- Don't know / no opinion / not relevant

Question 29.1 Please explain your answer to question 29:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We suggest an exhaustive impact assessment of costs and benefits of the PSD2 prior to any further regulative action points.

The commission and the national authorities should take stronger measures to prevent screen scraping in the case that the ASPSP has working APIs and an exemption from providing a fallback-mechanism. This is one of the biggest factors distorting the market and creating security issues at the moment, because screen scraping teaches the customers to enter their bank credentials in non-secure user interfaces. The TPPs not complying with PSD2 are getting an unfair advantage to the players who have integrated to the APIs.

Without a clearly specified concept of consent dashboard, it is difficult to assess potential benefits and downsides of the concept. On the downside the consent dashboards might provide an attack vector for malicious actors, but they might as well bring a risk of market centralisation which will contravene the Commission's objective to foster innovations.

The Finnish market has successfully used redirection-only customer journey as an authentication method for years. It should be possible to maintain this kind of established method also in the future. Changing the rule would be a rather fundamental change for consumers and in ASPSPs' implementations

There is no need for further standardisation of APIs under PSD2.

The EU level role could be to continue to facilitate the dialogue between ASPSPs and TPPs, for instance by continuing the ERPB SEPA API work.

Adapting EMD2 to the evolution of the market and experience in its implementation

Since the entry into force of EMD2 in 2009, the payments market has evolved considerably. This consultation is an opportunity to obtain feedback from stakeholders with regard to the fitness of the e-money regime in the context of market developments. The aspects related to cryptocurrencies are more specifically addressed in the consultation on crypto-assets including "stablecoins".

Question 30. Do you consider the current authorisation and prudential regime for electronic money institutions (including capital requirements and safeguarding of funds) to be adequate?

- Yes
- No
- Don't know / no opinion / not relevant

Question 30.1 Please explain your answer to question 30:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We support activity-based regulation irrespective of the type of provider (e.g. credit institutions, ASPSPs, PSPs, big tech or fintech). This would ensure consumer protection and also financial stability as new entrants grow.

30.2 If you do you not consider the current authorisation and prudential regime adequate, what are most relevant factors as to why the prudential regime for electronic money institutions may not be adequate?

Please rate each of the following proposals

N.A. stands for "Don't know / no opinion / not relevant"

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N. A.
Imbalance between risks and applicable prudential regime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Difficulties in implementing the prudential requirements due to unclear or ambiguous legal requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Difficulties in implementing the prudential requirements stemming from practical aspects (e.g. difficulties in obtaining an insurance for the safeguarding of users' funds)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

30.3 Please specify what are the other factor(s) make the prudential regime

for electronic money institutions not adequate:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Under PSD2 and EMD2, the authorisation regimes for the provision of payment services and the issuance of E-money are distinct. However, a number of provisions that apply to payment institutions apply to electronic money institutions mutatis mutandis.

Question 31. Would you consider it useful to further align the regime for payment institutions and electronic money institutions?

- Yes, the full alignment of the regimes is appropriate
- Yes, but a full alignment is not appropriate because certain aspects cannot be addressed by the same regime
- No
- Don't know / no opinion / not relevant

Question 31.1 Please explain your answer to question 31:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Keeping in mind that any regulative choice regarding the scope of the regulation is fundamental to the market and all financial players. For these reasons a coherent regulation framework comprising all different instruments is necessary.

31.2 Please state which differences, if any, between payment institutions and electronic money institutions might require, a different regime:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Payment solutions of the future

As innovation is permanent in the payments sphere, this consultation also considers potential further enhancements to the universe of payment solutions. One of them is the so-called “programmable money”, which facilitates the execution of smart contracts (a smart contract is a computer program that runs directly on a blockchain and can control the transfer of crypto-assets based on the set criteria implemented in its code). In the future, the use of smart contracts in a blockchain environment may call for targeted payment solutions facilitating the safe execution of smart contracts in the most efficient way. One of the relevant potential use cases could be the automation of the manufacturing industry (Industry 4.0).

Question 32. Do you see “programmable money” as a promising development to support the needs of the digital economy?

- Yes
- No
- Don't know / no opinion / not relevant

Question 32.1 If you do see “programmable money” as a promising development to support the needs of the digital economy, how and to what extent, in your views, could EU policies facilitate its safe deployment?

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

The principle “same services, same risks, same rules” should apply when considering a regulatory activity targeting a “programmable money” ecosystem. Under the current market dynamic, non-bank entities emerge, targeting the provisions of financial services (such as payments). Individual initiatives - should they get recognised by authorities in different European jurisdictions - have the potential to gain systemic effects. In turn, they should be subject to the same level of regulatory safeguards as traditional financial institutions.

Digital contracts that automate movement of money with pre-defined conditions signed by all parties of a contractual obligation (i.e. so called “smart money”) is a powerful concept that can automate e.g. industrial value chains in combination with properly regulated and legal verifiable data networks. It is important to notice that blockchain networks in their current form, particularly in the permissionless space, do not conform to the legal requirements for contractual obligations for signing parties. Digital contracts and “programmable money” are independent concepts from blockchain networks, although when properly governed they can be used as a technical notary for contractual states when applicable.

EU policies for digital cross-border transactions can support the development of the digital contract model by e.g. continuing to harmonise the legal status of digital signatures in the eurozone and by keeping financial regulation technology neutral.

C. Access to safe, efficient and interoperable retail payment systems and other support infrastructures

In Europe, the infrastructure that enables millions of payments every day has undergone significant changes over the last decade, most notably under the umbrella of SEPA. However, some issues remain, such as: ensuring the full interoperability of European payment systems, in particular those processing instant payments and ensuring a level playing field between bank and non-bank payment service providers in the accessibility of payment systems. Furthermore, some Member States have put in place licensing regimes for payment system operators in addition to central bank oversight, while others have not.

Interoperability of instant payments infrastructures

With regard to SCT and SDD, under EU law it is the obligation of operators or, in absence thereof, of the participants in the retail payment systems, to ensure that such systems are technically interoperable with the other retail payment systems.

Question 33. With regard to SCT Inst., do you see a role for the European Commission in facilitating solutions for achieving this interoperability in a cost-efficient way?

- Yes
- No
- Don't know / no opinion / not relevant

Question 33.1 Please explain your answer to question 33:

1000 character(s) maximum

Interoperability of Clearing and Settlement Mechanisms is a fundamental requirement for the reachability of instant payments and for a successful roll out of SEPA-wide instant payments.

The SCT Inst scheme compliant CSMs need to discuss and find a solution to this issue so that a PSP can reach PSPs that participate to other CSMs by participating to one CSM. We don't see any need for regulatory actions.

Ensure a fair and open access to relevant technical infrastructures in relation to payments activity

(This topic is also included, from a broader perspective, in the [digital finance consultation](#)).

In some Member States, legislation obliges providers of technical services supporting the provision of payment services to give access to such technical services to all payment service providers.

Question 34. Do you agree with the following statements?

N.A. stands for "Don't know / no opinion / not relevant"

	1 (strongly disagree)	2 (rather disagree)	3 (neutral)	4 (rather agree)	5 (fully agree)	N. A.
Existence of such legislation in only some Member States creates level playing field risks	<input type="radio"/>	<input type="radio"/>		<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
EU legislation should oblige providers of technical services supporting the provision of payment services to give access to such technical services to all payment service providers	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mandatory access to such technical services creates additional security risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question 34.1 Please explain your answer to question 34:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

We believe that non-discriminatory access by payment service providers to vital components (e.g. NFC or biometric identity readers) of mobile devices will contribute to a more competitive market, and we support EU-level action in order to ensure a level playing field between actors

across the different Member States.

In general, we support open access to technical infrastructures, when all participants have the same rights and liabilities and are subject to same licensing and other regulatory requirements.

34.2 If you think that EU legislation should address this issue, please explain under which conditions such access should be given:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Access to mobile device components should not require any particular conditions in addition to those that are already applicable under the EU payment services legal framework, namely the relevant PSD2-related RTS.

Facilitating access to payments infrastructures

In a competitive retail payments market, banks, payment and e-money institutions compete in the provision of payment services to end users. In order to provide payment services, payment service providers generally need to get direct or indirect access to payment systems to execute payment transactions. Whereas banks can access any payment system directly, payment institutions and e-money institutions can only access some payment systems indirectly.

Question 35. Is direct access to all payment systems important for payment institutions and e-money institutions or is indirect participation through a bank sufficient?

- Yes, direct participation should be allowed
- No, indirect participation through banks is sufficient
- Don't know / no opinion / not relevant

Question 35.1 Why do you think direct participation should be allowed?

You can select as many answers as you like.

- Because otherwise non-banks are too dependent on banks, which are their direct competitors
- Because banks restrict access to bank accounts to non-banks providing payment services
- Because the fees charged by banks are too high
- Other reasons

Question 35.2 Please specify the other reason(s) why you think direct participation should be allowed:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

In general, we support open access to payment infrastructures, when all participants have the same rights and liabilities and are subject to same licensing and other regulatory requirements.

Question 35.1 Why do you think indirect participation through banks is sufficient?

You can select as many answers as you like.

- Because the cost of direct participation would be too high
- Because banks offer indirect access at reasonable conditions
- Other reasons

Question 35.2 Please specify the other reason(s) why you think indirect participation through banks is sufficient:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method

Question 35.3 Why do you think indirect participation through banks is sufficient?

You can select as many answers as you like.

Question 35.4 Please specify the other reason(s) why you think indirect participation through banks is sufficient:

Please add any relevant information to your answer(s) to question 35 and sub-questions:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 36. As several – but not all – Member States have adopted licensing regimes for payment system operators, is there a risk in terms of level playing field, despite the existence of central bank oversight?

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

[Yes, this risk exists.](#)

D. Improved cross-border payments, including remittances, facilitating the international role of the euro

While there has been substantial progress towards SEPA, cross-border payments between the EU and other jurisdictions, including remittances, are generally more complex, slow, opaque, inconvenient and costly. According to the World Bank's Remittance Prices Worldwide database, the [average cost of sending remittances currently stands at 6.82%](#). Improving cross-border payments in general, including remittances, has become a global priority and work is being conducted in the framework of international fora such as the Financial Stability Board and the Committee on Payments and Market Infrastructures to find solutions to reduce that cost. The United Nations Sustainable Development goals also include the reduction of remittance costs to less than 3% by 2030. Reducing the costs of cross-border payments in euro should also contribute to enhancing the international role of the euro.

Question 37. Do you see a need for action at EU level on cross-border payments between the EU and other jurisdictions?

- Yes
- No
- Don't know / no opinion / not relevant

Question 37.1 Please explain your answer to question 37:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Market participants are taking many actions to improve the speed, transparency and exchange of information between banks for cross-border payments between SEPA and other countries. These actions include

- global adoption of ISO20022 standards on payments,
- enhancements by payment schemes and infrastructures based on ISO 20022 that will facilitate global interoperability,
- full adoption of SWIFT GPI by banks, and
- development of common standards, implementation guidelines and best practices particularly for instant payments.

We see no reason for EU regulation in this area. That said, legislative, more consistent regulation between EU and other jurisdictions would enhance a level playing field to all parties.

Question 38. Should the Commission play a role (legislative or other) in facilitating cross-border payments between the EU and the rest of the world?

- Yes
- No
- Don't know / no opinion / not relevant

Considering the actions taken by the market participants, we see no reason for the Commission to intervene at this point.

Question 39. Should the Commission play a role in facilitating remittances, through e.g. cost reduction, improvement of services?

- Yes
- No
- Don't know / no opinion / not relevant

Question 39.1 Please explain your answer to question 39 and specify which role the Commission should play – legislative or non-legislative:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 40. Taking into account that the industry is developing or implementing solutions to facilitate cross-border payments between the EU and other jurisdictions, to what extent would you support the following actions:

N.A. stands for "Don't know / no opinion / not relevant"

	1 (irrelevant)	2 (rather not relevant)	3 (neutral)	4 (rather relevant)	5 (fully relevant)	N.A. A.
Include in SEPA SCT scheme one-leg credit transfers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wide adoption by the banking industry of cross-border payment trackers such as SWIFT's Global Payments Initiative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Facilitate linkages between instant payment systems between jurisdictions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support "SEPA-like" experiences at regional level outside the EU and explore possible linkages with SEPA where relevant and feasible	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support and promote the adoption of international standards such as ISO 20022	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify what other action(s) you would support:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Question 40.1 Please explain your answer to question 40:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

Development and implementation of solutions to facilitate cross-border payments between EU and other jurisdictions should be market-driven. The industry puts a lot of effort to this work. Global adoption of the ISO20022 standard is a basis that opens possibilities for further standardisation and innovation, and the adoption of SWIFT GPI by banks adds speed and transparency of payments. EPC analyses different scenarios for allowing one-leg-out SEPA Credit Transfer / SEPA Instant Credit Transfer transactions. SWIFT has a global group that is looking into standards and best practices to facilitate transfer on instant payments between jurisdictions globally.

Question 41. Would establishing linkages between instant payments systems in the EU and other jurisdictions:

- Reduce the cost of cross-border payments between the EU and other jurisdictions?
- Increase the costs of cross-border payments between the EU and other jurisdictions?
- Have no impact on the costs of cross-border payments between the EU and other jurisdictions?
- Don't know / no opinion / not relevant

Question 41.1 Please explain your answer to question 41:

1000 character(s) maximum

including spaces and line breaks, i.e. stricter than the MS Word characters counting method.

It is impossible to estimate the cost implications of the linkages without knowledge about the solutions and the technical, operational and other requirements for the PSPs, but as the price level of credit transfers within the EU is low, one would expect the price level of cross-border payments between the EU and other jurisdictions to adjust to the price level in the EU and not to the price level of cross-border payments in general.

The industry can agree on a set of standards, business and technical rules, and messaging formats. It can bring efficiency by aligning the processing of international payments with that of domestic (e.g. SEPA) payments. It can improve the handling of payment claims, fraud, financial crime and AML inquiries (e.g. use of common KYC directories, advanced transaction analytics). Less funding would be needed in the correspondent banking network, as part of the payments would be cleared and settled via CSMS/payment platforms. In the Client-to-PSP space, each PSP would decide on its terms and conditions for processing international payments. Fewer intermediaries would increase efficiency and reduce the end-to-end cost. Care must be paid to the following three main aspects: no data truncation across the entire flow, clear rules that all 'connected' systems adhere to when supporting international payments at scheme level, and a commercial framework left to the discretion of the actors concerned.

Additional information

Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

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