

MANDATE OF THE WORKING GROUP ON PAYMENT INITIATION SERVICES

Based on Article 8 of the mandate of the Euro Retail Payments Board (ERPB), a working group is set up with the participation of relevant stakeholders to identify conditions for the development of an integrated, innovative and competitive market for payment initiation services in the EU.

1. Scope

The revised Payment Services Directive (PSD2) adds *inter alia* payment initiation services (PIS) to the list of payment services. It gives providers of payment initiation services (PISPs) access to payment accounts to initiate an online payment at the customer's request. The PSD2 also provides that a PISP identifies itself to the account-servicing payment service provider (ASPSP) and that both communicate with each other in a secure way. The PSD2 mandates the European Banking Authority (EBA) to develop draft Regulatory Technical Standards (RTS) specifying *inter alia* the requirements for common and secure open standards of communication.

In order to comply with the legal requirements, an ASPSP would have to develop and/or implement a technical solution (interface), enabling PISPs to identify to and securely communicate with the ASPSP. In turn, PISPs would have to adapt their systems for the interaction with each ASPSP, as well as for the efficient provision of services to its customers.

PSD2 and the RTS establish a uniform legal framework for the provision of PIS in the EU. The task of the working group will be to define a common set of technical, operational and business requirements for the development of an integrated market for PIS. The technical requirements should form the basis for defining the detailed technical specifications that are needed to support that objective.

In conducting its work, the working group will build on the list of areas of work identified in the Secretariat note submitted for the November 2016 ERPB meeting in line with market needs. It should take on board all relevant standardisation initiatives that are underway.

The working group shall consider possible implications or synergies that its work may have for the provision of account information services (AIS) and for the confirmation on the availability of funds.

2. Deliverables and time horizon

The working group is expected to start working shortly after the November 2016 ERPB meeting. The group will prepare a report for the June 2017 meeting covering the technical, operational and business requirements needed for the provision of efficient and integrated PIS services. The working group shall particularly focus on technical requirements and those operational elements (in particular the PISP directory service) which may be more time critical. This timeline should leave sufficient time for relevant players to implement all conditions identified by the ERPB as critical for development of an EU wide integrated market for PIS by the time the EBA RTS start to apply, i.e. towards the end of 2018. In view of the wide market interest in this matter, the working group shall aim for full transparency, e.g. by sharing their work on the ERPB website.

3. Participants and chairmanship

The working group shall include relevant stakeholders, including representatives of i) ERPB member associations, ii) European standardisation initiatives, and iii) PISPs and, for aspects of the work that would be relevant to AIS, providers of AIS (AISPs). One representative of the ECB and a limited number of representatives of euro area NCBs are invited to join the working group as active participants. A representative of the EU Commission will be invited as observer. The working group will be co-chaired by E-Commerce Europe (demand side) and the European Payments Council (supply side).

Members representing their associations and the co-chairs will be appointed by the ERPB Chair based on suggestions from their respective associations. Other participants – after expressing interest to the ERPB secretariat – may be invited by the ERPB Chair to join the group based on consultation with the members of the ERPB.

5. Rules of procedure

The mandate of the ERPB defines a broad set of rules for the procedures of its working groups: the working group takes positions on a $\frac{3}{4}$ majority basis; dissenting opinions are mentioned in any relevant documents prepared by the working group. The members of the group decide on how to organise secretarial support, timing and rules of meetings and communication via written procedure, as well as on the need and format of any interim working documentation produced. Costs related to the operation, meetings, chairmanship and secretariat are carried by the members of the group themselves.