



# EPC's role in a fast changing European payments landscape

Payment Systems Forum conference  
"A new era in payments?"

14 May 2018 - Lisbon



# The EPC in brief

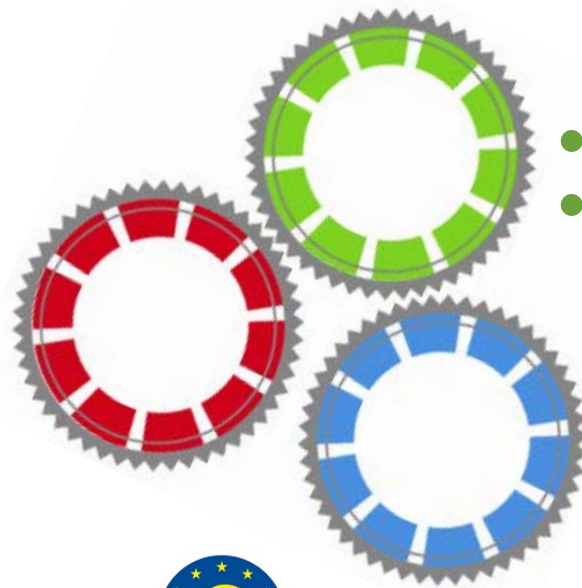
- What? to support and promote European payments integration and development, notably SEPA
- How?
  - By developing and managing pan-European payment schemes (SCT, SDD)
  - By formulating positions and proposals on European payment issues
  - In constant dialogue with other stakeholders and regulators
- Who? 76 Members + 1 Associate Member
  - Individual PSPs (2 from Portugal)
  - National PSP associations
  - European PSP associations
- Where? 34 European countries
- How big?
  - Some 4,200 scheme participants
  - 40 billion transactions per year



# Stakeholder cooperation to develop and integrate payments in Europe is critical



- Scheme Stakeholder Fora
- Change management cycle (public call for change requests, public consultation)
- Multi-stakeholder groups



**ECSG**

- 5 sectors
- Card-based payments

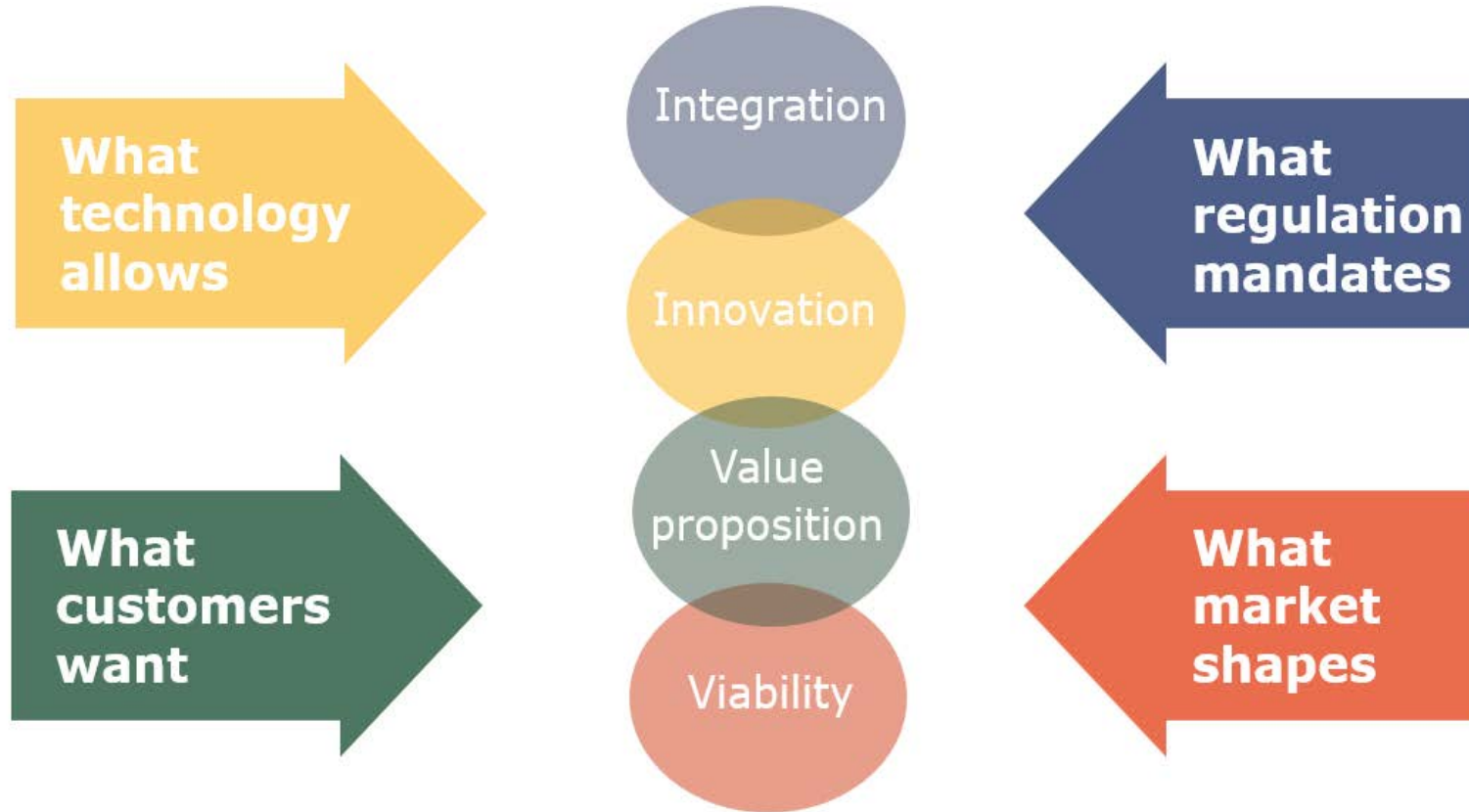


**ERPB**



- Supply and demand sides
- Facilitate the further development of an integrated, innovative and competitive market for euro retail payments

# Key “tectonic forces” driving change in European payments



# New paradox in payments:

more complex ecosystem expected to produce simpler, faster and cheaper payments



- More players
- More fragmented value chain
- More technology
- Payments part of a “bigger game”
- Globalisation
- More regulation
  - Harmonisation (Single Market – e.g. SEPA)
  - Consumer protection
  - Introduction of new (regulated) players to stimulate competition
  - Price regulation
  - Integrity and continuity
- Call for more convenience and more security
- Flawless operation of existing, “legacy” payments whilst moving to “new payments” landscape



# Payment harmonisation in Europe – achievements and ongoing actions



- 1 SEPA schemes (SCT, SDD) - 2014 (2016) migration
- 2 SCT Inst – November 2017 (progressive) implementation
- 3 2-year cycle for evolution of the SCT and SDD schemes
- 4 PSD2 – API (e.g. for PIS) – 2018
- 5 EIPP – Request to Pay – end-2018
- 6 Harmonisation of mobile payments – 2018/2019
- 7 Proxy look-up (mobile phone number - IBAN conversion) – end 2018
- 8 ECSG – “Card Standardisation Volume” release 9.0 - end-2019/early 2020



# Example of scheme evolution at users' request

## Extended Remittance Information (ERI) Option



- Now: 140 characters of either structured **or** unstructured RI
- Proposal (effective in November 2019): ERI option for SCT (not SCT Inst)
  - One occurrence of 140 characters of unstructured RI **and**
  - Up to 999 occurrences of 280 characters of structured RI (ISO 20022 only)
- SCT scheme participants must formally declare their participation to this option to the EPC (at least as Beneficiary Bank)
- The Originator Bank must verify if the Beneficiary Bank is an ERI Option Participant before sending ERI
- If agreed with the Originator, Beneficiary Banks not adhering to the ERI option will only get one occurrence of 140 characters of unstructured RI (otherwise default is reject)
- Exception processing and inquiries for ERI-populated SCT transactions contain only the occurrence of 140 characters of unstructured RI
- It largely reflects change requests from EACT (except increase of unstructured RI from 140 to 280 characters)

# Key features of SCT Inst



The money will be available on the account of the payee within ten seconds.



It will apply to credit transfers made in euro, up to an initial maximum amount of 15,000 euro.



SCT Inst transactions will be available 24/7/365.



Transactions will be possible in the 34 countries which are within the scope of the current SEPA schemes.



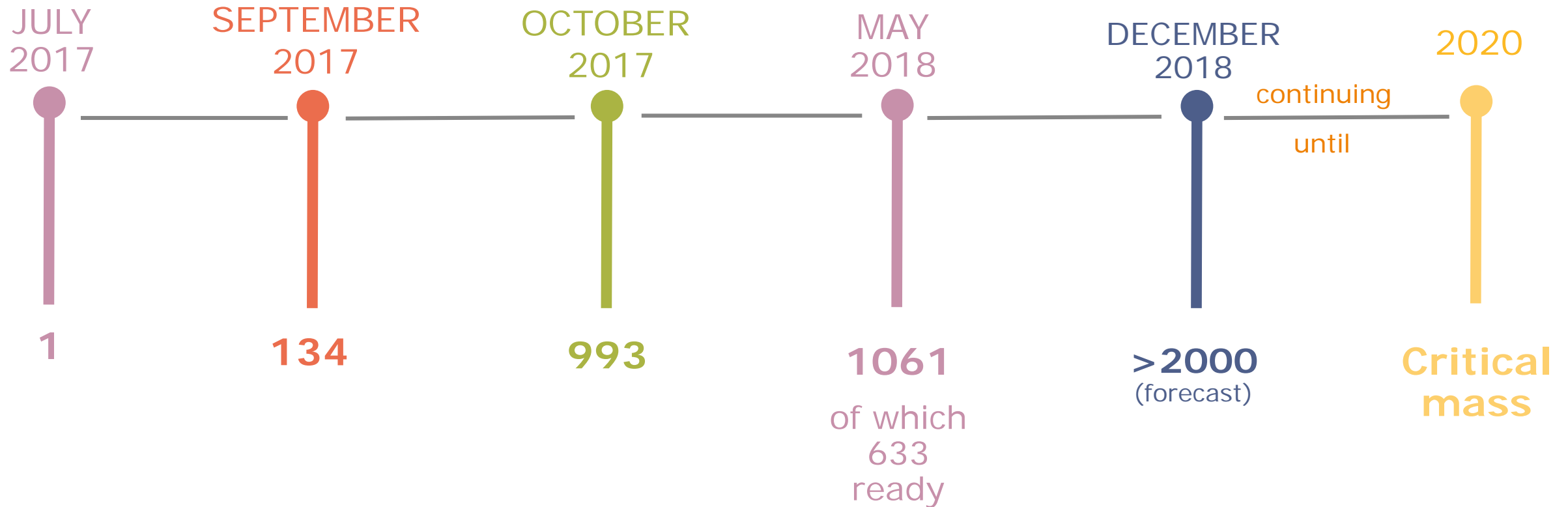
# SCT Inst – other features



- Built on existing SCT scheme
- “Optional” scheme – progressive implementation
- Flexibility for two key parameters maximum (processing time and amount)
- Use-case agnostic
- Cash and cheque replacement
- Monitoring of implementation to learn early lessons and adjust/clarify the scheme
- Maximum amount to be reviewed annually starting in 2018



# Number of registered scheme participants



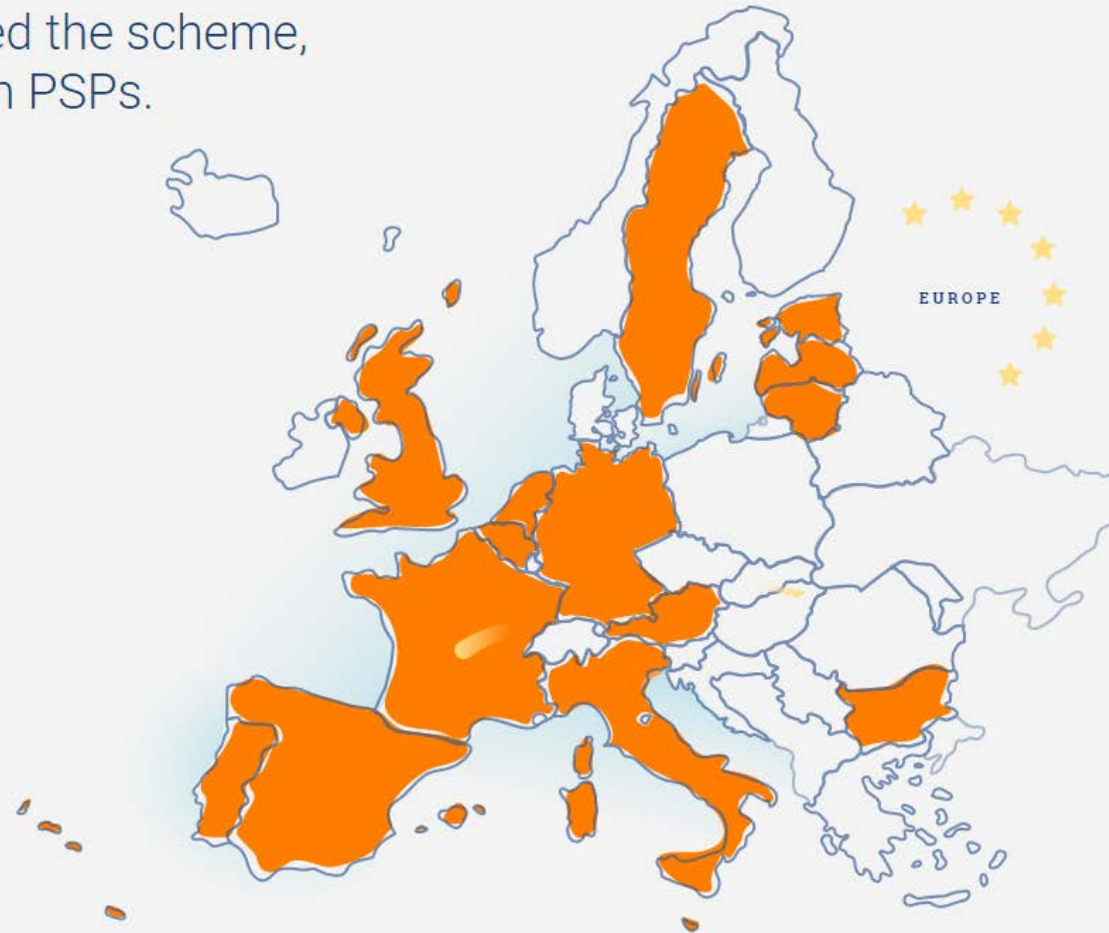
# SCT Inst in May 2018



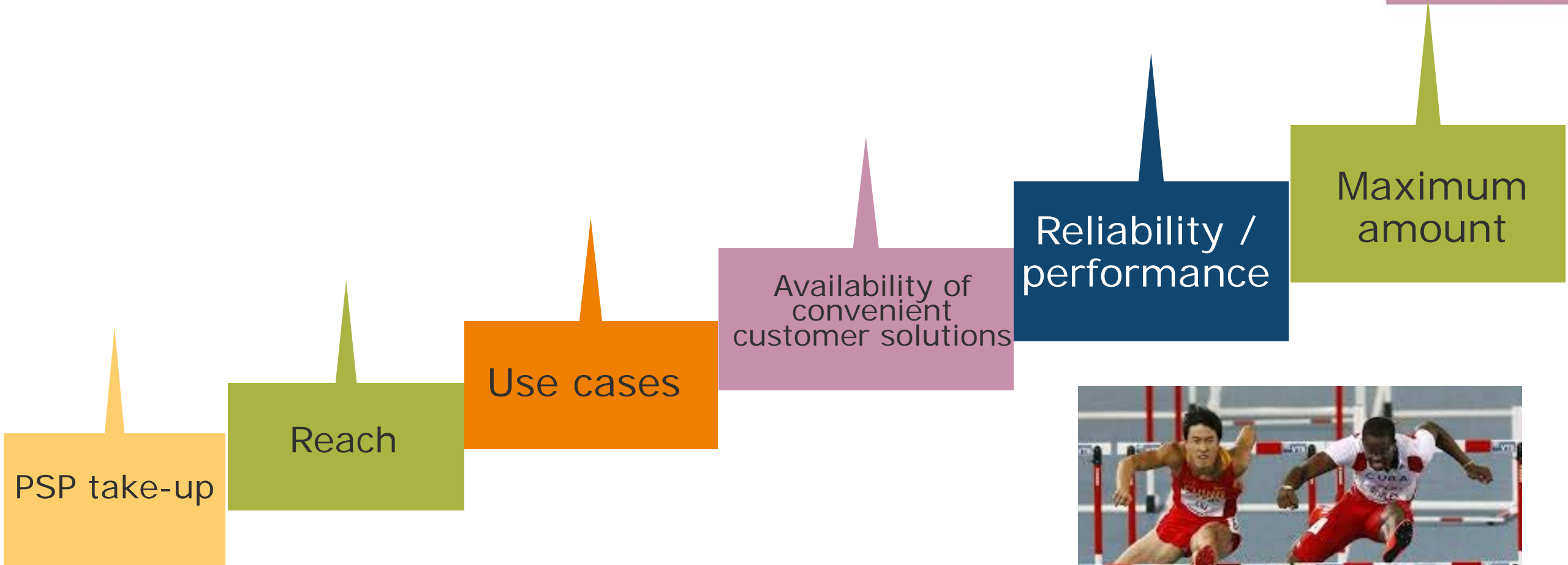
## SEPA INSTANT CREDIT TRANSFER SCHEME

Already **1061** payment service providers have joined the scheme, i.e. **25%** of European PSPs.

from  
**15**  
COUNTRIES



# SCT Inst - Critical success factors

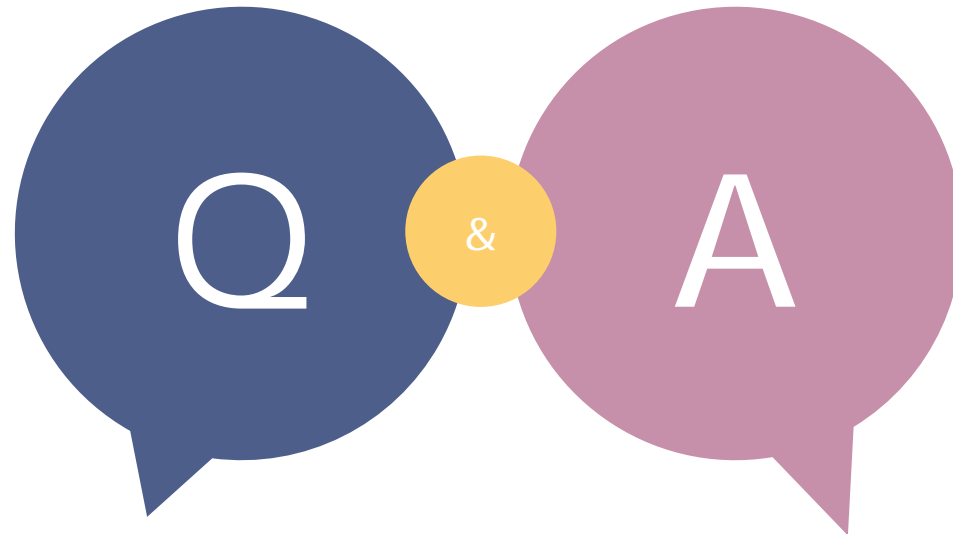




# Looking into the future...

- Real time payments will happen
- But how fast and how far will SCT Inst develop?
- PSD2 + SCT Inst = ?
- “Blurring” of payments instruments and experiences
- Towards “invisible payments”?
- Customer experience is key
- Battle for data and customer relationship
- Future technology evolutions?
- (Cyber)security as a priority





**QUESTIONS?**



**OBRIGADO !**