

Response template



European
Payments Council

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European Payments Council AISBL,
Cours Saint-Michel 30 B-1040 Brussels
T +32 2 733 35 33
Enterprise N°0873.268.927
secretariat@epc-cep.eu

Public

Approved

Response template for the public consultation on the SEPA Request-to-Pay scheme rulebook

1 Introduction

The European Payments Council (EPC) is launching a public consultation on the draft rulebook of its new SEPA Request-to-Pay (SRTP) scheme (EPC014-20), **which will run for a 90-day period - from 2 June until 30 August 2020.**

The SRTP scheme, which is based on the RTP specifications document¹ produced by the RTP Multi-Stakeholder Group (MSG RTP), covers the set of operating rules and technical elements (including messages) that allow a Payee (Creditor) to request the initiation of a payment from a Payer in a wide range of physical or online use cases. It is envisaged that the Scheme will evolve further over time to support more elaborated functionalities.

All interested stakeholders are invited to participate in the public consultation by including their feedback (e.g. comments, change requests) on the proposed SRTP rulebook in this template and emailing it to SRTP@epc-cep.eu by 30 August 2020 (midnight Brussels time) at the latest.

The EPC will review all received contributions as from 31 August 2020 onwards with the aim of publishing the formal first version of the SRTP rulebook by end November 2020 on the EPC website (subject to Board approval). The SRTP scheme itself is expected to enter into force shortly after the publication date.

2 Contributor details

Name of Contributor:	Thaer Sabri
Organisation:	Electronic Money Association
Address:	Crescent House, 5 The Crescent, Surbiton
E-mail	thaer@e-ma.org
Phone:	

Confidentiality:

The EPC will publish the received public consultation comments from all contributors including the name of each comment contributor's organisation on the EPC Website. Please state if you wish the name of your organization to remain anonymous during the public consultation feedback review process and in the published public consultation comments report:

~~YES~~ ~~NO~~

¹ <https://www.europeanpaymentscouncil.eu/document-library/guidance-documents/request-pay-specifications-standardisation-framework>
www.epc-cep.eu



General comments

The EMA welcomes the opportunity to comment on the draft SRTP Rulebook and would like to highlight some general themes which have emerged from our detailed review.

The specifications for the RTP Framework developed by the RTP Multi-Stakeholder Group (MSG RTP), and endorsed by the ERPB in November 2019, recognised that multiple models, involving various types of organisations, exist for delivering an RTP Framework². Indeed, many examples of which already exist in the market today i.e. the UK's RtP scheme, open PSD2 API-based RTP solutions, and Online Banking e-Payments (OBEP) RTP schemes. Therefore, the MSG RTP specifications also envisaged "*multiple ways of [message] routing and participants identification should be allowed*"³ to ensure reachability and interoperability across such a diverse pan-European ecosystem.

We note, however, that the lack of some details in the draft RTP Rulebook on interconnectivity and routing between RTP providers, coupled with the choice of participant identifiers (IBAN, BIC), seems to directly counter the 2019 specifications for the RTP Framework⁴.

Message Routing

A key component of the ecosystem is the inter-RTP service provider space where RTP messages are routed and exchanged between providers. The draft SRTP Rulebook is missing any reflection of the MSG RTP's original intention that multiple ways of routing RTP messages may be achieved via multiple Inter-RTP Service Providers which leaves a significant gap in the framework.

Not defining the role of the Inter-RTP Service Provider, nor common addressing and messaging standards between these providers may introduce substantial pan-European interoperability issues to the RTP ecosystem, and frustrate the ability of potential Inter-RTP Service Providers to enter the market.

Participant Identification

The draft Rulebook proposes that IBAN and BIC are used for various participant identifiers in the scheme. As discussed in our detailed comments below, these choices of identifiers do not support the entry of new RTP service providers into the market, as they may not be identifiable by a BIC, and would seem by design to give potential RTP entrants with a large customer base (such as banks) an advantage.

Scope of functionality

We also note that the draft SRTP Rulebook would now appear to classify additional features (such as pre-authorisation of payment, instalment payments, and guarantee of payment) as 'Additional Optional Services' (AOS) as defined in other SEPA scheme Rulebooks.

These additional features are fundamental to developing viable payment solutions based on SCTInst that meet the needs of merchants and consumers, and can compete with card payments at a pan-European level. We do not agree that deferring such functionality to AOS, nor including within the main SRTP scheme, will support this as it would require PSPs to participate in both the SCTInst scheme and the SRTP scheme in order to deliver the functionality, thus driving up operational cost, and ultimately affecting

² Pg 22 RTP MSG 005-19 RTP Specifications for a standardisation framework v1.0

³ Pg 23, RTP MSG 005-19 RTP Specifications for a standardisation framework v1.0

⁴ RTP MSG 005-19 RTP Specifications for a standardisation framework v1.0



competition in the market. It should be considered that these features are introduced to the SCTInst Scheme Rulebook to enable innovative payment solutions to emerge.



3 Feedback on the draft SEPA RTP scheme rulebook (EPC 014-20)

Rulebook section N°	Comment / Proposed new rulebook text (please indicate via track changes)	Reason for change
1.3 Actors	This section should include a definition of the role of the 'Inter-RTP Service Provider'.	It is unclear from the processing flows later in the Rulebook how interconnectivity and routing between RTP providers will be facilitated. The 'Inter-RTP Service Provider' (as per the model in Figure 2 in section 1.4) is a key actor in the RTP message flow, therefore, this role within the ecosystem should be defined in this section, and further explained in the message flows (see further comments on 2.3.1 below).
1.4 - Step 1 Payer identification in unreferenced table	The payer identifier should be unique in order to identify the particular payer/RTP Provider relationship for routing purposes. IBAN/email/mobile number alone may not be suitable for routing RTP messages.	There may be use cases where a payer has assigned multiple RTP providers to manage their bill/invoice/payment from the same IBAN. Therefore, for RTP message routing purposes, IBAN alone should not be the payer identifier (AT-01) as given as an example in this table.
1.4 - Step 1 Payer identification in unreferenced table	<i>"Note: The identification and authentication are outside the scope.."</i> This statement should be clarified and further explained.	In order to maintain the trust framework of the ecosystem this statement should be qualified. Identification and authentication of the Payer and Payee (by their PSP) for the purposes of providing the subsequent payment transaction is an entirely separate obligation. However, the minimum level of secure 'handshake' between the Payer and Payee at first interaction should be considered in order to maintain the trust in the entire ecosystem.



<p>1.12 Additional Optional Services</p>		<p>The RTP Specifications for a standardisation framework v1.0 identified functionality such as pre-authorisation of payment, instalment payments, payment initiation in Payer’s PSP’s application, and guarantee of payment that may enhance the SRTP scheme.</p> <p>It is unclear in this first version of the RTP Rulebook whether it is being proposed that these features are now being classified as possible Additional Optional Services (complementary features and services based on the Scheme) as defined in other SEPA scheme Rulebooks.</p> <p>We would welcome a transparent discussion as to where these functionalities are intended to be delivered. As discussed above, we advocate these features being introduced in the SCTInst Scheme Rulebook.</p>
<p>2.2.1 RTP defined dates and times</p>	<p><i>“Requested Execution Date/Time“: the date/time by when the Payment must be initiated”</i> - to future proof the scheme, this data element should be consistent, and clarify that initiation and execution of the subsequent payment transaction may not occur on the same date/time.</p> <p>Suggest changing the wording of the requirement to <i>“Requested Initiation Date/Time.....”</i> or <i>“Requested Execution Date/Time“: the date/time by when the Payment must be executed”</i></p>	<p>Whilst it is initially envisaged that the subsequent payment following a RTP will be a SCT Inst transaction, and thus the payment initiation and execution will occur on the same date/time (as per SCTInst Rulebook v1.1), if the SRTP scheme is to be extended for use with SCT or SDD, then the initiation date/time could be different to the execution date/time.</p> <p>We would also welcome clarity whether the RTP scheme could also be used for pay later services.</p>



<p>2.3.1 Generic RTP processing flow</p>	<p>This section should include the description of the message flow in the ‘Inter-RTP’ space as provided by the ‘Inter-RTP Service Provider’.</p>	<p>It is unclear from the processing flows how interconnectivity and routing between RTP providers is intended to be facilitated. Whilst it is understood that the RTP Scheme will be channel agnostic, the complexity of routing messages between all possible RTP providers across the EU will be substantial. The Rulebook has to indicate how this is intended to be achieved i.e. via a central routing entity, or multiple routing entities adhering to common standards (as intended in the RTP MSG 005-19 RTP Specifications for a standardisation framework v1.0.</p>
<p>2.4.1 DS-01 RTP by Payee to Payee’s RTP Service Provider Dataset</p>	<p>DS-01 – AT- 06 Identifier of the Payer’s RTP Service Provider (M) This element cannot be mandatory as it would have to be provided by the Payer to the Payee when it might not be known (See also 2.5.1 below).</p>	<p>It cannot be assumed that the Payer will know the Payer’s RTP service provider identifier to provide it to the Payee. This identifier will have to be provided by the Payer (consumer/bill payer) which will impact on the user experience in some use cases, such as when the RTP provider is a TPP or technical service provider. See also below (2.5.1) for discussion about the suitability of a ‘BIC’ as the RTP service provider identifier.</p>
<p>2.4.2 DS-02 Inter-RTP Service Provider RTP Dataset</p>	<p>AT- 06 Identifier of the Payer’s RTP Service Provider (M) As per comments above on 2.4.1</p>	<p>The Scheme has to consider how the Inter-RTP service provider will route the RTP message when the Payer cannot provide his RTP Service Provider identifier to the Payee. See also below (2.5.1) for discussion about the suitability of a ‘BIC’ as the RTP service provider identifier.</p>



2.4.3 DS-03 RTP presentation to Payer Dataset	AT-35 Identifier of the Payee's RTP Service Provider (M)	<p>The purpose of presenting this identifier to the Payer is unclear. The name of the Payee (AT-21) or Trade name of the Payee (AT-32) seems more relevant for a Payer. The amount of information that is required to be presented to the Payer may impact on the user experience in some channels i.e. mobile, kiosk, etc.</p>
2.5.1 Attribute details	AT-01 - Identifier of the Payer <p>Further consideration and specification of the form of the payer identifier is required; <i>IBAN, alias, token or proxy</i> may not be a unique payer identifier for the purposes of routing the RTP message.</p>	<p>The payer identifier should be unique in order to identify the particular payer/RTP provider relationship for routing purposes. The examples given <i>"IBAN, alias, token or proxy"</i> may not be unique for routing purposes as a payer may have assigned multiple RTP providers to manage their bill/invoice/payment from the same IBAN/alias/proxy etc.</p>
2.5.1 Attribute details	AT-06 - Identifier of the Payer's RTP Service Provider AT-35 - Identifier of the Payee's RTP Service Provider <p>Further consideration and specification of the format of the RTP Service Provider identifier is required.</p>	<p>Using a 'BIC' as the RTP provider identifier will limit the types of organisation which can participate in the ecosystem in this role. For instance, non-bank PSPs or technical service providers on behalf of Payees will not have BICs and by design maybe prevented from offering RTP services.</p>
4.1.1 Composition of the SRTP Board	<p>The membership of the SRTP Board should be further considered to include representation from entities which may not currently have EPC representation.</p>	<p>Whilst it is understood that the SRTP Board is being structured to reflect the other SEPA schemes, it is unclear how RTP service providers and Inter-RTP service providers, that may not be EPC members, can participate in the governance of the Scheme at Board level. For instance, such as technical service providers.</p> <p>A governance structure which does not provide the opportunity for all scheme participants to contribute</p>



in some manner at the Board level, will likely result in the Scheme not meeting the needs of the market and thus stifling the likely adoption of SRTP.