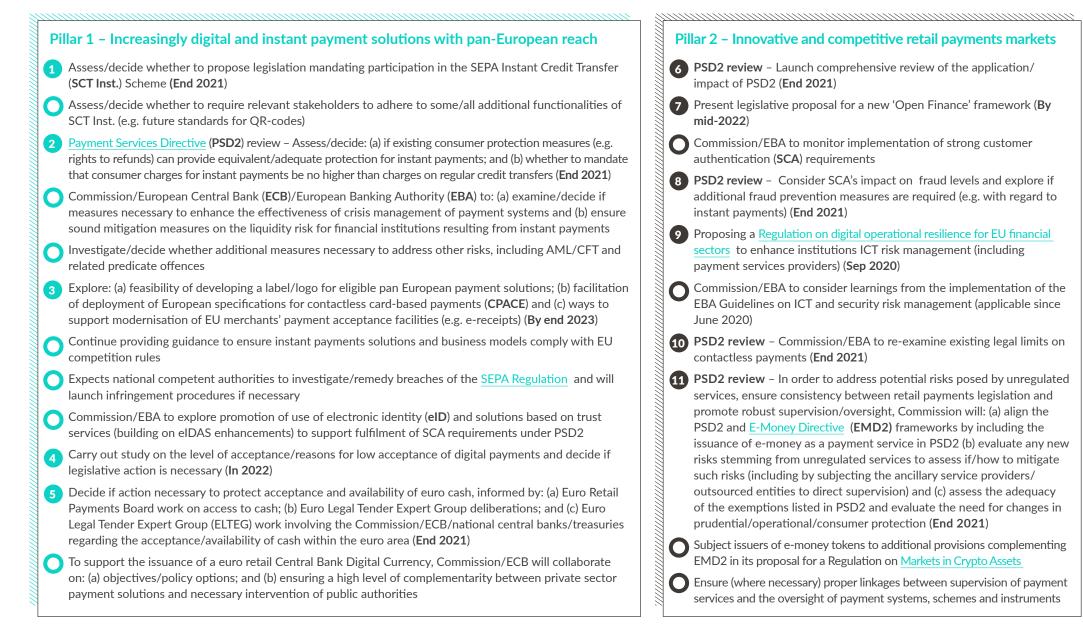
European Commission's Retail Payments Strategy

A&L Goodbody

On 24 September 2020, the European Commission (**Commission**) adopted a <u>retail payments strategy</u> for the EU. Below is a summary and indicative timeline of the key actions that the Commission has committed to under the new strategy.



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Pillar 3 – Efficient and interoperable retail payment systems and other support infrastructures

- 12 In the context of the <u>Settlement</u> <u>Finality Directive</u> (SFD) review, consider extending the scope of the SFD to include e-money and payment institutions (subject to appropriate supervision/risk mitigation) (Review to be launched Q4 2020)
 - Examine whether legislation appropriate to secure rights of access under <u>fair</u>, <u>reasonable and non-</u> <u>discriminatory</u> (FRAND) conditions to technical infrastructures considered necessary to support provision of payment services (e.g. point of sale kernels and Near Field Communication antennae in mobile devices)

Pillar 4 – Efficient international payments, including remittances

- Expects (where feasible) relevant payment system operators to facilitate linkages between European systems (e.g. TARGET Instant Payment System (TIPS), RT1) and instant payment systems of Third countries (provided appropriate level of consumer protection, fraud and ML/TF prevention in place)
- Call for the implementation of global international standards (such as ISO 20022) to facilitate inclusion of richer data in payment messages by latest end 2022
- Encourages payment service providers to use the Global Payment Initiative of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) to increase transparency of cross-border transactions
- **13** PSD2 review Assess whether transparency of cross-border international transactions needs further improvements (End 2021)
- **14 PSD2 review** Assess appropriateness of requiring that the maximum execution time in 'two-leg' transactions also applies to 'one-leg' transactions (**End 2021**)
- Assess whether to make mandatory the work of the European Payments Council on possible further harmonisation of business rules/ messaging standards for one-leg transactions
- Addressing specific issues affecting remittances:
 - » Encourages Member States' initiatives to support the remittance sector, subject to commitments by remittance service providers to reduce the cost of remittance services over time
 - » In the framework of EU development policy, support SEPA-like initiatives in regional groupings of low and middle income countries, and the possibility for Third countries to join SEPA
 - » Promote access to payment accounts in low and middle-income countries, which will also facilitate the digitalization of remittances

