

# EBA Expert Group on Cross-Border Payments (EGXP)

## Terms of Reference

**Status:** Final version approved by the EBA Board

**Date:** 30 October 2023

**Classification:** Public

### Topical context

The transformation of cross-border payments has become top of mind among European payment practitioners. It is driven by the global introduction of ISO 20022 and other ongoing standardisation initiatives; new technologies, organisational processes as well as market entrants; and – last but not least – by the roadmap delivered by the G20 for enhancing cross-border payments. In light of these developments, multiple players in the payments ecosystem are faced with complex decisions and changes to make cross-border payments, including remittances, faster, cheaper as well as more transparent and inclusive.

### Background on the involvement of the Euro Banking Association (EBA)

In Q4 2022, the Euro Banking Association conducted a survey among its members on potential focus topics for 2023 and beyond. Evaluating the practical impact of industry initiatives and regulatory developments on cross-border payments was identified as a top priority by the members participating in this survey.

In May 2023, the Board of the Association created the EBA Cross-Border Payments Consultation Group and tasked it to (i) identify topics where the EBA members and the wider industry would most benefit from an engagement by the EBA, and (ii) determine the most helpful approach for this engagement, with a view to optimising stakeholder interest and involvement and in line with the scope of the EBA's collective activities, which include the provision of guidance on the practical impact of regulation, the development of market practices and the creation of thought leadership content.

In October 2023, and based on the recommendation by the Cross-Border Payments Consultation Group, the Board of the Association endorsed the set-up of a dedicated work stream on cross-border payments.

By mail vote of 30 October 2023, the Board of the Association created the EBA Expert Group on Cross-Border Payments (EGXP) and approved its Terms of Reference.

## Task and scope of activities

### *Task*

The task of the EBA Expert Group on Cross-Border Payments (hereafter the “Expert Group”) is to support industry efforts aimed at enhancing cross-border payment practices and/or processes in the AS-PSP space. To this effect, the Expert Group will evaluate the practical impact of selected topics on cross-border payments. It shall formulate recommendations for a suitable approach towards enhancing cross-border payments fostering harmonisation and/or avoiding market fragmentation.

### *Scope of activities*

The activities of the Expert Group will be structured on the basis of selected areas or topics that members identify and that the Board of the Association decides to engage in (each such area or topic being defined as a “work package”). As a first step, and based on the recommendations of the Cross-Border Payments Consultation Group endorsed by the EBA Board,

the Expert Group will focus on the following two deliverables:

- a stocktaking exercise of relevant cross-border initiatives covering success factors for meeting the G20 requirements as well as highlighting other strengths and weaknesses with regard to building reach and avoid fragmentation, in particular;
- an inventory of key hurdles to enhanced cross-border payments leveraging this stocktaking work, which may serve as a basis for a dialogue with the Committee on Payments and Market Infrastructures (CPMI) on hurdles and potential remedies.

In addition, the Expert Group may be asked to evaluate the advisability to cover other selected areas or topics related to cross-border payments at the Euro Banking Association, and to formulate a recommendation to the Board of the Association. The decision to engage in a work package on a selected area or topic will be taken by the Board of the Association.

In support of its works, the Expert Group may enter into a dialogue or seek information exchange with relevant market regulators.

The Expert Group will seek to avoid overlap with:

- any aspects that are covered by the remit of other industry bodies or institutions, such as Swift, the PMPG or the EPC;
- activities of standardisation bodies;
- aspects in relation to the G20 roadmap that are considered to be sufficiently covered or that are not within the remit of an association of payment practitioners.

The Expert Group acts in an advisory capacity and will formulate proposals for formal endorsement by the Board of the Association. It will not discuss any matters that may potentially be or become part of the domain of competition law.

## **Composition and organisation**

The Expert Group shall be composed of practitioners who are officers or employees of EBA members operating as AS-PSP in Europe.

The members of the EBA Cross-Border Consultation Group shall be invited to become member of the EBA Expert Group on Cross-Border Payments, and it is the aim that the composition of the Expert Group shall be representative of the EBA membership. In order to ensure efficiency of the proceedings of the Expert Group, the number of members should ideally not exceed 15 persons. The Chair of the Expert Group shall be appointed by the Board from among the members of the group.

Members of the Expert Group shall be familiar with initiatives in the field of cross-border payments, including the G20 roadmap or relevant building blocks thereof, and relevant industry standards and practices as well as organisational and operational processes. They shall ideally be involved in implementation activities within their respective bank and/or national or regional communities.

The activities and meetings of the Expert Group will be administratively supported by the EBA Secretariat.

The Expert Group shall interact through conference call facilities, or, as topics command and as agreed by the group, physical meetings.

## **Duration**

The mandate of the EBA Expert Group on Cross-Border Payments runs as long as it is tasked to cover agreed work packages. The Expert Group will be disbanded by decision of the Board following delivery of the agreed tasks.

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