

Terms of Reference for Payments Regulation Sounding Board (PRSB)

Regulatory context

Regulatory requirements are among the key drivers for transformation in the transaction banking industry. The European agenda promoted by public authorities and other players brings about a dynamic and continuous evolution of the payment ecosystem at an ever accelerating pace, translating into an increasing expansion of the depth and breadth of regulation. Digitalisation and innovation have further brought about a wider span of regulatory activity that is or will become directly or indirectly relevant for the payments value chain.

At the level of practical implementation of regulatory requirements across Europe, pan-European harmonisation efforts can contribute to reaching the goal of an integrated market.

Background on Euro Banking Association involvement

The Euro Banking Association (EBA) has traditionally accompanied major regulatory changeover periods for the European payments industry through the initiation of EBA working groups and/or industry practitioners' bodies. While EBA working groups usually analyse and provide guidance on a particular topic, formats such as round tables and panels aim to address at industry-wide level practical and compliance issues related to regulatory implementation phases, especially with a focus on pan-European transparency and guidance for PSPs.

In line with this approach, the EBA had set up an EBA Task Force on PSD2 Impact Areas in February 2016, whose analysis and findings had resulted in the creation of a PSD2 Practitioners' Panel, which was launched in November 2016. The panel was open to account-servicing payment service provider operating in Europe, and was facilitated by the EBA.

From November 2016 to 2019, the PSD2 Practitioners' Panel pursued its mission, supporting AS-PSPs throughout the implementation of the PSD2 provisions and of relevant guidelines issued by the European Banking Authority.

While the focus of the PSD2 Practitioners' Panel was on PSD2 related matters, it became apparent that there was a need for pan-European guidance at industry level on a variety of other regulations or regulatory initiatives from a practitioner's point of view, which is also supported by the feedback of EBA Members on the desired increased focus of the EBA on regulatory topics. With the implementation of PSD2 and the related guidelines, the PSD2 Practitioner's Panel had successfully served its mission in September 2019, and a discussion took place on how to best address the apparent needs of the EBA members in relation to regulatory guidance, which resulted in a proposal to the EBA Board on structuring the regulatory guidance activities to allow for a more flexible and agile approach.

At its meeting on 23 January 2020, the Board of the Euro Banking Association endorsed the creation of a Payments Regulation Sounding Board (PRSB), an advisory body which will assist the Board in assessing needs for dedicated activities from a pan-European perspective in relation to given regulations and their implementation from a pan-European perspective.

Payments Regulation Sounding Board – objectives and scope of activities

Objectives

The objectives of the PRSB are to assess needs for creating a dedicated activity on a specific regulation or an upcoming regulatory initiative with a direct or indirect impact on the payments value chain, based on (i) monitoring of the European payments regulation landscape, as well as (ii) evaluating requests from EBA members with regard to activities in the field of regulatory guidance. The PRSB will act in an advisory capacity to the EBA Board.

Scope of activities

The PRSB will prepare proposals for submission to the EBA Board on the creation of dedicated activity groups in relation to a specific regulation or an upcoming regulatory initiative for the benefit of the members of the Association as players in the payments ecosystem. A regulatory activity group will then be created by decision of the EBA Board, and dedicated terms of reference will define its remit, objectives and composition.

Mission

The mission of the PRSB is:

- to identify and evaluate relevant regulations and regulatory initiatives which do have a direct and/or indirect impact on payments, based on monitoring of the pan-European regulatory landscape;
- to evaluate requests from EBA members with regard to activities on current regulations and/or regulatory initiatives;
- to propose to the EBA Board the creation of an activity group on regulatory guidance based on identified needs or benefits for EBA members at a pan-European level;
- to monitor the work of existing regulatory activity groups;
- to support a pan-European perspective and approach in dealing with any implementation issues, as well as the aim to reduce or avoid market fragmentation.

The PRSB acts in an advisory capacity and is not a decision-making body. It will not discuss any matters that may potentially be or become part of the domain of competition law.

Composition and organisation

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

In order to ensure efficiency of the proceedings of the PRSB, the number of members should not exceed eight persons.

Members of the PRSB shall be familiar with current market regulations or regulatory initiatives and be involved in implementation activities within their respective banks

and/or national communities. Ideally, members of the PRSB will have different professional backgrounds (e.g. Legal, Operations, etc.).

The Chairperson shall be appointed from among the members of the PRSB by decision of the Board of the EBA.

The PRSB shall interact through conference call facilities or, as topics command, physical meetings. Meetings will be called by the Chairperson of the PRSB.

The Chairperson may invite external persons, known for their professional competence, to attend meetings of the PRSB for one or more agenda items.

Duration

The PRSB will start its activities as an advisory body upon adoption of its Terms of Reference by the EBA Board, and will continue its mission as long as the Board, assisted by the PRSB, assesses that the structure to allow a flexible and agile approach to tackle regulatory topics serves its purpose.

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