

# EBA Practitioners Group on Instant Payments (IPG)

## Terms of Reference

**Status:** Version 1.0

**Date:** 5 February 2024

### Topical context

The Euro Banking Association (EBA) has traditionally accompanied major regulatory changeover periods for the European payments industry through the initiation of working or expert groups and the formulation of guidance and/or recommendations on market practices.

In November 2017, the SEPA Instant Credit Transfer Scheme was launched by the European Payments Council. The EBA has contributed to the ramp-up of instant payments, inter alia by providing a platform for joint analysis and exchange on issues of an operational nature that benefited from being addressed collectively. For example, SMART2 (SCT Inst Migration Action Round Table) issued a number of recommendation notes on instant payments which can be found on the EBA website.

In October 2022, about five years after the launch of the SEPA Instant Credit Transfer Scheme, the EU Commission adopted a legislative proposal to make instant payments in euro available to all citizens and businesses holding a bank account in the EU and EEA countries. The legislative proposal amends and modernises the 2012 Regulation on the Single Euro Payments Area (SEPA).

In November 2023, the EU Council and the European Parliament reached a provisional agreement on the proposal for a regulation on instant payments, and it is believed by the payments industry that the legislative proposal is sufficiently stable to evaluate practical implications for the payments industry.

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

In Q4 2023, the Euro Banking Association conducted a survey among its members on potential focus topics for 2024 and beyond. Evaluating the practical impact of the legislative proposal on instant payments in SEPA was identified as a top priority by the members participating in this survey.

In December 2023, the Payments Regulation Sounding Board, an advisory body to the Board of the Association, concluded that it would be recommendable to start an activity stream at the Association on SEPA Instant Credit Transfers in the beginning of 2024.

In January 2024, and based on the recommendation of the Payments Regulation Sounding Board, the Board of the Association endorsed the set-up of a dedicated work stream on SEPA instant payments. By mail vote closed on 5 February 2024, the Board of the Association created the EBA Practitioners Group on Instant Payments (IPG) and approved its Terms of Reference.

## **Task and scope of activities**

### *Task*

The task of the EBA Practitioners Group on Instant Payments (hereafter the “Practitioners Group”) is to evaluate the practical impact of the legislative proposal on instant euro payments and to formulate recommendations on matters of an operational nature. The Practitioners Group shall take a pan-European perspective and aim to foster harmonisation and/or avoiding market fragmentation.

### *Scope of activities*

The activities of the Practitioners 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 Payments Regulation Sounding Board endorsed by the EBA Board, the Practitioners Group will focus on the following three deliverables:

- an overview of key outstanding questions and of industry initiatives to address the same;
- clarification on interpretation of relevant provisions in the regulation and building an understanding on the related impact;
- the development of recommendations for market practices in relation to identified practical issues relating to the proposed regulation on instant payments in SEPA.

In addition, the Practitioners Group may be asked to evaluate the advisability to cover other selected areas or topics related to SEPA payments and related EU Regulation at the Euro Banking Association, and to formulate recommendations 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 Practitioners Group may enter into a dialogue or seek information exchange with relevant market regulators.

The Practitioners Group will seek to avoid overlap with:

- any aspects that are covered by the remit of other industry bodies or institutions, such as the EPC or the ECSAs;
- aspects in relation to SEPA payments that are not within the remit of an association of payment practitioners.

The Practitioners 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 Practitioners Group shall be composed of practitioners who are officers or employees of EBA members operating as AS-PSP in Europe. It is the aim that the composition of the Practitioners Group shall be representative of the EBA membership. There shall be no limitation on the number of members. The Chair of the Practitioners Group shall be appointed by the Board from among the members of the group.

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

The Practitioners 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 Practitioners Group on Instant Payments runs as long as it is tasked to cover agreed work packages. The Practitioners Group will be disbanded by decision of the Board following delivery of the agreed tasks.

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