

Open Forum on Pan-European Instant Payments

Terms of Reference

Date: 30th March 2015

Status: Approved by the Board of the Euro Banking Association on 12th February 2015

Background and context

In the recent years, rapidly evolving technology and new customer requirements have driven a major innovation thrust in the payments industry. At this stage, it is generally understood that new payment services have to evolve towards immediate execution of payment orders followed by 'quasi instant' availability of funds for the payee.

As a result, various initiatives around the world have been launched with the aim of improving the efficiency and effectiveness of payment infrastructures, focusing mainly on enhanced speed, more transparency and convenience for the end user as well as an extension to 24/7 availability, both at a domestic and at a cross-border/global level.

On 12th November 2014, the ECB issued an input paper for the ERPB, providing a definition of "instant payments" (24/7 availability, immediate reusability of funds and close to immediate interbank clearing), expressing an expectation for at least one pan-European euro instant payment infrastructure solution in the short-term. The paper further underlined the need to avoid the emergence of incompatible and non-standardised solutions and the resulting fragmentation of the payment services market in SEPA.

With its background as an association bringing together payment practitioners, the EBA wishes to contribute to the formulation of a response from the supply side for the creation of a pan-European solution for instant payment processing.

The Euro Banking Association will provide industry practitioners with a forum to foster a dialogue around the topic of instant payments, where industry stakeholders can raise, discuss and exchange information on the challenges of an industry-wide movement into (near) instant processing of payments. Items to be addressed comprise requirements of customers, the demands on (central) infrastructures, payment service providers and other service providers as well as compliance with the requirements and expectations of regulatory bodies.

Mission

The Open Forum on Instant Payments is aimed at facilitating a common understanding and clarification in the collaborative domain in view of preparing for migration to future payment processing, in particular the move to real-time processing.

The Forum will in particular serve to:

- Foster a practitioners' dialogue amongst PSPs at a pan-European level on instant payment service requirements;
- Facilitate a dialogue with other stakeholders;
- Understand the perimeter of a new collaborative space for infrastructure services to support instant payments;
- Provide input into the upcoming instant payment scheme discussion in Europe;
- Liaise with the European Payments Council;
- Liaise with entities engaged in evaluating related industry initiatives at a European and global level.

The Forum might decide to publish common understanding and insight on certain topics and issues to the wider market, based on an endorsement by a majority among the participants. Such communication would list the names of the PSPs endorsing the position.

Composition and governance

The Forum is open to payment service providers, payment service users, suppliers with a special focus on payments and operations, as well as relevant stakeholders in the European and global payments industry.

The EBA will provide administrative and logistical support to the Forum and will propose a Coordinator of the Forum. The Coordinator will support the Forum by, inter alia, issuing calls for meetings and proposed agendas. The Coordinator will prepare reports on discussions and activities of the forum as appropriate.

The Forum meets in principle on a bi-monthly basis.

With the migration to instant payment processing being a long-term endeavour for the industry, the Forum will continue its activities along the design, implementation and migration period for "instant payment processing" and will be disbanded if and when its participants decide that it is no longer needed.