SEPA Proxy Lookup (SPL) Scheme: Status Update to the June 2019 Meeting of the Euro Retail Payments Board (ERPB)

1. Introduction

In May 2018, the EPC agreed to assume the role of SPL scheme manager following a request from the Mobile Proxy Forum (MPF) which resulted in the establishment of the SEPA Proxy Lookup (SPL) Scheme Participant Group (SPL SPG).

The SPL SPG which met for the first time in September 2018 consists of members drawn from representatives of registered, committed or “interested” eligible scheme participants. Communities covered currently include Denmark, France, Italy, the Netherlands, Poland, Spain, Sweden, and the UK.

At the end of July 2018, the EPC signed a service and license agreement with equensWorldline which was appointed by the MPF as the preferred SPL service provider. The SPL service went live in February 2019.

2. SPL scheme

The SPL scheme covers the exchange of the data necessary to initiate payments between proxy-based mobile payment solutions on a pan-European level. It aims to facilitate interoperability between participating payment solutions. The scheme is limited to a look-up function with the sole purpose of supporting the initiation of a payment. The actual payment is however not part of the scheme and is covered by an ‘overseen’ payment scheme within the SEPA geographic area.

Currently the focus is limited to (mobile) payments whereby the mobile telephone number is used as a proxy to an International Bank Account Number (IBAN). It is envisaged that the scheme will evolve over time to support additional proxy types, account identifiers and use cases. To this end the SPL SPG decided to already initiate a SPL scheme change management process in February 2019 (see section 4).

3. SPL scheme rulebook

At the end of December 2018, the EPC published version 1.0 of the SPL scheme rulebook which consists of a set of rules, practices and standards that makes it possible to operate, join and participate in the scheme. This first version is entirely based on the SPL rules (including the SPL API specification) as defined by the MPF. This version was prepared by the SPL SPG to permit a launch of the scheme in

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1 The MPF was disbanded in summer 2018 following the signing of a transfer of copyright agreement – in relation to the SPL rules and API specification – by the MPF and the EPC.

January 2019 in line with the ERPB expectations. Due to the tight timescales and as already mentioned the heavy reliance on existing published documents it was decided to exceptionally not organise a public consultation.

4. **SPL scheme change management process**

It is a key objective of the EPC that the SPL scheme is able to develop with an evolving payments market. To this end the EPC invited stakeholders on its website (in February 2019) to submit change requests in relation to version 1.0 of the SPL scheme rulebook.

As a next step, the EPC will launch a public consultation in accordance with the procedures set out in the SPL scheme rulebook.

The ‘SPL scheme rulebook 2019 change request public consultation’ document details:

- Change requests submitted by stakeholder representatives including payment service providers (PSPs) or PSP communities and by the SPL SPG for possible modifications to be introduced into the next version (v2.0) of the SPL scheme rulebook.
- SPL SPG recommendations on the way forward with regard to the individual change requests.

The public consultation period is expected to run from 24 May until 26 August 2019.

To date there are no SPL scheme participants as yet in spite of several manifestations of interest, but the EPC expects that the attractiveness of the SPL scheme will further increase following the integration of anticipated enhancements in the next version of the SPL scheme rulebook.

5. **Next steps**

In accordance with the SPL scheme maintenance process it is envisaged that a second version of the SPL scheme rulebook will be made publicly available around April 2020.

In addition, the SPL SPG is preparing a risk management annex (RMA) to the SPL scheme rulebook which is expected to be made available to (prospective) scheme participants only (for confidentiality reasons) by the end of 2019 (subject to EPC Board approval). This annex highlights the risks related to the SPL scheme participants in their role as initiating registry provider (IRP)\(^3\) and/or as responding registry provider (RRP)\(^4\), and how these risks should be managed. The methodology used in the RMA is based on established ISO standards\(^5\).

\(^3\) Entity which makes a lookup request into the SPL.
\(^4\) Entity which responds to a lookup request from the SPL.