SEPA Card Standardisation
Stock Taking Exercise & Implementation Plan

Executive Summary Presentation
V1.0

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June 2015
Euro Retail Payments Board (ERPB) agreed in December 2014 to invite the CSG to:

- complete its stock taking exercise of market initiatives developing technical standards by June 2015
- formulate a procedure for the assessment of conformity of those technical standards with the SCS Volume by June 2015

Report on the current situation for card payment standards in four of the most important card payment chain domains:

- Card to Terminal Domain
- Terminal to Acquirer Domain
- Acquirer to Issuer Processing Domain
- Terminal Security Domain
Four domains covered

Card to Terminal Domain
(including the Terminal Application)

Terminal to Acquirer Domain

Issuer

Acquirer to Issuer Processing Domain

Acquirer

Terminal Security Domain

Issuer

Acquirer
Main Conclusions

- SEPA card standardisation market is progressively evolving
  - From previously fragmented situation with many domestic or scheme specific standards
  - To a pan-European card standardisation ecosystem

- Based on
  - Implementation of global standards (ISO, EMV…)
  - Usage of European standards or market initiatives

- Implementation plans of the CSG regarding the procedure for assessment of conformance of technical specifications
  - Labelling procedure for conformance monitoring
  - Monitoring structure (also called SCCMB*) to be set up

* SEPA Card Certification Management Body
SEPA Card Standardisation Ecosystem

SCS Volume
- General and definitions
- Functional requirements
- Data Elements requirements
- Security requirements
- Conformance requirements
- Implementation guidelines
- Processing framework

- Conformance Verification Process (SCCMB)

Standardisation Bodies & Specification Providers

Development of products & solutions having the capability to work cross-countries and cross-card schemes in SEPA
Main Conclusions - Cont’d

- These achievements, if pursued and supported by all the stakeholders and regulators, will improve the harmonisation of card transactions in SEPA, while also fostering innovation.

- Based on these conclusions, the ERPB is invited to acknowledge the present report, including:
  - The analysis of the situation in the different domains
  - Three proposed ERPB recommendations (CSG-R1 to R3)
  - Three proposed ERPB guidance for action (CSG-I1 to I3)
For **Card-to-Terminal** and **Terminal-to-Acquirer domains**, choice of implementation specifications will be market driven

- Implementations specifications have to be based on SCS Volume requirements and principles

Card acquirers and processors should recognise and work with at least one Volume Conformant implementation specification

- For **new terminals**, the choice of implementation specifications is market driven among Volume Conformant specifications
- For **installed terminals**, it is not recommended to require a migration to a Volume Conformant specifications Else this would result in a huge investment, with no obvious ROI for merchants or PSPs
In the **Card-to-Terminal** and **Terminal-to-Acquirer domains:**

From a situation of fragmentation of implementation specifications, mainly due to legacy **domestic market** practices...

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To the future use of **pan-European** implementation specifications, conformant to the SCS Volume requirements, e.g.,

- **EMV**
- **EPAS (ISO20022)**
- **IFSF**
- **SEPA-FAST**
- **C-TAP**

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From a situation of fragmentation of implementation specifications, mainly due to legacy domestic market practices...

In the **Card-to-Terminal** and **Terminal-to-Acquirer domains:**

To the future use of pan-European implementation specifications, conformant to the SCS Volume requirements,
In the **Terminal Security domain** it is recommended that:

- The identified evaluation methodologies, processes and certification frameworks implement the relevant requirements of SCS Volume
- Card Schemes strictly follow the process described in the SCS Volume

So far the CSG has only partially analysed the **Acquirer to Issuer Card Processing domain** with a focus on Data Element requirements and processing framework requirements

- The CSG proposes to undertake a study, at European level, evaluating any interest for and net benefit of a migration to a given standard of messages set and clearing/settlement practices
In the **Terminal Security** and **Acquirer-to-Issuer Processing domains:**

From a situation of fragmentation of implementation specifications, mainly due to the different practices of **card schemes** or organisations...

To the future use of **cross-scheme** implementation specifications, conformant to the SCS Volume requirements,

*e.g.,*

**PCI, CC (for Terminal Security)**

**ISO20022 (for Processing)**
The CSG proposes to undertake a study in the Acquirer-to-Issuer card processing domain.

The ERPB is invited to acknowledge the CSG plans on the SCCMB setup (structure to do the labelling of implementation specifications and monitor SCS Volume Conformance)

- The CSG intends to initiate the SCCMB creation during the second half of 2015.

Finally, the CSG proposes to regularly inform ERPB on:

- the setup of the SCCMB labelling and monitoring process
- an update of the Card Standardisation Stock Taking Exercise Report

with a periodicity to be agreed (12 or 18 months)
Thank you for your attention

- Additional information:
  - Full Report including
    - Executive Summary
    - List of proposed ERPB recommendations and guidance
  - Stock Taking Exercise Detailed data
  - SCCMB draft Terms of Reference