Item IV.4
Update of the ECB Regulation on payments statistics

Statistics Committee
Dialogue meeting with the banking industry on ESCB statistics
Frankfurt am Main, 16 March 2018
## Overview

1. Payments statistics – introduction and background
2. Recent developments and evolution in payments
3. Changes in EU legislation
4. ECB’s merits and costs procedure
5. Fraud reporting under PSD2
6. Tentative timetable for update of the Regulation
7. Conclusions and way forward
1. Payments statistics – introduction and background

- Payments statistics provide harmonised and comparable information on payments and payment systems in the EU.
- Compiled at annual frequency as of 2007.
- As from 2014 data collection based on ECB Regulation addressed to payment service providers and payment system operators resident in the euro area.
  - Triggered mainly by implementation of SEPA.
  - Complemented by Guideline addressed to euro area NCBs and a Recommendation addressed to the NCBs of non euro-area Member States.
- These statistics are used for:
  - analysis of policy questions and conduct of oversight of payment instruments and systems.
  - provision of information to general public and market participants.
Retail payments are developing rapidly...

- Instant payments
- Mobile wallets
- Contactless cards
- Mobile P2P etc.
3. Changes in EU legislation

…and legislation is catching up

- Second Payment Services Directive (PSD2)
  - New types of payment services in the market: payment initiation services and account information services
  - Strong customer authentication
  - Payment fraud reporting
- Interchange Fee Regulation (IFR)
  - New definition of cross-border card payments
  - Different fees for credit and debit cards
  - Commercial cards exempted

→ Need to update ECB Regulation in order to capture new developments!
Many reasons to update, but how?

- ECB’s merits and costs procedure includes a systematic assessment of merits and costs of proposed enhancements.
- Ensures that new statistics are justified by high-priority policy needs.
- Provides incentives to search for most cost-effective solutions, with the aim to keep reporting burden to a minimum.
- Fact-finding exercise is currently on-going and, depending on the results, assessment of the merits and costs will follow for the update of the ECB Regulation on payments statistics.
• Under PSD2, payment service providers (PSPs) should report statistics on payment fraud at least on an annual basis to national competent authorities (NCAs)
  – NCAs shall transmit national aggregates to the EBA and ECB
• The EBA – in cooperation with the ECB – currently finalising Guidelines on fraud reporting requirements under PSD2 addressed to PSPs and NCAs
• Draft EBA GL covers in part the requirements for fraud data expressed by ESCB oversight function
• Objective of the ECB and EBA is to have in the steady state a single data flow from reporting agents via NCBs/NCAs to EBA and ECB
6. Tentative timetable for update of the Regulation

- Not before Q3 2019: Approval of updated Regulation by ECB Governing Council

*If following the merits and costs procedure the scope of the Regulation is extended extensively
7. Conclusions and way forward

- Rapid developments in the payments market and changes in the EU legislation → need to update the ESCB payments statistics data collection framework

- Assessment of the merits and costs for the update of the ECB Regulation on payments statistics is now starting
  - Assessing also feasibility of including reporting of statistics on payment fraud in ECB Regulation
  - Incorporating also other user needs *inter alia* balance of payments and forecasting requirements
  - Industry involved via fact-finding and costs assessment

- Aim to align any fraud reporting under ECB Regulation with the reporting under EBA Guidelines to extent possible

- Updated Regulation foreseen to be approved in 2019
  - Reporting to start at least one year after the adoption of legal act
Thank you for your attention!