



# Stakeholders Involvement and the Euro Retail Payments Board

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## Payments: different roles of central banks

### Operator

- Cash
- Large value payment system: TARGET2
- Services to securities settlement systems

### Overseer

- Payment systems
- Payment products

### Catalyst



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## Catalyst

Consultation with market parties, government agencies and international forums

- monitoring developments
- intervene when deemed necessary



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## Why consulting national stakeholders?

- A national payment system describes the entire matrix of institutional and infrastructure arrangements and processes in a country for initiating and transferring monetary claims in the form of commercial bank and central bank liabilities
- A lot of market parties and financial authorities are involved in the national payment system
- Need for cooperation!

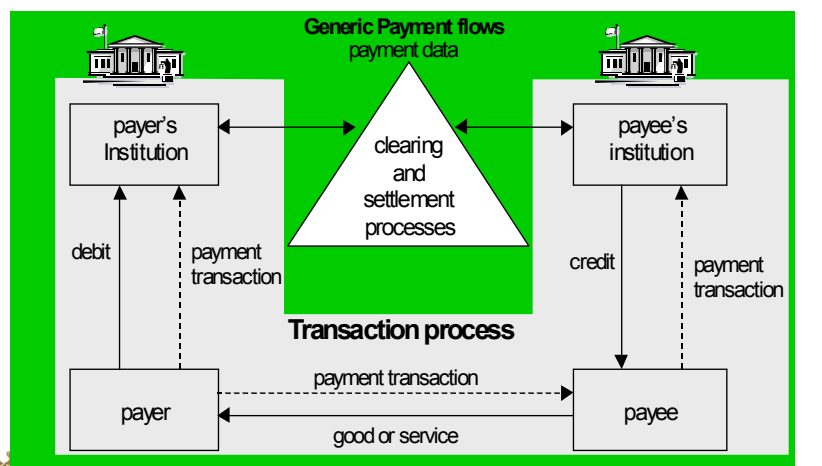


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## Payments chain



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## Possible obstacles with regard to development of national systems

- Limited vision and leadership for development
- Limited knowledge of emerging payment needs and system capabilities
- Weak support and commitment from stakeholders due to inadequate consultation
- Limited development resources
- Legal, regulatory, public policy and market barriers to ongoing development of the national payment system



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## Guidelines for payment system development

- The role of the banking sector
- Effective planning and project implementation
- Developing the institutional framework
- Designing a safe and efficient payment infrastructure



Source: Report of BIS-CPSS, General guidance for payment system development, 2005



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## Guidelines (set 1) The role of the banking sector

1. Promote the role of a sound banking system
2. Keep the central bank at the centre



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## Guidelines (set 2) Planning

3. Recognise complexity
4. Focus on needs
5. Set clear priorities
6. Implementation is the key



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## Guidelines (set 3) Institutional framework

7. Promote market development
8. Involve relevant stakeholders
9. Cooperate with other authorities
10. Promote legal certainty



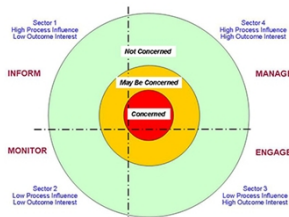
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## Guidelines (set 4) Planning

11. Retail – give more choice to more people
12. Large value – business case leads, technology follows
13. Securities – plan securities and payment systems together
14. Retail, large value and securities –coordinate settlement



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## Dutch approach of involving the national stakeholders

- Policygroup on Payments Settlement Systems
- Working Group on Payments
- Working Group on Securities
  
- National Forum on the Payment System
- National Forum on SEPA-migration



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## What is the benefit of stakeholders sitting around the table?

- A lot of market parties and financial authorities are involved in the national payment system

### Benefit for market parties

- *For users:* better knowledge of developments and possibilities; possibility to jointly express wishes and concerns
- *For banks:* better knowledge and understanding of wishes, needs, possibilities and developments; possibility to explain developments

### Benefit for central bank

- Not all needs are catered for in purely commercial context  
⇒ Need for cooperation!

Role for central bank



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## National Forum on the Payment System

- Immediate cause: good experience after the introduction of the cash euro
- “General guidance for payment system development”, BIS/CPSS 2005 –  
Guideline 8: *Involve relevant stakeholders*



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## National Forum on the Payment System

- Objective: contributing to an efficient organisation of the Dutch retail payment system from a social point of view
- Issues regarding:
  - Reachability & Accessibility
  - Efficiency
  - Security
  - Technological developments
  - Faster payments



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## Mission and objectives

- Making principle agreements about efficiency measures and measures with respect to the security, availability and accessibility of payment services, and standardisation (e.g. joint measures to stimulate the use of efficient payment products).
- Open and free exchange of ideas about policy issues in the area of payment services.
- Holding periodic consultations on the bottlenecks and social consequences of developments in the payment system.
- Co-operating on the compilation, analysis and publication of numerical, non-competitive data.



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## Composition

- Chaired by DNB.
- Broadly composed of institutions representing providers and users of payment services.
- DNB also performs the secretariat function.
- The Forum meets twice a year.



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## Criteria for acceptance

Organisations need to:

- Act on behalf of users or providers of payment services that represent the interests of a specific group
- Be representative
- Make a professional contribution to realisation of a socially efficient payment system



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## Participants

- Netherlands Bankers' Association
- Council of Dutch Retail Businesses
- Netherlands Association of Small and Medium-sized Enterprises
- User Platform for the Payment System
- Dutch Association of Catering Establishments
- Dutch Home Shopping Organisation
- Netherlands Petroleum Industry Association
- The National Consumers Organisation
- Senior citizens' associations
- Dutch Council of the Chronically Ill and the Disabled
- Dutch Organisation of Blind and Partially Sighted People

*Observers:*

- Ministry of Finance
- Ministry of Economic Affairs
- Dutch Payments Association



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## Working groups

- The *Working Group on Availability and Accessibility*:
  - How to safeguard and improve the physical availability and accessibility of payment services for consumers and entrepreneurs.
- The *Working Group on Social Efficiency*:
  - How can social efficiency in the payment system be improved
  - Cost structures and the effectiveness of incentives for efficient payment behaviour in the light of technological and social developments



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## Working groups

- The *Working Group on Security*:
  - How to safeguard the security of the payment system, partly with a view to enhancement of social efficiency. Its operations encompasses both personal security and the security of payment products.
- *Task Force SEPA of the Netherlands*
  - To monitor and improve the process of the realization of a uniform European payments area, and to develop a national change-over and communication plan for SEPA



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## Results of the Dutch National Forum

- Rounding-off to nearest 5 cents
- Joint information brochures
- Report on availability of banking services
- Guideline for user-friendly EFTPOS terminals
- National SEPA Migration Plan
- Warning for security risks overlay services
- A lot of research with regard to efficiency, accessibility and security of payment instruments



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## Euro Retail Payments Board



- European Governance body for retail payments
- Objective: to contribute and to facilitate the further development of an integrated, innovative and competitive market for euro retail payments.
- Members: Supply side and demand side of the market, central banks and European Commission
- Interaction between European and national umbrella organisations
- Working programme 2014-2016
- Working groups on Post-migration issues and E-mandates, Card Stakeholders group



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## Discussion points

- Do you agree with the need of bringing together stakeholders for the development of payments and securities settlement systems?
- How do you organise this?



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