

Comments

on the draft ECB Regulation amending Regulation (EU)
No 1409/2013 of the ECB of 28 November 2013 on
payments statistics (ECB/2013/43)

Our ref

Ref. DK: DDB-18

Ref. BVR: DDB-18

Contact:

Volker Wilkens

Telephone: +49 30 2021-2210

Telefax: +49 30 2021-19 2200

E-mail: wilkens@bvr.de

Berlin, 24 April 2020

The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent approximately 1,700 banks.

Coordinator:

National Association of German

Cooperative Banks

Schellingstraße 4 | 10785 Berlin | Germany

Telephone: +49 30 2021-0

Telefax: +49 30 2021-1900

www.die-dk.de

General comments

We welcome the approach adopted by the European Central Bank (ECB) to achieve a high degree of consistency with the requirements of the EBA Guidelines on fraud reporting under the Payment Services Directive (PSD2).

However, we criticize the disproportionately high costs for the reporting agents, which result in particular from the shortening of reporting cycles and a significantly higher level of detail and an expansion in the scope of the data, which also conflict with the EBA requirements. Some of the new requirements, such as those governing reporting fraudulent payment transactions initiated by payment initiation service providers (PISPs), services provided by account information service providers (AISPs) and instant payments will be costly and time-consuming to implement.

It should be noted that the envisaged deadline for the first reporting periods starting in July 2021 is clearly too tight: this is exacerbated by the fact that implementation will coincide with the critical preparations for the consolidation of the TARGET system, leading to a conflict of resources. First reporting in line with the new requirements is scheduled for Q3/2021, meaning almost simultaneously with the implementation of further changes to reporting requirements under CRR 2 and the ECB regulation on MFI balance sheet statistics.

Bearing in mind that this implementation is already stretching the banks' resources to the limit, we would ask the ECB to postpone the first application of its payment statistics requirements by at least six months. We are therefore proposing Q1 2022 as the first reporting period. This would avoid changing recording the models within a single calendar year, something that is both complex and insufficiently defined, under the old or new regulation. This would therefore achieve consistent and clearly delimited data pools for calendar years 2021 and 2022. This could benefit not only reporting agents, but also NCBs and the ECB.

Finally, the outbreak of the Covid19 pandemic event is likely to push the global economy into a harsh recession. Europe, which is currently a centre of the pandemic, will be severely hit. Banks are expected to take appropriate actions for preparing and responding to this pandemic, including preparations for the safety of banks' customers and employees, and business continuity.

We appreciate and welcome the decisions taken by the EBA and the SSM on 12th March to introduce a degree of flexibility in the framework, particularly postponing the 2020 stress test exercise. Nevertheless, we believe that further action is needed to preserve trust and ensure that banks can fully support their customers. We are collectively facing an extraordinary situation, which requires agility and bold, swift responses.

We believe there is a need for a moratorium on all the new supervisory requirements and changes in the banking statistics reporting system. We expect no change to the current regulation on collecting statistical information on payment instruments and payment systems at this time.

Comments on the draft ECB Regulation amending the Regulation on payments statistics

ID	Chapter	Article	Paragraph	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board
1	Regulation	Art. 8		5	Amendment	<p>We recommend amending the paragraphs as follows:</p> <p>1. Reporting to the ECB shall begin with quarterly data for [Q1 of 2022 by end-May 2022] and semi-annual data for [H1 of 2022 by end-November 2022].</p> <p>2. Reporting to the ECB for annual data shall begin with the reference period [2022 by end-May 2023].</p>	For details see General comments
2	Annex I	Part 2.1 Payment card functions (Table 2)	2, 12	5	Clarification	<p>In paragraph 2, the ECB refers to co-branded cards, which should be counted in each of the applicable schemes. In the context of EU Regulation 2015/751 on interchange fees for card-based payment transactions, co-badged cards allow different payment brands or payment applications on a card-based payment instrument. Paragraph 12 on the same page refers to co-branded cards as cards issued by a merchant in cooperation with a PSP.</p> <p>In order to avoid confusion, paragraph 2 should refer to co-badged cards, while paragraph 12 should refer to co-branded cards.</p>	

Comments on the draft ECB Regulation amending the Regulation on payments statistics

3	Annex II	Definition of "Merchant initiated transaction (MIT)"		10	Clarification	In order to ensure consistent interpretation and application, the definition of MIT should reference the EBA Guidelines (EBA/GL/2020/01) amending the Guidelines on fraud reporting under the Payment Services Directive (PSD2) (EBA/GL/2018/05): "...i.e. card-based payment transactions that meet the conditions specified by the European Commission in Q&A 2018_4131 and Q&A 2018_4031 and which are, as a result, considered as payee initiated and not subject to the requirement in Article 97 PSD2 to apply SCA."	
4	Annex II	Definition of "Number of requests (AISP)"		11	Deletion	This definition does not reflect a reporting requirement according to Annex III and can be deleted.	
5	Annex III	Table 4a: Definition of "Credit transfers... processed by credit transfer schemes"		4	Clarification	We assume that this refers to the separate reporting of payments under the SEPA SCT, SEPA SCTinst or any other scheme. However, we see a need to explicitly state this in order to avoid confusion.	

Comments on the draft ECB Regulation amending the Regulation on payments statistics

6	Annex III	Table 4a: Card payments / mobile payment solution		5	Clarification	As defined in Annex II, mobile payment solutions include wallets and therefore digital payment cards. Is it correct to assume that a payment with a physical card at a mobile POS terminal using e.g. a smartphone's NFC interface should not be accounted as a mobile payment solution by the card issuer? The issuer may not be able to identify the concrete nature of the POS.	
7	Annex III	Table 5a: Fraudulent payment transactions involving non-MFIs		11	Deletion	<p>Table 5a requires the reporting of fraudulent credit transfers and direct debits.</p> <p>In line with the requirements of the EBA Guidelines on fraud reporting under PSD2 for fraudulent credit transfers, only the sender's data is relevant, and only the receiver's data is relevant for direct debits.</p> <p>All other required data entries should be deleted.</p>	<p>Reporting of fraudulent payments by both PSPs, including the PSP that has not initiated the payment, would lead to</p> <p>a) unnecessary and probably inconsistent double counting and</p> <p>b) further implementation and running costs.</p> <p>Identifying and dealing with a fraudulent payment belongs to the sphere of the payer and its PSP. Hence, limiting the reporting of fraudulent payments to the sending PSP is sufficient and will lead to a higher quality of reported data.</p>
8	Annex III	Table 5a: Fraudulent direct debits		12	Deletion	<p>Table 5a requires reporting of the underlying reason for a fraudulent direct debit (e.g. Mandate inexistence/invalidity).</p> <p>This goes beyond the requirements of the EBA</p>	<p>We recommend deleting to ensure consistency with the EBA Guidelines on fraud reporting under the Payment Services Directive (PSD2) and avoid unnecessary</p>

Comments on the draft ECB Regulation amending the Regulation on payments statistics

						<p>Guidelines on fraud reporting under the Payment Services Directive (PSD2).</p> <p>This requirement should be deleted.</p>	implementation and running costs.
9	Annex III	Table 5a: Breakdown of payments via PIS		16	Deletion	<p>Table 5a requires a breakdown of PIS payments by authentication method (SCA/non-SCA).</p> <p>This goes beyond the requirements of the EBA Guidelines on fraud reporting under the Payment Services Directive (PSD2).</p> <p>This requirement should be deleted.</p>	We recommend deleting this to ensure consistency with the EBA Guidelines on fraud reporting under the Payment Services Directive (PSD2) and avoid unnecessary implementation and running costs.
10	Annex III			26	Clarification	<p>Geographical breakdown "GEO 3" requires a "single country breakdown for each EEA member".</p> <p>While a single country breakdown has been already the case for payment data under the former ECB regulation, we suggest not applying a single country breakdown to fraudulent payment data: In this case, the same aggregation level as in the EBA Guidelines on fraud reporting under the Payment Services Directive (PSD2) should be applied (breakdown of transactions into domestic, aggregated cross-border within the EEA, and aggregated cross-border outside the EEA).</p>	