



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Mario DRAGHI

President

Ms Sophia in 't Veld

Mr Sven Giegold

Members of the European Parliament

European Parliament

60, rue Wiertz

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Frankfurt, 6 June 2017

L/MD/17/223

**Re: Your letter (QZ-034)**

Honourable Members of the European Parliament, dear Ms in 't Veld, dear Mr Giegold,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 25 April 2017.

As you are aware, one of the basic tasks of the European System of Central Banks, according to Article 127(2) of the Treaty on the Functioning of the European Union<sup>1</sup>, is to “promote the smooth operation of payment systems”. You will also be familiar with Article 11 of the Treaty on European Union<sup>2</sup>, which provides that European institutions are to maintain dialogue and be transparent with representative associations and civil society.

Accordingly, in December 2013 the ECB established the Euro Retail Payments Board (ERPB), with the objective of contributing to and facilitating the further development of an integrated, innovative and competitive market for euro retail payments in the EU by fostering consensus on common positions and providing strategic guidance to its members. The ERPB operates in a fully transparent manner – all deliberations and meeting documentation are published on the ERPB pages of the ECB's website<sup>3</sup> – and it

<sup>1</sup> [Consolidated version of the Treaty on the Functioning of the European Union \(OJ C 326, 26.10.2012, p. 47\).](#)

<sup>2</sup> [Consolidated version of the Treaty on European Union \(OJ C 326, 26.10.2012, p. 13\).](#)

<sup>3</sup> <https://www.ecb.europa.eu/paym/retpaym/euro/html/index.en.html>

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keeps the European Parliament informed of its work. The annual report of the ERPB is sent to the Committee on Economic and Monetary Affairs of the European Parliament, which includes the mandate of the ERPB. The members of the ERPB represent a wide range of stakeholders in the European retail payments market, from both the demand and the supply side. They voluntarily commit to the implementation of the ERPB's recommendations for the benefit of an integrated, innovative and competitive retail payments market. The ECB provides the Chair of the ERPB but is not a member.

With respect to the revised Payment Services Directive (PSD2), I would emphasise that it is the European Banking Authority (EBA) which is mandated, in close cooperation with the ECB, to develop draft Regulatory Technical Standards (RTS) specifying, inter alia, the requirements for common and secure open standards of communication. The EBA adopted its draft RTS on 17 February 2017 and submitted these to the European Commission. The legislative and democratic process will now be completed through the European Commission, the European Parliament and the European Council.

The ERPB has no involvement in this legislative process. The ERPB takes the resulting legislative framework as the basis for its work and – in the context of PSD2 – aims at defining a common set of technical, operational and business requirements for the development of an integrated market for payment initiation services. In doing so, the ERPB seeks to avoid any fragmentation that might otherwise occur due to uncoordinated technical implementation of the legal and regulatory provisions. If the co-legislators themselves were to add significantly more technical and operational detail to the legal and regulatory provisions this may also have an impact on innovation over the longer term.

Bearing in mind that the ERPB only focuses its work on aspects that are not covered by the legislative process, its members have identified the provision of payment initiation services as a work priority and, in order to execute the ERPB's mandate, have established a working group. In the same way as any other ERPB working group, this working group is co-chaired by one representative of the supply side and one representative of the demand side, and it is the members of the working group who decide on how to organise its secretariat<sup>4</sup>. Members of the working group include representatives of (i) ERPB member associations from the demand as well as the supply side, (ii) European standardisation initiatives, and (iii) payment initiation service providers and account information service providers. Thus the composition of the group reflects a fair balance of relevant interests in the market for payment initiation services.

Yours sincerely,

[signed]

Mario Draghi

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<sup>4</sup> The ERPB mandate is available at: [https://www.ecb.europa.eu/paym/retpaym/shared/pdf/ERPB\\_mandate.pdf](https://www.ecb.europa.eu/paym/retpaym/shared/pdf/ERPB_mandate.pdf). See Article 8(3) regarding working group secretariats. The mandate of the ERPB working group on payment initiation services is available at: [https://www.ecb.europa.eu/paym/retpaym/shared/pdf/6th-ERPB-meeting/Mandate\\_of\\_the\\_working\\_group\\_on\\_payment\\_initiation\\_services.pdf](https://www.ecb.europa.eu/paym/retpaym/shared/pdf/6th-ERPB-meeting/Mandate_of_the_working_group_on_payment_initiation_services.pdf)

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