SPAA Possible Additional Functionality for Public Consultation

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Public

Approved

Request for public consultation's input on a possible additional functionality of the SEPA Payment Account Access (SPAA) Scheme's Rulebook

1 Background and objectives

In addition to the Premium features (DS-PXX) listed in section 2 of the SPAA Scheme Rulebook (document EPC012-22) currently out for public consultation, the SPAA Multi-Stakeholder Group (MSG) is also considering a Premium feature (i.e., Dataset) that would allow Asset Brokers to request a payment with transaction fees not borne by the Payer.

The purpose of such Premium feature is to make the SPAA Scheme an attractive option for Asset Owners (Payers) and to enable Asset Users (merchants) to realise the benefits provided by the SPAA Scheme, on top of the benefits inherent to e.g., instant payments. If the Payer would have to bear transaction fees per payment, the usage of the Scheme would be relatively unattractive, compared to other payment options with low or no transaction fees for the Payer.

As part of the current public consultation, the market is invited to share its views on this potential functionality herewith described. It is to be noted that this document will be published simultaneously with the draft version of the SPAA Scheme Rulebook.

2 Functionality description

The proposed Dataset (see Annex I) would describe the minimum API attribute requirements related to a request for not applying transaction fees for the Payer in relation to a payment. An Asset Broker would request an Asset Holder - via an API - to not charge the Payer for the underlying payment transaction (e.g., a(n instant) credit transfer).

The Payer's charge would instead be 'absorbed' by the Asset Broker, which, depending on the use case, could be the Payee's Account Servicing Payment Service Provider (ASPSP) or not. The Asset Broker could decide to recoup the charge as part of the charges applied to its customers (e.g., merchants).

The functionality would be applicable to One-off payments, One-off payments to multiple counterparties, Futured dated payments, Dynamic future dated payments, Recurring payments, Dynamic recurring payments, and Personal Finance Management (PFM) automated transfers - in particular when settled as instant payments. Each aforementioned transactional asset is described in the SPAA Scheme Rulebook.

3 SPAA MSG members' considerations

In evaluating the functionality, the members of the SPAA MSG formulated the following considerations:

i)   On one side, from a business perspective the functionality is considered a critical feature for Asset Brokers, in view of the possibility that Asset Holders could charge transaction fees. The functionality would allow the SPAA Scheme to successfully facilitate the relevant underlying payment use cases for the customers of these Asset Holders.

ii)   On the other side, based on a preliminary EPC assessment, it appears that the functionality may need to be further analysed from a legal, operational, technical and commercial point of view, before the Dataset (see Annex I) could possibly be included in the SPAA Scheme Rulebook.

4 Request for input and evaluation

The interested parties are requested to give an exhaustive answer to each of the following questions, to help the EPC make a more thorough evaluation of this possible functionality.

Dutch Payments Association
The Dutch Payments Association (DPA) organises collective – non-competitive - tasks in the national payment system for its members. Our members are payment services providers who are active on the Dutch market: banks (credit institutions), payment institutions and electronic money institutions. Our responsibilities lie in the areas of infrastructure, standards and shared product features. We seek to ensure a socially efficient, safe and reliable payment system, with room for innovation.

Our response can be found on the next page.

1.	Do you agree that for certain use cases e.g. e-commerce or point of sale (POS) payments, a mechanism should be included whereby a transaction fee per payment is not borne by the Payer?	Please see 8.
2.	Do you consider that such functionality should be in the scope of the SPAA scheme?	No, please see 8.
3.	Do you agree that the proposed mechanism (see Annex 1) is appropriate, or would you recommend another mechanism or see a need to complement the proposed one?	Please see 8.
4.	Do you consider that the implementation of the functionality is in scope of the SPAA scheme? If yes, under what conditions?	No, please see 8.
5.	Do you consider that the implementation of the functionality is legally feasible? If yes, under what conditions?	We are not in the position to provide input on legal queries.
6.	Do you consider that the implementation of the functionality is operationally / technically feasible? If yes, under what conditions?	To be determined.
7.	Do you consider that the implementation of the functionality is commercially feasible? If yes, under what conditions?	Please see 8.

8.	Other?	We agree that the payment scheme should be attractive. This evidently is in the interest of both the Asset Broker and the Asset Holder.
		However, this premium functionality effectively allows the SPAA scheme to interfere in the competitive space of Asset Holders and should therefore be kept outside the scope of the scheme. If necessary, even though this is not foreseen by our members, Asset Holders should be able to charge their customer.
		It is important to note that it is not in the interest of Asset Holders to charge significantly high transaction prices. This would reduce the attractiveness of the SPAA payment initiation services and therefore the usage, while Asset Holders require volume for payment initiation business cases. Investments in the interfaces will not be earned back.
		We therefore do not think this additional premium functionality should be part of the rulebook.

Annex I : Open topic: DS-P06 Mechanism to request a payment with transaction fees not borne by the Payer

Identification:	DS-P06
Name:	**Mechanism to request a payment with transaction fees not borne by the Payer**
Description:	This Dataset describes the minimum API attribute requirements related to the mechanism to request a payment with transaction fees not borne by the Payer.
Attributes contained	• AT-A023 Request for a payment with transaction fees not borne by the Payer (M)
Rules	Applicable to the following transactional assets: • One-off payments • One-off payments to multiple counterparties • Futured dated payments

Identification:	DS-P06
Name:	**Mechanism to request a payment with transaction fees not borne by the Payer**
	- Dynamic future dated payments - Recurring payments - Dynamic recurring payments - PFM automated transfers