



Public Consultation Feedback Form SEPA Cards Standardisation Volume v6.5 3 June - 14 July 2013

The Cards Stakeholders Group (CSG) develops and maintains the "Single Euro Payments Area (SEPA) Cards Standardisation Volume" (the Volume). The CSG is composed of market representatives from the five main cards related sectors: Payment Service Providers (gathered in the EPC), Processors, Retailers (Merchants), Schemes and Vendors. The Volume is currently owned by the European Payments Council (EPC).

Version 6.5 of the Volume is now published for a six-week public consultation.

Goal and Addressees - The Volume is for the ultimate benefit of European end-users (cardholders and merchants), *enabling them to use general purpose cards to make and receive payments and cash withdrawals in euro throughout SEPA with the same ease and convenience than they do in their home country*. This concept was defined as "SEPA for Cards" by the European public authorities. The Volume is addressed to all players in the cards industry active in Europe and provides common standardisation requirements, which need to be adopted with a high priority in order to achieve the aforementioned goal.

Volume - The Volume does not address existing practices, processes or standards, but focuses on the objective and the path for market developments. It is structured as a set of Books, each describing an important aspect, whether it be from a standardisation, security or conformance process perspective.

In 2012, the CSG decided to split the previously single, stand-alone document into a series of separate books, which together form version 6.5 of the volume released for a six-week public consultation today. The new structure provides greater flexibility regarding the maintenance of the documentation. It allows issuing updated versions of the Volume with amendments only to individual books as required.

Version 6.5 of the Volume was prepared by 63 industry experts and is composed of the following Books and files:

- Book 1 - General
- Book 2 - Functional Requirements
- Book 2 Annex -Functional Requirements for Remote Payments
- Book 3 - Data Elements
- Book 3 - Data Elements Spreadsheet.xls
- Book 4 - Security
- Book 4 - Annex -Security Requirements for Remote Payments*
- Book 5 -Conformance Verification Procedures
- Book 6 -Implementation Guidelines -SEPA Cards Standardisation Volume Version 6.5

* as part of a separate consultation

Public consultation - The CSG is consulting all market participants and stakeholders on the published documents composing Volume v6.5. Based on the outcome, the CSG plans to release a stable version 7.0 of the Cards Standardisation Volume in early 2014 in readiness for implementation.

The summary results of the contributions will be published with the release v7.0 of the Volume. The attached form allows also the submitter to 'opt out' their feedback for such a publication.



Cards Stakeholders Group



The CSG would be very grateful if you would provide detailed comments exclusively by completing this feedback form and return it by e-mail by 14 July 2013 to the

CSG Secretariat (csg-secr@epc-cep.eu).

Thank you in advance for your kind co-operation.

Yours sincerely,

Ugo Bechis & Jeremy Massey

CSG Co-Chairs

Cards Stakeholders Group

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Note - Cards Stakeholders Group (CSG)

In November 2006, the ECB published the Eurosystem's view defining "SEPA for Cards" as a key objective. EU citizens should be able to use their cards for POS payments and ATM withdrawals with the same level of ease and convenience throughout SEPA as on their home market. No technical, practical and commercial barriers would exist anymore for such use.

In response to the above objective the CSG was established in 2009 (Terms of Reference adopted in 2010) to ensure a strong co-operation by all stakeholders in the Cards interoperability domain for the SEPA Cards market.

It is the CSG's mission to develop positions on standardisation proposals to maintain the Cards Standardisation Volume. In order to respond to the expectations of other stakeholders and authorities, the CSG has been established by the EPC to combine and utilise the efforts of the main Cards Sectors involved in the related value chain. The CSG is expected to recommend and maintain the standards required for "SEPA for Cards", regardless of the form factor, which includes face-to-face and unattended POI ("point of interaction") payments, cash withdrawals and remote payments, regardless of the channel.

The CSG is committed to working towards the creation of a SEPA cards market through the interoperability pre-requisite, on a best efforts basis.

The card payments value chain involves a large number of stakeholders. Their objectives and investment cycles for creating "SEPA for Cards" do not necessarily converge, but their views should be considered to build consensus in standardisation work and to allow the widest interoperability.

The CSG develops standardisation requirements and maintains the Cards Standardisation Volume owned by the EPC. Indeed, in order to respond to the expectations of the stakeholders and authorities, the CSG has been established with the assistance from the EPC to combine and utilise the efforts of the main Cards Sectors involved in the related value chain which are currently the Schemes, the Retailers, the EPC (representing credit institutions and payment institutions as defined in the Payment Services Directive), the Vendors and the Processors.

The CSG is essentially a group of experts and does not have a legal personality.

The standards recommended by the CSG include face-to-face and unattended POI ("point of interaction") payments, cash withdrawals and remote payments, regardless of the channel.

The CSG is committed to ensuring that the results of its work do not create, or artificially develop or maintain, national or other barriers to card use within SEPA.

Feedback Form

SEPA Cards Standardisation Volume v6.5

Consultation 3 June - 14 July 2013

Representative Name	Mr Nicolas Adolph
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Please write 'yes' within the following boxes if you wish the feedback you supply to be

- Published without reference to your organisation
- Not published at all

when the consultation feedback is published on the EPC and CSG public websites

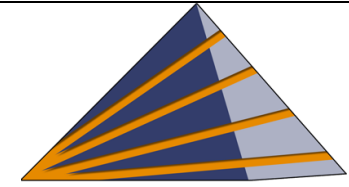
Please fill out this form for all books you have reviewed. One submission for all books is acceptable. If you wish to suggest a change, please do state 'M' for Modification. Modifications with recommended changes stated will be given higher priority during the review of feedback. For any aspect that you feel requires a deletion, please denote 'D' in the table, stating clearly the reasons why you feel this is necessary. For a suggested Addition, please denote with an 'A'. Please denote where the new text is to be added. Comments should be precise in relation to the Volume current text. There is no guarantee that general comments will be taken in to consideration. Extra lines in the Word document can be easily added if necessary.



Book Titles:

- Book 6.1.0.5 - General
- Book 6.2.0.5 - Functional Requirements
- Book 6.2RP.0.5 - Annex - Functional Requirements for Remote Payments
- Book 6.3.0.5 - Data Elements
- Book 6.4.0.5 - Security
- Book 6.5.0.5 - Compliance Verification Procedures
- Book 6.6.0.5 - Implementation Guidelines

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Cards Stakeholders Group

Volume v6.5 Consultation Feedback Form

Reviewer:	Date:
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Book	Page	Section	Line No. (Where applicable)	Comment/Question	Request A=Addition D= Deletion M=Modification
General				<p>These comments are made in the name of EPSM, the European Association of Payment Service Provider for Merchants e.V., registered in Munich, Germany. EPSM is an interest representation and information platform of currently 66 European payment network operators, acquirers and other payment service providers for merchants having their headquarters in 14 European countries. Among the non-voting members are terminal manufacturers, processing providers and payment schemes.</p> <p>As such, EPSM appreciates the work of the Cards Stakeholders Group, representing not only banks, but also schemes, retailers, vendors and processors with the objective to provide a standard set of requirements to ensure a secure and scalable card and terminal infrastructure across the Single European Payment Area (SEPA) based on open and free standards.</p> <p>Having this in mind, EPSM acknowledges the challenges when working towards interoperability, also having to recognise local and specific solutions to foster competition and innovation. In this regard EPSM generally supports the recognition of established and widely implemented industry standards such as PCI, EMV, ISO 20022.</p>	
1		General		EPSM appreciates the separation into several Books, which eases the access to the Volume.	
1	41			The definition of “Stored Card Data” is one example where it remains unclear if a differentiation is intended between “Card-Not-Present” and “Cardholder-Not-Present”-transactions and which rules/specifications apply for the respective transactions. A clarification with “Remote” transaction should be provided.	M



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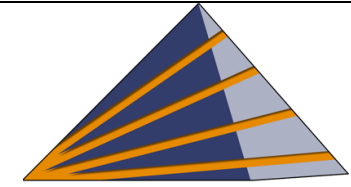
Volume v6.5 Consultation Feedback Form

Book	Page	Section	Line No. (Where applicable)	Comment/Question	Request A=Addition D= Deletion M=Modification
1	11	2.2.3	188	<p>EPISM acknowledges the challenge in providing a mandatory set of industry standards for SEPA and appreciates that at this point in time the Cards Stakeholders Group supports the stakeholder’s discretionary business decision to select which services or options are implemented.</p> <p>In this regard, EPISM supports that the Cards Stakeholders Group will define processes to monitor the Volume’s implementation in its different versions (v 1.0, V2.0, etc). The EPISM suggests that regular time frames shall be defined to evaluate these “pilot phases” and the market movements towards SEPA compliance (for example: until 2016, 2018, 2020). The findings and observations should be evaluated by independent parties and made public on a regular basis during and after the ‘pilot’ phase.</p> <p>The monitoring of SEPA compliance is one important aspect. From the market perspective it is even more critical to observe how the implementation of the Volume corresponds to innovation and competition. Innovation and competition in the card payments environment shall remain an essential element in a market with SEPA standards.</p> <p>This objective should be spelled out clearly in the Volume.</p>	A
1	12	2.2.4	194		
1	12	2.2.5	201		
2	22	4.2.3.4	472 - 479	Automatic selections according to the issuer choice can be problematic from the competition rules. The European Commission, DG Competition, has indicated that especially the issuer choice towards a higher interchange application might be problematic.	M



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Cards Stakeholders Group

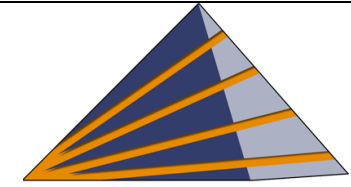
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				Therefore, Lines 472 to 479 should be checked with the competition authorities and modified accordingly. If this is not possible, lines 472 – 479 should be changed to: “Automatic selections shall follow the decisions of the merchant. Only if the merchant does not decide, the priority indicators associated with the different applications in the card shall be followed.”	
2	46	4.4.1	1034	As the Volume is “forward looking”, we encourage the inclusion of the option for contactless ATMs (some contactless pilots are already in operation in Europe). Therefore, the combinations “chip contactless” and “chip contactless with mobile” should become optional in the category “Unattended”	M
5		General		EPSM appreciates the ambition to ease labelling, approval and certification procedures across Europe. The main objective should be to achieve great reduction in time and cost efforts for security, technical and functional evaluations. The initiatives OSeC and OSCar are very well received from EPSM, which would appreciate a wider market driven support from the industry. Consequently EPSM calls upon the European and international schemes represented in the Cards Stakeholders Group to work closer together acknowledging approval and certification procedures from each other. A situation, in which the costs to get a “European” approval at a higher cost than for two large separate “national” approvals should be avoided. Therefore, the objective would be to establish an optional mutual recognition of certification and approval process with the consequence of reducing costs and effort. This should be added to the document.	A



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Cards Stakeholders Group

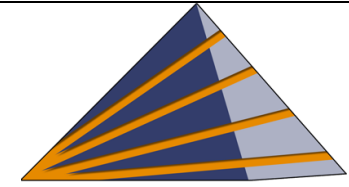
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5	12	4.1.2	208-243	<p>A balanced approach among all participants (including acquirers, merchant service providers and merchants) in the governance of the SEPA Cards Certification Managing Board should be aimed for.</p> <p>Presently, the approval and certification bodies are mostly “issuer biased”. In many cases, this seems to be inadequate as the costs for a terminal approval are frequently born only by the acceptance side (acquirers, terminal vendors, merchant service providers and merchants).</p> <p>Therefore, it should be spelled out that decisions of the SEPA Cards Certification Managing Board (SCCMB) shall balance the interests of all stakeholders, including the acquirers, merchant service providers and merchants (acknowledging the basic principle: ‘Those, who pay, shall be also involved in the decision making process’). This principle should apply also for any decisions in the Labelling Process.</p>	A
6	5	1.1.1	66-139	<p>Any fixed implementation schedule might have strong effects on competition. Therefore, all mandatory implementation guidelines should be evaluated carefully by all market stakeholders and competition authorities.</p> <p>Preferably, any implementation time line should be defined only after the successful “pilot phases” of a specific requirement in several markets in Europe. The results of the pilot phases should be made public and be evaluated by market participants and competition authorities.</p> <p>This approach should be mentioned in paragraph 1 of book 6.</p>	A



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				In addition, EPSM supports the following consultation feedback from IFSF Ltd (the International Forecourt Standards Forum). For transparency, the supported sections are <u>copied</u> from the IFSF hereafter:	
6	28-32	3.4	lines 423 to 529, esp lines 445 to 472	<p><i>We <u>very strongly support</u> the inclusion of a common standardized process for outdoor petrol (deferred payment) in Book 6, section 3.4, lines 423 to 529, and especially lines 445 to 472, which we believe is an essential requirement for our industry.</i></p> <p><i>For decades (since the first outdoor payment solutions in the early 1980's), the lack of this common approach has hindered true international common operations.</i></p> <p><i>This solution is based on current industry best practice used by all Fuel Cards and is in line with IFSF's standards, but unfortunately only works correctly when implemented by all parties in the payment chain.</i></p> <p><i>The proposed rules fully meet the needs of Retail Petroleum and its customers and should form a permanent part of the Volume without being watered down as consistency end to end is essential.</i></p>	K = KEEP