

Report

of the National Cashless
Payments Committee

First activity report

2016

A word from the Chairman

The Comité national des paiements scripturaux (CNPS – National Cashless Payments Committee) was set up in April 2016. The CNPS sets out to provide a forum for dialogue for all French payment method industry players that contribute to ensuring both the smooth deployment of the national cashless payment strategy, launched by the Ministry of the Economy in October 2015, and the French community's influence over European payment system developments. Thanks to the strong commitment of its members, the Committee has been able, from its inception, to fully play its role by facilitating the achievement of the initial phases intended to shore up the use of innovative, secure and efficient electronic payment methods in order to better meet users' needs.

To this end, the work of the CNPS has focused on three priorities:

- **The diversification of the range of payment solutions offered by the public sector.** The Committee provides a consultation framework around public and social sector initiatives, aiming to offer contributors payment instruments that are better suited to their needs, as well as to those of the public sector.

- **The use by companies of the new SEPA range of payment instruments and in particular the “instant” credit transfer,** which is part of a pan-European project organised by the Euro Retail Payments Board. The Committee conducted practical and technical studies to ensure the smooth implementation of the instant credit transfer in France. It also sought to promote the accounting reference code functions of electronic payment orders such as the SEPA direct debit, identified as a prerequisite for using this payment instrument for many companies. The increased use of these instruments is essential to help reduce cheque use, since they represent an alternative payment method, especially for business-to-business transactions.

- **The use by the general public of fast, secure and accessible electronic payment instruments,** including for small-value payments. To this end, and with a view to enabling the general public to benefit from payment innovations, the CNPS is monitoring the implementation of commitments made to reduce tariff barriers and technical obstacles to card payments from the first euro. It has also introduced a system for monitoring the use of contactless payments and actively scrutinises payment innovations.

The actions undertaken with regard to these priorities include a major communication drive, both among companies and the general public. In this respect, two leaflets, produced in collaboration with the Consultative Committee for the Financial Sector and devoted to the SEPA direct debit and alternatives to cheque payments, were published in May 2017. These actions were accompanied, at the European level, by monitoring and by contributions to efforts to dematerialise the payment chain.

This report gives a detailed account of all the Committee's actions. These actions aim to meet the priorities that will help to shape the work of the French payments community, which is particularly active.

Denis Beau
Chairman of the CNPS

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Chapter 1

The context: the national payment means strategy and the creation of the National Cashless Payments Committee

The implementation of a new French governance framework for cashless payment instruments stems from the strategy launched by the public authorities at the end of 2014, which aims to define the main avenues for development for the French payments market. This strategy is built on two cornerstones.

- The national payment conference, organised on 2 June 2015 by Michel Sapin, Minister for Finance and Public Accounts, with the support of the *Comité consultatif du secteur financier* (CCSF – Advisory Committee on the Financial Sector), at which the results of the collective work conducted throughout the first half of 2015 in the French payment methods industry were presented.
- The presentation by the minister, in October 2015, of a national payment means strategy, which defines the priorities assigned to the French community in the area of payments, both in terms of actions and institutional changes. It was against this backdrop that the *Comité national des paiements scripturaux* (CNPS – National Cashless Payments Committee) was set up in April 2016.

1.1 The national payment means strategy

The national payment means strategy has a threefold objective.

The first objective is to better meet users' needs in terms of the speed and simplicity of

payment transactions (consumers, companies, associations, merchants, etc.). This objective is to be achieved by promoting the use of electronic payment methods, in particular that of standard transfers as well as in the framework of the roll out of the instant credit transfer solution. This objective is the linchpin of the CNPS' work.

The second objective is to increase the security of payment methods, in a context where the growing numbers of players and payment solutions are generating new risks, both for users and for financial institutions and payment systems. Against this backdrop, the strategy aimed to broaden the remit of the *Observatoire de la sécurité des cartes de paiement* (OSCP – Observatory for Payment Card Security) to cover all payment methods, in order to create the *Observatoire de la sécurité des moyens de paiement* (OSMP – Observatory for the Security of Payment Means). This Observatory was established by Law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of the economy. Its purpose is to issue recommendations aimed at harmonising procedures for establishing fraud statistics on different instruments, foster the deployment of strong authentication solutions and maintain a technology watch. These goals are to be achieved through close cooperation of the different parties represented in the OSMP.

Lastly, the third objective of the strategy consists in promoting the development of innovative payment methods, as well as the competitiveness of the French payment industry,

Box 1

Payment method use in France and Europe

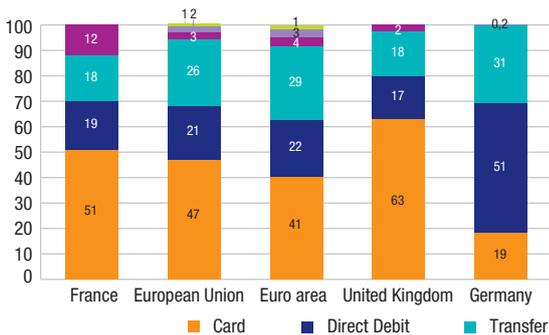
The cashless payments market in France represented EUR 26,760 billion for 20.2 billion transactions in 2015, making it the second largest issuer of cashless payments in Europe, after the United Kingdom. The French market is generally characterised by the following three features.

- The predominant use of payments cards:** in volume terms, more than half (51%) of cashless payment transactions in France are made by card and it thus remains the preferred payment method of French citizens; this trend has been further reinforced by the development of contactless card payments. This proportion exceeds the European Union average for transactions by card of 47%. As a result, France generates 19.4% of all payments made by card in the European Union, behind the United Kingdom (27.6%).
- The relatively low use of direct debits and transfers:** although direct debits and transfers are the second and third most used payment instruments in France with 19% and 18% of total volumes respectively, they are more commonly used in the rest of Europe. This is particularly clear in the case of transfers, which on average represent 26% in volume terms of cashless payments made in the European Union.
- The continuing use of cheques:** cheques continue to represent 12% of all cashless payments made in France, making it the leading user of this payment method in Europe. By way of a comparison, cheque payments represent around 3% on average of all cashless payments made in the European Union.

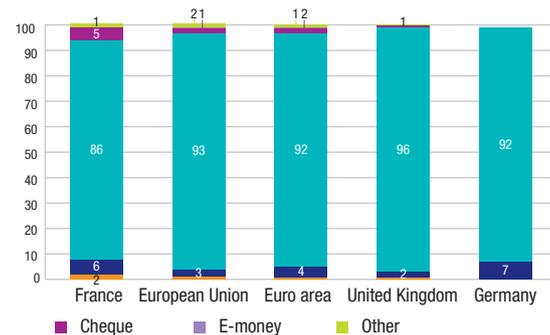
CA Relative share of the different payment instruments by geographical area

(%)

a) In volume terms



b) In value terms



Sources: Banque de France, European Central Bank.

Detailed indicators are available in the 2015 report on the breakdown of cashless payment instrument use available on the Banque de France website.¹

¹ https://www.banque-france.fr/sites/default/files/media/2017/02/16/cmp_2016_gb.pdf.

particularly by creating business incubators to support the sector. This objective is monitored by the Directorate General for Enterprise (DGE) that implements ad hoc actions.

1.2 The duties of the CNPS

The CNPS is a consultation body whose main task is to ensure the implementation of the actions defined in the framework of the first objective of the national strategy. Thus, in accordance with its mandate (see Appendix 1), the CNPS must “*coordinate the implementation of the French national payment means strategy in order to foster the development of fast, secure and accessible cashless payment instruments in the framework of a strategic analysis of developments in the sector*”.

In addition to this coordination role at the national level, the CNPS acts as an interface between the work carried out at the French community level and that organised at the European level. In this respect, the CNPS notably strives to define a harmonised position of French players on European topics of mutual interest, and ensure that problems identified at the national level are relayed at the European level. The Committee functions as the national reflection of the Euro Retail Payments Board (ERPB), created in 2014 by the European Central Bank (ECB), which constitutes the European governance body in the area of cashless euro payments. It is charged with facilitating

the development of an integrated, innovative and competitive payments market within the European Union.¹

Lastly, in addition to these two aspects, the CNPS also permanently monitors innovation in cashless payments, mainly in France, but also at the European level.

The CNPS took over from the Comité national SEPA (National SEPA Committee), whose task was to organise the migration – fully completed at 1 February 2016 – of national players to SEPA payment instruments. The CNPS retains the main structural features of the Committee, i.e. (i) it is chaired by the Banque de France and (ii) there is an equal representation between supply and demand. The composition of the CNPS is nevertheless wider than that of the National SEPA Committee, in order to reflect its broader remit covering all cashless payment methods and not only SEPA payment instruments. The CNPS thus comprises 16 representatives of supply and 16 representatives of demand, as well as 7 representatives of public institutions active in the payment industry. Moreover, in addition to the Banque de France’s chairmanship, it is vice-chaired by both the *Fédération bancaire française* (FBF – French Banking Federation) for the supply of payment services, and by the *Association française des trésoriers d’entreprise* (AFTE – French Association of Corporate Treasurers) for the demand (see Appendix 2). Box 2 describes the operating procedures of the CNPS.

¹ <https://www.ecb.europa.eu/paym/retpaym/euro/html/index.en.html>

BOX 2

Operating procedures of the National Cashless Payments Committee

In keeping with its mandate, the *Comité national des paiements scripturaux* (CNPS – National Cashless Payments Committee) can appoint standing working groups charged with carrying out specifically requested analyses in order to propose recommendations on any technical issue related to payment methods. These standing working groups can set up temporary technical sub-committees tasked with providing the CNPS with one-off expert opinions.

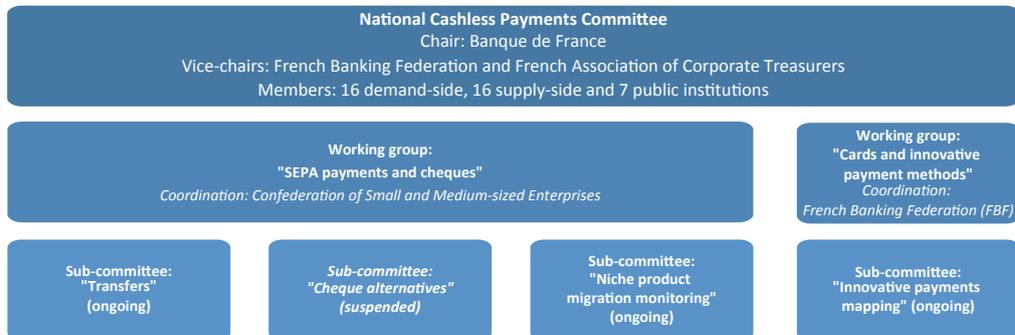
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The CNPS has created two standing working groups, the first of which works on SEPA payment instruments and cheques and the second on cards and innovative payment methods.

The task of the “SEPA payments and cheques” working group is to propose recommendations on the handling of any failings encountered during the use of SEPA payment instruments, the diffusion of value-added solutions in order to facilitate the use of SEPA payment instruments and support for the development of cheque alternatives. It is coordinated by the *Confédération des petites et moyennes entreprises* (CPME – Confederation of Small and Medium-sized Enterprises) and currently draws on the work of two temporary sub-committees: the “Transfers” sub-committee that looks into issues surrounding SEPA credit transfers, and the “Niche product migration monitoring” sub-committee that manages the follow-up to the SEPA migration and particularly the second phase of the migration devoted to so-called “niche” products, i.e. electronic payment orders (*téléchèques*) and interbank payment orders (TIPs). A third sub-committee on alternatives to payments by cheque met between April 2016 and November 2016.

The tasks of the “Cards and innovative payment methods” working group are to propose recommendations to promote the expansion of card payments in France and also contactless payments by card or any other device such as smartphones or tablets, and to study the potential for and possible market impacts of new payment technologies. It is coordinated by the *Fédération bancaire française* (FBF – French Banking Federation) and has a sub-committee tasked with mapping the current innovative payment players and solutions.

CA Organisation of the National SEPA Committee



The CNPS also draws on other consultative bodies such as the *Comité français d'organisation et de normalisation bancaires* (CFONB – French Committee on the Standardisation and Organisation of the Banking Industry), the *Observatoire de la sécurité des moyens de paiement* (OSMP – Observatory for the Security of Payment Means) and the *Comité consultatif du secteur financier* (CCSF – Advisory Committee on the Financial Sector), which act in their respective fields of expertise.

Chapter 2

Activity review at mid-2017

The CNPS has drawn up a work programme for the 2016-2017 period structured around the six priorities presented in Appendix 3. In practice, the CNPS' activities are focused around three main categories of users of payment methods in France:

- improving the payment solutions offered by the public sector to taxpayers and contributors;
- diversifying the range of payment methods in business-to-business transactions;
- spreading innovations to allow the general public to benefit from modern and secure payment instruments.

These actions have the shared objective, in accordance with the national strategy, of promoting the development of electronic payment methods that better meet users' needs.

To that end, and to better determine the expectations and requirements of the French market players, the CNPS based its initial strategies on a survey conducted during the summer of 2016 (see Box 3) on companies' payment practices and any of their requirements that were either not met or poorly fulfilled.

Box 3

The National Cashless Payments Committee survey conducted in the summer of 2016

During the summer of 2016, the CNPS, with the assistance of its professional organisation members, carried out an online survey of some 1,000 companies in order to develop a better insight into French companies' use of existing payment methods, as well as any related requirements that they felt were not met.

This survey was sent out to companies between 21 July 2016 and 16 September 2016 via a platform managed by the *Association française des trésoriers d'entreprises* (AFTE – French Association of Corporate Treasurers) and mainly focused on three payment methods.

- Payment cards, particularly for (i) “small-value” transactions (less than 20 euro) and (ii) contactless payments. A specific objective of the survey was to gather information on companies' acceptance of cards for small-value payments, the rollout and use of contactless payment functions, and the contractual minimum fee levels applied by banking institutions on merchants' transactions.
- Transfers, in order to assess company requirements in terms of accounting reference codes for orders and to evaluate companies' interest in the future use of “instant” credit transfer solutions.
- Cheques, particularly for business-to-business payments. The survey was thus intended to provide a more accurate image of cheque use by sector of activity and company size, in order to supplement the previous study¹ carried out on the issue in 2011 for the Advisory Committee on the Financial Sector (CCSF).

.../...

The survey took the form of a questionnaire with 41 questions broken down into six broad categories. The CNPS' different working groups drew on the survey's findings, which are summarised below. This type of enquiry could be reused as necessary by the CNPS in future, depending on the subjects under review.

As a result of the survey, the following points were ascertained on the use of payment methods.

- Contactless card payments are becoming increasingly established in France, and are accepted by around 45% of the companies questioned. Efforts are still required however to promote the acceptance of cards for small-value payments (only 36% of the companies questioned accept payment by card for amounts down to one euro).
- There is a positive correlation between the use of transfers and the size of the company; the larger the company, the more transfers are used. However, one of the main problems associated with their use is the difficulty associated with the accounting reconciliation of payments issued and received. Consequently, the companies that use this payment method most commonly are particularly interested in the so-called "referenced" transfer, which provides a solution to this problem (86.8% of the companies questioned with 500 employees or more stated that they were interested by this type of service).
- A significant proportion of the companies questioned (38.5%) are interested in the use of an instant credit transfer method, particularly for business-to-business payments (62.5% of responses).
- Unlike the use of transfers, cheque use is negatively correlated to the size of the company; the larger the company, the less cheques are used. Nevertheless, a significant majority of companies (60%) stated that they only used cheques for payments on an ad hoc basis (less than 25% of their transactions).

¹ "L'utilisation du chèque en France", report prepared by Edgar, Dunn & Company (EDC) for the CCSF, March 2011.

2.1 Improving public sector payment solutions

Payments to public and social sector entities represent a major part of the transactions carried out by both individuals and companies. In order to facilitate the handling of these payments, the public sector, under the aegis of the CNPS, has undertaken to modernise and simplify payments. This is being achieved primarily through two major projects.

Post-SEPA migration monitoring for public and social sector creditors

In taking over from the National SEPA Committee, the CNPS assumed its main

responsibility of monitoring the migration to SEPA payment instruments. The migration was completed in France in February 2016, with interbank payment orders (TIPs) and electronic payment orders (*télèvements*) being primarily replaced by the SEPA Direct Debit Core and SEPA Direct Debit Business-to-Business (B2B) schemes respectively. The CNPS has since been tasked with guaranteeing the smooth functioning of SEPA payment instruments and handling the difficulties that may arise as a result of their use.

From that perspective, in 2017 several public and social sector creditors decided that in order to make direct debit payment processes smoother for their users and to improve the efficiency

Box 4

SEPA Direct Debit

There are two types of SEPA Direct Debit instruments – the SEPA Direct Debit Core and the SEPA Direct Debit B2B.

The two instruments share a common technical base but differ in several respects.

- The type of user: the SEPA B2B scheme is reserved for business-to-business payments, while the SEPA Core scheme can be used by everyone – businesses or individuals.
- Refund procedures: the SEPA Core scheme provides for an unconditional refund right upon simple payer request during the eight weeks following the debit, whereas no refund right exists for the SEPA B2B scheme. For the latter, the payer has the right to claim a refund up to 13 months after the debit but only in the event that the transaction was not authorised (this right can also be exercised under the SEPA Core scheme).
- Direct debit mandate management procedures: the SEPA Core scheme, given that it guarantees the payer an unconditional refund right during the eight weeks following the debit, dispenses with the need for payers to inform their banking institution of the signing of a direct debit mandate, as was the case in France with the so-called “national” direct debit. In contrast, in the absence of a refund right, under the SEPA B2B scheme payers must inform their banking institutions prior to the direct debit, so that the institution can proceed with the verification of the approved direct debit mandate.

This last point could lead to difficulties in the use of the SEPA B2B scheme; if the payer fails to provide complete banking institution details following the signature of a SEPA B2B mandate, the direct debits presented are systematically rejected by the banking institution, and the creditors involved go unpaid. This difficulty has pushed several creditors from the public and social sectors to stop using the SEPA B2B scheme and use the SEPA Core scheme instead.

of their payments in general (see Box 4), they would stop using SEPA Direct Debit B2B, initially selected as the alternative to part of the electronic payment orders sent to companies, and use SEPA Direct Debit Core instead.

The CNPS has coordinated the activities of the different players involved in order to ensure the successful transition from SEPA B2B to SEPA Core. The technical and regulatory measures required to organise this switch should be completed during the summer of 2017.

Extending public institution online payment solutions (the PayFiP project)

The public sector’s capacity to make fast and secure electronic payment methods available to taxpayers is pivotal to the overall modernisation of payment methods in France. Therefore, within the framework of the national strategy, the CNPS has been tasked with monitoring the rollout of the PayFiP project carried out by the *Direction générale des finances publiques* (DGFIP – the French tax authority).

The DGFIP currently proposes the TiPi (*titre payable par internet*) online bank-card payment solution to local authorities, public healthcare institutions and local public education bodies. In 2017, this solution should be made available to all public bodies (national public institutions and other State services).

The purpose of the PayFiP project is to supplement the current TiPi solution with a new payment instrument allowing users to settle their bills online by direct debit, free of charge. A first test run of the solution should be carried out at the beginning of 2018 by all users of partner authorities with the aim of a general rollout of the system during the same year. Users will be able to pay by direct debit from a bank account already registered with PayFiP or created by users in their list of bank accounts at the time of payment. In order to gain access to the direct debit payment functions, users will first have to log in using their username on the impots.gouv.fr website.

A second version may make additional functions available during the second half of 2018, including user access to direct debit payment screens through an authentication system via France Connect, as well as the option to manage bank account listings and review direct debits carried out through PayFiP from their secure page on the impots.gouv.fr website.

2.2 Diversifying the range of payment method solutions available to companies

The CNPS' efforts to improve the range of payment method solutions currently offered to companies have focused on three main objectives: implementing an instant credit transfer service; improving transfer order referencing; and supporting initiatives to reduce cheque use. These three objectives should therefore each contribute to the overall goal of increasing

the use of electronic payment methods, more specifically by targeting business-to-business transactions. More generally, the CNPS' efforts aim to encourage the use of credit transfers, particularly among small companies that still use them relatively rarely.

Developing the conditions for the implementation of instant credit transfer solutions

In a context in line with the expansion of e-commerce, in which the speed of completing transactions represents one of the major challenges of payment modernisation, the issue of "instant" payments has taken centre stage during the last few years. Consequently, in December 2014 the European Retail Payments Board (ERPB) addressed the issue with the launch of its European work plan. The Board defined instant payments as an electronic instant payment solution available 24/7/365 and allowing the immediate interbank clearing of the transaction and crediting of the payee's account, and tasked the European industry players with developing a pan-European solution as quickly as possible.

This resulted in the November 2016 presentation by the European Payments Council (EPC) of a pan-European instant payment project in accordance with the ERPB's definition. This solution will allow payment transactions in euro to be completed within 10 seconds, 24/7/365, under the SEPA Instant Credit Transfer (SCT Inst) scheme, and will be implemented by EPC-member payment service providers from November 2017.

In order to ensure that France is best prepared for the implementation of this pan-European solution, in 2016 the CNPS identified the conditions for the development of instant credit transfer² systems, paying particular attention to the risks and rewards of instant payment.

² <https://www.banque-france.fr/sites/default/files/media/2017/03/27/cnps-fiche-de-synthese-virement-instantane.pdf>

Its work was based on the results of a survey of some 1,000 French companies³ carried out by the CNPS in the summer of 2016 (see Box 3), which found that 38.5% of the companies questioned would be interested by the use of an instant credit transfer instrument. However, the response of French companies seems to vary depending on their size, with companies with 500 employees or more expressing particular interest (see Table 1).

Furthermore, the CNPS' work also focused on better determining the main potential examples of instant credit transfer use in the French community. These are summarised in Table 2 and broken down by transaction segment (P2P⁴, C2B⁵, B2C⁶ and B2B⁷).

Overall, the CNPS' survey found that instant credit transfer is particularly important to companies for B2B transactions (see Chart 1).

In addition to determining companies' needs, the CNPS' work also brought to light the key imperatives that future instant payment solutions will have to respect if they are to be widely adopted:

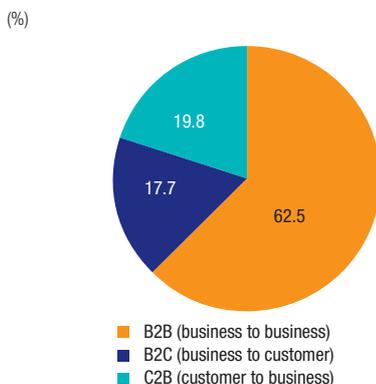
- the need to guarantee a satisfactory level of security for the identification and authentication of the issuer;
- the need for a market strategy to ensure a common "customer experience" in keeping with what is currently experienced with payment-card use;

T1 Proportion of companies interested in an instant credit transfer solution (according to size)

(%)	Less than 10 employees	10 to 49 employees	50 to 499 employees	500 employees or more
	34.5	47.7	28.6	63.2

Source: CNPS survey, 2016.

C1 Transactions singled out as benefiting from an instant credit transfer solution



Source: CNPS survey, 2016.

T2 Main circumstances singled out for the use of instant credit transfers

P2P	<ul style="list-style-type: none"> • Person-to-person money transfer: <ul style="list-style-type: none"> – face-to-face, replacing cash, cheques or banker's cheques (e.g. splitting a bill, second-hand car market); – remotely, for urgent transfers for the beneficiary's immediate use (e.g. transfer from a parent to a child studying away from home). • Online purchase of goods between private individuals.
C2B	<ul style="list-style-type: none"> • Alternative for cheques or cash at physical points of sale. • High value transactions not payable by card. • E-commerce payments/payments via mobile app. • Payment for services provided at home (plumbers, electricians, etc.) • Payment of overdue invoices to avoid possible fines or service outages. • Payment of a deposit or payment requiring immediate transfer and/or confirmation of available funds (e.g. transfer to a notary for the purchase of an apartment).
B2C	<ul style="list-style-type: none"> • Customer refunds. • Immediate refunds on return of merchandise. • Urgent correction of a payment error. • Urgent payments (e.g. insurance benefit in the event of a claim).
B2B	<ul style="list-style-type: none"> • Urgent correction of a payment error. • Settlement of invoices to avoid late payment. • Payment on delivery. • Urgent business-to-business cash transfers (e.g. to meet cash-flow requirements).

- 3 Around 360 companies responded to the questionnaire on instant credit transfers.
- 4 "Peer-to-peer" or "person-to-person".
- 5 "Customer-to-business".
- 6 "Business-to-customer".
- 7 "Business-to-business".

- the need to streamline the investment necessary for this transition for payment service providers as well as for businesses and professionals.

It was against this landscape that in 2017 the CNPS launched two core initiatives integral to the successful implementation of an instant credit transfer system in France:

- meetings and discussions aimed at harmonising instant payment experiences for both payers and payees prior to the implementation of the solutions in order to ensure that the user experience is as smooth and homogeneous as possible. These continued within the CNPS during 2017 and should ensure the promotion of a harmonised strategy, avoiding

any market fragmentation while preserving the competitiveness of future solutions;

- technical work on the practicality and security of the communication of bank details. As the International Bank Account Number (IBAN) is essential to making transfers, it is therefore, logically, essential to instant credit transfers. This gives rise to two major challenges. First, due to the length and complexity of the IBAN, entering the details can prove to be impractical (see Box 5). Second, the communication itself of the IBAN creates significant issues in terms of data protection as it is regarded in France as information that could be targeted for fraudulent misappropriation. As this technical work has significant security implications, it was decided that it would

Box 5

The IBAN

The International Bank Account Number (IBAN) is a unique bank account identifier. With the migration to the SEPA standard, the IBAN has become crucial to issuing transfers and direct debits in Europe, both for national and cross-border transactions.

For bank accounts held in France, it is made up of 27 characters, beginning with FR (the ISO country code for France) followed by two check digits that complete the first field, and then the 23 figures that formerly comprised the French RIB (*relevé d'identité bancaire*), denoting the bank code, the branch code, the account number and the national check digits. The length of the IBAN varies depending on the country and can contain up to 34 alphanumeric characters.



In France it is regarded as information that could be targeted for fraudulent misappropriation. As such, users are recommended never to disclose their IBAN except to a creditor beneficiary of a direct debit or transfer. It is strongly recommended prior to any transaction to be sure of the good faith of the counterparties to whom the IBAN will be transmitted. Further information is available on the Banque de France website.¹

¹ <https://www.banque-france.fr/sites/default/files/media/2016/10/27/identifiants-bancaires-depliant.pdf>

continue in 2017 within the framework of the Observatory for the Security of Payment Means.

Developing the use of the “referenced” transfer

The results of the survey carried out by the CNPS during the summer of 2016 highlighted that one of the main barriers to the use of transfers was the difficulty encountered by beneficiaries of automating the accounting reconciliation of the payment received. This was singled out by 86% of companies with 500 employees or more (i.e. the companies that use transfer methods most) and is due to the fact that order references can be ambiguous as payers are free to reference SEPA credit transfers as they wish. Referenced transfer solutions are intended to remove this barrier by giving the transfer beneficiary the opportunity to pre-assign an end-to-end identifier to the transfer order on the issuer’s behalf, which can then be used to automate the matching process. Their introduction could thus facilitate the use of transfers by companies in France.

As is the case with the use of transfers, the demand for referenced transfer solutions varies depending on the size of the company. While 87% of the companies questioned by the CNPS with 500 employees or more said they would be interested by the use of a referenced transfer, this proportion fell to 27% for companies with less than 10 employees.

T3 Proportion of companies interested in a referenced transfer solution, by company size

(%)

Less than 10 employees	10 to 49 employees	50 to 249 employees	250 to 499 employees	500 employees or more
26.7	29.3	55.6	66.7	86.8

Based on this analysis, the CNPS carried out a study on referenced transfer solution development opportunities.⁸ First, it appears

that a range of transfer reference code solutions is currently available on the market, which can be broadly broken down into five categories.

- Solutions using the SEPA credit transfer’s own functions that allow the transmission of structured or unstructured references useful to creditors’ invoice reconciliations. The SEPA credit transfer is also the platform for specific services offered by payment service providers (commercial transfers,⁹ etc.).
- Solutions based on messaging platforms shared between payment service providers, such as interbank messaging services through which the creditor, after registration, can send electronic invoices as well as payment instructions to the payer. This system thus allows for the lettering of transfer orders, which facilitates their automatic reconciliation in the accounts. In addition, the system is based on IBAN aliases, thereby avoiding the transmission of sensitive IBAN data.
- Solutions based on specific electronic bill presentment and payment (EBPP) software, which use software installed on company workstations that can, for example, dematerialise invoices issued and received and integrate them directly into the accounting software. For the payers, EBPP software assigns, particularly in B2B transactions, automatic lettering of transfer orders based on the electronic invoices received, facilitating the payee-company’s accounting reconciliations. For the companies that issue the invoice, this system allows them to issue electronic invoices that can then be used by the payers to automate their payments, although this depends on the payer having the necessary software. Given these constraints, it is difficult to imagine rolling this solution out to private individuals.
- “Payment initiator”-type solutions, which can currently be offered by a payment service provider, several payment service providers (interbank solution) or a third party. In practice, this system involves installing

⁸ <https://www.banque-france.fr/sites/default/files/media/2017/03/27/cnps-fiche-de-synthese-virement-reference.pdf>

⁹ The FAE commercial transfer is a settlement service by SEPA credit transfer for approved invoices fallen due (*factures acceptées à échéance* – FAE). This service proposes an individual payment for multiple invoicing lines via a single invoice.

an interface that can be used to prepare and present pre-filled SEPA credit transfer orders, which the payer simply validates to authorise the payment process. The transfer order is pre-filled directly on the payer's online banking page by the service provider without the physical intervention of the payer. This type of solution is particularly suited to e-commerce. The revised Payment Services Directive (PSD2) published in 2016 specifically regulates this type of solution (see Box 6).

- Solutions involving the services of a third-party issuer of transfer orders. Certain solutions involving the services of an intermediary propose, via the use of an application or specific software, the dematerialisation of invoices in the form of bar codes or 2D codes (QR codes)¹⁰ that the customer can then present to a partner-merchant. This triggers a transfer, pre-filled on the basis of information contained in the code, against a cash payment for example.

In this case, the transfer is made from an account that does not belong to the customer. These solutions, which result in a form of referenced transfer, are intended primarily for niche markets, and by definition, do not offer a fully automated payment service.

Nevertheless, the adoption of the abovementioned solutions as a whole remains limited. There are several dimensions to the barriers identified during the CNPS' work. The main ones are the following.

- Unwieldiness and cost of integration: the use of referenced transfer solutions means that companies have to adopt dedicated IT solutions, which sometimes necessitates modifying computer equipment or the existing payment processing procedures. For small companies that rarely use transfers, this would first involve purchasing equipment and setting up procedures to allow electronic transfer payments (payment terminals,

¹⁰ Quick response (QR) code: a two-dimensional bar code containing information that can be used, for example, to trigger payment transactions.

Box 6

New payment services

The revised Payment Services Directive (PSD2) provides an updated legal framework for payment services, notably through the creation of two new payment services: "payment initiation services" and "account information services".

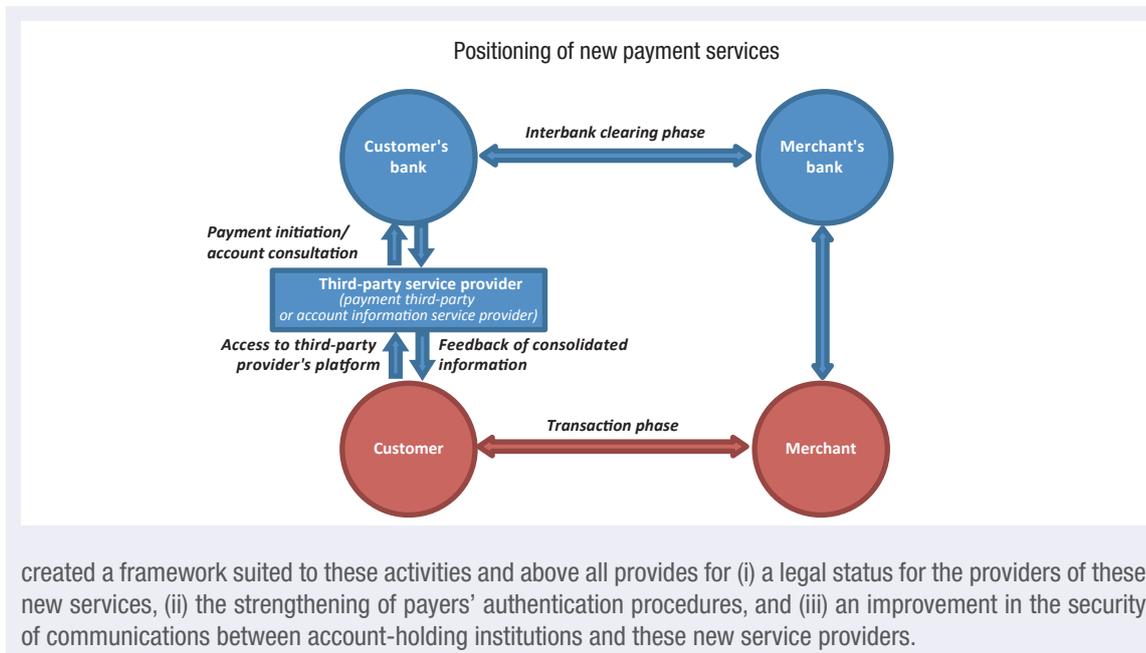
The objective of the two new services is to allow a third-party operator access to payment accounts held by credit institutions, in order to:

- in the case of payment initiation, for example linked to a merchant's website, pre-fill the details required to initiate a transfer (amount, name of beneficiary, IBAN, reason, etc).
- in the case of account information, offer a consolidated presentation on one unique application or internet page of several elements from the individual's different accounts (balances, etc.).

These new services therefore position themselves between clients and their "traditional" bank or banks, generally via a connection to their online banking page or pages (see diagram).

In practice, these activities, particularly payment initiation services, are currently carried out outside of a legal framework by a limited number of companies in Europe. They present a high risk in terms of fraud as they require users to communicate their online bank account user IDs and access codes to a third party. Therefore, PSD2

.../...



payment management software, etc.), which further adds to the burden of their integration.

- Attractiveness of the solution: cost structures could impede the long-term adoption of referenced transfers. For example, it is important for companies not to make the first issues too expensive and to vary costs on the basis of the level of use.
- Appropriate communication and targeting of customers: new solutions intended for a wide audience must be accompanied by a communication strategy to promote their adoption.
- Lengthy appropriation periods for existing solutions: while solutions have been made available, or are currently being launched, take-up is slow, which, in addition to the elements mentioned above, can be explained by the absence of "critical mass" in terms of user numbers.

It was in this context that the CNPS launched a series of initiatives in 2017 aimed at improving transfer order references, focusing

on two aspects: the communication strategy and the development of less unwieldy solutions tailored to small companies. The CNPS undertook to:

- expand communication on the referencing possibilities that are already built into the SEPA credit transfer system, via a leaflet published in collaboration with the Consultative Committee for the Financial Sector (CCSF) on SEPA credit transfers;¹¹
- step up monitoring of European initiatives on technical improvements to SEPA credit transfer referencing possibilities, particularly at the level of the EPC;
- launch, during the second half of 2017, exploratory work intended to improve the legibility of data fields integrated in SEPA credit transfers on online banking pages. These measures also fall within the framework of the national strategy initiative to help improve customers' online transfer experience in order to expand the use of this payment method.

¹¹ <https://www.banque-france.fr/sites/default/files/media/2017/05/17/cnps-qu-est-ce-que-le-virement-sepa.pdf>

Supporting initiatives to reduce the use of cheques

Cheque use in France has declined steadily every year since 2000, and the number of cheques issued annually therefore halved between 2000 and 2015. However, this general reduction in the use of cheques obscures the fact that they continue to be used in several sectors of the economy, even though in many situations – particularly for business-to-business payments – electronic alternatives exist that would improve the overall efficiency of payment systems.

The CNPS' work has mainly focused on cheque use in business-to-business transactions.¹² The survey carried out by the CNPS during the summer of 2016 revealed that in general cheques are little used as a method of payment: 60% of the companies questioned stated that they used cheques for a small amount (less than 25%) of their B2B payment transactions. However, practices vary significantly depending on the size of the company. Consequently, while companies with 500 employees or more make very little use of cheques for their payments (91% of the companies use them for less than 25% of their payments), almost 25% of companies with less than 10 employees use cheques for more than 50% of their payments. The survey therefore demonstrates the inverse correlation between a company's size and its use of cheques as a method of both issuing and receiving payment (see Chart 2).

The CNPS' analyses highlight several factors explaining the continued high level of cheque use, particularly by small companies, such as:

- habit, linked to a solid understanding of this payment method;
- the possibility cheques offer for staggering payments;
- the perception that it has numerous organisational benefits (ease of use given that it

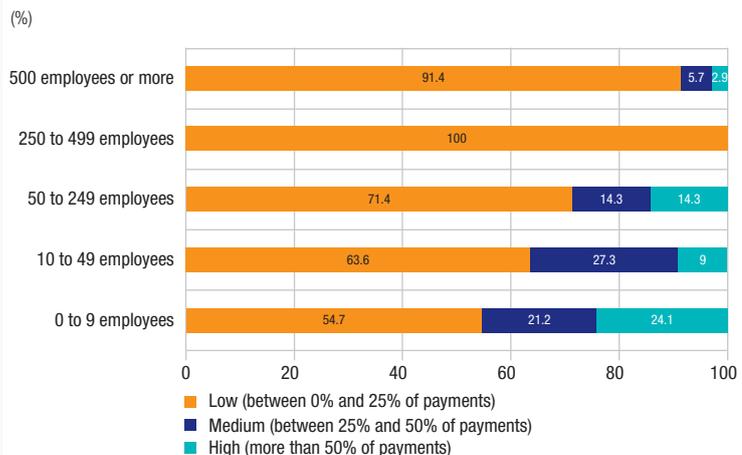
is paper-based, the payee's bank details are not required in advance, accounting traceability as the cheque stubs are completed at the time of payment, etc.), essentially for the payer.

Therefore, when developing alternatives to cheques in business-to-business transactions it is important to ensure that they offer similar functionalities, while satisfying the needs of companies in terms of security, cost control, speed, adaptability and optimisation of cash flow. The alternatives should also overcome the main disadvantages of using cheques, i.e. the risk of non-presentation of payment, unwieldy handling procedures due to the use of paper-based documents, time-consuming account crediting processes, risks of loss, theft or fraud, as well as the fact that they are ill-suited to cross-border transactions.

Accordingly, the CNPS took note of the important synergies to be built between the issue of cheque payments and the other priority areas of its work on electronic payments. It concluded that the best available alternatives to cheques are SEPA European payment methods.

¹² <https://www.banque-france.fr/sites/default/files/media/2017/03/27/cnps-fiche-de-synthese-cheque-relations-entre-entreprises.pdf>

C2 Use of cheques for issued B2B payments, by company size



Note: 91.4% of companies with 500 employees or more report "low" cheque use (i.e. between 0% and 25% of total volumes) as a proportion of the payments they issue.

- SEPA credit transfers meet the requirements of speed, adaptability and optimisation of corporate cash flow. Payments by transfer, like the cheque, are also prompted by the payer and the fact it is irrevocable benefits the payee. Furthermore, unlike the cheque, it is accepted in the 37 SEPA scheme countries and can therefore be used for cross-border transactions. This payment method can therefore fulfil the needs singled out by companies, particularly when the transfer is referenced and instant.

- SEPA direct debits, particularly for one-off payments, represent the closest process flow to that of the cheque, in that the payee must receive prior authorisation from the payer via the signing of a direct debit mandate, in the same way as a cheque must be signed by the payer before being presented to the payee. SEPA direct debits also have several advantages over cheques, i.e., like transfers, legally enforced settlement periods,¹³ a management cycle that can be dematerialised and therefore potentially simplified, and finally, as is the case with SEPA credit transfers, accepted across Europe.

One of the main barriers identified by all involved is the lack of information available to companies, particularly the smallest, on the possibility of replacing cheques with SEPA payment methods. Therefore in November 2016, the CNPS published a factsheet on its work on the alternatives to cheque payments for business-to-business transactions,¹⁴ and then in May 2017 jointly produced a leaflet with the CCSF on these alternatives destined for both the general public and companies as a whole.¹⁵ The CNPS should round out its actions in this regard by the end of 2017 with the conclusion of its work on instant credit transfers (harmonising customer and merchant experiences, and improving IBAN security and practicality) and referenced transfers (work at the European level on changes to SEPA transfer order referencing and the legibility of data fields on online banking pages). The work on the dematerialisation of

the payment chain via electronic invoicing and the electronic mandate (e-mandate) feature for SEPA direct debits (see section 2.3) also focuses on this objective.

Furthermore, the CNPS demonstrated the highly significant impact of legislative and regulatory changes on payment method use¹⁶ and identified, on the basis of a review of provisions carried out by the French Treasury, several proposed legislative and regulatory changes likely to promote the use of cheque alternatives. These proposals notably target the following legislation.

- Article 371-Y, appendix 2 of the French *Tax Code* (*Code général des impôts*), which designates cheques as the sole payment method that must be accepted by members of bodies or organisations of self-employed professionals or office holders. A provision directed at members of chartered management centres¹⁷ was therefore incorporated into Law No. 2015-1786 of 29 December 2015 in order to add the obligation to accept payments either by bank card or by cheque. This was implemented in its entirety by Decree No. 2016-1356 of 11 October 2016.

- Article R642-32 of the French *Commercial Code* (*Code de commerce*) and Articles R322-41 and R322-51 of the French *Code of Civil Enforcement Procedures* (*Code des procédures civiles d'exécution*), which designate cheques as the sole payment instrument for security deposits for payments at auction. This proposed change is still being reviewed by the government bodies concerned to determine all its potential consequences.

2.3 Expanding the use of modern and secure electronic payment methods among the general public

In order to contribute to this objective, the CNPS has organised its efforts to support innovation around three priorities: (i) facilitating

13 Article L133-13 of the French *Monetary and Financial Code* (*Code monétaire et financier*) requires payment service providers to credit the account of a direct debit or transfer beneficiary "no later than the close of the business day following the point in time of receipt of the payment order".

14 <https://www.banque-france.fr/sites/default/files/media/2017/03/27/cnps-fiche-de-synthese-cheque-relations-entre-entreprises.pdf>

15 <https://www.banque-france.fr/sites/default/files/media/2017/05/17/cnps-payer-autrement-que-par-cheque.pdf>

16 This point is particularly true for cheques, as shown by Decree No. 2013-232, which enforced payment by bank transfer for all notarised acts for an amount of more than EUR 10,000 (reduced to EUR 3,000 from 1 January 2015). This led to a 7% drop in the use of cheques in 2015, compared with reductions of only 5.6% in 2012 and 5% in 2014.

17 <https://www.banque-france.fr/sites/default/files/media/2017/03/27/cnps-communication-cga.pdf>

card payments and particularly contactless payments, (ii) improving the coordination of French innovation players and (iii) relaying work at the European level to dematerialise the payment chain. With time, the synergistic effects created by these different initiatives should provide all French citizens with access to the payment method most suited to new demands in terms of speed and efficiency.

Facilitating card payments

Facilitating card payments, and more specifically contactless payments (including by mobile phone), entails a two-pronged approach to improving the entire payment infrastructure: first, reinventing payers' – or "holders" – payment instruments (cards, mobile phones, etc.), and second, modernising merchants' equipment (payment terminals, connectivity, terms of use, etc.).

As the efforts of both private and public sector players over recent years have particularly focused on this first aspect (reinventing payment instruments, via for example the increased circulation of contactless payment cards, which now account for almost 65% of all cards issued

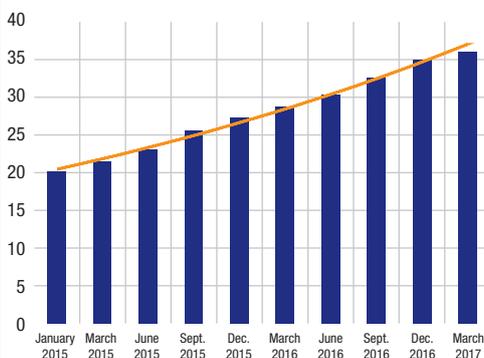
in France), the CNPS' efforts have focused more on the second aspect, i.e. modernising merchants' equipment. This is structured around two priorities, defined in the national payment means strategy: (i) monitoring technical upgrades to merchants' equipment, and (ii) monitoring the objective set in the national strategy for banking institutions, of reducing merchants' minimum fees for small-value transactions.

With regard to the former, since its inception the CNPS has been monitoring the percentage of payment terminals that are compatible with contactless transactions, with the aim of reaching 100% coverage by 1 January 2020. In March 2017, the number of merchants with terminals equipped with contactless payment technology amounted to 36%, representing a year-on-year increase of 29.5%. At the same time, contactless payments accounted for 11% of face-to-face and unattended payment terminal (UPT) payments, up 111% year on year. Almost 27% of small-value transactions (less than 20 euro) were carried out in contactless mode, compared with 23% in December 2016 (see Charts 3a and 3b).

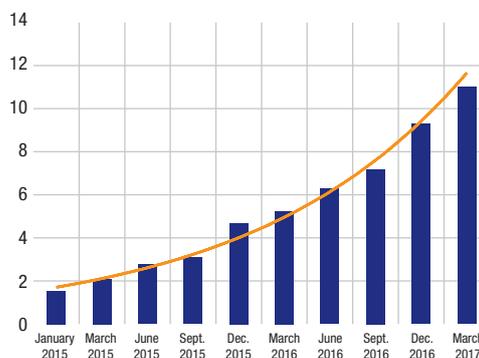
C3 Merchants equipped with contactless terminals and the evolution of contactless card payments

(%)

a) Merchants equipped with contactless terminals



b) Contactless card payments



In addition to upgrading the equipment itself, the promotion of more effective terminal connectivity (internet or mobile solutions replacing conventional phone lines) is a key lever for modernising merchant equipment. In March 2017, 64% of payment terminals were connected through internet protocol (IP) technology, in line with the objective set in the national payment means strategy of 60% by the end of 2016. Payment terminal connections are now a crucial challenge involving players

from various sectors of the economy, including banking, telecommunications and local authorities (see Box 7).

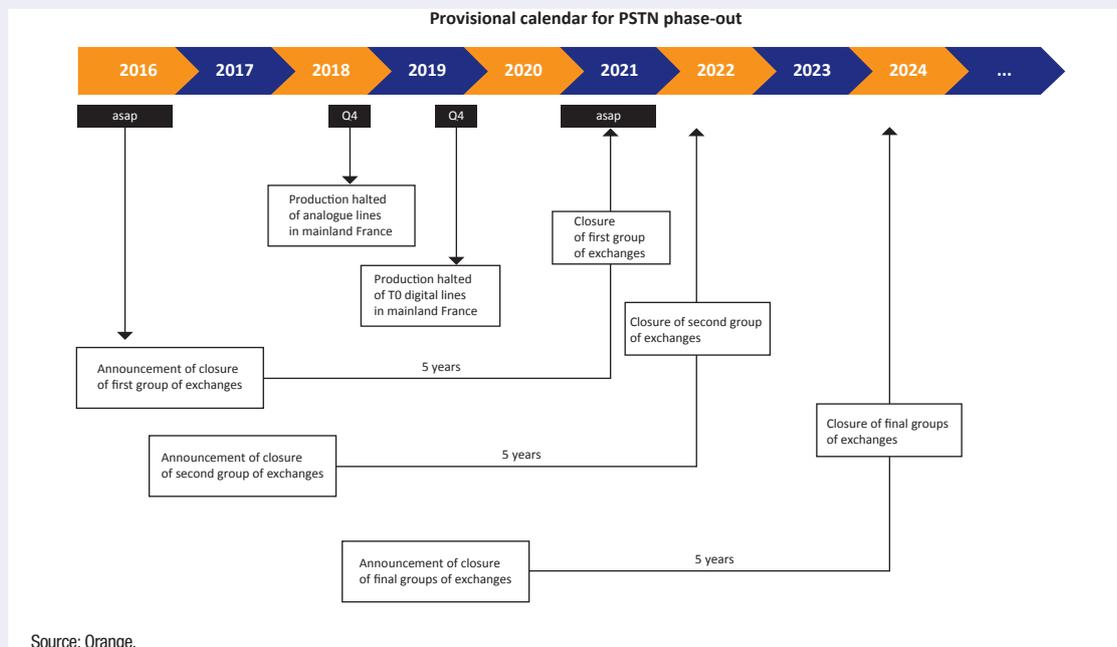
The CNPS has also validated and made available to the French community the ERPB's factsheets intended to raise awareness of contactless technology and its terms of use (operation, security and practical user information), which can be consulted on the CNPS website.¹⁸

¹⁸ <https://www.banque-france.fr/stabilite-financiere/comite-national-des-paiements-scripturaux/espace-presse-et-contacts-utiles/medias>

Box 7

PSTN/IP migration

In addition to monitoring the installation of internet protocol (IP) technology on payment terminals, the CNPS also tracks the public switched telephone network (PSTN) technical migration. The telecom companies have drawn up a provisional calendar for the gradual phase-out of PSTN:



This calendar plans for the progressive end to marketing of PSTN solutions from the end of 2018. A trial was launched in 14 municipalities in the south of the *département* of Finistère at the beginning of 2017. The CNPS will monitor the progress of this project whose results will shape the future of payments.

As for the CNPS' second priority of monitoring the progress made on reducing merchants' minimum fees for small-value transactions, during the first half of 2016 following the commitment made by the French Banking Federation, banking institutions launched a campaign to renegotiate the agreements signed with their professional customers in order to reduce contractual fee levels. The CNPS will launch a wide-ranging review of merchants and banks during the summer of 2017 with the aim of assessing the progress made on this commitment.

Coordinating French innovation players

Over recent years, the payment industry has been reshaped by a surge in innovation in France, as well as in the rest of Europe and the world. Against this backdrop, since its inception the CNPS has monitored emerging trends with the objective of promoting the long-term development of innovative payment solutions in France.

The monitoring process began with a study of the success factors of more than 100 innovative solutions identified by the CNPS in some 12 countries via a classification of new players and products drawn up by CNPS' experts. This brought to light an essential precondition to the development of new solutions, which is the importance of getting all stakeholders on board. This is generally achieved by ensuring two points: (i) using, as far as possible, everyday tools (such as mobile phones) as a medium for new solutions, and (ii) seeking a commonly applied approach to payment acceptance by merchants. For these reasons, the study identified mobile payments as the vehicle for innovation diffusion, primarily because of its ease of use. The study's main findings are available on the CNPS website.¹⁹

Within the framework of its innovation monitoring efforts, the CNPS also decided to pay particularly close attention to payment accessibility in order to ensure that innovation did not result in certain populations being excluded from using payment services and methods (see Box 8).

These efforts also highlighted the need to stimulate the payment industry's innovation ecosystem in France. To this end, during the first half of 2016 the CNPS mapped the players behind innovative initiatives in France, structured around three focal points:

- identifying the major, generic organisations that contribute to payment innovations alongside companies, industrial firms, merchants, banks and consumers;
- classifying the most active and representative organisations in France;
- highlighting the most important avenues for further study and recommending approaches.

This mapping exercise highlighted the following observations.

- Several business incubators and partnerships working in the field of innovative payments already exist in France, which provides a multi-player dynamic that facilitates meetings and discussions between private and public-sector bodies and banks.
- The number of partnerships between the new players (FinTechs) and banks has soared in recent months.
- Lastly, relationships are being forged and strengthened between universities and FinTechs. This evolution is consistent with the national payment means strategy, which notably recommended that the subject of payment methods should be given greater importance in education.

¹⁹ https://www.banque-france.fr/sites/default/files/media/2017/03/27/2016-10-24_cartographie_livable_vpublique.pdf

Box 8

Accessibility of new payment solutions for the visually impaired

Today more than 1.2 million people are visually impaired (blind and partially sighted) in France and the number increases regularly due to population ageing. As part of the Valentin Haüy association's actions on behalf of the visually impaired, in 2016 it presented the CNPS with its analysis of the accessibility of payment terminals in France. This study came to the following conclusions as regards new electronic payment methods.

- For online card payments, merchant sites, which are regularly used by people with visual impairments, present no major obstacle at the moment, although certain bank payment modules such as card identification and card detail entry procedures, can be difficult to access. Furthermore, the recent development of dynamic CVC (card verification code) technology¹ in payment cards could give rise to new difficulties if the display screens are not properly adapted.
- For online transfer payments, accessibility remains closely linked to that of the banking institution's website. The association stressed that significant progress on accessibility is required in this respect.
- For "face-to-face" payments (in shops), while the payment terminal's traditional mechanical keypad is generally very accessible (with the exception of the frequent absence of audio confirmation of the payment amount), digital screens, which are becoming more common, present new challenges of accessibility as they have no tactile elements. Nevertheless, several solutions could be implemented, such as an audio output, standardised screen dimensions so a frame can be added to the screen itself if necessary, or even the widespread introduction of haptic feedback (i.e. force feedback) when tapping the screen.

Given the circumstances, the measures taken should be introduced across all payment methods to ensure that the visually impaired can carry out their transactions simply and confidentially. The CNPS stresses that the accessibility of solutions must be considered at the design stage, as early in the process as possible.

¹ The card verification code (CVC) is the last three digits located on the back of a payment card. It is often used when making online payments by card in order to guarantee the security of the transaction. Dynamic CVC technology is intended to replace the fixed set of figures with an integrated screen in the card that displays a regularly, automatically changing set of digits.

Therefore, it has now become necessary to maintain, and in some cases, initiate, dialogue between the different players in payment method innovation in order that cross-disciplinary actions can be launched or encouraged. In this context, the CNPS is committed to building on the mapping project's findings by developing its role as an innovation coordinator through a policy of targeted communication of its recommendations to the bodies it has identified.

Contributing to work at the European level to dematerialise the payment chain

An essential aspect of CNPS' activities also consists in monitoring and contributing to the progress made on payment-related issues in different European fora, with the clear objective of enhancing the development of electronic payment methods through its support for initiatives to dematerialise the entire payment chain. The CNPS

thus encourages a holistic approach aimed at integrating the issue of payments in the major European dematerialisation projects at the earliest possible stage. To that end, the CNPS' monitoring efforts focused on three main points in 2016 and 2017.

Electronic invoicing

Following the publication on 6 May 2014 of Directive 2014/55/EU of the European Parliament on electronic invoicing in public procurement, a number of European projects were carried out to ensure that the directive was applied consistently across the different Member States. Consequently, the European Commission tasked the European Multi-Stakeholder Forum on Electronic Invoicing (EMSFel), created in 2011, to promote the development of electronic invoicing and to monitor the implementation of the directive, particularly amongst SMEs. EMSFel, which has representatives from all the Member States, relies on the work performed at the various national community levels, and therefore the work of the *Forum national de la facturation électronique et des marchés publics électroniques* (FNFE-MPE – the national forum on electronic invoicing and public procurement) in France.

Article 3 of the directive also provided for the establishment of “a European standard for the semantic data model of the core elements of an electronic invoice”. The task of developing the standard was entrusted to the *Comité européen de normalisation* (CEN – European Committee for Standardization) and more specifically its Technical Committee on Electronic Invoicing (CEN/TC 434). Establishing this standard should allow all the European players – solution providers, general government bodies or businesses – to work from a common base and ensure the long-term interoperability of solutions across Europe. The directive set a deadline of 27 May 2017 for the publication of the reference to the standard in the Official Journal of the

European Union. The standard was approved by the CEN/TC 434 Technical Committee on 16 March 2017 and published within the specified timescales.

Lastly, the work on electronic invoicing carried out by the ERPB since 2015 led to the presentation of a report on the development of electronic invoicing solutions related to retail payments in November 2016. This report, which is available on the ERPB website,²⁰ identified among other things the main barriers to the development of pan-European electronic invoicing solutions, i.e. the cost and complexity of existing solutions, the difficulty in creating a network effect at the European level due to divergent business practices and standards, and varying internet access depending on the country or region. Following the publication of this report, the ERPB decided to create a working group to deal specifically with the issue of harmonising business practices and standards in electronic invoicing. Following a request from the French community received by the CNPS, it will also work to strengthen the interactions between electronic invoicing and payments, particularly by improving the integration of SEPA payment methods in electronic invoicing (see below). The working group's conclusions will be presented in November 2017.

E-mandates for direct debits

The issue of electronic mandates for SEPA direct debits is similar in many ways to electronic invoicing and has been addressed at the European level by the ERPB since 2014. During that time, a series of recommendations have been published to promote the development of pan-European e-mandate solutions around three key themes: improving the definition of the legal validity of electronic mandates, particularly in the case of litigation in regard to a payment transaction, clarifying the responsibilities of the different players in the payment chain during cross-border

²⁰ https://www.ecb.europa.eu/paym/retpaym/shared/pdf/6th-ERPB-meeting/Electronic_invoicing_solutions_related_to_retail_payments.pdf?4e4f-3f02d20463bdf25bfe62731f66c8

transactions, and lastly, enhancing the technical interoperability between existing solutions.

Despite the progressive implementation of these recommendations, it became clear that the e-mandate services for SEPA direct debits, both at the national and pan-European levels, were struggling to develop. Consequently, in 2017 the Eurosystem decided to launch new actions taking into consideration both the new regulatory landscape, linked to the 2016 publication of the revised directive on payment services, and fresh initiatives on the dematerialisation of the payment chain, particularly related to electronic invoicing. To this end, following the request of the French community received by the CNPS, one of the ERPB's working priorities is to identify the technical possibilities for integrating e-mandates for direct debit payments into electronic invoices.

Mobile payments

Lastly, the third point monitored at the European level by the CNPS concerns mobile payments. In 2015 the ERPB carried out specific initiatives on person-to-person mobile payments, which were presented in a report published in June 2015. The report made four recommendations, of which the two most important proposed the creation of a European

forum of mobile payment players and the launch by this forum of initiatives to put in place a Standardised Proxy Lookup (SPL) service (see Box 9 below).

Following a stakeholders workshop attended by more than 80 participants organised by the EPC in January 2016, the "Mobile Proxy Forum" was created to steer work on the development of a SPL service and to organise its future management. In March 2017 the forum had 37 members and two observers representing European public institutions (the European Central Bank and the European Commission). This forum has already established the rules for operating, joining and participating in the SPL service that were published in March 2017 on the EPC website²¹ and now has to complete the technical, legal and commercial rules for the service via dedicated working groups. According to the provisional implementation timetable, the SPL service will be launched at the end of 2017.

Given the structural importance of this project for the development of mobile payments, the CNPS will monitor its progress particularly closely during the second half of 2017. A study specifically devoted to the issue was put in place in May 2017 in order to harmonise the positions of the French players and organise in advance

²¹ <https://www.europeanpaymentscouncil.eu/sites/default/files/KB/files/SCP2P%20018-16%20v1.0%20Rules%20for%20operating%20joining%20and%20participating%20in%20the%20SPL%20Service.pdf>

Box 9

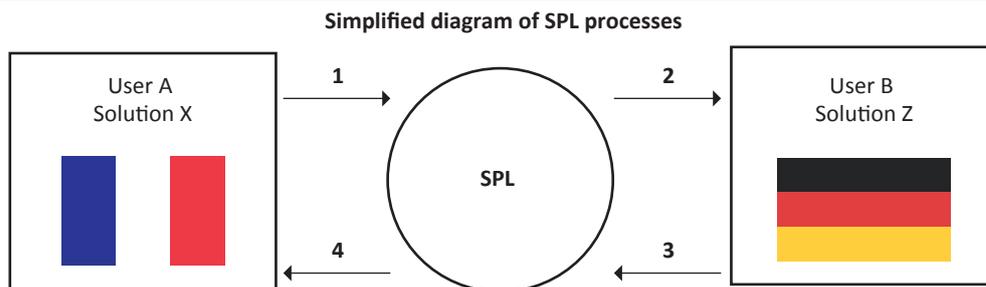
The pan-European Standardised Proxy Lookup (SPL) project

The pan-European Standardised Proxy Lookup project was recommended by the ERPB's working group on P2P payments in its report published in June 2015 (available on the ERPB website). The aim of the project is to provide a solution to the significant fragmentation of the mobile payment market that can be seen in Europe by facilitating cooperation between the industry players.

The Standardised Proxy Lookup project is thus a schema, or a set of rules, organising the exchange of information between existing mobile payment solutions in order to allow the settlement of a transaction between users of different solutions. The ultimate goal of the SPL is therefore to enable "inter-solution" mobile payments from user A of one solution to user B of another solution (see Diagram).

For this to be achieved, the SPL must enable the regulated and secure exchange of user payment information (particularly the IBAN) between member solutions, on the basis of a proxy, such as a telephone number, used within the framework of mobile payments in order to facilitate the initiation of transactions. The SPL would not consist of a single database at the European level, but as a lookup service searching the databases of the different member solutions in order to identify the payment information that corresponds to a proxy. The data transmitted via the SPL should allow the solutions to initiate payment solely through the SEPA (credit transfer) infrastructures.

The implementation of the SPL should also meet several technical requirements, particularly in terms of prioritisation of results in the event that a user is subscribed to several mobile payment solutions, the future integration of proxies other than telephone numbers (email addresses or social network accounts, for example), and above all the security of information exchanges in order to protect the confidentiality of users' personal data, which is a cornerstone of the service. Consequently, the Banque de France, as guarantor of the security of payment methods in France, pays particularly close attention to the latter requirement.



Note: In the example above, user A of French mobile payment solution X wants to pay user B of German solution Z. To do so, user A enters user B's telephone number on the payment screen of solution X. The number is not recognised by solution X, which (1) uses the SPL to search for the payment information that corresponds to the unknown number. The SPL then interrogates solution Z (2), which sends back the information requested (3). The information is then transmitted by the SPL to solution X (4), which can finally trigger payment, without any user intervention.

Chapter 3

Innovation in payments (selected minutes of the conference held on 6 January 2017)

A conference co-organised by the CNPS and the Banque de France was held on 6 January 2017 on the issue of innovation in payments and financial services. The minutes presented below report the discussions devoted to innovation in retail payments only, which are of direct importance to the CNPS' work.

3.1 Innovation in payments

The participants generally highlighted the importance of questions of user experience and moving towards uniformity in payment method use (a unique payment instrument, for example the smartphone, for all channels: point of sale, internet, P2P, etc.). The main benefits of technological innovations should therefore be to improve the fluidity and consistency of the customer experience by bringing it closer to meeting everyday requirements, particularly in terms of user experience (using technologies already available in smartphones and tablets such as touch-screens or biometrics), while taking into consideration the operations and technological maturity of the people who will use it.

Paradoxically, it seems that as more and more technological innovations in payments come to fruition and the act of payment becomes more closely integrated into the overall transaction process, the act of payment itself is gradually disappearing. This can be seen for example in

the case of online booking services, which no longer use a payment page, simply providing notification once the service has been delivered instead, as the price was already shown during the reservation process.

In addition to user experience, maintaining strong payment security is central to the concerns of players and public authorities. Several participants highlighted the complementarity of regulation and innovation, which allow for the development of pan-European solutions – e.g. on tokenisation²² or biometric techniques – improving both customer experience and security.

Furthermore, during the discussions it became clear that many of the questions raised with regard to innovation focused around the issue of data protection. The use, and even the financial exploitation, of personal customer information by payment industry players, particularly those involved in internet technologies, continues to be a subject of debate.

3.2 Blockchain technology

The participants presented several examples of blockchain applications (see Box 10 below) currently in use worldwide in various payment-related fields (clearing and settlements, issuance of central bank money, etc.).

The Banque de France presented a progress report on the trials carried out in France with major

22 Tokenisation is the process of substituting a sensitive data element (a primary account number (PAN), IBAN, etc.) with a replacement number, referred to as a payment "token" in the payment chain. See the Observatory for Payment Card Security's 2015 annual report, which can be viewed online at the following address: https://www.banque-france.fr/sites/default/files/medias/documents/oscp_annual-reports-2015.pdf.

Box 10

Blockchain technology

Generally speaking, a blockchain is an IT protocol for constructing a series of linked records called blocks that are administered in a decentralised manner. Several iterations of the technology exist but they all share the same core principles. Each block contains several series of data (for example, transactions) and are linked and secured to the previous block via the automatic application of a cryptographic function, creating a chronological “chain” of data in which each block is dependent on the previous block and thus, by construction, on all the previous blocks. This cryptographically secured construction makes the modification or falsification of a past block difficult, as doing so would also require all subsequent blocks to be altered.

Before being integrated in a block, a transaction between two parties via blockchain technology is saved through the use of a pair made up of a public key (which serves as the “address” or account number to receive a transaction) and a private key (which is kept secret and is used in conjunction with the public key to authenticate the issuer of a transaction). Key pair generation in certain systems is completely unrestricted and can be executed by any user; in other systems, it is more centralised, and the protocol generates the key pairs itself. Each transaction also automatically includes the references of the previous transaction so that it is possible to go back through the transaction chains.

What makes blockchain technology particularly unique is that it can operate without the involvement of a centralised authority acting as a trusted third party. This is based on three main elements: the use of an open source code, an internet protocol and a peer-to-peer (P2P) network that brings together all the users. The blockchain’s content is constantly distributed between all the network members (hence the term, “distributed ledger”), which validate the transactions via a consensus mechanism while checking the cryptographic components. Furthermore, the network’s P2P structure ensures its resilience in the event of the failure of a point as the information is permanently maintained by all the other points. It is the combination of these different, pre-existing elements (distributed and decentralised ledger, blockchain and the use of cryptographic techniques) that represents the genuine innovation that was introduced by networks such as bitcoin in 2009.

Therefore, in the payment industry, it is possible to functionally conceive a blockchain as a dematerialised ledger containing every entry made since its creation. This ledger, which is permanently available to every user, is updated by each of them themselves. Lastly, the older the transaction recorded in the ledger, the more difficult it is to modify, given that all the subsequent transactions have to be modified too (engendering cryptographic calculations).

market institutions during the second half of 2016 as part of the MADRE project. This project examines the use of blockchain technology in maintaining the ICS ledger of SEPA creditor identifiers managed by the Banque de France, and aims to decentralise and automate the allocation and withdrawal of SEPA creditor identifiers through the creation of a distributed ledger between the Banque de France and banking

institutions. These trials have demonstrated that blockchain technology can be adapted to a simple use such as the maintenance of a ledger, and also flagged certain points for consideration, particularly in relation to governance and technical standardisation. All of these elements will have to be assessed both financially and technically before a final decision is taken as to whether the system will be put into effect.

Appendix 1

Mandate of the CNPS

Mandate of the *Comité national des paiements scripturaux* (CNPS – National Cashless Payments Committee)

Article 1 Duties

1. The National Cashless Payments Committee coordinates the implementation of the French national payment means strategy in order to foster the development of fast, secure and accessible cashless payment instruments in the framework of a strategic analysis of developments in the sector. This is based on the following priorities:

- facilitating the transfer and development of instant payments as well as payments by mobile phones and connected objects with the goal of releasing its recommendations during the next two years;
- promoting the rollout of the equipment required for contactless payments;
- launching a study on the use of cheque payments and its alternatives, particularly in business transactions.

2. In addition to implementing the payment means strategy, the National Cashless Payments Committee is responsible for monitoring innovation in the field of cashless payment instruments.

3. The National Cashless Payments Committee defines the position of the French community on European topics of mutual interest that could be brought to the attention of the Euro Retail Payments Board (ERPB) and monitors the issues handled by the ERPB at the national level.

Article 2 Objectives and operating principles

Within the framework of its duties, the National Cashless Payments Committee:

- sets the policy directions to be implemented by the market players and provides them with related recommendations, opinions and action plans;
- analyses possible barriers and the actions to be taken to overcome them;
- monitors innovations in the field of cashless payment methods and prepares analyses and studies on the potential of emerging technologies;
- consults external bodies whenever necessary in relation to its work and relies on existing consultation bodies if required, including the *Comité consultatif du secteur financier* (CCSF – Advisory Committee on the Financial Sector), the *Observatoire de la sécurité des cartes de paiement* (OSCP – Observatory for Payment Card Security), the *Comité français d'organisation et de normalisation bancaires* (CFONB – French Committee on the Standardisation and Organisation of the Banking Industry), the Finance Innovation hub, etc.

Article 3 Organisation and composition

1. The National Cashless Payments Committee is chaired by a high-level representative of the Banque de France. A highly placed representative from the *Fédération bancaire française* (FBF – French Banking Federation) and from the *Association française des trésoriers d'entreprises* (AFTE – French Association of Corporate Treasurers) act as vice-chairs.
2. The National Cashless Payments Committee is composed equally of representatives from the supply and demand sides of the payment service industry. Each institution can have only one representative, who can select a replacement in the event that he or she is unable to attend the committee meeting.
3. In addition to the representatives of supply and demand, public institutions are also represented on the National Cashless Payments Committee.

Article 4 Operations

The policy directions, positions and releases of the National Cashless Payments Committee are agreed by consensus and monitored and updated at each meeting.

Article 5 Agenda

The chair of the National Cashless Payments Committee sets the meetings' agenda after consultation with the vice-chairs.

Article 6 Secretariat

The secretariat of the National Cashless Payments Committee is jointly provided by the Banque de France and the Treasury Department.

Article 7 Working groups

1. The National Cashless Payments Committee can set up standing working groups and approve their mandates. The standing working groups report on their work to the National Cashless Payments Committee.
2. Each working group is led by a coordinator appointed by the chair of the National Cashless Payments Committee in consultation with the vice-chairs. The participants in the standing working groups are experts working for the institutions represented on the National Cashless Payments Committee or specialists recognised for their skills in the field concerned. They are appointed by the chair of the National Cashless Payments Committee on the recommendation of the coordinator of the relevant group. The secretariat of each working group is provided by the Banque de France and the Treasury Department, in consultation with its members.
3. The National Cashless Payments Committee can commission the working groups to look into specific subjects in response to changes and developments.

Appendix 2

Composition of the CNPS

Supply	Demand	Institutions
Vice-chair (French Banking Federation)	Vice-chair (French Association of Corporate Treasurers)	Chair (Banque de France)
<p>16 representatives</p> <ul style="list-style-type: none"> – Representatives of professional associations (AFEFAME, ASF, FBF, OCBF, FFT) – Representatives of credit institutions (BNPP, BPCE, Crédit Agricole, La Banque Postale, CDC) – Representative of a standardisation body (CFONB) – Representatives of card schemes (GIE CB, Visa Europe, MasterCard France, American Express France) – Representative of the French payment system (STET) 	<p>16 representatives</p> <ul style="list-style-type: none"> – Representatives of consumer associations (UFC, AFOC, ADEIC, CLCV) – Representatives of professional and merchant organisations (FCD, Mercatel, FEVAD, ACSEL) – Representatives of major companies (MEDEF, AFTE) – Representatives from industry (Concert International, SYNTEC) – Representatives of SMEs (CPME, UPA, UNAPL) – Representatives of public bodies (CIMPE) 	<p>7 representatives</p> <ul style="list-style-type: none"> – Banque de France – French overseas note-issuing banks (IEDOM and IEOM) – Treasury Department – Directorate General for Competition, Consumer Affairs and Prevention of Fraud (DGCCRF) – Directorate General for Enterprise (DGE) – French tax authority (DGFIP) – French Advisory Committee on the Financial Sector (CCSF)

Appendix 3

CNPS work programme for 2016-2017

Priority rating:

High
 Medium
 Low
 Objective achieved

Priority	Objective	Priority rating
Ensure the smooth functioning of SEPA instruments	<p>Monitoring and handling failings encountered during the use of SEPA payment instruments</p> <p><i>Following the migration to SEPA payment instruments, which was completed on 1 February 2016, the National Cashless Payments Committee assumed the National SEPA Committee's responsibilities for promoting SEPA payment instruments and identifying and handling any failings that may arise.</i></p>	
Facilitate the use of transfers and speed up payment transactions	<p>Developing the conditions for the implementation of transfers in real time</p> <p><i>The National Cashless Payments Committee is carrying out a study on the conditions for the implementation of instant payments, within the framework of the actions currently being undertaken at the European level by the Euro Retail Payments Board (ERPB) and the European Payments Council (EPC) to set up a European instant transfer scheme. The time required to complete payment transactions is an element that explains the limited use of certain electronic payment methods in France today, particularly transfers, compared with other European countries.</i></p>	
	<p>Developing referenced transfer solutions</p> <p><i>The National Cashless Payments Committee is determining methods to enhance the information attached to a transfer through the development of referenced transfer solutions and their harmonisation at the European level; the objective is to facilitate payment transfer accounting reconciliations by professional bodies and improve identification of the associated invoice.</i></p>	
	<p>Developing the use of transfers by enhancing the customer online transfer experience</p> <p><i>In order to promote the use of the SEPA credit transfer, which is still rarely used in France for household spending compared with other European countries, the National Cashless Payments Committee is carrying out a study to facilitate online transfer methods by improving the customer experience, and the addition of a new beneficiary in particular.</i></p>	
Examine the conditions for cheque use	<p>Reducing cheque use in business-to-business transactions</p> <p><i>The significant level of cheque use is unique to France in the European Union. Companies are confronted with many disadvantages as a result of cheque use, particularly in relation to cash management, both for the payer and the payee, due to delays in cashing the cheque (for example, the time taken by the payer to send the cheque to the beneficiary, and then by the beneficiary to present the cheque to the bank comes on top of the time required for interbank processing), as well as handling costs. It is therefore important to gain a better understanding of this French particularity and to act to reduce this preference for cheque payments.</i></p>	
	<p>Identifying legal provisions that could limit the use of cheque alternatives</p> <p><i>Existing legal provisions, which for example enforce payment by cheque in certain situations, could represent barriers to the development of alternative payment methods. These legal provisions must be identified in order to assess any measures needed to overcome these barriers.</i></p>	

	<p>Reducing cheque validity periods <i>Cheques currently expire after one year and eight days. This validity period is a source of uncertainty for the person or organisation drawing the cheque and can complicate cash management activities. In light of this, halving the period to six months, as was debated before the French National Assembly and Senate, could minimise the uncertainty and the problems associated with cheque payments.</i> <i>The provision to reduce the validity of cheques from 12 months to six months included in the draft law on transparency, the fight against corruption and the modernisation of the economy was dropped following parliamentary debate.</i></p>	
	<p>Making the acceptance of payment by bank card as well as by cheque compulsory when joining an approved management body <i>In accordance with Article 1649 quater E bis of the French Tax Code (Code général des impôts), members of approved management bodies were legally obliged to accept client payments made by cheque. Law No. 2015-1786 of 29 December 2015 revised this provision, obliging members of approved management bodies to accept payments by cheque or by bank card. This amendment should help to increase the number of professionals accepting bank cards as a method of payment and contribute to the development of electronic payment methods, particularly among small and medium-sized enterprises.</i></p>	
	<p>Ensuring the rollout of PayFIP to extend electronic payment methods across all public services <i>PayFIP is a new payment solution proposed by the French tax authority (DGFiP) which in time should allow payments to local authorities and public institutions by direct debit over the internet, free of charge. Within the framework of promoting electronic payment methods as part of the national payment means strategy, the National Cashless Payments Committee is monitoring the project's progress and will facilitate dialogue with representatives of the French financial markets.</i></p>	
<p>Provide more opportunities for payments by card and contactless payments by card or mobile phone</p>	<p>Developing indicators to monitor:</p> <ul style="list-style-type: none"> • the increase in the number of terminals equipped with internet protocol (IP) technology or the development of IP-equivalent public switched telephone network (PSTN) solutions <i>As from 1 January 2016, banks offer merchants the option of terminals connected through internet protocol (IP) technology in order to reduce the telecommunication costs associated with the equipment's use. 60% of payment terminals should be equipped with this technology by 31 December 2016. For customers who are unable to use internet-based equipment due to technical reasons, banks have undertaken to work with telecom operators and companies involved in routing electronic payment data in order to implement IP-comparable business solutions. The National Cashless Payments Committee will monitor the rollout of these solutions through dedicated indicators.</i> • the fitting of all new electronic payment terminals with contactless technology at 1 January 2016 • the fitting of all electronic payment terminals with contactless technology by 1 January 2020 <i>Improving the penetration rate of payments by bank card cannot be achieved unless merchants are better equipped. In addition to promoting cheaper technical solutions, particularly in terms of the telecommunication costs (IP vs PSTN) associated with the use of an electronic payment terminal, modernising the equipment of merchants also involves promoting the adoption of modern, secure and practical payment technologies, such as the contactless mode. All payment terminals should be compatible with contactless transactions by 1 January 2020.</i> <i>The CNPS must develop indicators to monitor progress in the development of card payments in general and contactless face-to-face payments in particular.</i> 	

	<p>Reducing merchants' contractual minimum fee levels for small-value transactions <i>Due to the relatively high total cost involved in small-value transactions, bank cards are still rarely used in certain sectors. Within the framework of the national payment strategy, where banks have agreements in place that provide for minimum commission charges, they have been encouraged to significantly reduce the amount charged in order to encourage small-value payments with bank cards. Banking institutions therefore launched a campaign during the first half of 2016 to renegotiate the agreements signed with their professional customers in order to reduce the levels.</i></p>	
	<p>Itemising payment card fee statements <i>Payment card fee statements that were previously provided annually are now prepared monthly to ensure greater transparency regarding the fees paid by merchants. In addition to the information already provided (amount of payment card transactions per contract agreed with the bank, commission received particularly for the provision of the terminal, telecommunication costs, etc.), the new statement now includes itemised fees related to the acceptance of payment cards and separates out interchange fees from the other costs invoiced by the banks.</i></p>	
	<p>Reducing payment card interchange fees <i>As of 9 December 2015, payment card interchange fees (CIP – commission interbancaire de paiement) were reduced on average from 0.28% to 0.23% of the transaction value for cards other than debit and credit cards. The CIP is now also capped at 0.2% and 0.3% of the transaction value for debit cards and credit cards respectively.</i></p>	
	<p>Studying the conditions for the development of mobile point-of-sale (mPOS) payment solutions <i>The equipment of merchants, craftsmen and small businessmen with no fixed premises or doing business at customers' homes or tradeshows for example, can be improved with the development of attractive mobile point-of-sale (mPOS) payment solutions in order to expand acceptance of bank card payments in sectors that are still insufficiently equipped.</i></p>	
	<p>Improving consumer awareness of contactless technologies <i>Contactless payment by bank card or mobile is a quick and secure way to pay for small amounts in local convenience stores. In order to promote this payment method, customer information (and the merchant's equipment, discussed above) must be supplemented. As a result, banks now systematically inform consumers of the procedures and terms of use when providing them with a card equipped with a contactless function. In addition, communication campaigns, using brochures, leaflets, websites, information stickers for display in shops, etc. are regularly and jointly carried out by the French Bank Card Consortium, the French Banking Federation and Mercatel. These campaigns target both the merchants and the consumers. The National Cashless Payments Committee coordinates these campaigns and assesses their effectiveness using impact indicators.</i></p>	
<p>Facilitate the development and diffusion of value-added solutions based on instant payments and new technologies</p>	<p>Establishing a technology watch over payment innovations <i>As the payment industry is currently undergoing numerous innovations in France as well as the rest of Europe and the United States, the National Cashless Payments Committee has decided to form a sub-committee specifically dedicated to studying and monitoring these new trends. Initially, the sub-committee will be responsible for mapping innovative players (FinTechs, RegTechs, digital wallets, blockchain technologies, etc.) in France, Europe and the United States.</i></p>	

<p>Ensure that work on payments is properly coordinated at the European level</p>	<p>Contributing to the organisation of the third-party payment market</p> <p><i>The revised Payment Services Directive (PSD2), adopted on 25 November 2015 for implementation in the European Union Member States by 13 January 2018 at the latest, establishes a regulatory status for two new payment services (payment initiation services and account information services). New payment service providers could therefore appear on the European market; the National Cashless Payments Committee closely monitors developments in relation to these new providers, particularly in order to avoid fragmentation of the payment market.</i></p>	
	<p>Contributing to studies on the Standardised Proxy Lookup (SPL) service</p> <p><i>Following the work carried out by the ERPB in 2015 on person-to-person mobile payments, a European steering committee was created by the market's stakeholders in order to implement a framework of pan-European interoperability between the various mobile payment solutions existing at the continental level. This framework should ultimately shape the structure for data exchange between "local" payment solutions in order to facilitate mobile payments, particularly for cross-border transactions. The Standardised Proxy Lookup (SPL) service will allow the mobile phone number of debtors to be associated with their IBAN, thereby facilitating cross-border mobile payments within SEPA. The National Cashless Payments Committee monitors and contributes to the progress made in this area.</i></p>	
	<p>Developing electronic invoicing services in the payment industry</p> <p><i>In the second half of 2016, the ERPB launched its work on electronic invoicing, which should be concluded in 2017. These initiatives follow on from Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement, which will result in the creation of a common European standard for European Union Member States by May 2017. Through its initiatives, the ERPB aims to facilitate the development of pan-European electronic invoicing services, leading to exchange savings and optimisation within the internal market. The National Cashless Payments Committee monitors and contributes to the progress made in this area.</i></p>	

Appendix 4
Programme of the Banque de France
and CNPS conference held on 6 January 2017

PROGRAMME

Conference of the French
Payments Committee

Technological innovations in payments
and beyond

6 January 2017

Banque de France
Paris

Morning session

- 8:30 **Registration and welcome coffee**
- 9:15 **Opening keynote speech**
François Villeroy de Galhau, *Governor, Banque de France*

Theme I: technological innovations in the financial sector

- 9:30 **Panel discussion: technological innovations in payments**
Moderator: **Alain Lefeuve**, *Head of Digitalization of financial flows, Groupe Rocher*
Bernard Cohen-Hadad, *CGPME-UAPME (French and European SMEs Associations)*
Bill Gajda, *Senior Vice President, Global Head of Strategic Partnerships & Innovation, Visa Inc.*
Nicolas Levi, *Director Mobile Payments and Financial Services Marketing, Orange*
Frédéric Mazurier, *CEO, Market Pay (Carrefour Group)*
Nathalie Oestmann, *Director, Head of Samsung Pay Europe*
Q & A
- 10:45 **Coffee break**
- 11:00 **Panel discussion: technological innovations in other financial services**
Moderator: **Ivan Odonnat**, *Deputy Director General Financial Stability and Operations, Banque de France*
Joëlle Durieux, *Managing Director, Finance Innovation*
José Manuel González-Páramo, *Executive Board Director, BBVA*
Verena Ross, *Executive Director, ESMA*
Angus Scott, *Director Product Strategy and Innovation, Euroclear*
Q & A
- 12:15 **Closing keynote speech of the session: the ERPB as innovation catalyst**
Yves Mersch, *Board member of the ECB, ERPB Chairman*
- 12:30 **Lunch break**

Afternoon session

Theme II: challenges for blockchain technologies in the financial sector

14:00 **Presentation: blockchain experiment with French banks led by the Banque de France**

Christine Sampic, *Director Banking Services, Banque de France*

14:15 **Panel: concrete use cases for the financial sector**

Moderator: **Thierry Bedoin**, *Chief Digital Officer, Banque de France*

Patrice Bernard, *Associate and Chief Innovation Officer, Conix*

Nicolas Rivard, *Chief Innovation Officer, Euronext*

Philippe Ruault, *Head of product for clearing, custody and settlement, BNP Paribas Securities Services*

Dinesh Shah, *Program Manager e-Money and Financial Technology Research, Bank of Canada*

Gavin Wells, *Head of Europe, Digital Asset*

Q & A

15:30 **Coffee break**

Theme III: technological innovation versus new regulations on payments

15:45 **Presentation: the expectations of regulatory evolutions in Europe**

Ralf Jacob, *Head of Retail Financial Services and Payments Unit, Directorate Regulation and Prudential Supervision of Financial Institutions, European Commission*

16:00 **Panel: the expectations from the market**

Moderator: **Dirk Schrade**, *Deputy Head of the Payments & Settlement Systems Department, Deutsche Bundesbank*

Nathalie Beaudemoulin, *Head of FinTech Pole, ACPR*

Fabrice Denèle, *Head of Payments, BPCE Group*

Loÿs Moulin, *Development Director, Groupement des Cartes Bancaires*

Damien Perillat, *Senior Director and General Manager France, PayPal*

Georg Schardt, *Managing Director, Sofort*

Q & A

17:15 **Closing remarks**

Anne Le Lorier, *Deputy Governor*

Report of the National Cashless Payments Committee

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Director General Financial Stability
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