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Status Update of the Steering Committee of the Mobile Proxy Forum (MPF) to the June 2018 meeting of the Euro Retail Payments Board (ERP)

1. Introduction

Since the November 2017 meeting of the ERP, the Steering Committee of the Mobile Proxy Forum (MPF) met on the following dates:

- 13th meeting on 4 December 2017.
- 14th meeting (conference call) on 9 February 2018.
- 15th meeting on 20 March 2018.
- 16th meeting (conference call) on 4 May 2018.

2. Request for Proposal to provide a Standardised Proxy Lookup service

Following the Request for Information (RFI) in July 2017, the MPF issued a Request for Proposal (RFP) in December 2017 for the provision of a standardised Proxy Lookup (SPL) service. The aim of the SPL service is to allow the exchange of the data necessary to initiate person-to-person (P2P) mobile payments between proxy-based P2P mobile payment solutions on a pan-European level.

The RFP was very successful and generated a total of seven responses (by the 9 February 2018 deadline) from solution providers interested in providing the SPL service.

3. Selection of a preferred SPL service provider

The Market Implementation Working Group (MIWG) of the MPF evaluated the RFP responses based on the below list of criteria:

- Capability to meet desired functional and non-functional requirements.
- The requirements for the commercial model and the envisioned fees.
- Experience with similar kind of implementation.
- Experience with operating a similar type of service.
- Capability to meet compliance and legal requirements.
- Future roadmap for the solution.

Pursuant a detailed assessment process, the MIWG recommended two candidates in an anonymised manner to the MPF. Subsequently, the Steering Committee of the MPF held a vote which resulted in equensWorldline being selected as preferred SPL service provider.

A Letter of Intent was signed early May 2018 between the MPF (via its chair and vice-chair) and the preferred SPL service provider.

4. Future governance of the SPL scheme

The Legal Working Group (LWG) of the MPF had concluded that the role of SPL scheme manager could be fulfilled either by the selected RFP service provider, the MPF itself (either as a de facto association in accordance with the relevant provisions of Belgian law or as a to-be-established legal entity), or by a third party. Each option has pros and cons.

The Steering Committee of the MPF decided during its February 2018 meeting that its preferred option would be for the EPC to assume the role of scheme manager of the SPL service and as such agreed to formally request the EPC to accept to take up this activity. The main advantages of this option include the benefit from existing expertise and “economies of scale” and the fact that there is no need for the creation of a legal entity.

In March 2018 the EPC Board positively considered the MPF's request but indicated that further analysis would be required. Following a satisfactory clarification of all conditions (e.g. funding; governance), the EPC Board decided in its 23 May 2018 meeting that the EPC agrees to assume the role of SPL scheme manager in line with the following proposed two-step approach:

- i. Establish a scheme participant group (made up of all registered, committed or “interested” eligible scheme participants) reporting to the EPC Board, as a replacement for the MPF which would effectively be terminated.
- ii. Constitute a SPL Scheme Management Board (SSMB) as a separate module once the service is more mature (expected to take place by July 2019).

The Steering Committee of the MPF will be invited to approve the above approach during its next meeting in June.

It should be noted that a number of firms have already expressed their interest to adhere to the SPL scheme.

5. eDelivery

The use of eDelivery¹ is currently not considered by the preferred SPL service provider.

6. Next steps & timeline

At its 7 June 2018 conference call, the Steering Committee of the MPF will be invited to approve the proposed SPL scheme governance and implementation model. Subject to this approval, the transition from the MPF to the EPC is envisaged to take place on 1 July 2018 via the creation of a scheme participant group (see also section 4).

The SPL service provider is expected to deliver the SPL platform in October 2018, on which the onboarded participants (minimum two) will be implemented. Testing is anticipated to take place as from November 2018 and the market ‘go-live’ date is foreseen for early January 2019.

¹ eDelivery is one of the Connecting Europe Facility (CEF) Digital programmes, which allows to securely exchange data and documents. The message exchange infrastructure is described as “a combination of a message exchange model, a discovery and security model, on top of the internet, or of private networks, to exchange (un)structured information wrapped in a messaging envelope.”