

Communiqué from the Retail Payments Council's thirteenth meeting

17 March 2021

The Retail Payments Council's thirteenth meeting took place on-line on Wednesday, 17 March 2021, chaired by First Deputy Governor of the Riksbank Cecilia Skingsley. At the meeting, participants presented current issues connected with the work of the council. The working groups appointed by the council informed about the work they had done since the previous meeting.

The meeting began with the members providing information on current issues. The requirement for **strong customer authentication (SCA)** came into force at the start of the year (what is known as a 'supervisory flexibility period' since September 2019). On the whole, the transition has gone well, but the lack of harmonisation in Europe means that Swedish card purchases can be rejected when purchasing in countries that have not introduced the new regulations. Several of the members are also involved in the **Swedish transformation programme** – which is a collaboration between P27, Bankgirot, the Swedish Bankers' Association and eight banks – with the aim of planning for and communicating to the entire market about the transition to a new payments infrastructure based on Nordic regulations. Council members also took up other current issues, such as **the Accessibility Directive, the EU's digital fiscal package, e-identification and the inquiry into the role of central government in the payments market.**

Finansinspektionen will have a meeting with all of the banks offering **Swish** to discuss what concrete measures the banks are planning to reduce future disruptions and improve the accessibility of the service. **The Swedish Competition Authority** has been tasked by the Government with follow up developments in e-commerce in Sweden. The results shall be presented by 30 September 2021 at the latest. The Swedish Post and Telecom Authority's (PTS) **annual innovation competition Payments for all** is seeking solutions to help people make digital payments. **The PTS' supervisory responsibility regarding availability of cash services** began to apply on 1 January 2021. On 8 April, the **Swedish Fintech Association** will publish its annual report. A webinar will be arranged in connection with the publication of the report. **The County administrative boards' annual payment services conference** will be held on 13-14 April 2021.

The Riksbank gave a report from the **meetings of the Cash Handling Advisory Board**. Cash turnover has stabilised at a level that is around 25 per cent lower than prior to the pandemic. It is likely that the decline in cash turnover will to some extent be permanent, as groups that have previously made purchases in cash have changed over to digital means of payment. The volume of **counterfeit banknotes** in Sweden increased in 2020. The counterfeits that are discovered are mainly 500-krona banknotes of poor quality. The Riksbank also informed that the Bank for International Settlements (BIS) is to establish a **Nordic Innovation Hub** in Stockholm in collaboration with the central banks of Denmark, Iceland, Norway and Sweden.

The Retail Payments Council decided that the Riksbank shall begin the work on a **Cost study** to measure the socio-economic costs of different means of payment in Sweden, within the scope of the Council's work during 2021. The most recent corresponding study in Sweden is based on data from 2009. It was noted that many initiatives requiring considerable resources are under way in the payments field and that the Riksbank therefore needs to do as much as possible to simplify and facilitate reporting. The Retail Payments Council will appoint a reference group.

The meeting also received information on the Riksbank's pilot project to produce a proposal for a technical solution for an **e-krona**. The agreement with Accenture has been extended for a further

year (to the end of February 2022). During phase 2, the Riksbank will bring external participants into the test environment, produce support for addressing payments via alias and develop support for payments off-line. The project will also establish support for payments with e-krona in payment terminals at physical points of sale, and evaluate the performance and scalability of the network.

The Riksbank informed the meeting that the RIX payment system will in May 2022 be supplemented with a new service, **RIX-INST**, which will enable payments to be settled between banks in real time 24/7 in central bank money. The service will use the TIPS platform that has been developed and is run by the Eurosystem. Given the growing interests in cross-border payments and the lack of 'pan-European' cross-currency payment settlement within the EU, the ECB and the Riksbank are also examining the possibility of using the TIPS platform for settlement of instant payments between different currencies, such as EUR and SEK.

Status report from the Committee for supervision and regulation

The chair (the Riksbank) informed that a guest speaker had presented the Riksbank's work on RIX-INST. The Ministry of Finance has given information on the EU's digital fiscal package, which includes proposals to review the Finality Directive and PSD2. The group has noted that frauds have declined since the requirement for strong customer authentication came into force. Other current issues discussed by the group include contactless payments, the impact of the pandemic on the payments market, and Brexit.

Status report from the Committee to combat fraud and money laundering

The chair (the Riksbank) informed about current issues discussed by the committee. SAMLIT, the Swedish Anti-Money Laundering Intelligence Initiative, is transitioning from project to permanent cooperation between the banks and the police. A new EU authority for supervision of anti-money laundering is to be established, and the inquiry into stronger measures against money laundering has been given an extended time limit until 31 May 2021. The IMF is analysing threats and vulnerabilities linked to money laundering, at the request of the authorities in the Nordic-Baltic region. The committee has also discussed a survey by the Swedish Trade Federation on IT-related crime.

Status report from the Committee for the accessibility of payment services

The chair (Dalarna County Administrative Board) informed the meeting that the committee had discussed the County Administrative Boards' report [Bevakning av grundläggande betaltjänster 2020](#) (monitoring basic payment services 2020). COVID-19 has contributed to a faster decline in the use of cash in society. It is becoming increasingly difficult for individuals who are not connected to the internet to take part in society. At the same time, digital participation has received a boost over the year. The chair also informed the meeting that Stefan Ingves took part in the Stockholm County Administrative Board's pod cast, Digital senior citizens.

Status report from the Committee on crises and vulnerabilities in the payment system

The chair (the Riksbank) informed that the committee has received information on the work on the e-krona and emergency preparedness. At its coming meetings, the group will discuss the Civil Defence Inquiry and the transformation of the Swedish payments market.

Status report from the Reference group for payment statistics

The reference group has not held any meetings this year. The chair (the Riksbank) informed the meeting that the reporting tool for the Riksbank's collection of payment statistics has been delayed. Reporting for 2020 will therefore be via Excel.