



➤ COOPERATION FRAMEWORKS BETWEEN AUTHORITIES, USERS AND PROVIDERS FOR THE DEVELOPMENT OF THE NATIONAL PAYMENTS SYSTEM

ITU-T FOCUS GROUP ON DIGITAL FINANCIAL SERVICES



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ITU-T Focus Group Digital Financial Services

**Cooperation frameworks between Authorities,
Users and Providers for the development of the
National Payments System**

Focus Group Technical Report

ITU-T

FOREWORD

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The procedures for establishment of focus groups are defined in Recommendation ITU-T A.7. TSAG set up the ITU-T Focus Group Digital Financial Services (FG DFS) at its meeting in June 2014. TSAG is the parent group of FG DFS.

Deliverables of focus groups can take the form of technical reports, specifications, etc., and aim to provide material for consideration by the parent group in its standardization activities. Deliverables of focus groups are not ITU-T Recommendations.

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About this Report

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List of acronyms

ACH	Automated Clearing House
AML	Anti-Money Laundering
ATM	Automated Teller Machine
CFT	Combating the Financing of Terrorism
CPMI	Committee on Payments and Market Infrastructures
DFS	Digital Financial Services
ECB	European Central Bank
ERPB	Euro Retail Payments Board
ITU	International Telecommunication Union
KYC	Know Your Customer
NFIS	National Financial Inclusion Strategy
NPC	National Payments Council
NPS	National Payments System
PCI-DSS	Payment Card Industry Data Security Standard
PIN	Personal Identification Number
PIP	Payment Infrastructure Provider
POS	Point of Sale
PSP	Payment Service Provider
SEPA	Single Euro Payments Area

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Executive Summary

In recent years the development of national payments systems, in particular of retail payments, has been geared in many countries to increasing the overall efficiency of payments and to the promotion and achievement of financial inclusion objectives.

Development of digital financial services (and in general the shift from cash and paper-based instruments to electronic) and the expansion of the networks of service delivery/customer access points to bring financial services closer to where people live and transact have been regarded as critical tools for the achievement of financial inclusion and overall efficiency objectives.

Beyond the expansion of networks through new branches, agent banking, and delivery channels such as ATMs, POS terminals or mobile banking platforms, achieving interoperability of the various payment services offered is another key tool to enhance the proximity of financial services to all individuals and to increase overall convenience to the end-users. Retail payments in many countries are therefore being deliberately developed in these directions.

Wide-reaching objectives like the ones mentioned earlier affect multiple layers of stakeholders (i.e. from regulators to typical payment service providers, to new/innovative payment service providers, to payment network operators, to end-users, etc.) and are therefore highly complex and difficult to attain.

Experience shows that these objectives are very often only achievable with the deliberate, collaborative and organized actions by a broad range of stakeholders from the public and private sectors, typically implemented through cooperation fora.

1 Introduction and Background

The purpose of this document is to analyze the role and usefulness of cooperation frameworks in the development of a national payments system (NPS), with a particular focus on the implementation of retail payments reforms aimed at advancing financial inclusion and improving overall efficiency, and to discuss the design of the structure/conformation of these cooperation frameworks.

This document builds on the collective experience of the members of the Interoperability Working Group and the broader Focus Group on Digital Financial Services, convened by the International Telecommunication Union (ITU).

The document is organized as follows: the first section discusses the main barriers to the development of digital financial services (DFS), highlighting the need for concerted actions to address those barriers; the second section discusses the issuance of a vision statement for the NPS, including financial inclusion objectives and the development of DFS; the third section highlights the roles of public and private sector actors in achieving the aforementioned vision; the fourth and fifth section discuss in detail the main types of cooperation frameworks/fora, such as a national payments council and other structures led by the public or the private sector. The document ends with a brief section stating the key conclusions.

2 Assessment of barriers to the development of digital financial services

For successful adoption of digital financial services (DFS) in any country environment, it is important that the DFS ecosystem provides safety, security, reliability, and convenience to build trust and drive usage amongst the various stakeholders in the ecosystem's value chain.

There are a number of barriers that can impede the adoption of DFS by a broad range of players, including payment service providers (PSPs), payment infrastructure providers (PIPs), and users such as consumers and businesses/merchants.

For PSPs and PIPs, the main barriers include:

- Macroeconomic instability: The stability of key macroeconomic variables is key to PSPs and PIPs development, especially for long-term planning. For example, high and/or volatile inflation or interest rates can create an uncertain outlook for investment and overall market development, and can also lead consumers to distrust the financial system.
- Lack of scalability: in a two-sided market for DFS, a payments platform requires a critical mass of users (consumers and merchants) to get to the point where it has so many mutually attractive users that more of each type want to join. There are at least two critical success factors to achieve scalability:
 - 1) The DFS platform should be easy for most merchants/businesses to adopt and should provide more value to them than other existing mechanisms (e.g. create incremental sales). Adoption by merchants/businesses is critical since mainstream consumers will not adopt a new DFS product unless they can use it in many places;
 - 2) The DFS has to be a product that most consumers can adopt relatively easily and be useful and convenient to them. That means that it has to work for multiple payment needs, including being interoperable with other payment mechanisms. In turn, merchants will not go to the trouble of accepting a new DFS method unless a significant share of their consumers want to use it.
- An ineffective legal and regulatory framework for DFS: There are several aspects of the legal and regulatory environment which, under some circumstances, may act as barriers to DFS ecosystem development. These aspects are discussed in Table 1.

Table 1: Aspects of the legal and regulatory framework that can act as barriers to the development of DFS

<p>Transparency and predictability of regulations</p>	<p>-To promote trust and confidence in DFS by the various stakeholders, the regulatory framework must be sound, predictable, non-discriminatory, and transparent. Lack of these attributes can confuse the roles of different participants and create mistrust in the development and operation of DFS.</p> <p>-The legal and regulatory framework should provide an adequate balance to promote innovative business models, as well as foster sound risk management practices in the payments industry, including through the supervision/oversight of PSPs and PSOs by regulatory authorities.</p> <p>-Further, to promote transparency and predictability, before implementing new or amending existing laws or regulations in connection with DFS, regulators should carefully evaluate the full costs and benefits of such proposed laws or regulations. Laws/regulations should be drafted carefully to minimize the risk of unintended consequences and should focus on clear, articulated goals or purposes.</p>
<p>Level playing field, market access and licensing requirements</p>	<p>-Some individuals may be “forced” to use cash as a result of an inability to access ATMs, POS terminals, or bank branches. Reaching these individuals through traditional means may be expensive and impractical. One way to overcome this challenge is to rely on technological innovations and to let a broader range of PSPs to reach out to new segments, or meet a new need in an established market.</p> <p>-Many countries have regulatory frameworks that are narrow in scope, and non-bank PSPs and/or international PSPs or PIPs may find it difficult to be allowed in, or to compete fairly with “traditional” local players. This may result in an environment where DFS are provided by a smaller number of entities that otherwise would be possible, likely restricting choice and quality of financial services for the end-user.</p> <p>-To avoid compromising the safety and stability of the payments market, all PSPs and PIPs should be licensed (or at least authorized) and regulated by the payment systems overseer/regulator (i.e. the central bank).¹ However, the underlying requirements should depend on the specific type of services offered and the specific risk associated to those services (i.e. functional regulation rather than institution-based regulation).</p> <p>-Third-party agents (acting on behalf of PSPs) may be prohibited from operating in the market place if the legal and regulatory framework is not modified to explicitly include the roles, responsibilities, requirements, etc. of third-party agents</p>
<p>Competition</p>	<p>-In some cases there is a PIP or PSP that is backed by the government or that is organically dominant, and other PSPs/PIPs are unable to compete openly and fairly in those markets.</p> <p>-Another matter related to competition policy is imposition of revenue or fee caps to keep consumer prices artificially low. This restricts the ability of PSPs/PIPs to provide services that are commercially viable and discourages investment, and the net result is that the services that are available to end-users</p>

¹ IT IS ASSUMED HERE THAT MOBILE NETWORK OPERATORS THAT INTEND TO PROVIDE PAYMENT SERVICES HAVE ALREADY BEING LICENSED BY THE TELECOM REGULATOR IN THEIR RESPECTIVE COUNTRIES.

	are not good enough to promote adoption, and eventually promote scale in DFS.
Proportionality and risk-based approach for KYC, AML/CFT	<p>-The easier and faster it is to open an account, the more likely consumers will take-up and use it. Smooth and simple account opening processes rely heavily on PSP’s ability to tier “Know Your Customer” (KYC) procedures. If the accounts are limited to a small balance and small and simple transactions (i.e. cash-in, bill payment) and all transactions can be monitored so that an account can be suspended right away in case of fraudulent or suspicious use, the KYC risks are very limited. It is only when customers want to use their account more and need larger balances and transactions that additional KYC should be performed.</p> <p>-Regulations should be able to mirror the various scenarios earlier described. In other words, regulations should be risk-based, being able to cope with both a very low risk environment as well scenarios that may represent greater risks. Thus, in very low risk scenarios, simplified ID requirements that may even allow the possibility of activating accounts remotely (e.g. through SIM registration) could be permitted.</p> <p>-The lack of proper ID methods creates an additional barrier to undertake proper KYC.</p>
Localization rules	<p>- Some countries impose restrictions that require domestic processing of all DFS transactions as a means of maintaining operational control and data within a country.² In other cases, rules require the use of a local provider for all transaction processing, effectively creating a monopoly on all processing.</p> <p>- Localization restrictions can force the building or replication of costly infrastructure domestically. Hence, such rules may prevent some international PIPs from offering certain value-added services that could render better services to the end-users.</p>

Other barriers relate to aspects that affect the ability of end-users to adopt DFS. These are:

- Accessibility: This is perhaps the most basic factor influencing successful adoption of any DFS. Without adequate access to a transaction account, a consumer can be excluded from the DFS value chain and most likely will be compelled to use cash. Accessibility also implies access to transaction points within the DFS ecosystem, such as ATMs, POS terminals, branches, third-party agents, etc.
- Convenience: beyond access to DFS, a user must find these services convenient and easy to use. Where the adoption curve for consumers is smooth, usage tends to be high and creates a positive feedback mechanism for other users to adopt such services as well.
- Cost and transparency: the use of any DFS involves a certain cost to the user. These costs include explicit as well as implicit costs. High costs relative to the user’s income and the user’s perception of the value of the service act as a barriers to DFS adoption and usage. In an environment where there are few options available, some end-users will tend to “internalize” the costs and stick to the product they know best. Others will simply refrain from using DFS. In contrast, in a competitive market the costs associated with a payment instrument are more closely scrutinized, and the choice of DFS is made based on user’s perception of the cost structure, as well as other factors such as safety and convenience.

² FOR EXAMPLE, FOR SOME PIPS INTERNATIONAL DATA PROCESSING MAY BE CRUCIAL TO DRIVE DOWN COSTS.

- Safety and reliability: closely associated with cost and transparency is the safety and reliability of DFS. A user's perception of safety and reliability can drive usage. Systems that are prone to security risks can create mistrust and result in lower usage.

3 Development of a vision statement, including policy objectives for DFS

3.1 National retail payments strategy and policy framework ³

Payment systems all over the world, as core infrastructures of contemporary market economies, are in constant evolution on the technology, regulatory as well as business front, as they adjust to the changing needs of the population, the economy and the financial sector.

Retail payment systems traditionally have been initiated and operated by private entities that come together to try to address collectively recognized payment needs in a market. Industry initiatives range widely, from setting up common platforms and new services, to adopting standards to increase efficiency and facilitate automated inter-institution communication and transaction processing, among many others.

However, in recent years the evolution of retail payments is increasingly also the outcome of deliberate strategies and policy choices from national authorities. Central banks are increasingly becoming involved in retail payments reforming on the basis of their objectives to ensure the smooth operation of the NPS, improve its overall efficiency and maintain trust in the currency. Other authorities like financial supervisors, telecom regulators and competition authorities, as well as other public sector entities like the national treasury and the social development ministry have also increased their involvement in this field (see section III.a).

Choices of central bank and other authorities, very often in consultation with the industry, are increasingly being reflected in structured documents such as a “national retail payments strategy”, a “retail payments policy framework” or similar. These documents generally aim at achieving comprehensive reforms, with overarching objectives such as increasing overall safety and efficiency, ensuring there is an efficient infrastructure to process modern payment instruments, improving the affordability and ease of access to electronic payments, and ensuring that a socially optimal mix of payment instruments exists in the country. In some cases, these high-level or overarching objectives are further developed through intermediate objectives such as improving proximity of payment services, achieving interoperability and others.

Typical contents of a national retail payments strategy or policy framework include: Vision, Assessment, Strategy Objectives, Coordination and Implementation Mechanisms, Monitoring and Evaluation Systems, and Action Plan.⁴

It should be noted that an additional crucial role of a national retail payments strategy or policy framework is to help stakeholders to strengthen and publicize their goals and commitments in relation to the objectives of the reform effort, clarify complementary roles and resolve any overlaps, and coordinate actions.

3.2 DFS, financial inclusion objectives and national financial inclusion strategies

In recent years the development of the NPS, in particular of retail payments, is being geared in many cases to improving the efficiency of payments and to the promotion and achievement of financial inclusion objectives.

In this context, development of DFS and digital delivery mechanism are regarded as critical tools for the achievement of both financial inclusion and efficiency objectives. Indeed, DFS are recognized as having a high potential to safely expand financial services to under-served market

³ THIS SECTION DRAWS LARGELY ON WORLD BANK (2012B).

⁴ THE WORLD BANK HAS DEVELOPED “GUIDELINES FOR DEVELOPING A COMPREHENSIVE STRATEGY FOR REFORMING RETAIL PAYMENTS”. THESE ARE DESCRIBED IN ANNEX 1.

segments (e.g. by improving proximity, which is a basic condition for adopting and using a product/service like a transaction account), and to improve the quality, appropriateness, and impact of financial services.

Proximity and overall convenience can be further enhanced by achieving interoperability of the various payment services offered, which may involve interoperability between payment instruments of the same kind and even across different payment instruments.⁵

Hence, retail payments in many countries are being deliberately developed in this direction.

Developing retail payments to achieve financial inclusion objectives is sometimes documented in the broader national retail payments strategy, or more often in a National Financial Inclusion Strategy (NFIS). In this last regard, according to the World Bank (2012):

“Financial inclusion strategies are roadmaps of actions, agreed and defined at the national or subnational level, which stakeholders follow to achieve financial inclusion objectives. Successful strategies coordinate efforts with the main stakeholders, define responsibilities among them, and state a clear planning of resources by, for example, prioritizing targets. A strategy can promote a more effective and efficient process to achieve significant improvements in financial inclusion. Engagement with the private sector, including through structured consultation, can help ensure the success of the strategy and the relevance of the goals set.”

In some cases, countries may have both a broader payments development strategy as well as a NFIS, in which case the latter generally serves for providing more detailed and/or complementary guidance in the specific areas more related to inclusion (e.g. the development of DFS⁶). In other cases, the NFIs may be the only structured and coordinated document providing an overall framework and roadmap for retail payment system development.

As with a broad payments reform strategy, a NFIS helps stakeholders to publicize their commitments in relation to inclusion objectives, clarify roles and coordinate actions.

3.3 Vision statement and policy objectives for DFS

Often, national retail payments strategies, national retail payments policy frameworks and/or NFIS include an explicit “vision”. Envisioning the desired state of the retail payments system assists in catalyzing action and serves as a reference point for all future endeavors.

A vision should be able to answer the question *“What would a successful implementation of the underlying reforms to the retail payments system achieve?”*

The desired state of retail payments systems might vary from country to country depending on a variety of factors. In general, however, a vision for an enhanced retail payments system includes dimensions such as:

- i) The desired level of penetration of electronic payment mechanisms;
- ii) Reduction of the cost of retail payments to the society;
- iii) The payment instruments and services that are able to meet the payment needs of individuals and businesses, including base-of-pyramid individuals and micro and small enterprises;
- iv) Improving the accessibility (e.g. proximity) of financial services;
- v) achieving appropriate levels of customer satisfaction.

For example, Tanzania’s National Financial Inclusion Framework sets forth as its vision the following: *“All Tanzanians regularly use financial services and payment infrastructures to manage*

⁵ INTEROPERABILITY OF PAYMENT INSTRUMENTS AND SERVICES ENTAILS INTEROPERABILITY OF ACCESS POINTS/DELIVERY CHANNELS.

⁶ DFS GO BEYOND PAYMENT SERVICES TO ALSO INCLUDE OTHER FINANCIAL SERVICES LIKE CREDIT OR INSURANCE.

cash flows and mitigate shocks. These are delivered by formal providers through a range of appropriate services and infrastructure, with dignity and fairness”.

At the global level, the World Bank Group’s vision for Universal Financial Access is that “By 2020, adults globally have access to an account or electronic instrument to store money, and send and receive payments as the basic building block to manage their financial lives.”

As mentioned earlier, development of DFS is often regarded as one of the critical tools for the achievement of financial inclusion objectives. Hence, some countries may wish to develop (or may have already developed) specific policy objectives in connection with DFS (and/or for other key mechanisms that will assist in the achievement of the high-level objectives). This may be useful for a number of reasons. In particular, achieving the overall vision for the national retail payments system will be extremely difficult without ensuring each of the tools, mechanisms and/or actions identified as critical are aligned to the general guiding objectives.

In this context, policy objectives for DFS should not aim at specifying the way in which DFS should be developed but should rather emphasize the way in which DFS is expected to assist in achieving the higher-level objectives for retail payments development in general and financial inclusion in particular. Still, in some cases as part of the policy objectives it may be useful to discuss the broad means through which DFS could have an even greater impact (e.g. by achieving interoperability) and include general statements on the desirable course(s) of action for the industry in this regard, and if needed also potential actions from regulators.

4 Roles of public and private sector actors in achieving the vision for the NPS/financial inclusion

Payments reforms require the active and often continuous involvement of several stakeholders from the public sector and the private sector. This section describes their main roles.

4.1 Central Bank oversight and other roles

Central banks all over the world are heavily involved in the operation, regulation and oversight, and reforming of payment systems.

In an *operational* role, central banks typically provide settlement services for some or all retail payment systems in a country. In some countries, central banks also play a more direct operational role and operate some retail payment systems like check clearing houses, automated clearinghouses (ACHs) and/or payment card switches. Through this operational role, a central bank can be instrumental in facilitating interoperability of payment instruments and services.

As *facilitators/catalysts*, most central banks maintain close relationships with commercial banks and other PSPs in order to discuss priorities for payment system development within the country and to promote that those priorities materialize (e.g. achieving interoperability). Through these relationships, central banks also pursue development of strategic initiatives aimed at benefiting all participants uniformly (e.g. connectivity, adoption of standards, fair interchange fees/fee structures, reduction or elimination of paper and paper-based processes, etc.).

As *overseers and/or regulators* of retail payments, central banks typically monitor existing and new payment systems and services, assess them against relevant standards and best practices, and where necessary induce change. The latter can occur through dialogue and moral suasion, through the issuance of formal regulations, and/or by launching reform initiatives of varying depth. In their oversight role, many central banks also pursue a research agenda to keep abreast with new developments in both the local and foreign contexts.

4.2 Role of other public sector entities

Other public sector entities increasingly play a role in the NPS and in some cases also in the efforts to reform one or more of its elements.

Financial supervisors (when different from the central bank) and telecom regulators may play a role as regulators for certain specific components and/or participants of the NPS. In Pakistan, for example, the Pakistan Telecommunication Authority, in close cooperation with the State Bank of Pakistan, have cooperated closely on the development of regulatory framework for mobile / branchless banking. Recently, both institutions issued joint regulations on the technical implementation and interoperability of mobile / branchless banking.

Other public sector entities like the ID authority (i.e. the entity that issues national identification number or equivalent for the population) is increasingly playing a critical role in the payments field, especially for facilitating access to individuals excluded from the financial sector and (often) from the formal economic sector in general. Likewise, competition authorities are increasingly playing a role in DFS in some countries, for example by monitoring ex ante mergers & acquisitions as well as sanctioning of anti-competitive behavior in this field.

Finally, other public sector entities may be involved because they are heavy users of payment services (e.g. the national treasury, the agency that operates social grants programs, the social security agency,⁷ etc.) and are therefore interested in leveraging payments reforms to better fulfil their own statutory mandates and objectives.

4.3 National payment council (or similar) to oversee implementation of the vision

In many countries, central banks have established and usually chair a so-called national payments council (NPC) that serves as a forum for multi-stakeholder consultations. Active consultations are generally initiated as part of a first comprehensive attempt to modernize the NPS. These first attempts typically aim at implementing the basic payment and settlement infrastructure, such as a real time gross settlement system, together with the essential legal, regulatory and oversight infrastructure.

In most cases though, after completion of the first set of reforms, the NPC is maintained as a regular source for consultations for the ongoing development of the NPS, which may include the implementation of DFS and effective interoperability arrangements. The NPC is also used as a tool by the central bank in connection with its roles as catalyst and overseer.

The main features of an NPC are described in further detail in section IV of this document.

4.4 Industry arrangements

Industry arrangements are critical to foster standardization of technical aspects of payment services throughout the industry, as well as for the adoption of minimum product/service features, essential practices, and other agreements among a wide range of stakeholders.

Technical standards are generally developed at a global level, but are implemented and enforced at the regional/national level. Some of the key standards in the payments industry are:

- Payment Card Industry Data Security Standard (PCI DSS): The PCI-DSS is designed to encourage and enhance cardholder data security and facilitate the broad adoption of consistent data security measures globally. PCI DSS provides a baseline of technical and operational requirements designed to protect account data. PCI DSS comprises 12 general requirements for any entity that stores, processes, or transmits payment account data designed around 6 goals: build and maintain a secure network and system, protect cardholder data, maintain a vulnerability management program, implement strong access control measures, regularly monitor and test networks, and ensure the maintenance of information security policies. The “PCI Payment Application Data Security Standard” is designed to help software vendors and others develop secure payment applications. “PCI

⁷ MANY SOCIAL SECURITY INSTITUTIONS DIRECTLY COLLECT CONTRIBUTIONS AND DISBURSE BENEFITS LIKE PENSIONS AND OTHERS.

PIN Transaction Security (PTS) Point of Interaction (POI) Modular Security Requirements” contain a single set of requirements for all PIN terminals, including POS devices, encrypting PIN pads, and unattended payment terminals.

- ISO standards for payment and other financial services. ISO is the world’s largest developer of voluntary international standards. Financial Services Standards are developed by the ISO Technical Committee 68. Some of the most relevant standards for DFS include ISO 8583: 2003 (Financial transaction card originated messages), ISO 9362: BIC (Business Identifier Code), ISO 13616: IBAN (International Bank Account Number) and ISO 17442: LEI (Legal Entity Identifier).⁸ The ISO 20022 is a standard for the development of electronic messages. It has been applied for the development of a portfolio of messaging standards, mainly for financial services, including for payment initiation, payment clearing and settlement, cash management, authorities financial investigations, financial invoice, etc.⁹ Some standards development projects are of specific relevance to digital financial inclusion (e.g. standards specific to mobile financial services are currently being developed).
- EMVCo: It is a consortium of six payment brands—American Express, Discover Financial Services, Japan Credit Bureau, MasterCard, UnionPay, and Visa. It was established in 1999 to facilitate worldwide interoperability and acceptance of secure payment transactions by managing and evolving special technical standards—the EMV Specifications—and related testing processes. Activities include card and POS terminal evaluation, security evaluation, and management of interoperability issues. The EMV smart chip is among EMVCo’s most important contributions to security in DFS, given its capacity to hold encrypted data, perform cryptography, and generate a unique code that is assigned to each transaction.

As mentioned earlier, in addition to technical standards, industry arrangements have been developed for other kind of topics/areas. One example is the GSMA’s Code of Conduct for Mobile Money Providers, which aims to establish common business principles to support the development of a safe and responsible industry for digital financial services.¹⁰ As with technical standards, this Code of Conduct was developed at a global level for implementation at the national level by mobile money PSPs. Endorsement of the Code of Conduct is voluntary. GSMA has also collaborated with providers to develop and test principles that set a high standard to support the sustainable and safe delivery of mobile money. Mobile money PSPs conduct a self-assessment, with GSMA guidance, to determine compliance level and identify issues to address. Self-assessments are already underway for 2016-2017.¹¹

4.5 Regulatory framework to support the vision

The legal and regulatory framework plays a critical role in creating an enabling environment for the development of efficient, innovative and inclusive payment services. As per the “Payment Aspects of Financial Inclusion” report of the Committee on Payments and Market Infrastructures (CPMI) and the World Bank Group (2016), key aspects of the legal and regulatory framework in the context

⁸ THE COMPLETE LIST OF STANDARDS IS AVAILABLE AT

[HTTP://WWW.ISO.ORG/ISO/HOME/STORE/CATALOGUE_TC/CATALOGUE_TC_BROWSE.HTM?COMMID=49650&PUBLISHED=ON&INCLUDESC=TRUE](http://www.iso.org/iso/home/store/catalogue_tc/catalogue_tc_browse.htm?commid=49650&published=on&include=true)

⁹ THERE ARE CURRENTLY 325 MESSAGE STANDARDS (AVAILABLE ON [WWW.ISO20022.ORG](http://www.iso20022.org)).

¹⁰ THERE ARE EIGHT CODE OF CONDUCT PRINCIPLES AIMED AT PROMOTING MOBILE MONEY PROVIDERS’ ADOPTION OF CONSISTENT RISK MITIGATION PRACTICES IN CRITICAL AREAS OF THEIR BUSINESS. THESE ADDRESS: I) PROTECTION OF CUSTOMER FUNDS, II) MITIGATION OF RISK OF MONEY LAUNDERING AND THE FINANCING OF TERRORISM, III) RELIABILITY AND TRUSTWORTHINESS OF MOBILE MONEY, IV) RELIABILITY OF THE CHANNEL AND SERVICE PERFORMANCE, V) SECURITY OF THE NETWORK AND CHANNEL, AND VI) FAIR TREATMENT OF CUSTOMERS, INCLUDING DISCLOSURE REGIMES, CUSTOMER COMPLAINT REDRESS PROCEDURES, AND PROTECTION OF CUSTOMER DATA.

¹¹ SELF-ASSESSMENT MODULES HAVE BEEN DEVELOPED. THESE LEVERAGE ON INTERNATIONALLY RECOGNIZED TECHNICAL AND REGULATORY STANDARDS AND BEST PRACTICES.

of retail payments and financial inclusion include:¹² (i) regulatory neutrality and proportionality; (ii) risk management; (iii) protection of deposits and e-money customer funds; (iv) financial customer protection; and (v) financial integrity.

However, some countries still lack even more basic legal and regulatory provisions such as those supporting settlement finality, electronic payments, electronic records and electronic signatures, etc. A failure to establish and to effectively oversee adherence to such a framework can stifle competition and innovation, threaten the safety, soundness and efficiency of retail payment services, lead to inadequate protection of customers, and deter usage.

5 National Payments Council

5.1 The role of a NPC

A collaborative approach to payment system modernization is essential. On one hand, relevant changes in any area of the payments industry will most likely have an impact on all of its participants. Moreover, as a network industry, some of the challenges to improve efficiency, safety or security can only be overcome by the industry as a whole. Another crucial reason for cooperation is that no single individual or entity possesses all the knowledge needed to address payment system reforms. Indeed, in market environments characterized by knowledge-intensive and fast-changing processes, as well as by sophisticated products and complex institutions, communication between stakeholders be them market players, regulators and even legislators is a necessary multi-way learning opportunity that also fosters improved decision-making through the sharing of knowledge and experiences.

On the other hand, as discussed earlier, practically any significant reform to the NPS will affect the interests, business and likely also the operations of multiple stakeholders. Hence, a mechanism to exert leadership, to conciliate interests and establish a reasonable level of consensus, and to coordinate actions becomes imperative.

Different mechanisms can be used for these purposes. A National Payments Council (NPC) or National Payments Committee is one of the most commonly used ones, especially in countries that have engaged in larger or more significant reforms. It consists of a rather structured and, in many cases, formal mechanism with leadership from the central bank.

The features of a NPC are described throughout the remainder of this section. Other mechanisms, including those that have been created for discussing specific aspects and/or that are designed in a less structured or less formal to accommodate certain specific objectives are discussed in section V of this document.¹³

5.2 Typical features/terms of reference for a NPC

5.2.1 Objectives and foundation

The NPC is the mechanism through which dialogue on national payment system policies takes place between the various stakeholders, securing a fair representation of the public and private interests involved in payment system activities, and thus setting the conditions for achieving a reasonable level of consensus on policy choices. In other words, the NPC is the place where PSPs, PIPs, overseers and users can voice and discuss their expectations and challenges, and, eventually translate them into new desirable features of the NPS and/or new and improved payment products and services.

¹² THE CPMI AND THE WORLD BANK GROUP CLEARLY SPECIFY THAT NONE OF THESE ASPECTS IS ACTUALLY NEW. WHAT IS NEW IS THE ATTEMPT TO BRING IT ALL TOGETHER IN THE CONTEXT OF LOW-VALUE, POTENTIALLY HIGH-VOLUME RETAIL PAYMENT SERVICES OFFERED BY OLD AND NEW TYPES OF PSPS THROUGH TRADITIONAL AND INNOVATIVE APPROACHES.

¹³ FOR EXAMPLE, IN SOME COUNTRIES, A BODY THAT RESEMBLES A NPC HAS BEEN CREATED NOT AS AN ADVISORY/CONSULTATIVE BODY BUT AS A COMPANY WITH OPERATIONAL FUNCTIONS (E.G. DEFINITION AND IMPLEMENTATION OF STANDARDS).

Central banks are normally entrusted with the responsibility of setting up and leading the NPC. In addition to being a primary mechanism for cooperation and for coordinating actions in the context of payment reform efforts, central banks often also use the NPC channel to provide stakeholders with indications on its policy orientation in the payments field, to shape its policy agenda by using feedback from the market, and to check the efficiency, reliability, and fairness of the payment services provided.

In some cases the NPC is created by a statutory act (e.g. the payment systems law). There are advantages and disadvantages to this approach. The NPC having statutory powers may be useful to establish its credibility - especially vis-à-vis other authorities - and the legitimacy of the central bank to lead its work. On the other hand, a NPC operating under strict rules and/or composition criteria may face difficulties in fulfilling one of its key purposes which is to ensure effective dialogue and achieve reasonable consensus on its discussions.

5.2.2 General methodology and organizational structure

A well-designed NPC should have different levels, to clearly identify different roles: policy and strategy at the highest level (i.e. ministers, central bank governor, CEOs and similar); a decision-making level for general and operational aspects involving senior management of key stakeholders; and an implementation level involving senior technical staff and other executives.

A specific example is a structure comprised of: (i) a high-level council,¹⁴ normally chaired by the central bank governor, the minister of finance or similar; (ii) a strategic committee, which is normally chaired by a senior manager (e.g. deputy governor) of the central bank; and, (iii) thematic working groups which are chaired by individuals and/or institutions with proven knowledge, experience and interest in the underlying topic(s).

All NPC structures should be supported by a permanent or *quasi* permanent Secretariat.

5.2.3 Typical functions, activities and composition of the various levels within a NPC

It is crucial that the NPC give fair representation to all the stakeholders of the NPS. These normally include: the central bank, the ministry of finance, other relevant regulators (e.g. telecom regulator), the commercial banks, the non-bank financial institutions, non-bank PSPs, the PIPs (e.g. clearinghouses), and the users (including both major initiators like the national treasury as well as consumers).¹⁵ In some cases, the competition authority and the ID authority have also been invited to join NPC discussions, and to participate in specific development/implementations.

The composition of the NPC should nevertheless be consistent with the objective of having effective discussion in the meetings. Therefore, in most cases having all individual players being represented in the NPC will not be possible. However, it must be ensured that all interests are fairly represented both across the different categories of stakeholders (e.g. banks and non-bank PSPs) and within each category (e.g. large and/or traditional players *vs.* small and/or new players).¹⁶ In the specific case of the thematic working groups, these may or may not be composed of the totality of the institutions represented in the higher levels of the NPC.

The typical functions/activities of the three levels within a NPC are as follows:

High-level council

- NPC governance

¹⁴ THE SPECIFIC NAMES OF THE VARIOUS LEVELS TEND TO VARY ACROSS COUNTRIES. YET, THEY TEND TO PERFORM SIMILAR ROLES.

¹⁵ MANY NPCS ALSO INCLUDE INSTITUTIONS THAT ARE RELEVANT FOR SECURITIES CLEARING AND SETTLEMENT, SUCH AS THE STOCK EXCHANGE, THE CENTRAL SECURITIES DEPOSITORY(S), AND SECURITIES BROKERS-DEALERS.

¹⁶ IN THIS LAST REGARD, ACCORDING TO WORLD BANK EXPERIENCE HAVING INDUSTRY ASSOCIATIONS IN THE NPC ONLY (I.E. WITHOUT DIRECT REPRESENTATION OF INDIVIDUAL MARKET PLAYERS IS OFTEN INEFFECTIVE). INDIVIDUAL MARKET PLAYERS GENERALLY DO NOT WANT TO DELEGATE RELEVANT DECISIONS TO THEIR ASSOCIATIONS, AND/OR ASSOCIATIONS MAY NOT ALWAYS BE FULLY REPRESENTATIVE OF THE INTERESTS OF ALL THEIR MEMBERS.

- Setting the overall strategy and key policy decisions (including prioritization)
- General oversight of reforms (e.g. review and approval of action plans, review of progress)
- Final approval/endorsement of guides and rulebooks
- Review any other high-level issues related to implementation.

Although there is no set standard, a high-level council meets at least on a quarterly basis. Meetings may be more frequent in the early stages of a major reform effort, or at critical stages during its implementation.

Strategic Committee

- Coordination and general quality control
- Prepare general and detailed action plan for the reform and its key individual components
- Monitor progress and problems at a detailed level (e.g. technical obstacles, timeline, etc.)
- Provide guidance to activities of the thematic working groups
- Prepare and vet its reports before submission to the high-level council

Although there is no set standard, a steering committee meets normally on a monthly basis.

Thematic working groups

- Deal with actual implementation of the individual components of the reform effort (e.g. on DFS, interoperability, new infrastructures, etc.).
- Define the technical standards, service standards, minimum technical requirements, identify obstacles and other features of each new system and service
- Propose a timeframe for implementation and define progress indicators
- Prepare progress reports on the individual components for the Steering Committee
- Form an effective link between individual market players and the higher levels of the NPC.

Working groups meet on an “as needed basis”. For example, they may meet weekly during the course of a specific implementation, and less frequently thereafter.

Secretariat

The secretariat is the “engine” of the NPC. It should consist of a highly efficient unit of staffs (typically, the payment system oversight and/or payments policy unit of the Central Bank) with capacity to coordinate, organize, supervise and follow-up on technical discussions. The Secretariat is generally responsible for the preparatory work for the meetings of the various bodies of the NPC. In particular, it coordinates and facilitates the work of the thematic working groups, prepares and organizes consultation exercises, drafts and circulates information reports, prepares agendas, takes minutes of meetings, checks work progress, and supports implementation efforts.

5.3 Case studies

Bangladesh

The National Payment Systems Council (NPSC) of Bangladesh, created in 2007, is made-up of representatives from a selected number of commercial banks and from the Ministry of Finance, the Ministry of Commerce, the Comptroller General of Accounts, the Bangladesh Telecommunication Regulatory Commission, and is chaired by the Deputy Governor in charge of the Department of Currency Management and Payment Systems of the Bangladesh Bank.

The NPSC is the central vehicle for formulating strategy, disseminating information on policy and good practices, and promoting technological development in the payments system. It is also the vehicle for mobilizing resources – human, financial, and physical – necessary for payments development. The NPSC defines the long-term strategy and identifies the development priorities.

The NPSC is assisted by four working groups: strategy, law and regulation, remittances, and ACH. Each of these is composed of commercial bank staff and is headed by a senior Bangladesh Bank officer. The Payments Systems Division of Bangladesh Bank provides support services to these groups.

The first strategic directions adopted in 2007 by the NPSC were as follows:

- Implement Bangladesh ACH
- Establish the required legal and regulatory framework
- Promote and encourage e-payments, use of shared ATMs, POS terminals, mobile payments, etc.
- Establish the central bank's payment system oversight function
- Encourage initiatives for the establishment of payment systems by the private sector
- Encourage on-line banking, adopt a core banking solution and improve the General Ledger and other related departments/offices at the Bangladesh Bank
- Implement Bangladesh real-time gross settlement (RTGS) system.

European Union

In Europe, the organized cooperation bodies bringing together authorities, providers and users pertain mainly to retail payments, for historical reasons.¹⁷ In December 2013, the European Central Bank (ECB) announced the launch of the Euro Retail Payments Board (ERPB), a forum of all Euro area retail payments stakeholders.¹⁸

The objective of the ERPB is to contribute to and facilitate the further development of an integrated, innovative and competitive market for euro retail payments in the EU by:

- Identifying and studying technical, behavioral and legal obstacles in, among others, credit transfer payments, direct debit payments, card payments, internet payments, mobile payments and payments-related horizontal issues (e.g. standards, fraud, security, etc.)
- Identifying and pursuing ways to address these obstacles
- Identifying and pursuing ways to foster innovation, competition and integration in retail payments in euro in the European Union.

The ERPB is chaired by a high-level representative of the ECB. On the supply side, it is composed of four representatives from the banking community, two representatives of payment institutions and one representative of e-money institutions. On the demand side it includes two representatives of consumers and one representative of each of the following stakeholder categories: (i) retailers with a physical presence, (ii) internet retailers, (iii) businesses/corporates, (iv) small and medium-sized enterprises and (v) national public administrations. In addition, six national central banks take part in the meetings on a rotational basis, and the European Commission is invited to join the ERPB as an observer.

For the execution of its mandate, the ERPB may establish working groups for a limited period of time. Several groups may operate in parallel, depending on the work priorities.

Besides the ERPB, there are other industry fora with different focus (see section V.2).

17 LARGE-VALUE PAYMENT AND OTHER SETTLEMENT SYSTEMS HAVE USERS' GROUPS. AT THE NATIONAL LEVEL, REPRESENTATIVES OF THE INDUSTRY AND USERS CONVEY THEIR INPUTS THROUGH THEIR NATIONAL CENTRAL BANK. AT THE EUROPEAN LEVEL, STRATEGIC ISSUES ARE ADDRESSED IN THE CONTACT GROUP ON EURO PAYMENTS STRATEGY, A FORUM IN WHICH THE SENIOR MANAGEMENT OF COMMERCIAL AND CENTRAL BANKS IS REPRESENTED. JOINT MEETINGS OF THE EUROSISTEM WORKING GROUP ON TARGET2 (WGT2) AND THE TARGET WORKING GROUP (TWG), WHICH COMPRISES REPRESENTATIVES OF THE EUROPEAN BANKING INDUSTRY, TAKE PLACE REGULARLY. THESE PAN-EUROPEAN MEETINGS DEAL PRIMARILY WITH THE MANAGEMENT OF NEW SYSTEM RELEASES.

18 THIS NEW HIGH-LEVEL ENTITY REPLACES THE SEPA COUNCIL.

Moldova

The Statute of the National Payments Council of Moldova (NPCM) was approved on September 16, 2013, at its establishment meeting. The NPCM is a professional forum for high-level consultation between various public and private institutions in order to facilitate the safe and stable functioning of the payment system of the Republic of Moldova, with the objective to promote: i) cashless payments in the Republic of Moldova; ii) operational efficiency, security and integrity of payment systems and services; iii) compliance of payment systems and services with the market demand and the needs of users and their accessibility to the entire population of the Republic of Moldova; and iv) the innovative nature of payments, cashless payment instruments safety and their accessibility for users.

The NPCM has neither legal personality nor entrepreneurial activity. Membership is open to the National Bank of Moldova, the Ministry of Finance, Ministry of Economy, Ministry of Information Technology and Communications, the e-Government Center, the Moldovan Banking Association, PSPs and e-money issuers. The NPCM is articulated into working groups and is chaired by the National Bank of Moldova.

The Bahamas

The bylaws of the National Payments Committee (NPC) were issued in 2012 under the Payment System Act. The NPC is established as an advisory body to the Central Bank of The Bahamas to: i) advise on the implementation of the NPS policy; ii) support the achievement and implementation of the policy through collaboration with relevant stakeholders; iii) advise the Central Bank on the appropriateness of documentation and models to be used as standards; iv) facilitate the necessary cooperation between market participants; v) promote common initiatives; and, vi) facilitate the sharing of information.

The NPC does not have legal personality. Membership is open to any participant or user of a system which is widely used or otherwise significant within the country. Governance is based on the constitution of the Council as the main management body and committees. Procedures for admission and withdrawal are established and duties are imposed to members.

Trinidad and Tobago

The Payments System Council (PSC) was established in 2002 with the objective *“to support the achievement of sound and efficient payments clearance and settlement systems in the country and to participate in regional and international efforts aimed at maintaining ordered conditions in regional and international payment systems.”* The first projects of the PSC were the planning and implementation of the RTGS system, the ACH, and the government securities system. At that time the membership consisted of representatives of the central bank, each of the commercial banks, the Securities and Exchange Commission, and the Ministry of Finance.

In 2005, the PSC became involved in providing advice on operational issues related to the use of the systems. By 2006, its focus shifted to promoting e-payments and strengthening the legislative framework. In 2008, the PSC broadened its membership, which currently comprises the senior representation of the following stakeholders: Central Bank of Trinidad and Tobago, Securities Regulator, National Treasury, commercial banks, PSOs, business sector, consumers, the Telecommunications Authority, the Chamber of Commerce and Ministry of Legal Affairs.

The Central Bank of Trinidad and Tobago chairs and provides secretariat services for the PSC. The PSC is currently promoting the use of e-payments via an educational program.

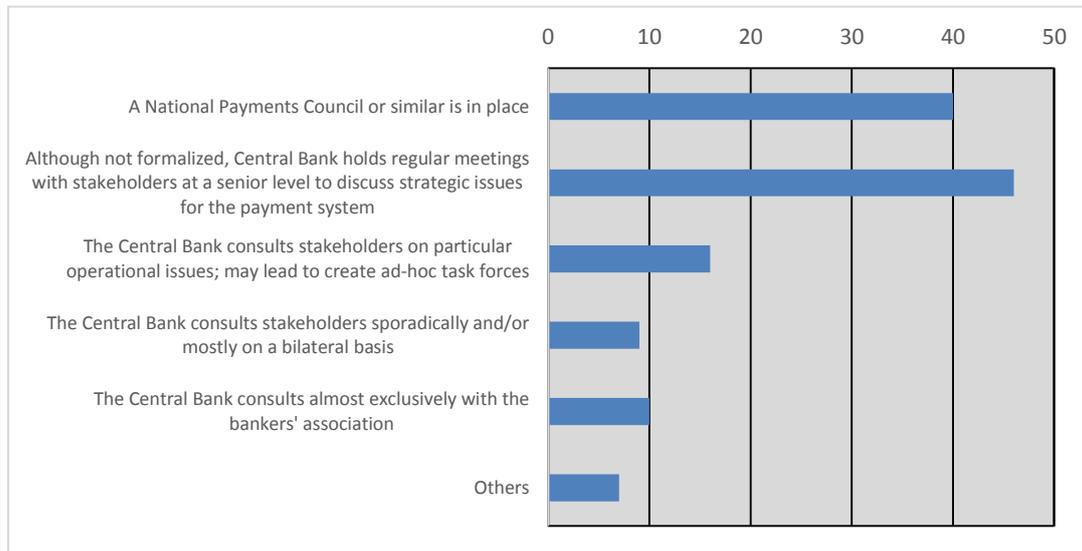
6 Other types of cooperation fora

Consultation and coordination on payments topics and reforms are often carried out through a variety of other mechanisms. These mechanisms typically do not substitute a NPC, but are useful

for a number of specific purposes or circumstances. Figure 1 shows different cooperation mechanisms with central bank leadership.

Figure 1: Cooperative mechanisms for payments worldwide

(Number of countries)



Source: Global Payment Systems Survey 2012, The World Bank.

In some countries cooperation fora that to a certain extent resemble a NPS have been created without direct participation of the central bank or other authorities. These bodies may operate as a company with specific operational functions rather than as advisory/consultative body for public policy purposes.

6.1 Public sector-led

Some typical fora with central bank leadership include:

- Consultation workshops: workshops can be organized in the early formulation stages of the reform effort to present the initiative to all public and private stakeholders, collect inputs and contributions from them, and seek their broad sign-off on the proposed strategy prior to launch.
- Periodic events: more formal events can be organized allow different stakeholders to update each other and advance agendas in unison. For instance, some central banks have launched a Financial Sector Forum as a coordination mechanism for relevant financial sector regulators to convene yearly.

Other relevant fora include bodies that have been created in the specific context of financial inclusion. This can serve as a forum for specialized topics of payment system development.

In Mexico, for example, the National Council for Financial Inclusion is a forum for coordination and consultation among government entities whose purpose is to plan, formulate, implement, execute and follow-up on a National Financial Inclusion Policy.

Tanzania has a developed a structure that resembles a NPC, although for the specific purpose of advancing its NFIS. To that effect, three levels of committees comprising members from government ministries, heads of regulatory authorities and agencies and private financial institutions associations have been formed. This structure is illustrated in Figure 2.

Figure 2: Tanzania’s Financial Inclusion Coordination Structure



Pakistan also framed its NFIS in mid-2015, with a well-structured council, steering committee and technical committees/groups. This country’s experience to date is that the achievement of its NFIS targets depends crucially on effective cooperation between financial and telecom regulators, financial institutions, mobile network operators and solutions providers.

6.2 Payments associations and private payments councils

In some countries, private payments associations and/or private payments councils have been created and play an important role in the development and shaping of the NPS.

In most cases, the main role of these organizations is the creation and enforcement of technical standards for the local payments market (though often based in the relevant international standard, where applicable). In this regard, *interoperability is very often an industry-driven initiative*.¹⁹

Some relevant examples include the Payments Association of South Africa (PASA) and the European Payments Council (EPC).

PASA is a private sector organization, designated as a “payments system management body” under South Africa’s NPS Act. PASA is responsible for the organization, management and regulation of all payment systems under PASA’s constitution. From a practical perspective, PASA assists the South African Reserve Bank by representing, organizing and managing the conduct of its members in the “clearing layer” or clearing domain of the NPS.

In the European Union, the EPC is the coordination and decision-making body of the banking industry in relation to the support and promotion of the Single Euro Payments Area. The EPC develops payment schemes and frameworks which help to realize the integrated euro payments

¹⁹ NEVERTHELESS, IN MANY CASES DISCUSSIONS ON INTEROPERABILITY ARE LATER ON EMBRACED BY THE NPC (OR ITS EQUIVALENT) AT THE TECHNICAL LEVEL THROUGH ONE OF ITS WORKING GROUPS, OR AT THE POLITICAL LEVEL, OR QUITE OFTEN AT BOTH LEVELS.

market. In particular, the EPC defines common positions for the cooperative space of payment services.

6.3 Consumer and business associations

Business and consumer associations exist in most country environments and can play an important role in representing the interests of businesses, merchants and consumers vis-à-vis other stakeholders like regulators, PSPs and PSOs.

Business associations – including chambers of commerce and trade associations – can play a key role in building inclusive DFS ecosystems by providing useful feedback on DFS products and services to PSPs and PIPs, as well as to regulators. They can also provide feedback to policymakers if the enabling environment is not entirely conducive to the growth of commerce.

Consumer associations are typically advocacy groups that seek to protect members or in general citizens from various abuses. Common examples include predatory lending or high transaction fees, among many others. They can also play a strong role in advocacy for adoption of products and services through educational efforts and outreach.

In a NPS-like structure, both types of associations can play a strong role in promoting the use of DFS among stakeholders. Areas of coverage can include:

- Promote best practices through technical assistance, case studies, and toolkits.
- Facilitate public-private dialogue by uniting the stakeholders around common issues and policy proposals.
- Provide program models such as the National Business Agenda to assist business/consumer associations in creating grassroots-driven campaigns that promote adoption of DFS.
- Educate businesses and policymakers on the importance of participatory policymaking.

7 Conclusions

Central banks are a key driving force in any NPS reform effort as they perform multiple functions in the payments arena: from operator, to catalyst, to regulator and overseer.

However, central banks cannot (and should not) act alone in this space. Involvement of other regulators and a broad range of private sector stakeholders is not only highly desirable but of paramount importance, especially in the case of retail payments reforms as these touch the lives of vast sectors of the population, as well as all types of businesses.

Recent reforms to retail payments in many countries have been focusing on advancing financial inclusion objectives and increasing the overall efficiency of payments. In this regard, some of the key intermediate objectives have included the development of DFS, the expansion of the networks of service delivery/customer access points and achieving greater levels of interoperability for the various payment products and services. These intermediate objectives would generally imply major reforms to the NPS, and any such reforms will most likely affect the interests, business and operations of multiple stakeholders. Hence, it is imperative that mechanisms to exert leadership, to conciliate interests and establish a reasonable level of consensus, and to coordinate actions be developed and that they function in an effective manner.

A National Payments Council (NPC) has been one of the traditional mechanisms to promote and enhance cooperation and collaboration across payment system stakeholders. There are many good examples in which NPCs have been particularly useful to facilitate consensus. To this end, it is crucial to ensure that all interests involved in payments activities are fairly represented, both across different categories of stakeholders (e.g. banks and non-bank PSPs) and within each category (e.g. large and/or traditional players vs. small and/or new players).

In some countries, consultation and coordination on payments topics and reforms are also carried out through mechanisms other than a central bank-led NPC. These mechanisms typically do not substitute a NPC, but are useful and even crucial for a number of specific purposes, like the development and enforcement of technical standards.

In summary, evidence from numerous payment system reform efforts around the world shows that the active involvement of the relevant stakeholders from the public sector and the private sector is required in order for those reforms to be implemented successfully, meaning that the solutions implemented are useful and are therefore widely used, and that implementation is achieved in a reasonable timeframe and in a cost-efficient manner.

Annex 1

The World Bank's Guidelines for Developing a Comprehensive Strategy for Reforming Retail Payments

The World Bank Payment Systems Development Group (PSDG) has developed a strategy for reforming retail payments systems, which contains a number of recommendations for the modernization of the RPS. The framework builds on the following set of public policy objectives:

- Ensure the overall safety and efficiency of the national payment system
- Promote affordability and ease of access to payment services;
- Promote development of efficient infrastructure to support development of payment instruments and mechanisms to meet retail payment needs; and,
- Promote socially optimal usage of payment instruments.

To achieve these public policy objectives, the World Bank has formulated the following guidelines:

Guideline I: The market for retail payments should be transparent, have adequate protection of payers and payees interests, and be cost-effective.

Guideline II: Retail payments require reliable underlying financial, communications, and other types of infrastructure; these infrastructures should be put in place to increase the efficiency of retail payments. These infrastructures include an inter-bank electronic funds transfer system, an inter-bank card payment platform, credit reporting platforms, data sharing platforms, large value inter-bank gross settlement systems, availability of robust communications infrastructure, and also a national identification infrastructure.

Guideline III: Retail payments should be supported by a sound, predictable, non-discriminatory, and proportionate legal and regulatory framework.

Guideline IV: Competitive market conditions should be fostered in the retail payments industry, with an appropriate balance between co-operation and competition to foster, among other things, the proper level of interoperability in the retail payment infrastructure.

Guideline V: Retail payments should be supported by appropriate governance and risk management practices.

Guideline VI: Public authorities should exercise effective oversight over the retail payments market and consider proactive interventions where appropriate.

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