Approved Minutes 2nd meeting ad hoc multi-stakeholder group on Mobile Contactless SEPA Cards Interoperability Implementation Guidelines (MCP IIG)

21 February 2017

Circulation: MSG MCP
Restricted: No

1. Welcome and opening of the meeting

The Co-Chair, Mr. P. Spittler, opened the meeting at 10h00 and welcomed the participants to the 2nd meeting of the ad hoc multi-stakeholder group. He informed about the apologies received from the other Co-Chair, Mr. D.-I. Flatraaker.

2. Roll call of delegates

The list of participants and apologies may be found in Annex I. Mrs. M. De Soete reported on the contacts she had with the GSMA to get a nomination from this industry group. Unfortunately, she was informed that currently the GSMA did not have the resources to appoint a delegate to the group but that they proposed to investigate the nomination of an MNO delegate. Although the MNO delegate would not have the authority to speak on behalf of the GSMA, the multi-stakeholder group welcomed this suggestion. Mrs. M. De Soete promised to further follow up on this matter with the GSMA. It was further suggested to invite the organisation to provide a presentation on their recent activities related to mobile contactless payments (MCPs).

AP2.1	Invite GSMA to provide a presentation on their recent work related to mobile contactless payments at the next MSG meeting	M. De Soete	ASAP

3. Approval of the agenda

The proposed meeting agenda (MSG MCP 008-17v0.2) was reviewed and subsequently approved with a small addition, a welcome note from Mr. Nickolas Reinhardt, Director at EPIF.

4. Approval of the minutes

The draft minutes of the 1st meeting of the group (MSG MCP 007-17v0.2) held on 31 January 2017 were reviewed on screen and a small correction was requested in section 7, namely to add the reference to "EMV-based solutions" in the context of transport for Denmark and France. The minutes were subsequently approved and will be distributed as version 1.0.

Next the action points were reviewed. Their status is reflected in table below.

Ref. AP	Action	Owner	Due date/ Status
1.1	Update and distribute the MSG MCP member list	M. De Soete	ASAP/Closed
1.2	To request GSMA to nominate a delegate to the MSG MCP	M. De Soete	By next MSG MCP meeting – on-going
1.3	To check on the EMVCo requirements concerning signage of contactless interface on POI	B. Latge	Before next MSG MCP meeting/ Closed
1.4	To provide a link to the EMVCo White paper on Best practices for POS	B. Latge/ M. De Soete	Before next MSG MCP meeting/ Closed
1.5	To provide feedback on the status of Recommendation ERPB/2015/rec8 iii. to EMVCo	B. Latge	Before next MSG MCP meeting- Open
1.6	To provide feedback on the status of Rec. ERPB/2015/rec9 i. on behalf of American Express	B. Smith	Before next MSG MCP meeting / Closed
1.7	Check on status for domestic card schemes with respect to Recommendation ERPB/2015/rec9 iii.	R. Koch	Before next MSG MCP meeting - Open
1.8	To check on the status of the contactless retailers guide with EuroCommerce related to Recommendation ERPB/2015/rec11	P. Spittler	Before next MSG MCP meeting / Closed
1.9	To check on the status of Recommendation ERPB/2015/rec 12 with PNC	M. Hoffmann	Before next MSG MCP meeting – Covered for DK, Open for SE, FI and NO
1.10	To request ETSI to provide a status on Recommendation ERPB/2015/rec 13	M. De Soete	Before next MSG MCP meeting - Open
1.11	To request GSMA to provide a status on ERPB/2015/rec15	M. De Soete	Before next MSG MCP meeting / Closed
1.12	To check who provided the status report on Recommendation ERPB/2015/rec16 and what actions have been taken	J. Looman	Before next MSG MCP meeting – On-going
1.13	To request ECSG to provide a presentation at the next meeting on their 2017 work plan	M. De Soete	Before next MSG MCP meeting - Open
1.14	To check with UK Cards to provide presentation on their guidelines on digital wallets at the MSG MCP April meeting	R. Koch	ASAP – Open, scheduled for April meeting
1.15	To update and distribute the MSG MCP meeting calendar	M. De Soete	ASAP /Closed

1.16	To develop a document on scope and audience for the MCP IIG based on the output of the brainstorm (MSG MCP 006-17)	M. De Soete with D.I. Flatraaker and P. Spittler	Before next MSG MCP meeting / Closed
1.17	To develop a draft list of MCP use cases for review and discussion at the next MSG MCP meeting	M. De Soete	Before next MSG MCP meeting / Closed
1.18	Share the EPC White paper on Mobile payments EPC (public consultation version)	M. De Soete	ASAP / Closed
1.19	Invite GlobalPlatform to provide a presentation on their recent work related to contactless payment	M. De Soete	MSG MCP April meeting- Open, scheduled for April meeting
1.20	Check on the availability of a meeting room at EPIF for the next MSG MCP meeting on 21 February 2017	B. Smith	ASAP / Closed

Related to AP.1.6, Mr. B. Smith informed that there is no mandate in place yet by American Express.

Mr. P. Spittler reported related to AP1.8, that EuroCommerce expects to publish the contactless payments retailers guide by end April 2017.

Mr. M. Hoffman reported, as follow-up on AP1.9, that in Denmark 70 % of payment terminals are contactless enabled and follow protocols in the terminal-to-acquirer domain that are compliant to the Cards Standardisation Volume. It is expected that this figure will increase to 100% by year end.

Mr. R. Koch, who apologised for not being able to attend the meeting, supplied some information on the UK project on digital wallets (see AP 1.14) that was shared with the members of the group prior to the meeting.

Related to AP1.12, Mrs. J. Looman referred to the recent case concerning ApplePay in Australia. Four banks and other card issuers were seeking authorisation to collectively negotiate on issues including the ability to use NFC on Apple devices to enable contactless payments to be made through the banks' own digital wallets. However, the Australian ruling (Australian Competition and Consumer Commission) has decided not to grant interim approval to collectively bargain with Apple over its mobile payment service since they consider that there is enough competition. She promised to further try to gather more information on the situation and on-going discussions in Europe in view of ERPB/2015/rec16.

5. Review and discussion on scope and audience for the MCP IIG

The notes on the results of the brainstorming session (MSG MCP 006-17) held during the 1st MSG MCP meeting on the updates needed to the Mobile Contactless SEPA Card Interoperability Implementation Guidelines (MCP IIG, EPC178-10v2.0) served as basis to prepare a draft document on the vision, scope and audience for the to be developed document, that was shared with the group prior to the meeting (MSG MCP 009-17). During the meeting an on-screen review was organised to discuss this draft.

Also the inputs received from Mr. R. Koch on digital wallets (see AP 1.8, MSG010-17) and an article on the IF Regulation (Interchange Fee Regulation for card-based payments – (EU)/2015/751) received from Mr. J. Allix were taken into account.

The group adopted the vision specified in the ERPB report on mobile and card-based contactless proximity payments. It stressed the importance to reflect how the IIGs would contribute to the vision. The aim is that they would offer an overview on the different aspects involved in the Mobile Contactless Card Payment (MCP) Transaction as well as in the lifecycle management of the MCP application (provisioning and maintenance). The document should refer wherever possible to existing standards and specifications as appropriate and could be developed as a "one-stop guide" for MCPs.

It was agreed to first focus on NFC-based solutions in view of their maturity and market take-up but to also extend the scope to other proximity technologies in a next phase. Hereby the distinction was discussed between BLE-based (Bluetooth Low Energy) solutions which are very similar to NFC solutions from a customer experience and QR-based (Quick Response) solutions whereby QR codes could be embedded in a number of different ways in mobile proximity solutions, resulting in different customer experiences (e.g., QR code scanned from a payment terminal, QR code on an invoice, QR codes used for P2P mobile payments in banking apps, etc.). Reference was also made to the announcement of the new 'BharatQR' codes standard in India. Also the introduction of QR codes in some countries as a work around for the non-availability of the NFC infrastructure was mentioned. A further comment was made that QR codes are mostly used in the context of remote payments whereas NFC based card solutions use the existing local card payment infrastructure. The example of Denmark was given where solutions based on all three technologies co-exist. With respect to the take-up of these technologies, Mr. M. Hoffman reported that QR codes are hardly used, there are a few uptakes of Bluetooth and a good take-up for NFC in the country.

Next, the customer experience at the POI (Point of Interaction, e.g. POS terminal, vending machine, ATM,…) was discussed. Examples were given of domestic efforts to develop a common experience such as in the UK, Germany and France. Although at the same time it was also recognised that this problem goes beyond mobile payments only. Therefore it was decided to share some of the domestic documents available and check if a common denominator could be found. Eventually, this evaluation could result in a subsequent request to the ECSG to address this topic.

Changes to the draft scope were further discussed and are reflected in v0.2 of MSG MCP 009-17. It was further suggested to make a split between the scope and the objectives of the document.

Concerning the audience, it was agreed that the document is primarily intended for the payment industry. It should create awareness amongst the industry about the various aspects to be considered in the development of MCP solutions. The aim would also be to help new entrants to understand where are the risks, which aspects may become problematic in order to create / maintain an adequate level of trust in MCPs.

AP2.2	Update the document MSG MCP 009-10 to reflect the agreements made during the meeting	M. De Soete	By 20 March 2017
AP2.3	Distribute the UK document on POI etiquette	M. De Soete	ASAP
AP2.4	To check on which EMVCo document the UK POI etiquette is based	M. Harding	Before 10 March 2017
AP2.5	To provide the document on POI etiquette in Germany for MSG distribution	M. Hönisch	ASAP
AP2.6	To request C. Sarazin to provide the document on POI etiquette in France for MSG distribution	M. De Soete	ASAP
AP2.7	To put a new discussion on POI etiquette on the agenda of the next meeting	M. De Soete	In due time

6. Review and discussion on MCP use cases

In view of the fact that there is a dedicated section in the MCP IIG on MCP uses cases, a draft document (MSG MCP 011-17v0.1) containing a list of proposed use cases, based on the discussions held during the 1st meeting, was developed and distributed for review prior to the meeting.

Compared to the existing MCP IIG, the need was felt to include use cases employing a CDCVM (Customer Device Cardholder Verification Method; e.g. mobile code, fingerprint, etc...). A short discussion was held on the exact definition of CDCVM in view of what is specified in EMVCo and was is defined in the SEPA Cards Standardisation Volume. A further clarification would be needed whether the requirement "verified on the consumer device" always applies (in which case a mobile code verified on-line would not be considered to be a CDCVM).

AP 2.8	To check on the exact definition of CDCVM with EMVCo	M. Harding	Before 10 March 2017

The addition of use cases reflecting a cancellation and a refund was debated and it was agreed that they are important from a customer perspective and therefore would be added.

The updated list of use cases is reflected in version 0.2 of MSG MCP 011-17.

7. Brainstorm on Table of Content for the MCP IIG

A short review and brainstorm was held on the table of content for the new MCP IIG. Section 1 (General) would be updated based on the document MSG MCP 009-17v0.2. Section 2 (High level principles for MCPs) would be aligned with the new version of the EPC White paper on mobile payments (EPC 492-09) and the updated version would be circulated for review and comments at the next MSG MCP meeting. Also section 3 (MCPs Overview) would be updated as input to the next meeting. It was decided to keep the current SE-based service models described in section 4 and complement them with HCE-based models. Mr. A. Fulton offered to prepare an input on those. On section 5 (Process-level guidelines) it was agreed to develop a more generic description of the different functions needed in the MCP lifecycle and to move the detailed descriptions to an annex. It was considered to be important to keep the details in section 6 (MCP application), more in particular related to the risk parameters, but the section needs to be reviewed. For section 7, it was agreed to delete parts and make references to the SEPA Cards Standardisation Volume wherever possible. Furthermore an overview with cross references to the different evaluation / certification processes involved need to be included. Further review of the existing annexes will be done at a later stage.

AP2.9	To update the high level principles (section 2 of the MCP IIG) and align them with the new version of the EPC White paper on Mobile payments as appropriate	M. De Soete	By 15 March 2017
AP2.10	To review the updated high level principles (section 2 of the MCP IIG) and prepare comments for review and discussion at the next MSG meeting	All MSG members	By 3 April 2017
AP2.11	To prepare an overview on most relevant service models for HCE for inclusion in section 4 of the MCP IIG	A. Fulton	By 3 April 2017
AP2.12	To update section 3 on MCP overview and align with the new version of the White paper Mobile Payments	M. De Soete	By 20 March 2017
AP2.13	To review the updated section 3 on MCP overview and prepare comments for next MSG meeting	All MSG members	By 3 April 2017

8. Liaison and monitoring

Mrs. M. De Soete informed about the documents and the document references received from EMVCo.

Also the ENISA document on the "Security of mobile payments and mobile wallets" was distributed for information prior to the meeting. Mr. A. Fulton informed that Visa is currently reviewing the document since it had some concerns on certain parts. He promised to keep the group appraised about the details on this.

AP2.14	To explain concerns with respect to the ENISA document on the security of mobile payments and digital wallets	A. Fulton	In due time

Mrs. M. De Soete further referred to the document received from the GSMA on their joint alliance with the NFC Forum, CEN TC278 WG3 and stakeholders of the global Public Transport Industry that targets interoperability between the NFC mobile devices' contactless interface and globally relevant Public transport readers and media. She further informed that GSMA was also referring to a joint development with EMVCo on certification overview and Mr. M. Harding offered to further check on this topic.

AP2.15	To check on ERPB/2015/Rec15 if anything has been jointly developed with EMVCo	M. Harding	By 3 April 2017

9. Next steps

It was agreed that the next meeting should be devoted to the review of the updated sections of the MCP IIG mentioned under item 7. Presentations have been scheduled by GlobalPlatform and Mr. R. Koch on the UK project Digital wallets. Also the ECSG is expected to provide a presentation on their 2017 work programme.

10. A.O.B.

The next meeting will take place on 3 April 2017 from 10h00 till 16h00 at the EPC premises in Brussels.

11. Closure of the meeting

Mr. P. Spittler closed the meeting and thanked all participants for the valuable contributions and the interactive discussions as well as EPIF (Mr. B. Smith) for hosting the meeting.

ANNEX I
List of participants – 2nd MSG MCP meeting 21 February 2017

Name	Affiliation	Status
Co-Chairs		
Dag Inge Flatraaker	EPC (DNB Bank)	Apologies
Pascal Spittler	EuroCommerce (Ikea)	Yes
EPC		
Michael Hoffman	Danish Bankers Association	Yes
Matthias Hönisch	BVR	Yes
Patrice Hertzog	Crédit Mutuel	Yes
Ben Smith	EPIF (Amex)	Yes
Karel Wouters	Bancontact	Yes
Sergio Cano Magdalena	BBVA	Apologies
ECSG		
Martin Haussmann	Verifone	Yes
Guido Hogen	Smart Payment Association	Yes
Cédric Sarazin	Cartes Bancaires	Apologies
ERPB WG		
Pascal Spittler *alternate:* Arnaud Crouzet	EuroCommerce	Yes
Richard Koch *alternate:* David Stephenson	ECPA	Apologies
Jean Allix *alternate* Farid Aliyev	BEUC	Apologies
Christian Schollmeyer	ESBG	Apologies
Andy Fulton *alternate:* Agnes Revel	Visa	Yes
Christophe Zehnacker *alternate* Mark Kamers	MasterCard	Apologies
Bastien Latge *alternate:* Mike Harding	EMVCo	Yes
Judith Looman *alternate:* Annett Pietrowiak	Eurosystem	Yes
Secretariat		
Marijke De Soete	EPC	Yes

ANNEX II

Action points February 2017

Ref. AP	Action	Owner	Due date/ status
1.2	To request GSMA to nominate a delegate to the MSG MCP	M. De Soete	By next MSG MCP meeting – on-going
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1.7	Check on status for domestic card schemes with respect to Recommendation ERPB/2015/rec9 iii.	R. Koch	Before next MSG MCP meeting - Open
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2.1	Invite GSMA to provide a presentation on their recent work related to mobile contactless payments at the next MSG meeting	M. De Soete	ASAP
2.2	Update the document MSG MCP 009-10 to reflect the agreements made during the meeting	M. De Soete	By 20 March 2017
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2.7	To put a new discussion on POI etiquette on the agenda of the next meeting	M. De Soete	In due time
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ANNEX III

MSG MCP Meeting Calendar

Date	Location
31 January 2017	EPC Secretariat
21 February 2017	EPIF Secretariat
3 April 2017	EPC Secretariat
10 May 2017	EPC Secretariat
8 June 2017	EPC Secretariat
6 July 2017	EPC Secretariat
17 August 2017	EPC Secretariat
22 September 2017	EPC Secretariat

All physical meetings will be held from 10h00 till 16h00