

Communiqué on the Retail Payments Council's seventeenth meeting, 24 November 2023¹

The Retail Payments Council's seventeenth meeting took place on Monday, 24 November 2023, chaired by Deputy Governor of the Riksbank Aino Bunge. During the meeting, the Council participants who had responded to the consultation on SOU 2023:16, The state and payments, shared their views on the report. The participants' responses to the consultation are published on the Government's [website](#), apart from Card Payments Sweden's response, which is published on their own [website](#). The report and the consultation responses are now being handled by the Ministry of Finance. Participants also 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.

On the basis of a proposal from its secretariat, the Council decided to set up a new working committee on digitalisation and new jobs, as well as an updated mandate description (see Annex Mandate description). The new committee will monitor and analyse new services based on traditional payment infrastructure, innovations based on new technology, such as blockchain technology, and the development of digital central bank currencies, not least the Riksbank's work on an e-krona. The Council also decided to phase out the working committee on crises and vulnerabilities in the payment system and the working committee on fraud and vulnerabilities. The reason is that collaboration on these issues takes place in several other forums.² The Payments Council will continue to receive information on work carried out in these areas. In addition, the Payments Council decided to dismantle the reference group for statistics. The reference group has been inactive during the existing work programme and therefore the Council sees no need for the group in the coming years. The decision on a new work programme for 2024-2026 was postponed for further preparation by the secretariat.

[The Bank for International settlements Innovation Hub Nordic Centre](#) (BIS-IH NC), which is a centre for innovation in central bank-related issues, presented its work. Bis-IH NC's focus areas are digital central bank currencies, financial infrastructure, cybersecurity as well as regtech and suptech³. The Centre's work has so far been carried out in three projects:

- [Project Aurora](#) was about using privacy enhancing technology, machine learning and network analysis to enable information sharing and counter money laundering without disclosing sensitive data
- [Project Polaris](#) investigated security aspects in the design of central bank digital currencies, with a particular focus on offline use and cyber security.
- [Project Icebreaker](#) was about linking different national systems for digital central bank currencies to a central hub to enable instant cross-border payments between the linked currencies.

The Council also received a presentation of the FSPOS (Financial Sector Private-Public Partnership) sector exercise, which was carried out in October 2023. The purpose of the exercise was to develop

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² Examples of forums working against money laundering and fraud include the Swedish Tax Agency's anti-money laundering network, the Swedish Anti-Money Laundering Institution, the Swedish Police's national coordination function for measures against money laundering and terrorist financing, and the police and banks' cooperation to prevent fraud offences. The Riksbank and Finansinspektionen are working to establish new forms of cooperation for crisis preparedness within the framework of their respective assignments, which are described later in the communiqué.

³ RegTech (Regulatory Technology) refers to the use of technology to automate and streamline regulatory compliance in the financial sector. Suptech (Supervisory Technology) refers to the use of technology by financial supervisors to improve the oversight and supervision of financial institutions.

the financial sector's ability to deal with a grey area situation. The focus was on practising collaboration on common orientations, priorities and communication. The exercise was a so-called simulation exercise, i.e. that it was as similar to a real event as possible and took place in real time.

During 2022, major changes were made in the Swedish crisis preparedness structure, which has meant, among other things, that Finansinspektionen was assigned the role of the sector responsible authority for the Financial Services preparedness sector. On 1 January 2023, a new Sveriges Riksbank Act came into force, which has given the Riksbank a responsibility to ensure that the public can make payments during peacetime crisis situations and at times of heightened alert. This meant that the FSPOS sector exercise 2023 was largely carried out in a situation where the content of the new roles and responsibilities is not yet fully clear. The focus of the exercise was therefore to test possible new structures and working methods for the sector, as input for further development.

Status report from the committee for supervision and regulation

The committee has monitored and discussed current issues in Sweden and in the EU. Since the previous meeting, the European Commission has presented a number of regulations that will affect the Swedish payments market. In June, a proposal was presented for an [amended Payment Services Directive \(PSD3\) \(PSR\)](#) to replace the second Payment Services Directive and the EU e-money Directive. The aim of the proposals is to strengthen consumer protection and competition in the payments market. At the same time, a [regulation on open financial services](#) was introduced, which gives customers (individuals and companies) the right to share their financial data with third-party companies. The Commission also presented proposals for [regulations](#) on the digital euro and the status of euro cash as legal tender.

Furthermore, the European Council and the European Parliament have reached [agreement](#) on a regulation on instant payments in euro. This means that banks which offer their customers traditional account-to-account payments in euros (SEPA payments) should also offer instant payments in euros. In the context of the negotiations on this Regulation, the Council and Parliament have also agreed to make changes to the Finality Directive which will allow a wider range of players – payment institutions and e-money institutions – to have access to clearing and settlement systems.

On 1 January 2024, new data obligations for payment service providers will be introduced in Swedish law (the "PSP Directive"). This means that payment service providers must report information on certain cross-border payments to the Swedish Tax Agency. The Swedish Tax Agency shall then send the information in a central system in the EU (CESOP). This is described in more detail in the Riksdag Committee on Taxation's [report](#). A [bill](#) for a new law on clearing and settlement will expand the definition of clearing activities.

In June, the Riksbank submitted regulations on civil preparedness for payments for [consultation](#). In these regulations, the Riksbank imposes requirements on companies that conduct activities that are of particular importance for making payments to carry out internal work and participate in the Riksbank's work on civil contingency planning. The consultation response period expired on 31 August and the responses are now being processed by the Riksbank. The regulations are scheduled to enter into force on 1 February 2024.

Representatives of payment service providers who participate in the committee's work have stated that the large amount of new regulations to be implemented and applied within a relatively short time frame can entail risks, including the occurrence of unforeseen conflicts of objectives.

Status report of the committee on the availability of payment services

The committee has been monitoring current issues regarding the accessibility of payment services and consumer issues. At a meeting, Finansinspektionen presented its annual [Consumer Protection Report](#), which focused on unsound lending, inappropriate investment products and investment

fraud. The report also addresses issues concerning access to payment accounts. In 2023, Finansinspektionen has reviewed how banks make their assessments and examined the possibility of issuing regulations on reporting of terminated payment accounts or denied applications for payment accounts.

The committee has previously reported that people without a payment account find it difficult to pay bills, for example. The Swedish Post and Telecom Authority (PTS) has investigated the possibility of procuring services for bill payment over the counter. However, few companies were interested in offering the service and PTS decided not to proceed with any procurement. But this does not rule out such a possibility further ahead.

Combating fraud is an important consumer issue. The Swedish Bankers' Association has sent [a request](#) to the Government with proposals for legislative amendments to prevent fraud. Other members of the committee also work against fraud in different ways.

Appendix – Mandate description for the Retail Payments Council

This document specifies the purpose, mandate, organisation and communication concerning the Swedish Retail Payments Council.

Purpose and mandate

The Swedish Retail Payments Council has the task of promoting the functioning of the Swedish payments market. Its objective is to ensure the economically-efficient production and consumption of safe, efficient, accessible payment services on a market characterised by competition on equal terms and well-balanced regulation. The Council will assist with a comprehensive examination of central issues on the payments market from the producer, end-user and authority perspectives.

Composition and organisation

The council is a dialogue forum initiated by the Riksbank. The Council shall strive for a comprehensive composition in which relevant authorities, representatives of end-users of payments, and key players in the Swedish payments market have the opportunity to make their voice heard.

Representatives of producers and end-users shall be represented as far as possible at sectoral level.⁴

The Council may appoint working groups in the form of so-called working committees under its own power. The participation in these committees does not need to reflect the composition of the council, but shall be based on the committee's need for competence and a balanced perspective.

The Riksbank will act as the convenor of the council and be responsible for the required practical administrative work by providing the council's secretariat. This responsibility does not cover the administration of working committees, in which responsibilities and roles are determined separately for each committee.

Communication

The council is a joint resource for all the stakeholders on the market and will therefore strive for transparency in its work. As a rule, the results of the work of the council and its working committees will be published. The secretariat is responsible for taking care of the practical aspects of communication. If there are clear reasons not to publish, the council can refrain from publishing reports or notes.

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