



Electronic Money Association

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Dear Gabriel

Re: EMA response to CBI CP136, Enhancing our Engagement with Stakeholders, published on 11 February 2021

The EMA is the EU trade body representing electronic money issuers and alternative payment service providers. Our members include leading payments and e-commerce businesses worldwide, providing online payments, card-based products, electronic vouchers, and mobile payment instruments. Most members operate across the EU, most frequently on a cross-border basis, and a large number have obtained – or are applying for - licences to operate from the Central Bank of Ireland. A list of current EMA members is provided at the end of this document.

I would be grateful for your consideration of our comments and proposals.

Yours sincerely,

A handwritten signature in black ink that reads 'Thaer Sabri'. The signature is written in a cursive style with a long horizontal flourish extending to the right.

Dr Thaer Sabri
Chief Executive Officer
Electronic Money Association

EMA response

General comments:

The EMA welcomes the opportunity to comment on the Central Bank of Ireland (“CBI”) proposals for enhanced engagement with stakeholders, and welcomes the proposed efforts to improve engagement across all stakeholder sectors.

That being said, the EMA and its members, whilst welcoming the cross-sectoral forum improvements as proposed, also continue to encourage and support industry/sector specific engagement. In particular we support engagement via trade body representation, as this offers the benefit of dialogue with, and representation of common issues affected a large number of firms within a given sector.

The EMA also acknowledges the CBI’s progress so far in enhancing stakeholder engagement, as outlined within the consultation paper, and we endorse the CBI’s intent to continue building a listening organisation within the Central Bank, allowing improvements across the board.

We will respond below to the specific consultation questions in turn.

Q1. Do you agree with the proposals outlined above to enhance the role of the Consumer Advisory Group? What further enhancements could be made, given its statutory mandate?

Given that consumer protection is a core priority of the CBI, we consider that the proposals to enhance the role of the Consumer Advisory Group are appropriate.

As the growth of the Fintech industry in Ireland is likely to continue to increase over the coming years, the CBI should consider appointing a representative on the group who has experience or knowledge of consumer usage of and experience with fintech products and services e.g. e-money wallets or apps, cryptocurrencies, open banking. Non-traditional financial services products that are often offered by Fintech providers can be met with scepticism or unnecessary caution by consumer representatives in the context of developing regulation or policy, especially where there may be a low level of experience as a consumer of these products. Having an individual with first-hand, as well as potentially academic/research-based understanding of the use of such products will likely assist the CBI in better understanding the benefits and risks to consumers of such products.

Q2. Do you agree with the proposals outlined above to enhance the role of the Civil Society Roundtable?

EMA welcomes the CBI’s proposal to increase the frequency of the Civil Society Roundtable meetings by one extra meeting annually, aiming for three held per annum, with a focus on the experience people have interacting with the financial system in Ireland. This Roundtable will have a particularly important role as the long-term impact of the COVID 19 pandemic emerges, as it may assist the CBI in understanding how the financial services industry can and should be supporting growth in the wider economy, and meeting the needs of their individual consumer and business customers.

Q3. What other formal or informal mechanisms could the Central Bank consider to engage with civil society and consumer groups to ensure their perspectives and insights into the financial system are considered in decision-making?

As mentioned under Q2, we suggest the CBI consider appointing representatives on these groups who have an understanding of the customer experience of using Fintech and emerging non-traditional financial services, Consumer exposure to such products is likely to increase in the coming years, and ensuring there is a representative on these groups that has an understanding, and experience of usage of these products, will likely assist the CBI in its policy objectives.

Q4. Do you agree that the Central Bank should look to formalise the current industry forum roundtables to discuss cross-sectoral, strategic issues relating to the financial system as set out above?

We support the CBI's plans to formalise regular industry roundtables to discuss cross-sectoral, strategic issues relating to the financial system.

However, whilst we understand the CBI's desire to keep the discussion manageable, we note that the proposal to cap membership of the group at 20 members will severely diminish the ability for the group to provide representation across the financial services sector in Ireland. We also note that this total of 20 representatives includes representatives of firms as well as trade bodies, indicating an even greater limitation on the type of firm being represented. It is also unclear whether it is appropriate for individual firms that are already represented by relevant trade bodies should sit on the forum. If the CBI truly wishes to get the most out of such a cross-sector industry discussion forum that effectively informs the CBI's work, and help meet the CBI's objectives, representation from across the regulated sector, including the non-traditional payments and e-money sector, which is seeing significant growth in Ireland, will be essential.

We recommend trade body representation on the forum in particular, as this permits representation of a large number of firms, both large and small, and may allow a more holistic overview of any issues that are shared across the sector. It can also allow efficient dissemination of important information to the wider market. Specifically, we propose that at least two seats on the forum be assigned to Fintech sector trade bodies, and that each sector is given the opportunity to table one item for the agenda at each meeting

We would also welcome a higher degree of transparency around the appointment of members of the industry forum roundtables. EMA members wish to understand how membership might be comprised, as all regulated sectors should have an opportunity to contribute towards discussions of a strategic nature.

Further, the EMA again endorses additional industry specific engagements, particularly with sectoral representative bodies, who can ensure wide firm representation for sector specific issues/concerns. We would further endorse the formalisation of periodic engagement, with the e-money and payments sectors.

Q5. If yes, are there any suggestions you would like to make the regarding the establishment of such a forum?

As above, the EMA consider the capping of numbers at 20 to severely limit the ability of this forum to represent the wider financial services industry in Ireland.

We suggest the appointment to the forum of two trade body representatives for the e-money and payments sectors. As referenced above, trade body representation allows for a wider overview of the market, and a more efficient way to communicate issues of importance for the sector.

We also propose that each sector is given the opportunity to table one item for the agenda at each meeting, to ensure the forum discussions truly provide added value on a cross-sectoral basis.

As Ireland is becoming a major – if not the main - financial services hub for firms wishing to enter the EU market, we suggest the CBI consider the importance of ensuring the forum includes some representatives that have a global, and particularly EU, outlook, as well as an overview of the Irish market.

Finally, we suggest that greater transparency around the application for membership of the Forum will give the regulated sector a higher degree of comfort regarding the CBI's efforts to engage with the regulated sector at a strategic level.

Q6. If no, how do you think the Central Bank should seek to discuss cross- sectoral, strategic issues relating to financial sector oversight with the relevant industry stakeholders?

No comment.

Q7. Do you have any observations in respect of the proposed Conference?

We welcome the proposal for a regular Financial System Conference that is open to the public, where stakeholders can engage with the Central Bank and each other on strategic issues surrounding the oversight and operation of the financial system in Ireland.

We note however that despite the event being open to the public, it appears to still be limited to invitees only. We consider this will restrict representation and input from the breadth of regulated financial services sector in Ireland. The Conference is likely to be a popular event, and we would welcome efforts by the CBI to ensure that all sectors of financial services in Ireland are properly represented at the Conference. We suggest that all relevant trade bodies are invited, and that they can pass the invitation to their memberships. This will ensure representation from a wide spectrum of the Irish financial services market.

We suggest that the CBI host this Conference at least annually, considering the pace at which regulation is being developed and adopted, and at which the concerns, priorities and initiatives in each sector are changing.

The CBI might also consider seeking input from the market on the agenda items that would be of most interest to attendees.

Q8. Are there formal or informal mechanisms that you think the Central Bank should consider to ensure the perspectives of the business community are heard and contribute to the Central Bank's decision- making?

We have no comments on any mechanisms the CBI should consider to formalise the input of the business community. As per our response to Q2, such dialogue will become more important as the long-term impact of the COVID 19 pandemic unravels; it may assist the CBI in understanding how the financial services industry can and should be supporting growth in the wider economy, and meeting the needs of their individual consumer and business customers.

Q9. Are there any other matters that the Central Bank should take into account or practical steps it should take, to engage more effectively with domestic stakeholders, as it works to develop its overall strategy for stakeholder engagement?

In general, we would welcome any efforts by the CBI to ensure that sectors such as the e-money and payments sectors, and Fintech in general, are represented at the various fora set up by the CBI for the purposes of bolstering engagement directly with the CBI.

The CBI might also like to consider seeking feedback from relevant stakeholders on an annual basis regarding the continued success or otherwise of existing methods of engagement.

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