



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem



The update of the ECB Regulation on payments statistics

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Overview

Introduction

Overview of the amending ECB Regulation on Payments Statistics

- Payments Statistics – background
- Key features of the amending Regulation

Data collection

- Collection method
- Data collection timelines

Way forward



Payments statistics - background

- Payments statistics provide harmonised and comparable information on payments and payment systems in the EU
- Compiled at annual frequency from 2007 & currently based on ECB Regulation (ECB/2013/43) addressed to PSPs and PSOs resident in the euro area
- Separate EBA PSD2 Fraud data collection:
 - Monitoring fraudulent transactions and efficiency of fraud prevention mechanisms;
- These statistics are used for:
 - analysis of policy questions and conduct of oversight of payment instruments and systems;
 - provision of information to general public and market participants;



Payments statistics - background

- Retail payments evolving rapidly:
 - ✓ Instant payments
 - ✓ Mobile wallets
 - ✓ Contactless cards
 - ✓ Mobile P2P
- New user requirements:
 - ✓ Monitoring cross-border trade and domestic activity
 - ✓ Higher frequency and more timeliness
 - ✓ More granular data
 - ✓ Merchant category code (MCC) provides information of the business of the merchant
 - ✓ MCC and individual country breakdown reported quarterly



Key features of the amending Regulation

- **New initiation channels; changes in the payments systems**
(P2P) mobile payments, payment initiation services, instant payments
- **Fraud and related data**
Payments, fraudulent payments and authentication measures
Overlap with aforementioned EBA Guidelines necessitates a “single data flow”
Methodological alignment
- **Quarterly data for Balance of Payments purposes**
More detailed sectoral (MCC Codes) and geographic coverage
- **Enhanced frequency**
Quarterly and Semi-annual reporting requirements
- **Enhanced geo breakdown**
Individual country breakdown
- **Enhanced timeliness**



Key features of the amending Regulation – Enhanced geo breakdown

- Tables 4a and 5a (4b and 5b for derogated institutions) – Fraud/Payment transactions involving non-MFIs
 - Semi-annual frequency
 - All payment instruments' breakdowns to be provided at an individual countries breakdown (32 different individual geographical areas – geo3)
 - Card payments: Both *residency of counterpart's location* and *POS location* must be reported
- Table 9 (not applicable to derogated institutions) - Payment transactions involving non-MFIs
 - Quarterly frequency
 - All payment instruments total value/volume to be reported at a broader individual country breakdown (261 individual countries as per ISO 3166 – geo6)
 - Card payments: Only *POS location* to be reported; plus detailed MCC code breakdown



Key features of the amending Regulation – MCC Codes

- 344 MCC codes – based on ISO 18245
- Update of the code list foreseen once per year in March/April
- When a MCC code is not available data are reported under a temporary code:
 - R999 - Temporarily undefined MCC code.
- After the update of the MCC code list, it might be the case that data previously reported under R999 will need to be revised (re-assigned to the new code):
 - i.e. if residual category exceeds 1% of total value/number of card payments totals for a reporting agent or if single MCC code within the “residual” category exceeds 0.5% of total value/number of the total card payments, data need to be revised – the threshold will be subject of review once the first data production round is completed (example in Annex)



Derogation from full reporting

- Institutions will have a reduced set of reporting
- NCBs may grant derogations regardless of whether the reporting agents benefit from a waiver or exemption pursuant to the national law transposing PSD2 and EMD.
- Central Bank of Ireland has already moved to use derogation from 2019
- Reporting agents granted a derogation will have a reduced reporting requirements relative to full reporters
 - Nonetheless, the reporting under the revised Regulation is larger than now (report Tables 4b and 5b of Annex III to the Regulation) – semi-annual data to be submitted
 - Cumulative share of RAs that could be granted a derogation cannot exceed 5% of total payments value
- Refresh on the entities granted derogations will be required, however:
 - Institutions already granted a derogation for 2020 data will continue to have a derogation for 2021 and 2022.
 - New assessment in 2023
- Reporting agents do not apply for a derogation. Derogations are applied at time of the assessment in 2023 based on the criteria as laid out in the updated Regulation



Data collection method - ECB Payments Regulation

- Data submission remains as is via ONR
 - Data submission channel/procedure unchanged
 - Data to be uploaded on the dedicated section (not on the secure file upload)
- Data collection will move from Excel to XML:
 - 3 different XML schemas
 - Quarterly
 - Semi-annual
 - Semi-annual for derogated institutions (simplified collection)
- XML solution recommended:
 - Due to the significantly higher volume of data
 - XML should allow data to be extracted directly from entities' databases
 - Automated solutions will likely be required given the volume of data reporting - minimise errors from manual interventions



Data collection method - ECB Payments Regulation

- XML Scheme – draft sample available for one Dataset Identifier (PAY):
 - Available now on the Central Bank Website [dedicated section](#)
 - Available for both: quarterly and semi-annual (full reporters)
 - Data to be submitted in original units
 - Validation (data type) included on the XSD Scheme – some pre-submission validation errors available prior to data submission on ONR

*****Please share this draft schema with the relevant IT personnel in your institution and provide any feedback to paystats@centralbank.ie by cob 20th August 2021**



Data collection method – Credit and Debit Card Return (CDR)

- Monthly data collection on card payments from main 10 card issuers
- Collected at T+10 working days with public data release by end-month
- Will be brought into the scope of the payment statistics update:
 - Reporting population will be reviewed to ensure high coverage
 - Methodology and definitions to be aligned:
 - Card payments, ATM withdrawals, MCC sectors
 - Will endeavour to ensure requirements are a subset of quarterly/semi-annual data collection
- Format of data collection under discussion
 - Excel or XML – feedback from industry on preference of the collection method
 - May issue survey to gather preferences if no feedback received



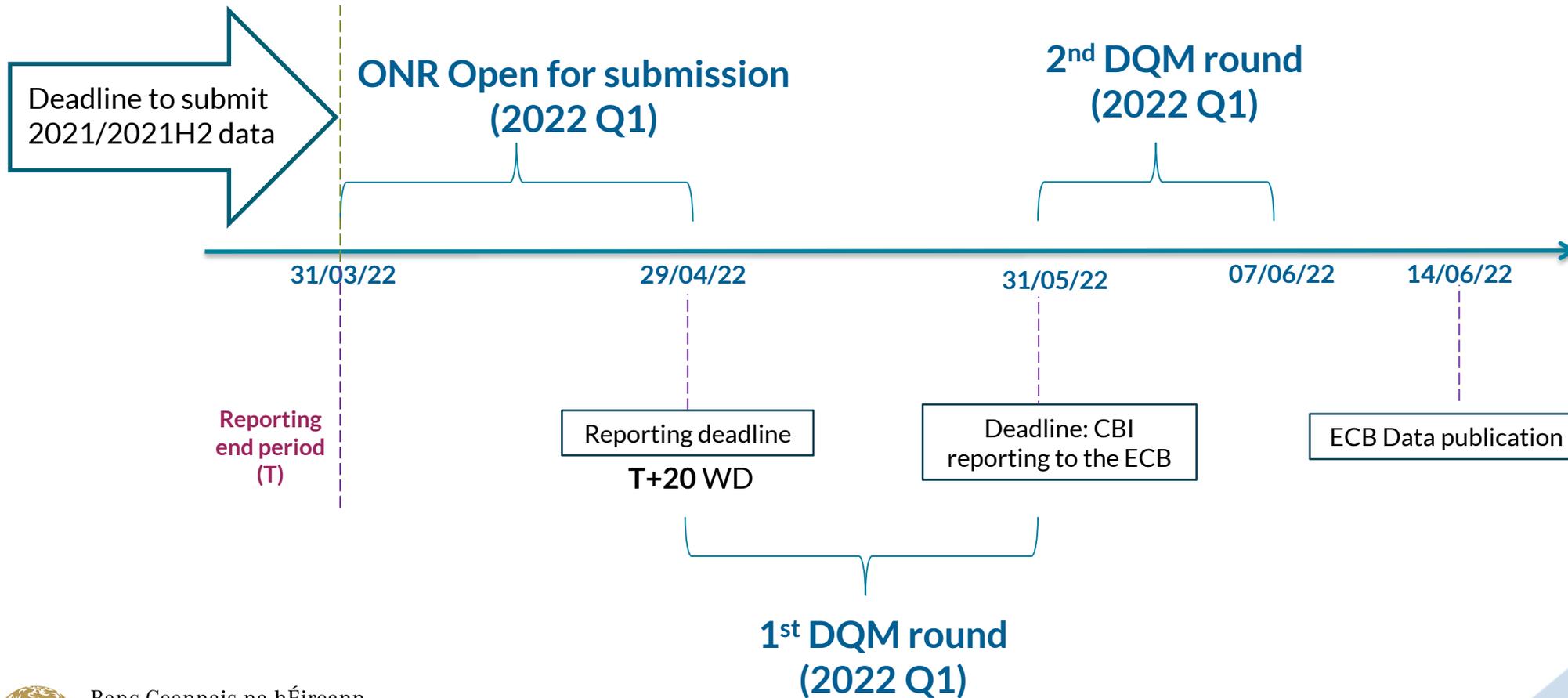
Data collection – submission timelines

- 2021 PSA/PFD data – due at the Central Bank by 31 March 2022
- All 2022 reference data will be submitted under the Updated ECB Regulation
 1. Full reporters:
 - Q1 2022 data due at the Central Bank by 29th April 2022 (T+20 WD)
 - Q2 2022 data due at the Central Bank by 28th July 2022
 - Q3 2022 data due at the Central Bank by 28th October 2022
 - H1 2022 data due at the Central Bank by August 2022 (date to be finalised)
 1. Derogated reporters:
 - H1 2022 data due at the Central Bank by August 2022 (date to be finalised)



Data collection – submission timelines (tentative)

Production cycle for reference period Q1 2022



Way Forward - Timeline

- XML schema sample (draft) currently available for [consultation](#) - feedback by 20th August 2021 at paystats@centralbank.ie
- Full quarterly and semi-annual XML scheme available by end-September 2021
- ECB methodological manual currently available on the [website](#)
- CBI technical guidance content to be decided - likely will depend on queries raised
- Industry testing (data submission and pre-submission validation rules on ONR) open in late Q4 2021
- Post-submission validation rules (considered under DQM) available in early 2022



Way Forward

- 2021 data submission unchanged (remains due in March-2022)
- All 2022 data submissions are under the Updated ECB Regulation (starts in April 2022 for Q1 2022)
- Regulation and supporting material can be accessed at the [CBI Website](#)
 - [FAQ](#)
 - [Manuals and guidelines](#)
 - [Industry engagement presentations](#)
- Next industry engagement event in late September 2021
- Queries to be sent to paystats@centralbank.ie



QUESTIONS?

paystats@centralbank.ie



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Annex I - Key features of the amending Regulation – MCC Codes

Example of an MCC code revision:

Scenario: new code identified in 2022: 0745 – Bordeaux producers

- Reporting for 2022: 0745 is not included in the code list, hence transactions are reported under R999 – Temporarily undefined MCC code.
- In April 2023: MCC code list is revised to include 0745 – Bordeaux producers as a new code in the code list (taking into account criteria).
- Data reported under R999 for 2022 need to be revised (if number/value exceeds the threshold).
- Value/number of R999 series needs to be decreased and data need to be re-assigned to the newly created code 0745 keeping total unchanged if other data constant.

