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Payments Council Annual Report

The Payments Council is a cooperation body created in 2014 on the initiative of the Bank of Finland. It is a forum that brings together payment service users, providers and authorities for open discussion and exchange of ideas on payments. The activities of the Payments Council are guided by a particular vision: *Finland to become a leader in the area of payment efficiency*. The main purpose is to facilitate the social efficiency of payments. This refers not only to technical or cost efficiency, but also to security, ease of use, non-discrimination, and integration of payments into companies' financial administration processes.

The objective of the Payments Council is to support the use of advanced, internationally compatible payment methods that are efficient for society as a whole. In its activities, the Payments Council puts particular emphasis on the security and reliability of payments, the availability and usability of payment services, and the efficiency of payment solutions.

Participants in the Payments Council

Responsibility for the practical organisation of the Payments Council's work lies with the Bank of Finland. In the early part of 2018, the Payments Council was chaired by Olli Rehn, with Tuomas Välimäki taking over as chair on 12 July 2018. The Payments Council consists of representatives of payment service users, providers and authorities. The following are participants in the work of the Payments Council: the Confederation of Finnish Industries, the Finnish Federation for Communications and Teleinformatics (FiCom), Finance Finland, the Social Insurance Institution of Finland (Kela), the Finnish Commerce Federation, the Finnish Competition and Consumer Authority, the Consumers' Union, Nordea Bank Plc, OP Group, the Federation of Finnish Enterprises, the Ministry of Employment and the Economy, the Prime Minister's Office, the Ministry of Finance and the Bank of Finland.

The Payments Council usually convenes twice a year at the call of the chair. All the material related to the meetings are published on the Bank of Finland website¹. This ensures the highest possible level of openness in the flow and availability of information to all participants in the payment chain.

See <https://www.suomenpankki.fi/en/money-and-payments/payment-systems/the-bank-of-finland-as-catalyst-payments-council/>



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The Payments Council's practices and key tasks

The Payments Council has two roles: it is both a national body of cooperation and the national counterpart to the Euro Retail Payments Board (ERPB)². The objective of the ERPB is to contribute to and facilitate the further development of an integrated, innovative and competitive market for retail payments. The Payments Council monitors closely the work of the ERPB and participates via its stakeholders in the work of the Board's working groups. The ERPB's work in 2018 focused on harmonisation of pan-European payment initiation services, promotion of real-time payments, e-invoicing related to retail payments and mobile payments. One representative from Finland co-chaired the working group on e-invoicing.

Payments Council activities in 2018

In 2018, work continued in the working group studying the future of cash services by forming a common view on the current situation regarding the use of cash and the availability of cash services and on future trends.

The objective of the financial literacy working group set up in 2017 was to consider the means to best ensure a sufficient level of financial expertise throughout society into the 2020s. The working group reviewed the existing financial literacy material, and as a result, a collection of links were compiled and published on the Payments Council website. In addition, the working group prepared a second Payments Council e-booklet *Financial Literacy in the 2020s*. It is a collection of short articles that address the challenges and opportunities of financial expertise in the future as well as the measures necessary to promote such expertise.

In late 2018, the Payments Council decided to set up a working group on real-time payments to explore the current situation of instant payments and challenges relating to their launch in Finland. The Payments Council also closely monitored the effects of the new Payments Services Directive (PSD2) and decided to support, where necessary, the preparation of a pan-European study on the cost of retail payments.

As usual, the work of the Payments Council was presented to a wider audience in the spring 2018 Payments Forum³, which brought together

² See <https://www.ecb.europa.eu/paym/retpaym/euro/html/index.en.html>.

³ The programme and presentations of the Payments Forum are available in Finnish at: <https://www.suomenpankki.fi/fi/raha-ja-maksaminen/maksujarjestelmat/maksufoorumi/maksufoorumi-2018/>.



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more than 160 payment experts. The Payments Forum's key themes were changing payment ecosystems, challenges and opportunities of the new regulatory environment, and financial literacy.⁴ The session *Changing payment ecosystems in Finland and abroad* discussed the fragmentation of methods of payments, open interfaces and the payment methods used in the emerging economies. The session *Challenges and opportunities of the new regulatory environment* heard the views of the FIN-FSA and other actors on the payments revolution and the operating environment. The final session, *Financial literacy in the 2020s* featured a panel discussion based on the e-booklet released during the Payments Forum. The e-booklet addressed the challenges faced by various user groups in the face of digitalisation and the fragmentation of payments, with the actual act of payment fading into the background of the process.

Payments Council's work priorities in 2019

The working group on real-time payments set up by the Payments Council will examine the current situation of instant payments and the challenges involved in their launch. The outcome of the work will be presented at the 2019 Payments Forum. The Payments Council also participates in the preparation and implementation of the study on the cost of retail payments and in the follow-up on the availability of cash services through the work of the working group on cash.

In addition, the Payments Council seeks to support the work of the ERPB and respond to any European inquiries via its member organisations. The chair of the Payments Council participates in the work of the ERPB as ordinary member in 2019.

In addition, the Payments Council will continue to monitor the effects of PSD2 on payments and the digitalisation of financial administration, also keeping track of the digitalisation trends in the financial sector (incl. virtual assets). Where necessary, the Payments Council will take measures to promote the maintenance and creation of reliable payment solutions that are efficient for the Finnish society as a whole.

⁴ See Governor Erkki Liikanen's opening speech (in Finnish) 'On the stages of the Payments Forum and the changes in the payments landscape' <https://www.suomenpankki.fi/fi/media-ja-julkaisut/puheet-ja-haastattelut/2018/paajohtaja-erkki-liikanen-maksufoorumin-vaiheista-ja-maksamisen-muutoksista/>.