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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 Payment Council

Responsibility for the practical organisation of the Payments Council's work lies with the Bank of Finland. Since 1 February 2017, the Payments Council was chaired by Olli Rehn, Member of the Board of the Bank of Finland. 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 AB (publ) Finnish Branch, 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 is 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.

¹ 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 2017 focused on promotion of pan-European instant payments, e-invoicing related to retail payments and mobile payments. Two representatives from Finland participated in the ERPB's working group on e-invoicing.

Payments Council activities in 2017

During 2017, the Payments Council continued the implementation of the 'Payment Methods 2020' project. The purpose of the project is to examine extensively, in collaboration with various stakeholders, the challenges and opportunities of the payments market of the future. Based on the findings of the project's first publication, the e-booklet *How do we pay in the 2020s? Perspectives on future payment solutions*³, the Payments Council decided to establish a cash working group and a financial literacy working group to carry out further studies.

The objective of the working group studying the future of cash services is to form 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, in turn, is to consider the means to best ensure a sufficient level of financial expertise throughout society into in the 2020s. The working group has reviewed the existing financial literacy material, and a collection of links compiled as a result of the work will be published on the Payments Council website. In addition, the working

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

³ See e-booklet in Finnish at https://www.suomenpankki.fi/globalassets/fi/raha-ja-maksaminen/maksujarjestelmat/suomen-pankki-katalystina-maksuneuvosto/maksuneuvoston_e_kirjanen_2016.pdf



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group is preparing 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.

As usual, the work of the Payments Council was presented to a wider audience in the spring 2017 Payment Forum⁴, which brought together more than 180 payment experts. The Payments Forum's key themes were digitalisation in the financial sector, new framework conditions for payments, and real-time payments.⁵ The session *Digitalisation in the financial sector* examined the future challenges and opportunities of digitalisation from the perspectives of a global and domestic operator and a new challenger. The session *New framework conditions for payments* heard the views of the European Commission, the European Central Bank and the European Payments Council on the new regulatory framework for the payments sector and the new field of play taking shape in consequence of this.

The Payment Forum's final session *Real-time payments* featured a panel discussion, which examined the development of payments in Europe and Finland from the perspectives of systems suppliers and users. The day ended with Payments Forum Chair Olli Rehn's closing speech⁶, in which he examined from a Finnish perspective the opportunities presented by digitalisation for payments in the future.

Payments Council's work priorities in 2018

The 'Payment Methods 2020' project will be continued in 2018. The financial literacy and cash working groups launched in 2017 will continue their work. An e-booklet *Financial Literacy in the 2020s* will be prepared

⁴ The programme and presentations of the Payments Forum are available in Finnish at: <https://www.suomenpankki.fi/fi/raha-ja-maksaminen/maksujarjestelmat/maksufoorumi/maksufoorumi-2017/>.

⁵ See Governor Erkki Liikanen's opening speech (in Finnish) 'On changes in the information society, digitalisation and payments' <https://www.suomenpankki.fi/globalassets/fi/media-ja-julkaisut/puheet/documents/maksufoorumin-avauspuhe-05052017-erkki-liikanen.pdf>

⁶ See Olli Rehn's closing speech (in Finnish) 'Digitalisation and payments in the future' <https://www.suomenpankki.fi/globalassets/fi/media-ja-julkaisut/puheet/documents/johtokunnan-jasen-olli-rehn-maksufoorumi2017-paatossanat.pdf>



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within the framework of the financial literacy working group and decisions on further action made on the basis of its key findings.

The Payments Council will also seek to support the work of the Euro Retail Payments Board and respond, via its member organisations, to possible Europe-level surveys. In addition, the Payments Council will continue to monitor the further introduction of real-time payments, the digitalisation of financial administration and the impact of PSD2 on payments. Monitoring of digitalisation developments in the financial sector (incl. virtual currencies) will continue. If necessary, the Payments Council will promote with its own measures the maintenance and creation of reliable and efficient pay solutions for Finnish society as a whole.