



## PRESS RELEASE

### **ESBG welcomes EU Commission's legislative proposal on instant payments**

**BRUSSELS, 26 OCTOBER 2022. The European Savings and Retail Banking Group (ESBG) welcomes the European Commission's legislative proposal on instant payments announced today. The ESBG hopes that the initiative will strengthen the efforts of savings and retail banks to make instant payments the new normal across the European Union.**

Since its introduction, the ESBG has been supporting the development and roll out of instant payments, inter alia by encouraging its member banks to adhere on a voluntary basis to the European instant payments scheme (SCT Inst), one of the major building blocks of a future pan-European solution. Instant payments allow frictionless transfers within 10 seconds in all European countries and therefore support the ambition to strengthen the European sovereignty in the payments sector. However, the ESBG still considers that adherence should be measured in terms of number of accounts reached, rather than in terms of adhering banks and therefore stresses the importance of a more balanced approach in this respect. Nevertheless, we welcome that a differentiation has been made between banks within the euro area and banks within other EU member states when it comes to adhering to the scheme.

The ESBG especially welcomes the proposal's attempt to streamline the approach to sanctions screening, for which it has been advocating as a key element to make instant payments effective while remaining safe.

"Relying on a daily client database screening, instead of forcing both the sending and the receiving bank to screen each and every cross-border transaction, will allow banks to offer pan-European innovative solutions while ensuring full compliance with AML/CTF rules and targeted financial sanctions regulations" said Fabrice Denèle, CEO BPCE Payment Services and Chair of the ESBG Payments Committee.

"I am very pleased to see that the suggestions put forward by the industry have been taken on board" he continued. "The ESBG was among the first associations to raise awareness on the topic to the political agenda and our regular talks with the European Central Bank have triggered the set-up of a Task Force on sanctions screening that in January 2022 delivered its report to policymakers. I am convinced that with this new approach the number of false positives will decrease drastically – hence increasing consumer trust".



“ESBG member banks were already between the early adaptors of instant payments in euro”, said the association’s Head of Innovation and Payments, Diederik Bruggink.

“The first cross-border instant payment in euro took place between two ESBG member banks, notably between CaixaBank and Erste Bank, and also the first transaction in the European Central Bank’s instant settlement system TIPS was between to ESBG member banks, BPCE and CaixaBank”, he added.

The ESBG also welcomes the focus of the proposal on consumer protection, a long-standing priority for all its member banks. It especially supports the decision to leave the concrete implementation of services known as Confirmation of Payee to the market, which demonstrates full trust in the ability of the industry to find the best solutions based on the specific needs of each Member State.

Finally, in taking note about the Commission’s position on the charging principles, the ESBG highlights that a long-term sustainable business model benefiting all stakeholders is key not only to ensure the success of instant payments, but also to foster their innovative potential in the ecosystem.

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**About ESBG:** The European Savings and Retail Banking Group (ESBG) has 21 members in 17 countries. As some of its members are national organisations, ESBG represents the interests of over 800 banks working responsibly and closely with their communities and SMEs. Together, ESBG members manage assets worth €5,700 billion, serve 162 million Europeans and employ nearly 660,000 people. ESBG is the regional arm of the WSBI. Both organisations are headquartered in Brussels. Website: <https://www.wsbi-esbg.org/>