



Position Paper

EMOTA Position on the European Payments Council consultation on the SEPA Credit Transfer and SEPA Direct Debit Schemes Rulebooks

EMOTA¹'s main goal is to assist policy makers in removing any barriers to cross-border trade. EMOTA's commitment to a barrier free EU Single Market is long standing and can be traced across all our positions and actions. We are making the following comments with the aim to constructively contribute to the debate over the future of the EU Digital Single Market for products and services by reflecting the views of online sellers across 17 markets, including the largest.

EMOTA, the European Multi-channel and Online Trade Association, is the voice of eCommerce. We represent distance sellers and web shops in 15 countries among which the leading e-commerce markets. We would like to use our expertise and experience to contribute as set out below to the European Payments Council (EPC) consultation on the amending of the SEPA Credit Transfer and SEPA Direct Debit Schemes Rulebooks, as announced by the EPC.

EMOTA welcomes the intention of the EPC to ensure the rules concerning the security of payments such as direct debit are updated in line with the technological developments and the needs of eCommerce. Any such updates to the EPC Rulebooks should balance the need for security with the market needs and should aim to promote competition and choice.

In this context, EMOTA would like to bring to your attention the following aspects:

eCommerce is rapidly developing into a technology and user focused set of processes, especially concerning payments and delivery. While EMOTA strongly supports a high standard of trust and security in eCommerce, we also recognise that the market requires different solutions adapted to the products and services sold.

The consumer's choice has to be at the center of payment processes. A too high level of complexity and cost, as is currently the case with e-signatures and paper direct debit mandates could drastically reduce the level of trade online.

The amendment proposed by the EPC SEPA Payments Working Group (SPS WG) in **Change Request 30** (link: <http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epcdocuments/sepa-direct-debit-core-rulebook-change-request-consultation-document-andresponse-template/epc098-14-sdd-core-rulebook-change-request-consultation-documentpdf/>)

¹ EMOTA, the European eCommerce and Omni Channel Trade Association, is the European level umbrella federation representing online and distance sellers across Europe. The main mission of EMOTA is to promote eCommerce and Distance Selling and help policy makers remove any barriers to cross-border selling. Transparency register N° 11251212351-96



to remove the wording “with a Qualified Electronic Signature agreed between the Creditor and the Creditor Bank” is a necessary step forward, which unfortunately might not be sufficient in supporting the development of services based on direct debit payments.

SPS WG Change Request 30:

*A Mandate may exist as a paper document which is physically signed by the Debtor. The paper mandate can be stored either as the original document or in any digitalised format subject to the national legal requirements. Alternatively, the Mandate may be an electronic document which is created and signed **using a legally binding method of signature with a Qualified Electronic Signature agreed between the Creditor and the Creditor Bank.***

We would like to point the following:

While the Regulation on electronic identification and trust services does aim to harmonise the standards in this area and ensure cross-border recognition, the effect of such legislative initiatives will only be felt in some years. Until then, the legal requirements and standards for the terms “signature” and “signed” differ greatly across the 28 EU Member States and internationally. The wording proposed could therefore generate legal uncertainty and constitute a barrier to the EU Digital Single Market.

EMOTA would like to stress the need for the Rulebooks to reflect a technologically and competitive oriented market by introducing references to flexibility and electronic authentication mechanisms, or consent, in line with the level of risk for a specific transaction.

Such an approach would facilitate the development and selling of new services and products online. The consent factor should include any of the types of documents referred to as durable media by the European Directives (e.g. Consumer Rights Directive, Article 2.10: emails, PDF, etc.) or oral mandates and telephone mandates, allowing consumer choice, which would greatly facilitate the collection of funds by companies and charities while ensuring a security level and cost level for the processing of the transaction in accordance with the level of risk.

Contact:

Razvan Antemir EMOTA
razvan@emota.eu ; www.emota.eu