



Web Payment Interest Group

Regulatory Landscape Task Force

FTF CHICAGO
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The mission of this task force is to help ensure the successful deployment of W3C's payment standards from a global regulatory perspective, providing clarity about what comes up and guidance for implementers.

The Goals

- Awareness
- Alignment
- Developer guidance



The problem to solve

- Regulators are not likely to read JS or specs
- Developers are not prone to read regulation
- But we need to build a common understanding about :
 - what shall happen,
 - how to solve potential issues or regulatory misfits,
 - how to help adopters to implement the spec, with some guidance to feel comfortable with local mandatory regulations

See: <https://www.w3.org/Payments/IG/wiki/RegulatoryLandscape>



Deliverables

Regulator-friendly Description of the API

Checklist of regulatory themes

Jurisdiction Inventories

Considerations for developers



RegulatoryLandscape/FlowAnalysis

< RegulatoryLandscape

This is a (draft) description of the flow enabled by the W3C's Payment Request API (described in part in the [Web Payments Overview](#)). The goal of this description is to provide enough information about the flow at a high level that regulators will be able to draw W3C's attention to potential regulatory issues that either user agent implementors or users of the APIs may face.

Note: It is not a goal of this effort to influence public policy or regulation. It is only a goal to ensure that W3C's deliverables are consistent with regulatory expectations.

Todo:

- Include links from flow description to relevant specifications.

Question? Please contact Ian Jacobs <ij@w3.org> and cc the Web Payments Interest Group mailing list <public-webpayments-ig@w3.org>.

Regulator-friendly Description of the API

Contents [hide]
1 Terminology
2 Flow Summary
2.1 Scope
2.2 Before a Transaction
2.3 During a transaction
3 Flow Specifics
3.1 User Enrollment with Payment Service Providers
3.2 User Agent Storage of Credentials
3.3 Payment App Storage of Credentials
3.4 Merchant Storage of Credentials
3.5 Merchant Knowledge of Payment Apps
3.6 User Agent Knowledge of Payment Apps
3.7 Display of Supported Payment Methods to the User
3.8 Payment App Communication of Credentials to User Agents
3.9 User Agent Communication of Credentials to Merchant
3.10 Merchant Communication with Payment Service Provider
4 Themes
4.1 Consumer Protection
4.1.1 Security
4.1.2 Privacy
4.2 Openness
4.2.1 Open Ecosystem
4.2.1.1 Relation to Messaging Standards (e.g., ISO 20022)
4.2.2 Open Standards Process

IG/wiki/RegulatoryLandscape/FlowAnalysis



Jurisdictions summaries?

Each summary will provide information about the scope of a jurisdiction, the relevant authorities and key regulations and requirements related to payments.

Jurisdiction summaries will help to inform and improve the Regulatory-Friendly Description

They might provide Web developers with some starting points when researching regulatory considerations.

We are developing a template for these jurisdiction summaries



High level mapping of main jurisdictions

Web Payment Interest Group - Regulatory Issues Task Force

There is no global regulatory compendium about payment services, to read and to comply with. And regulation is continuously moving. Therefore, there is no other way for an efficient and productive mitigation of risks about regulatory issues, but in seeking practical solutions, related to local requirements.

The regulatory architecture relies upon many "jurisdictions" (a geographical area where a practical authority (is) granted to a legal body to administer justice within a defined area of responsibility – Wikipedia). We will have to extend awareness among the more of these jurisdictions. It requires and means to produce documents and diagrams easy to understand for non-technical people. This basic explanatory documentation will help to get in touch with regulators and to find individuals willing to pay attention to both regulation and technology and to help for an easy, positive and compliant adoption of the spec. In addition to the introductory wiki, presentations or meetings with regulatory bodies will help to reach our goals.

Contents (hide)

- 1 A first mapping of main jurisdictions**
 - 1.1 Approach statement
 - 1.2 Scope and goals of the first mapping
 - 1.2.1 Geographically
 - 1.2.2 Level of detail
- 2 Main jurisdictions listed**
- 3 Focus and Sub levels

[IG/wiki/High_level_mapping_of_main_jurisdictions](https://www.wikiwand.com/en/Web_Payment_Interest_Group/Wiki/High_level_mapping_of_main_jurisdictions)



Template

Contents [hide]

- 1 Focus on the X area - Rules and regulations for Payment services
 - 1.1 acts and figures about the X Area
 - 1.2 List of the supervisory authorities
 - 1.3 Basic inventory of the main regulations in X area
 - 1.4 Specific rules
 - 1.4.1 Specific payment instruments
 - 1.4.2 Messaging rules
 - 1.4.3 Additional Standards or Requirements
 - 1.5 Critical questions to be considered for the X Area
- 2 Practical consequences
 - 2.1 for specs authors
 - 2.2 For users
- 3 The X- sub levels

[/IG/wiki/Template](#)



A first sample, about the SEPA Area

SEPA Focus - Regulatory TF

Contents

- 1 Focus on the SEPA area - Rules and regulations for Payment services
 - 1.1 Facts and figures about the SEPA area
 - 1.2 List of the supervisory authorities
 - 1.3 Basic elements of the main regulations in the area of EU
 - 1.4 Specific rules
 - 1.4.1 The three pan-European payment instruments
 - 1.4.2 Maximum rates
 - 1.4.3 The Regulatory Technical Standards
 - 1.5 Critical questions to be considered
- 2 Structure and requirements
 - 2.1 For each authority
 - 2.2 For Users
- 3 The role of the users

Focus on the SEPA area - Rules and regulations for Payment services [read](#)

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Facts and figures about the SEPA Area [read](#)

The Single Euro Payments Area (SEPA) is a payment integration initiative of the European Union in order to create a common area for payments in euro. As of July 2015, SEPA consists of the 20 member states of the European Union, the four member states of the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland), and the non-EU states

- Population: 517 M (2013)
- \$1 Tr-600P

List of the supervisory authorities [read](#)

The three European Authorities for the supervision of financial activities:

- European Central Bank
- European Securities and Markets Authority
- European Insurance and Occupational Pensions Authority



Draft inventory of main regulatory topics [edit]

This is a *first draft*, provided as a work in progress to be discussed. The goal is to define a jurisdiction. Such a list will help to focus on key points to be checked in review and adoption. A good practice should be to make the framework of this list as mu

- Definition of regulated Payment service activities
 - Sub-definitions of payment services
 - payment transfer (push)
 - payment direct debit (pull)
 - card issuing/acquiring
 - payment account keeping
 - Regulatory limitation for providing such payment services
 - mandatory enrolment(s)
 - preliminary authorization(s)
 - initial requirements
 - ...
- Environmental regulations
 - Exchange control
 - Payment limitations to be guaranteed
 - AML
 - KYC
 - SAR's
 - Payment limitations
 - Mandatory information and data to provide inside messaging

- Payment execution
 - Standard for messaging
 - Sensitive data regulations
 - Authentication
 - Encryption
 - Biometrics
 - Liability of the PSP
 - Liability toward the PSP
- Consumer protection
 - Privacy
 - Information
 - Repudiation of a payment order
 - Litigation
- Merchant's protection
 - Competition
 - Choice of the payment instrument
 - Information on each transaction
 - ...



To be able to pull through this plan, we need:

- Milestones for the prioritized deliverables list
- Develop a network of experts
 - Owners and volunteers from the IG
 - List of regulators to reach out to; scheduling calls with them
- A discussion about additional needs for: a Community Group and/or Communications fora for discussions over time?



Discussion...