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DIGITALEUROPE proposes key recommendations for a successful implementation of Strong Customer Authentication (SCA)

DIGITALEUROPE today has released its [official position paper](#) delivering 5 key recommendations to ensure an effective and harmonised European approach to the phased implementation of SCA rules.

The recommendations will reduce the threat of market fragmentation and inconsistency across Europe. If administered the recommendations will pre-empt the many difficulties that will arise from the payment service providers (PSPs), and many merchants across Europe lagging behind in their preparations to meet SCA requirements. It will also give an opportunity to boost consumer awareness. Based on discussions with the industry, DIGITALEUROPE considers a duration of 18 months to be a reasonable, compromise solution which would allow all relevant European stakeholders to get ready, including the onboarding of the long tail of merchants and consumers.

Cecilia Bonefeld-Dahl, Director-General of DIGITALEUROPE states:

“ Our industry and policymakers are aligned. DIGITALEUROPE supports the Regulation that will deliver stronger safeguards to consumers.

We are committed to the unprecedented effort from the whole industry that will be required to implement the SCA.

Let's get the implementation right and prevent any disruption to e-commerce that is set to generate €621 bn in 2019.¹ More than 75.000 companies,² many of them small, are dependent on e-payment services.

¹ Retaildetail.eu, European e-commerce continues to flourish, 2019

² Eurocommerce, European B2C ecommerce still growing fast, with national markets moving at different speeds, 2018

DIGITALEUROPE's recommendations

Recommendation 1: A harmonised, European transition term, with a duration of 18 months with a final compliance deadline of 14 March 2021

DIGITALEUROPE strongly recommends a harmonised, European approach to provide a transition period with the same deadlines in all EU member states.

Recommendation 2: Harmonised and monitored roadmaps

Relevant authorities are encouraged to draw up a simple, harmonised roadmap with interim milestones and deadlines, to be applied uniformly in all EU member states and monitored by national competent authorities (NCAs). DIGITALEUROPE's Position Paper provides an outline.

Recommendation 3: Permission not to use SCA or to use legacy solutions for SCA during the transition term

A certain discrepancy in the level of readiness will necessarily exist. We ask NCAs permission **not to decline transactions** which are sent without the data and information necessary for SCA and **to use legacy/existing authentication solutions without changing current provisions on the allocation of liability for fraud** between merchants and PSPs.

Recommendation 4: Clear and timely communication by NCAs and the EBA

We ask for a strong and clear signal from all NCAs agreed in all countries whether flexible enforcement will be granted. Our industry also needs to clearly understand what to expect after the regulation takes effect. The EBA and the NCAs are strongly encouraged to communicate their final and fully comprehensive decisions in a timely manner.

Recommendation 5: Introduce a permanent and targeted exemption for remote and unconnected environments.

The provision of online and unconnected sales on board aircraft, ships and other remote areas, such as oil platforms, have no technological solutions able to effectively address all potential methods banks may utilise to comply with SCA. For example, air passenger purchases must receive a verification code. If the passenger cannot receive the

verification code, the SCA rules will require the cardholder's bank to decline the transaction.

FOR MORE INFORMATION, PLEASE CONTACT:



Arnaud Castaignet

Director for Political Outreach & Communications

arnaud.castaignet@digitaleurope.org / +32 490 57 46 29

About DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

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Estonia: ITL

Finland: TIF

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Germany: BITKOM, ZVEI

Greece: SEPE

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