



ANNUAL REPORT 2017

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Profile

The Dutch Payments Association (Betaalvereniging Nederland) organises the collective tasks in the national payment system for its members. These members are providers of payment services on the Dutch market, such as banks, payment institutions and electronic money institutions. The collective tasks concern infrastructure, standards and common product features, aimed at achieving an optimally effective, secure, reliable and efficient payment system.

The payment system is of great social importance. Hence, transparency, openness and accessibility are important principles. Active cooperation with representatives of end users is essential for an efficient and secure payment system. Consequently, the Dutch Payments Association devotes considerable attention to stakeholder management.

Background

In 2010, the Payment System Committee of the Dutch Banking Association (*Nederlandse Vereniging van Banken*, NVB) and Currence concluded that a reassessment of the structure of the Dutch payment system was inevitable, given the developments taking place within the system. These developments include SEPA, the internationalisation in general, the more open and dynamic market structure created by the arrival of non-bank payment institutions (and similar entities), and the increasing need for stakeholder and supply chain management throughout the sector. In addition, with the advent of payment institutions, it is no longer considered desirable for the NVB, as the organisation representing the interests of the banks, to fulfil collective tasks for the payment system.

The creation of a new payment organisation was investigated in 2010 and 2011, under the direction of a steering committee composed of representatives from banks, the NVB and Currence, and with De Nederlandsche Bank (DNB) participating as an observer. This investigation considered job responsibilities, governance and funding, as well as the structure of the organisation. Since the demand side of the payment system is also important, the results of the study were discussed with the members of the National Forum on the Payment System (*Maatschappelijk Overleg Betalingsverkeer*, MOB).

The Dutch Payments Association was founded on 29 November 2011, in the knowledge that central investment and direction of national collective tasks – combined with clear and unambiguous governance – would contribute to the effectiveness, efficiency, security and reliability of the national payment system.

Our mission

The Dutch Payments Association aims to achieve an optimally effective, secure, reliable and socially efficient payment system. To this end, it provides services (collective tasks) that serve the common interest of its members and supervises these tasks.

The Dutch Payments Association has established the following core values as essential prerequisites for fulfilling its tasks successfully:

- Interconnecting
- Driven
- Relevant

The Dutch Payments Association considers it extremely important to actively involve the representatives of end users – i.e. entrepreneurs and consumers – in its activities. In doing so, it gives substance to the social nature of the payment system.

Our vision on the payment system

The payment system is an indispensable component of the economy; it has many stakeholders and is of great social significance. In that sense, it has a utility function. The large number of parties involved, the high quality requirements, extensive rules and regulations and the large volume of transactions make the payment system an extremely complex market. Consequently, all relevant parties have to be involved and their interests taken into consideration to achieve an effective, secure, reliable and socially efficient payment system.

With the creation of the Single Euro Payments Area (SEPA) in the Eurozone, standards and payment products are in principle established at European level rather than national level. Moreover, European legislation gives new players (payment institutions in particular) more opportunities to enter the payment market. Even though the payment market is becoming international, national collaboration with regard to collective and non-competitive matters remains extremely important. This is particularly important in terms of further improving the high quality level of the payment system and retaining the social advantages achieved thus far, as well as expanding these further where possible.

The Dutch Payments Association's tasks include:

- **Product management**

In its capacity as product manager, the Dutch Payments Association focuses on establishing, managing and adjusting common product characteristics, standards and rules. Its tasks also include (further) developing and implementing new collective services, national and

international products and standards initiated by the members or based on foreign best practices.

- **Change management**

The Dutch Payments Association ensures that national and international requirements and developments with regard to the payment infrastructure, standards and product characteristics are translated to the national payment system and is responsible for their implementation.

- **Quality assurance**

The Dutch Payments Association formulates security requirements for the payment system and certifies, among other things, market parties within the payments chain. It also supervises compliance with rules and regulations in order to guarantee and, where possible, improve the security and reliability of the payment system. In addition, it monitors the quality of the payment chain and coordinates the resolution of any disruptions in the chain.

- **Security and fraud prevention**

The Dutch Payments Association manages the collective aspects of cyber security policy in relation to the payment system, and works closely with other institutions, including the National Cyber Security Centre (NCSC), to implement this policy. It also coordinates fraud prevention within the entire payment chain, compiles and analyses statistics on fraud, and drafts prevention policy. In addition, it coordinates the implementation of measures designed to prevent fraud.

- **Payment system expertise**

The Dutch Payments Association keeps track of external developments that are of interest to its members and other stakeholders. To this end, it consults (potential) players in the payments market, external standardisation bodies and researchers. Where useful and desired, it collaborates with external parties and conducts research that contributes to increasing the effectiveness, security, reliability and social efficiency of the payment system.

- **Information**

The Dutch Payments Association conveys various viewpoints and reports to the public, coordinates collective information campaigns regarding its activities and handles media relations. The Association has various websites, e.g. www.betalvereniging.nl.

- **Program and project management**

Projects that represent a collective interest on behalf of a significant part of the members of the Payments Association can be delegated to the Association. If so, the Payments Association assumes the role of program or project manager, and also contributes substantive expertise.

Report from the Board of Directors

It is with great pleasure that I present the annual report of the Dutch Payments Association for the 2017 financial year.

Board of Directors

As specified in its statutes, the Dutch Payments Association's Board of Directors comprises nine members. The Board of Directors consists of three independent members, including the chairman, and six members affiliated to the members of the Dutch Payments Association. This reflects the fact that the Dutch Payments Association, as an association of payment service providers (supply side), also values the social role of the payment system, which includes the interests of payment service users (demand side). As a result, the discussions in the Board cover the perspectives of every party involved in the payment system. The Board and Management chapter provides additional information on the composition of the Board.

The board met five times during the reporting period. During its meetings, the Board focused not only on its regular activities (see below), but also on developments in the payment system, such as the consequences of PSD2.

In the year under review, the Board carried out a self-evaluation under the supervision of an external party. This involved looking at the areas where the Board is functioning well and at areas where there is room for improvement. The external supervisor made a report of the findings, with observations, agreements, and action points. The results of the self-evaluation will be followed up in 2018, including in the context of the long-term strategy of the Dutch Payments Association.

The Board has also given much consideration to the succession of Henk Brouwer, who relinquished his chairmanship of the Dutch Payments Association at the General Members' Meeting on 15 November 2017. After Henk Brouwer had announced his decision to step down, the Selection and Appointments Committee, in consultation with the Board, drew up a profile, a longlist, and a shortlist of possible candidates. I am very pleased that to take the role of chairman of the Dutch Payments Association.

The Board would like to take this opportunity to thank Henk Brouwer for his hard work for and dedication to the Dutch Payments Association from the time of its founding.

The Board has multiple governing committees. As well as its role in recruiting a new chairman, the Selection and Appointments Committee also assessed the other proposed candidates in respect of the Board member profile, proposing those with a positive recommendation to the General Members' Meeting.

The Audit Committee meets four times a year. Two meetings are specifically dedicated to the budget and the annual accounts respectively.

Activities

The objective of the Dutch Payments Association is threefold: to encourage an efficient and effective payment system, to safeguard its security and reliability, and to ensure a clear and broadly-supported vision for the payment system. In the Profile chapter, we provide a detailed explanation of our mission and vision for the payment system.

For a more detailed description of the Payments Association's activities in the past period, please refer to the Activities chapter.

The Payments Association's Board and management continue to work to make it a more effective and efficient organisation. We believe it is important that we continue to enjoy the confidence of our members and stakeholders, and can thus benefit from the support necessary to play our central facilitating role in the Dutch payment system.

The Dutch Payments Association has 52 members.

Finally

The Board looks back on this period with satisfaction. It is noted that the activities in the annual plan have been realised and that the association, never losing sight of the cost aspect, has operated within its budget.

The Board would like to thank the management for the professional and pleasant working relationship they enjoy, and every employee for their commitment.

Amsterdam, 9th May 2018

On behalf of the Board,
Lex Hoogduin, Chairman

Payment system in general

For many years now, the payment system in the Netherlands has been one of the most advanced as far as its efficiency, reliability, and security are concerned. The aim of the Payments Association is to maintain this level of quality and to improve it wherever possible. Evolving customer needs, new payment providers, fast-changing technologies and payment solutions built on them require active collaboration on the part of all players involved.

In order to continue to build on the Netherlands' leading position in the European and global payment system, its efficiency must be safeguarded. Security and reliability are essential preconditions for this. There also has to be room for new and innovative solutions. This can be made possible by having a technologically up-to-date payment infrastructure as a fertile basis. Because the payment system affects everyone, it requires a visibly involved and socially responsible sector. In 2017, as in preceding years, we have been actively engaged in these areas. In this chapter, we set out the most important developments to shape the payment system in the year under review, and we look at the playing field on which we operated.

Developments

More demanding regulations, monitoring, and society

The payment system is subject to increasing regulation, particularly by the European Union. Its purpose is to encourage innovation, to open the payment market to new parties, and to ensure the security of the European payment market. One of the most striking examples of increasing competition in the payment market is the revised European Payment Services Directive (PSD2¹). This allows, among other things, non-banking parties access to the payment data of bank clients and enables them to initiate payments on their behalf.

As European and national legislation was being created, we drew upon our expertise to provide input for

various parties involved in the legislative process. We did so for, and together with, our members, for example by responding to legislation consultations. We also interpreted legislative proposals and engaged in consultations with law-making institutions on behalf of our members. Our point of departure has always been that the regulations in question should help maintain or improve the security, reliability, and efficiency of the Dutch payment system

¹ PSD2 entered into force on 13 January 2016. PSD2 gives account holders the right to use payment initiation and account information services that are offered by third party providers (TPPs). To be able to provide these services, the account holder allows the TPP to gain access to the account holder's account.

and its ability to innovate. In 2017, our focus was on the implementation of PSD2 in Dutch legislation. We also concentrated on the collective (non-competitive) aspects of PSD2 implementation by our members, including the underlying technical regulation standards and guidelines.

Providers of payment services face stringent monitoring requirements. This is one example of the consequence of the reporting obligations contained in new European legislation. It is also a consequence of Dutch legislation, including the 'Regeling Oversight goede werking betalingsverkeer' regulation that imposes availability standards on providers of payment services for time-critical payment orders, such as iDEAL and debit card payments. Below are the logos of the organisations that monitor the Dutch payment system.



Subjects such as the use of payment data and privacy, especially in relation to PSD2 and the new European General Data Protection Regulation (GDPR), which comes into force on 25 May 2018, featured regularly in the social debate in 2017. This was one reason why the implementation of PSD2 by the final deadline, 13 January 2018, was not achieved in the Netherlands. It is expected that the legislative process will be completed in the summer.

There was also a focus in 2017 on the social accessibility of cash, the possible need for protective measures in the context of access to payment accounts by third parties under PSD2, erroneous transfers, and account number portability. Other topics of discussion in the Dutch social and political arena were the accessibility of basic payment services for vulnerable groups, such as the elderly and the disabled, and compensation policies in the event of debit card and online banking fraud. In 2017, the Payments Association put various matters in their proper perspective by providing information to relevant parties, including the media, members of the House of Representatives, ministries, regulators, and umbrella organisations, such as the members of the National Forum on the Payment System (MOB)².



² Together with the Dutch Banking Association (NVB), we represent the supply side of the payment system on the National Forum on the Payment System (MOB). Chaired by the National Bank of the Netherlands (DNB), the MOB parties - Dutch-user umbrella organisations and payment system providers - work jointly on the creation and maintenance of an efficient, secure, reliable, and accessible payment system. The MOB enables them to anticipate developments in the payment system and to jointly solve any problems that may arise.

The process of ever-greater digitisation is having a significant impact on our everyday lives, with our dependency on digital services, infrastructures and products still increasing. The wishes of end-users are demanding, and rightly so. They want access to the internet wherever they are, at any time, for example. At the same time, they have high expectations regarding the ease-of-use of digital services. The same applies to digital payment services, with actual transactions increasingly taking place in a mobile environment.



Blockchains and crypto currencies

Crypto currencies seek to make the traditional payment system infrastructure run by the banks superfluous. However, the classical payment system infrastructure is needed for the purchase and sale of cryptos using traditional ('fiat') money. The consensus in the sector is that crypto currencies will not hail the end of the fiat money era. At present, there is virtually no question of crypto transactions replacing the traditional payment system.

The sector believes there is far greater potential for the applicability of blockchain technology and distributed ledgers. This technology, which is also used in crypto currencies, can be used to regulate mutual trust between parties, digitally and efficiently.

As a result, there is a decreasing need for costly external checks and intermediaries with a role of trust in supply chains. Individually and collectively, banks are investigating the applicability of this technology in existing and new supply chain processes. The Payments Association is lending its support in this process. It is not expected that the euro payment system will experience any far-reaching changes soon. Efficiency and the functional completeness of the payment system are already at a high level, especially with the launch of Instant Payments in 2019. In other supply chains, improvements as a result of the deployment of new technologies will have more effect.

Over the course of 2017, much was made of the application of blockchain in digital processes involving identity. After all, the infrastructure for providing reliable proof of identity of persons, businesses and digital transfer matters is still immature and incomplete. Moreover, blockchain could play a role in guaranteeing that people and businesses retain control of their own identities and how they are used. The [Dutch Blockchain Coalition BC3](#) is organising, among other things, a broad-based coalition of public and private parties in this area, including banks that form part of the Payments Association. The Payments Association is involved with the coalition as a supporting organisation.

The line between offline and online is blurring. To an increasing degree, consumers are combining online and in-store experiences in order to achieve their ideal retail experience ('omnichannel retail'). Retailers are striving for maximum 'conversion' i.e. customers who move from browsing and familiarising themselves with products to an actual purchase. Various product innovations in this area have been launched in recent years. It is expected that the supply of this type of application will continue to increase in the next few years. The Payments Association would like to contribute to a seamless online experience. Being able to confirm customers' online identities is an important precondition.

Online identification

Online identification plays an important role during online purchases and when using online services. Because of the ever-greater provision of digital services, businesses and organisations have a growing need for security regarding the identity of online customers and users. Additionally, in certain situations it must be possible to demonstrate the existence of an agreement and the time of its signing.

The market has a need for sound, reliable, and user-friendly online identification services, not least with a view to the ever-stricter legal requirements regarding security and privacy. Sound and reliable online identification methods will enable customers to confirm their identities. This means they will not have to remember separate access codes and passwords of the kind they currently have to use when logging on to the 'My environments' of online providers. It also means customers will have to provide their data less often. For stores, government bodies, and other organisations that offer their products and services online, this will save time, manpower, and paperwork, and it can increase conversion. It is also better for customers' privacy, as in many cases it will no longer be necessary for them to make a copy of their passports.



In recent years, multiple identification methods have been introduced. Examples include DigiD (available since 2004 and currently being developed further), eHerkenning (2009), and iDIN (2016). Sector-specific login methods are also available, such as the 'zorgpas' ('healthcare pass'), and there are platforms that bring multiple identification methods together, like Signicat, CM or Connectis.

New providers of payment services

Increasing numbers of non-bank actors – often driven by technology and data gathering – are entering the payment market with new applications. As has been mentioned, PSD2 offers them new opportunities to do so. Competition between traditional and new payment service providers is growing, but there are also opportunities for collaboration. All providers of payment services are attempting to meet changing customer needs as efficiently as possible. Innovation is needed in order to win new customers and to retain existing ones. The providers of payment services have different strategies to opt for, such as waiting and seeing, competing, collaborating, or a combination of these. Because of these dynamics, a short time-to-market of new payment services has become more important. Providers, including those of traditional payment services, such as banks, have altered their internal work processes and consultation structures accordingly, by working in an 'agile' way, for example.

The Payments Association is open to any party that provides payment services to the Dutch market and is pleased that a number of new players are now a member. Among other things, this fosters discussion of new payment applications. However, the payment system continues to be strictly regulated. This has benefits, especially when it comes to protecting consumers, but there are also disadvantages, because it means that not everything that is technically possible and that could bring added value, is permitted.

Longer and more complex payment chains and the importance of interoperability

Thanks in part to the emergence of the new parties mentioned above, payment chains are becoming longer and more fragmented. What is important is that it is clear who is responsible or liable for which part of the payment chain. Greater fragmentation in the payment chain could reduce efficiency and cost efficiency. When it comes to cost efficiency, the Dutch payment system is the global leader. In the light of PSD2 and the payment initiation and account information services resulting from it, it will be a challenge in the next few years to maintain the level of efficiency achieved in the Netherlands.

In addition, as a result of the fragmentation described above, information about payment transactions and the payment behaviour of payment services users, could be dispersed in the chain. This would make the monitoring of transactions and the prevention and detection of fraud more complex. Good control of the chain, as exercised by the Payments Association, would in that case be of even greater importance, and should be intensified wherever possible in order to prevent the negative aspects of fragmentation as much as possible.

In a fragmented payment landscape, the use of open market standards is a precondition for achieving harmonisation and interoperability. This would enable pan-European use of new payment services. Often, the underlying technical payment infrastructure is a precondition for payment services that parties are able to offer. In 2017, the Payments Association was in charge of the continued development of this joint payment infrastructure, thereby enabling market players to offer new services. In that context, the Payments Association is coordinating and facilitating the completion of an infrastructure for instant payments.

Instant payments to be the norm

After the successful introduction of SEPA, instant payments involving real-time debits and credits will become the social norm in the next few years. In this context, some countries



are opting for partial solutions, such as instant P2P payments. This involves the transfer by smartphone of limited amounts between consumers, usually with aliases such as mobile phone numbers or email addresses. Other countries, including the Netherlands, are adapting their entire payment infrastructure to accommodate instant payments. This makes it possible for each transfer to be credited immediately to the recipient's bank account, which means it becomes available to them within seconds, 24/7, even if they use a bank other than that of the payer. We expect more and more new applications for instant payments to become available and that their usage will increase rapidly.

‘Open banking’ via APIs is hot, thanks in part to PSD2

Another major change is the increasing degree to which banks are making their IT systems accessible to third parties and the new ways in which the banks’ systems communicate with those of third parties. This trend, which makes particular use of Application Programming Interfaces (APIs)³, is sometimes referred to as ‘open banking’.



Under PSD2, banks are obliged to make available a ‘digital access port’ to third parties who are subject to monitoring and who offer payment initiation and/or account information services.⁴ The purpose of this is to grant third parties access to the bank payment accounts held by the providers of payment services. The Payments Association supports the vision that open dedicated interfaces – in other words, APIs – are the best guarantee for secure and reliable communications via the banking infrastructure between third parties and payment account holders. Individual providers of payment services and European market standardisation initiatives are making every effort to realise this. The Payments Association was closely involved with this in 2017.

At the same time, the sharing and use of payment data is a sensitive topic

Thanks to new technologies, there are greater opportunities for big data analyses. ‘Big data’ means, in essence, collecting data on large groups of people and analysing their behavioural patterns. In the context of product development in the payment system, we endorse the starting points of ‘privacy by design’ and ‘privacy by default’ (in standard settings).



When asked, people in the Netherlands state that they accept the use of payment data by providers of payment services in order to meet their legal obligations, to promote security, for service purposes, and for discovering trends. However, the general public has strong

³ APIs are tools that allow different IT systems to communicate with each other on the basis of a fixed set of rules and specifications. APIs are sometimes described as the Lego of the digital economy.

⁴ The detailed technical and legal standards will be set down using the regulatory technical standards (RTS) for strong client authentication and common and secure communication standards. Under PSD2, EBA was mandated to develop these RTS. The RTS have since been published (in March 2018) as a delegated regulation, to enter into force 20 days later. All of this means that the RTS will be effective from 14 September 2019 (because of the 18-month transition period), and that the providers of payment services will have to meet the relevant requirements by then. In the interim, the existing security rules, including the [EBA Guidelines on the security of internet payments](#) from late 2014, will continue to be valid, if they do not conflict with PSD2.

reservations when it comes to the commercial use of payment data by providers of payment services. Acceptance of the use of payment data is greater if customers have greater control over this use, according to research by the National Forum on the Payment System in 2015.

The question is whether consumers are sufficiently aware of what exactly they are giving their permission for when they allow third parties access to personal data, including payment account information. Different parties will attempt to persuade consumers to do this by offering them the prospect of free online services, discounts, or other benefits. In these cases, consumers do not realise that they are paying with their personal data rather than money. After all, many online companies base their revenue models on the trade in personal data. The protection and security of personal data was an important theme for the Payments Association in 2017.

Strong focus on standardisation

The use of open standards is a prerequisite for achieving subsequent interoperability with other payment solutions and thereby pan-European compatibility.



Standardisation is also an important factor in relation to robustness and user-friendliness. The Dutch payment infrastructure is based on effective, sector-wide agreements, procedures, and product specifications. These are founded on European and worldwide agreements and on a range of additional standards.

Roughly speaking, payment system standards can be divided into three categories. The first category is security standards, such as Payment Card Industry PIN Transaction Security Data (PCI PTS). The second category is standards for message-exchange, including ISO 20022 (important for SEPA) and SWIFT MT and MX. The final category is identification standards, such as the International Bank Account Number (IBAN), the Business Identifier Code (BIC), the Primary Account Number (PAN), and the Legal Entity Identifier (LEI).

Because of the importance of standards for an efficient payment system, the Payments Association has been closely following international developments in this area and has taken the initiative to coordinate matters wherever it was desirable to do so. In order to exert a more structured policy-based influence on the various standards for the payment system, the Payments Association launched the Standardisation Working Group in 2016. Together with its members, the Payments Association is exploring the feasibility and desirability of proposals for

amending existing international standards and proposals for new standards and standardisation initiatives.

In 2017, the Payments Association took part in various Dutch, European, and worldwide standardisation organisations and market initiatives. For example, the Payments Association is an affiliate member of PCI SSC⁵, and - via the ECPA - a member of the PCI Board of Advisors. Some of our members are on the Board of Advisors of EMVCo and are closely involved with the drawing up of the SEPA Cards standards by the European Cards Stakeholder Group (ECSG)⁶. The Payments Association also chairs the NEN⁷ shadow committee of ISO/TC 68. ISO/TC 68 is a technical committee in the International Organization for Standardization (ISO)⁸ and develops and manages international standards in the field of banking, securities, and other financial services. This includes a number of standards of very great importance to the payment system, such as the IBAN, BIC, and ISO20022 messages. The ISO/TC 68 NEN shadow committee holds national votes on standardisation proposals made by ISO/TC 68. Together with several other parties, the Payments Association represents the Netherlands in ISO/TC 68.

In 2017, ISO/TC 68 started developing API standards. This is a significant and ongoing matter, given that banks governed by PSD2 are obliged to make available a 'digital access port' for providers of payment initiation and account information to payment accounts held at banks. The Payments Association has been closely following developments in ISO/TC 68. The same thing also applied to other relevant European harmonisation and standardisation initiatives regarding APIs in relation to PSD2, such as those of the Berlin Group NextGenPSD2 Taskforce, in which the Payments Association is taking part. The Payments Association also followed with much interest the progress of and the results achieved by the British Open Banking Implementation Entity⁹.

⁵ The Payment Card Industry Security Standards Council (PCI SSC) is a globally operating open organisation that was set up to develop, improve, and distribute security standards for payment accounts (including credit card accounts), and to promote understanding of them.

⁶ The ECSG is a multi-stakeholder market initiative aimed at achieving European card standardisation by means of market-driven implementation.

⁷ NEN supervises and encourages the development of standards. As a neutral party, NEN determines what standards are needed and brings stakeholders together in order to finance and discuss these standards. NEN does this both within sectors and at the national, European, and global levels. NEN administers more than 34,000 standards. These are international (ISO, IEC), European (EN), and national standards (NEN), all of which are accepted by the Netherlands.

⁸ The International Organization for Standardization (ISO) in Geneva is an international organisation that sets standards. The organization is a collaborative body of national standardisation organisations in 163 countries. ISO has developed more than 18,000 international standards in various fields and for various applications.

⁹ This entity was founded by the Competition and Markets Authority with the aim of developing software standards and industry guidance in order to encourage competition and innovation in the British retail banking sector.

The technical ISO committee ISO/TC 307, which was set up in 2017, develops standards for the blockchain and distributed ledger technologies. The standardisation working groups of this ISO committee have a broader work arena than just payment systems, but their importance lies in anticipating in good time the standards being developed by ISO/TC 307, which could be relevant to the payment system and to our members.

Our field of activity

Our stakeholders

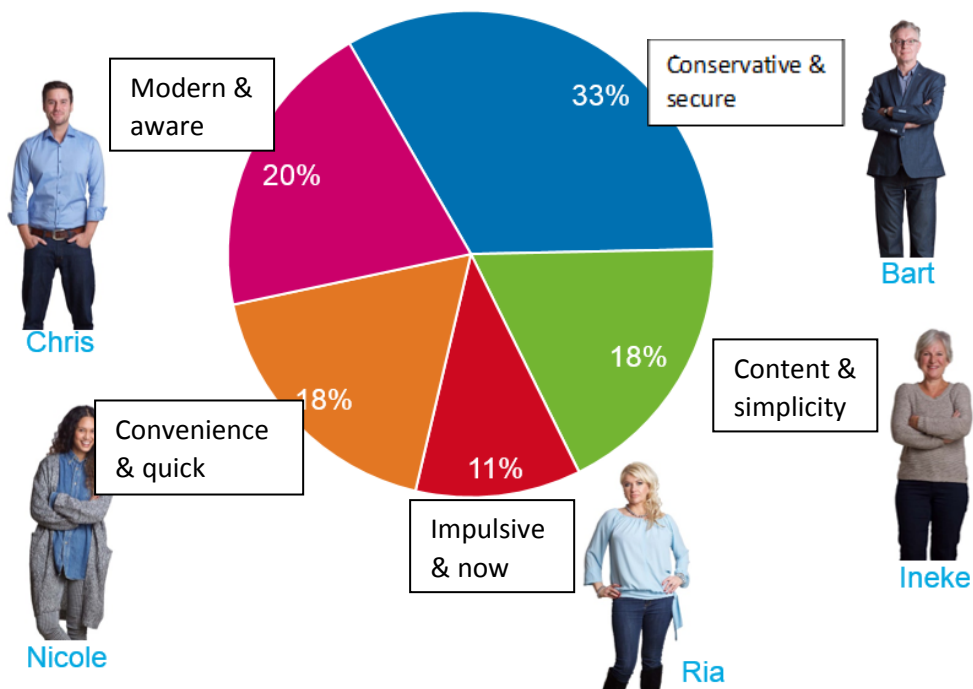
Social and political involvement with the payment system in the Netherlands is relatively high. Good stakeholder management is therefore of major importance to the Payments Association. In 2017, as in previous years, we have placed much emphasis on this aspect. Bringing together both supply and demand parties remains a significant challenge that we are happy to take on.

We are regularly approached by stakeholders with relatively complex issues. This applies to our social partners in the National Forum on the Payment System (MOB), and to politicians. In 2017, the Payments Association ensured that the sector as a whole remained approachable for relevant stakeholders. As far as joint interests are concerned, we shared our vision and information on behalf of our members with various parties in the Dutch, European, and international arena. This way, we helped make an active contribution to the social debate. During European and national legislative processes we also used our expertise to provide input for the various parties involved in these processes, with regard to collective, non-competitive issues. On behalf of the sector, we communicated with the press and acted as a mouthpiece, including appearances on the radio and television, whenever topics affecting the sector as a whole were being covered.

On behalf of and with our members, we took action in response to current social issues relevant to the payment system. We discussed national, European, and international developments in payment systems with our most important stakeholders in our forums, including the Card Payments Forum and the Giro Stakeholder Forum. The Card Payments Forum includes consumer and business organisations, payment terminal providers, banks, payment institutions and payment processors. They meet several times a year. Those taking part in the Giro Stakeholder Forum are consumer and business organisations, banks, large payees, and payment processors.

Five payment sectors

In 2017, Perspective conducted a survey on behalf of Currence into the attitudes of consumers to paying and payment products. Five payment sectors emerged from this survey. These five sectors are now regularly used as a guideline for communication and the development or optimisation of payment products. Various presentations were given about the sectors in 2017.



Source: "Betaalsegmenten consumenten", Perspective, Richard Alker & Renske Verweijen, January 2017

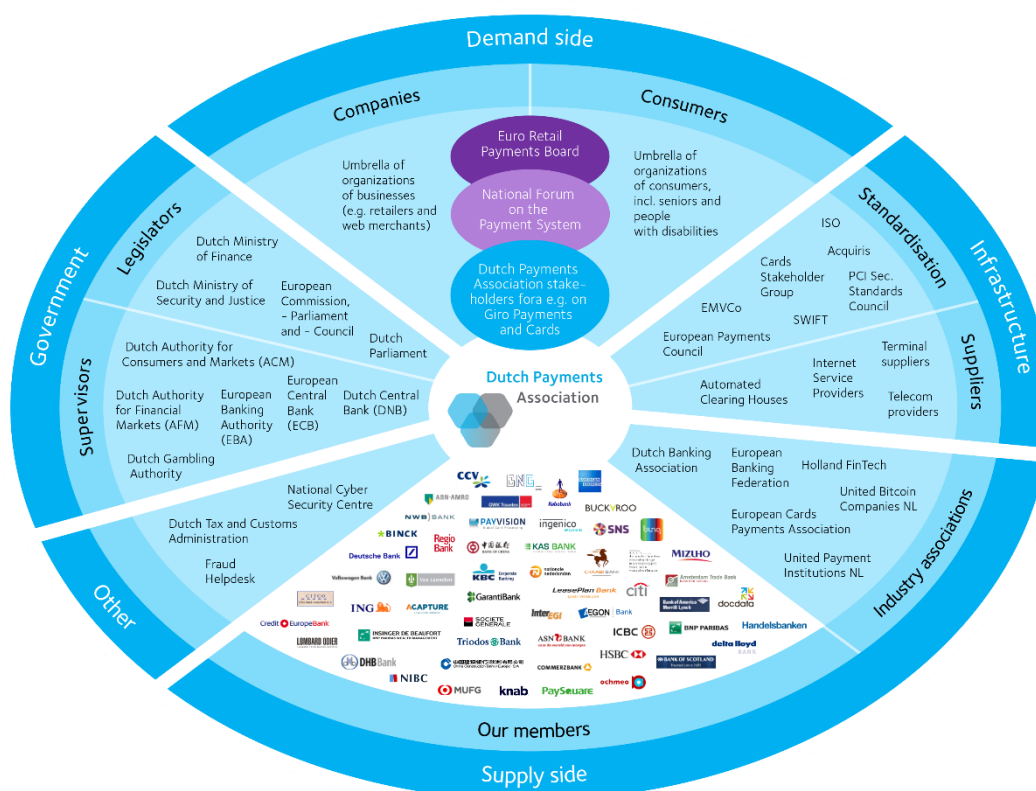
Our contribution in Europe

Partly on the basis of the successful National Forum on the Payment System consultation model, its European counterpart, the Euro Payments Retail Board (ERPB), was set up in 2013. The ERPB influences the direction in which the European payment market evolves. European stakeholder umbrella organisations participate in the ERPB under the chairmanship of the European Central Bank (ECB). Subjects addressed by the ERPB in 2017 were instant payments, payment initiation and account information services, contactless and mobile payments, and peer-to-peer (P2P) mobile payments.



We contributed our expertise for the benefit of the ERPB and its working groups via the European Payments Council (EPC)¹⁰, the Payment Systems Committee of the European Banking Federation (EBF), the European Card Payments Association (ECPA)¹¹, and the National Forum on the Payment System's Working Group on Efficiency and European Affairs (WEE).

Our stakeholders



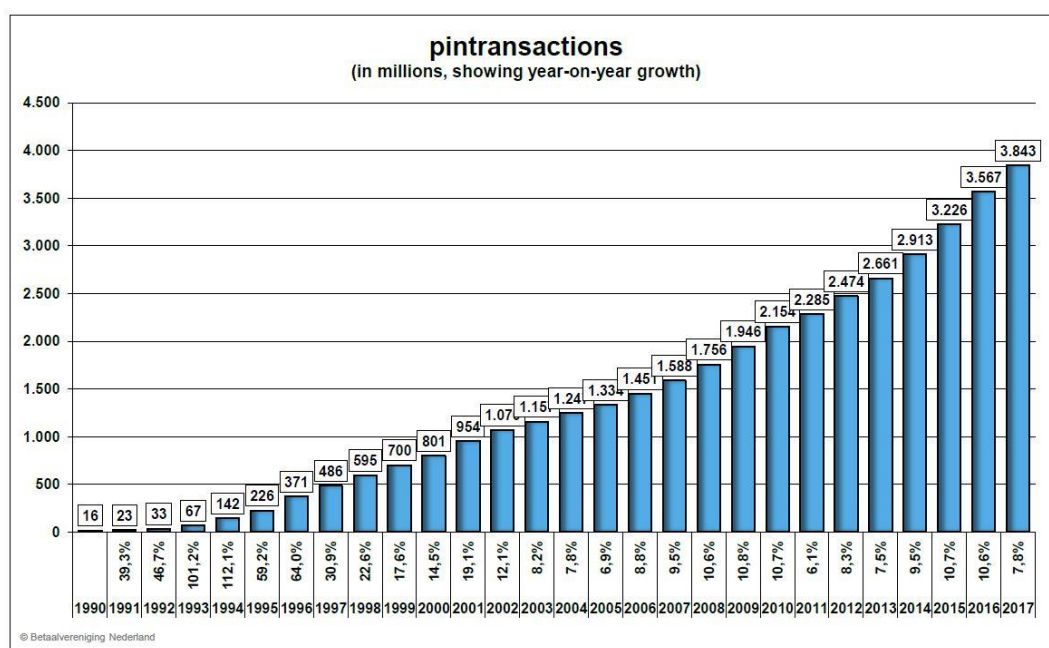
¹⁰ The EPC is the brand owner of the European payment products, European transfers (SCT) and the European system of SEPA direct debits (SDD). In addition to the Payments Association, ABN AMRO, ING, and Rabobank are also members of the EPC in their own right and contribute actively to the council's work.

¹¹ The ECPA consists mostly of various local European card organisations (domestic card schemes). The Payments Association is one of its members. On behalf of its members, the ECPA is the discussion partner to parties seeking to shape the European card payments landscape. It provides the Payments Association with a voice in global organisations such as EMVCo and PCI SSC.

Point-of-sale payment system

More than 100 billion euros in debit card transactions, for the first time

The vast majority of point-of-sale transactions consist of debit card and cash transactions. In 2017, consumers paid with their debit card 3.8 billion times. That is an increase of 7.8% compared to 2016. This means the rise is slightly lower than in the previous two years, which is largely attributed to the greater use of contactless payments instead of cash. Between 2014 and 2016, contactless payments increased significantly.



https://www.pin.nl/wp-uploads/2012/08/puk_key_figures_pinnen.pdf

A major milestone was reached in 2017: it was the first time that debit card transactions amounted to more than 100 billion euros (100.6 billion euros).

According to research by DNB and the Payments Association, cash payments fell again in 2017, from 2.9 to 2.7 billion euros. This represented a continuation of the decline in cash, which is helping achieve greater efficiency and security in society.

The cost of point-of-sale payments in the Netherlands is among the lowest in Europe. This is due in part to the partnership between banks and collective point-of-sale institutions based on

the Payment System Covenant that was concluded in 2005, and which has since been extended in additional agreements. The covenant runs until the end of 2018. The Payments Association supported the covenant in 2017 participating in activities with the parties involved.

Innovations in the electronic point-of-sale system are implemented regularly, enhancing convenience and efficiency still further. Currently, the main innovations are contactless payments using debit cards or mobile phones, and debit card refund services. The Payments Association coordinates and oversees collective agreements on behalf of its members relating to these new applications and the infrastructure for debit card payments.

Payment instruments other than debit cards and cash

As already mentioned, most payments at point-of-sale locations use debit cards or cash. However, there is another range of payment instruments that are still only used to a limited extent. Whether or not they are particular to any sector, these solutions serve their markets. The most important of these payment instruments are credit cards, gift vouchers and gift cards, fuel passes, and closed payments systems used by educational establishments and businesses. In total, they account for around three percent of the domestic transactions that are concluded using instruments other than debit cards or cash. Credit cards have the greatest share in this group.

In 2017, efforts to collect more information about the use of credit cards in the Netherlands got underway. The aim is to give a complete and even overview of point-of-sale payment options. Credit cards are not as widely accepted in stores as are debit cards and among Dutch consumers, credit cards are far less common than debit cards. Consumers with credit cards generally use them for point-of-sale transactions outside the Netherlands. In contrast to the image many people associate with credit cards, card holders do not usually use them for their credit facilities.

Like debit cards, credit cards can nowadays be used for contactless payments. It is also possible for credit cards to be used in a virtual form for mobile payments, although a suitable



NFC smartphone is needed for this. The leading credit card brands in the Netherlands are VISA and MasterCard, both of whom work with different card issuers. American Express, which is more specialised, is also available. They are a member of the Payments Association, issue cards and also have direct

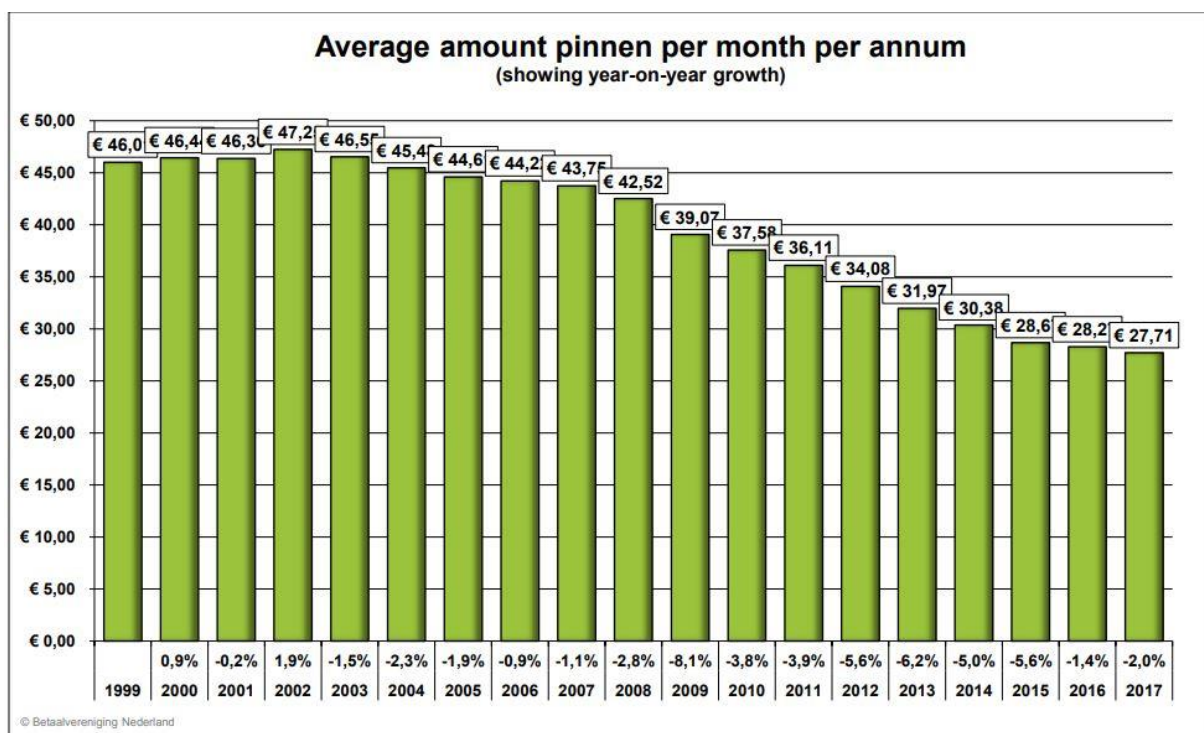
relationships with companies that accept cards; this makes them a so-called three-party card system. American Express serves consumers and commercial customers with specific payment solutions ('commercial cards') for the corporate sector and for SMEs and sole traders, and with a distinctive loyalty programme. The regulation of three-party card systems is different in some points to that of the four-party systems, to which VISA and MasterCard belong.

Developments in relation to debit card payments are discussed in the Card Payments Forum in which all relevant stakeholders of the Dutch point-of-sale payment system are represented. The Payments Association also coordinates general public communications concerning point-of-sale payment systems.

Continued conversion of cash to electronic payments

One of the aforementioned additional agreements sets out the aim that 40% of point-of-sale payments will be in cash by the end of 2018, and 60% electronic. The Payments Association is playing an important supporting role in this by organising joint information activities and promotional campaigns. In 2015, for the first time ever, more point-of-sale payments in the Netherlands were made by debit card than with cash. This development continued in 2017: now, debit cards are used for 58% of payments, with cash accounting for 42%. At this rate, the 60:40 (debits cards: cash) ratio can definitely be achieved by the end of 2018.

Small amounts, which consumers have always traditionally paid using cash, are increasingly being paid for with debit cards, especially contactless. While the total number of debit card payments increased by 7.8% in 2017, the number of transactions involving amounts of under 10 euros rose by no less than 12%. The average amount for debit card payments dropped from 28.27 euros in 2016 to 27.71 euros in 2017. Because of contactless payments, 6 to 7% of cash payments (an estimated 200 million cash payments) have been replaced by electronic payments.



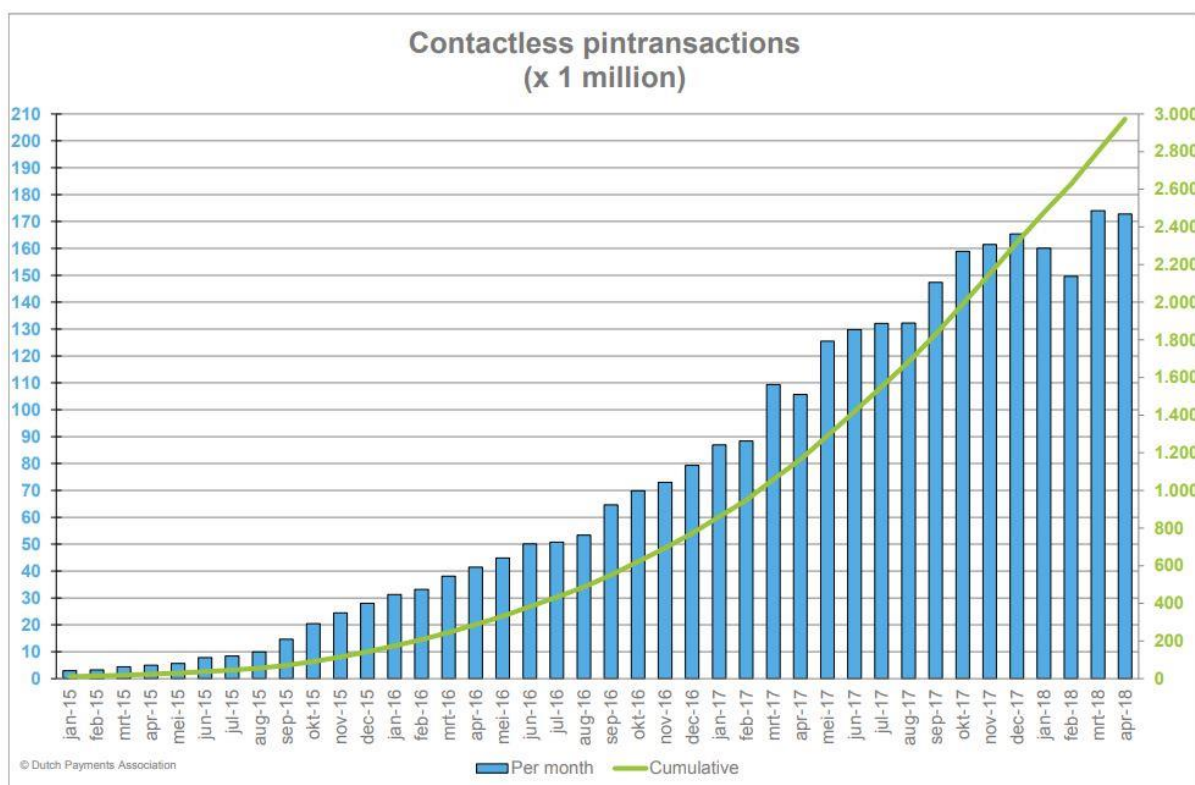
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Contactless payments also rose in 2017

In March 2017 a new milestone was reached - the billionth contactless payment. It took less than three years. By way of comparison, it took from 1990 to 1997 to get to the billionth point-of-sale debit card transaction using a pin code.

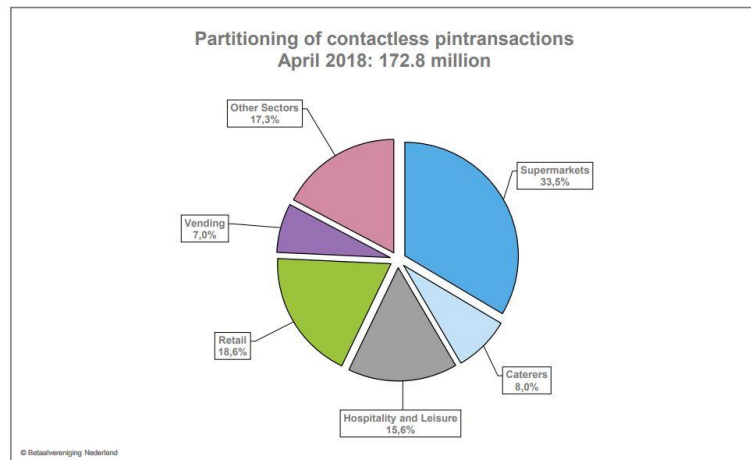
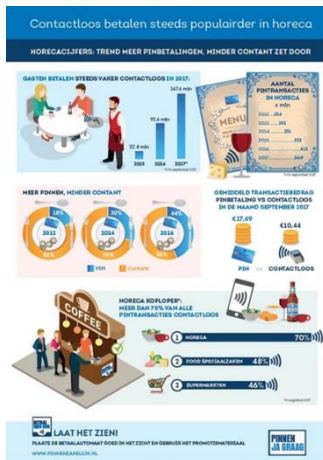


Since its introduction in 2014, the number of contactless payments in the Netherlands has increased hugely. In most cases, card holders do not have to enter their pin code. This makes the payment process at point-of-sale locations quicker than when the card is inserted and a pin code is needed or in the case of cash payments/ Contactless payments are also less costly for businesses. At first, contactless payments were used mostly for smaller amounts, but it became increasingly frequent in 2017 for amounts of more than 25 euros to be settled using contactless (with pin code). In 2017, almost 150% more contactless payments were made than in the previous year. There were 1,543 million contactless payments in 2017 (2016: 629 million).



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In December 2017, nearly 50% of all debit card payments were contactless (2016: 24%). There are big differences between sectors. The [hospitality sector has embraced](#) contactless more than any other; at present, almost 80% of all debit card payments here are contactless.



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It is now possible to pay contactless at four out of every five payment terminals in the Netherlands. This was two out of every three in 2016. Every terminal must be able to accept contactless payments by the year 2020. Nearly 23 million bank passes and smartphones are suitable for making contactless payments. This means that just under 90% of all payment cards are contactless. Everyone who wishes to pay contactless is now able to do so.

Most contactless payments in 2017 were in supermarkets, with a 35% share. Almost 16% of all contactless payments took place in the hospitality industry. Catering and vending together accounted for 17% of all contactless payment transactions.

Money back via debit card refunding on the rise

When returning a purchase, consumers are increasingly getting their money back electronically through a debit card refund. Three large Dutch banks offer debit card refund facilities to their business customers. Debit card refunds offer major benefits for both consumers and retailers. For example, retailers no longer have to keep extra cash in the till for



refunds and consumers receive the money back in their bank account quickly. Debit card refunding is particularly popular in the non-food retail sector and in situations where a deposit has to be returned. In September, Lidl was the first supermarket to introduce debit card refunds.

After a modest start in 2014, with 85,000 debit card refund transactions, the number has now risen, to nearly three million in 2017. In 2017, the average amount for debit card refund transactions was 50.36 euros. It has been around this amount ever since the introduction of debit card refunding.

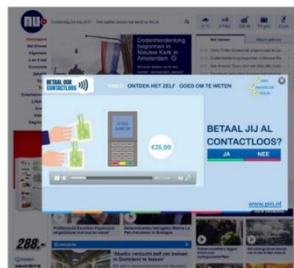
Surveys have shown that businesses and customers are positive about debit card refunding. Last year, 12 percent of stores that accepted returned goods offered this service; now, the figure is 22 percent. Some 60 percent of consumers are now familiar with debit card refunding. Around one-fifth of all consumers have actually used the facility. People in the Netherlands generally view reverse debit card transactions positively, and particularly appreciate the simplicity and safety. It is therefore expected that it will continue to spread. Radio commercials were broadcast at various times in 2017 in order to bring debit card refunding to a wider audience. A press release on the subject was also published.

Communication and information

In 2017, the focus of the national 'Debit card? Yes, please' campaign shifted to promoting contactless payments. The campaign is a joint initiative by the Dutch Payments Association (which is heading the campaign), the Foundation for Promoting Efficient Payments, banks, umbrella organisations of retailers, and international card organisations. The campaign is being promoted on television, on the internet, in advertisements, by promotional teams across the country (during the Four Day March ('Vierdaagse') parties in Nijmegen, for example), and using free publicity.

Promotional material has also made the campaign visible at point-of-sale locations.

In 2017, the commercial featuring contactless payments was altered, with a new ending. The message is that contactless payments are fast, safe, and easy, and the commercial is designed to encourage paying contactless.



The focus on security is a result of the impact assessment that was held after the initial campaign period in 2016. The impact assessment gave positive results for brand familiarity and recognition, but only half of consumers regarded contactless payments as safe and one third did not trust them. Notably women had reservations about contactless payments. In addition to the slogan 'snel, safe en simpel' ('fast, safe, and easy'), a cartoon explains the safety aspect of contactless payments.

The cartoon was launched online in the second quarter. Also a promotional team present at the Libelle Summer Week in May informed visitors about contactless payments, at Share a



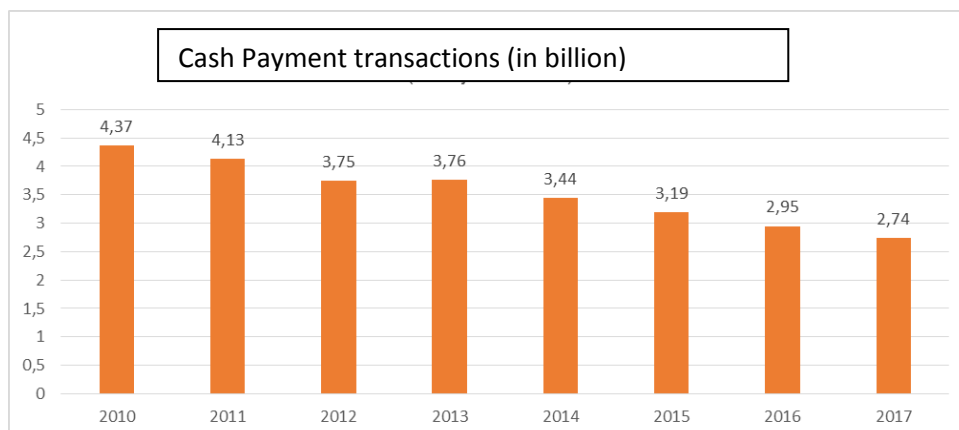
Perfect Day in late June, early July. It was clear from the questions people asked and the discussions that took place that people were much more familiar with contactless payments than last year. For many visitors, contactless paying was nothing new. Therefore it was possible to focus on misconceptions about security.

The national kick-off of the Collecte 2.0 project took place on Thursday 31 August in the Olympic Stadium in Amsterdam. This pilot is a unique partnership involving Stichting Collecteplan, Easycollect Services, CCV Nederland, more than twenty collecting funds and SBEB/Dutch Payments Association, for the purpose of providing information for collectors. The collection box is suitable for cash, debit card transactions, and contactless payments. The aim was to establish the extent to which electronic payments affect donations. The initial experiences appeared positive: the average revenue for each box was considerably higher than that of the 'regular' collection boxes. The response of donors on their doorsteps and the experiences of collectors were also positive. Much interest has been shown in the new collection box. That is why it will be available to every licenced collector from 2018.



Accessibility to cash

Although the use of cash is slowly declining, and debit cards were used more than cash for purchases at point-of-sale locations for the first time in 2015, cash is still used extensively.

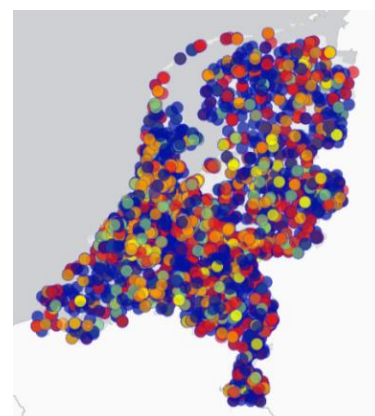


The reduced use of cash has led to the number of bank ATMs being gradually cut back since 2008. Other facilities – such as bank branches with tellers – are also being scaled back. In spite of these developments, the Interim Report on the Accessibility of ATMs and Deposit Facilities of 2017 by the National Forum on the Payment System suggests that cash was as accessible in 2017 as before. Compared to 2016, the number of cash withdrawals from ATMs fell by 7.8% in 2017. The total amount withdrawn decreased by 4.4 percent.

The accessibility of cash withdrawal facilities in rural areas has become a subject of social and political debate. The Payments Association is committed to working with its members to keep ATMs in more sparsely populated areas accessible and efficient. The [distribution of ATMs is analysed regularly](#). In mid-2017, some 99.58% (in 2016: 99.63%) of 6-character postal code areas had access to a bank or non-bank ATM within a five-kilometre radius.

The Payments Association is the national notification point for areas having difficulty accessing cash. In consultation with its members, customised solutions are being implemented based on an analysis of the local situation.

To prevent new issues, the Payments Association uses an information system for individual members that enables them to see which ATMs are geographically essential to maintaining the current high level of accessibility. Finally, members notify the Payments Association of any proposed changes to their ATM network, in order to assess in advance the combined effect of the different members' plans and whether these plans could lead to any issues. A number of situations of this type was tackled in 2017 and resolved following consultations with relevant social parties.



ATM coverage (2017) based on 5-kilometre radius norm



ING, Rabobank, and ABN AMRO have launched a plan for a single ATM network that covers the whole country. De Nederlandsche Bank and Geldservice Nederland (GSN) support the plan. The parties are examining whether there should be one standard ATM model, from which people may withdraw the maximum amount or make deposits regardless of which bank they have an account with. They are also looking carefully at safety and accessibility for vulnerable groups. The first ATM via this platform is expected in the middle of 2018. The Payments Association supports this initiative by the three big banks to jointly put their ATMs and deposit facilities under the stewardship of Geldservice Nederland (GSN). This way, ATMs in thinly populated areas can remain accessible in the future and be run efficiently. The Payments Association is committed to involving its members and stakeholders with this development.

Early adopters use their phones to make contactless payments

Mobile contactless payments were possible at the start of 2017 with ING, Rabobank, and ABN AMRO, by the end of the year they were joined by SNS, RegioBank and ASN Bank. A suitable Android device and a mobile payments app from the bank are needed for mobile contactless payments. The app is sometimes referred to as an e-wallet.

In 2017, the number of e-wallets rose sharply, by 190%, from 150,000 to 433,000. With 433,000 wallets, 11.5% of the potential of 3.75 million bank clients (people who could make mobile payments) have been reached. Mobile payments are still in the early adopters phase.



This growth has partly been achieved as a result of various promotional activities the past year. One important item was an online video campaign for young people aged between 16 and 25 who extensively use their Android devices on the internet (social media, games). With the help of a video and the slogan 'Pay with your mobile. Always easy', this target group was made aware of the possibility of mobile payments. At the same time, the group was invited to download the bank's app from the Google Play Store. The campaign was well received, and the video was perceived as eye-catching and as a call to take action. This resulted in an above-average number of clicks on the Google Play Store.

General awareness of mobile POS payments is still relatively low; only just over half of the target group know what it is. Attitudes towards mobile POS payments are generally neutral. In order to raise awareness and improve attitudes, promotional activities will again be held in 2018 in the form of an online campaign and at certain locations, company restaurants, and schools of further education. For 2018, the aim is to have 750,000 registered e-wallets.

In addition to promoting mobile POS payments, 2017 also saw a focus on correctly using mobile payments. In that context, various supply chain tests took place in 2017. A few problems that occurred have been satisfactorily resolved thanks to the cooperation of banks, the providers of terminals, and the suppliers of devices. A year-end evaluation showed that paying by mobile has matured. Although it is expected that the need for supply chain tests could diminish in 2018, it has nonetheless been decided to maintain the test environment. Tests can be carried out in relevant cases and any problems recorded with the parties involved. The Payments Association will have a coordinating role in this.

Finally, four stakeholder meetings about mobile payments were held in 2017. Parties in the supply chain were given specific information about test results. Outline developments concerning mobile payments were also discussed. Mobile payments were also regularly covered in the Card Payments Forum, in which the demand side of the market is represented as well.

Internet payments and online identification

Pay-after-delivery payment instruments are becoming more widespread, but iDEAL remains the most important payment instrument on the internet

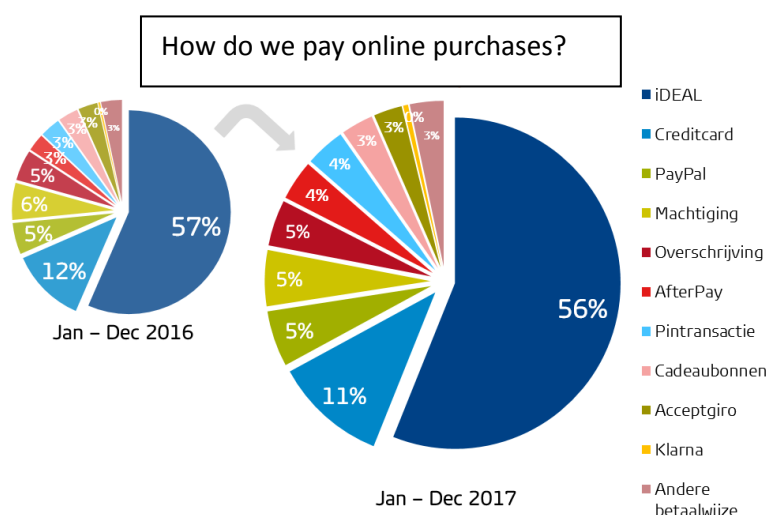
On the internet, iDEAL was again the leading payment instrument in terms of numbers of transactions in 2017. Besides iDEAL, important online payment instruments are credit cards, PayPal, and applications for paying afterwards. Other instruments, not specifically related to paying on the internet, such as credit transfers, debit card payments, and direct debits are used for internet purchases, albeit to a limited degree.

In this chapter, we analyse the main developments for these payment instruments. In doing so, we rely on information from Currence (iDEAL owner), MasterCard, VISA, PayPal, American Express, and AfterPay, as well as on data from the eCommerce Payment Monitor, a market survey of GfK, Thuiswinkel.org, and iDEAL.

Paying for online purchases

There is a greater variety of payment solutions on the internet than there is at points-of-sale. In 2017, Dutch consumers made almost 202 million purchases on the internet, worth a total of 22.5 billion euros. The online purchases of goods and services grew by 13 percent compared to 2016. In 2017, some 22 percent of all purchases were made online. This is apparent from research by Thuiswinkel.org into online consumer spending¹².

By far the most online purchases at Dutch online shops were paid with iDEAL. The iDEAL market share in eCommerce has been stable, at 56%, for several years now. The rate at which iDEAL is accepted is high - in 2017, it was possible to pay using iDEAL at 81% of all online shops. Among the large online stores, it is almost 100%.¹³ At the same time, iDEAL was not used for making payments in Dutch online stores in more than two out of every five cases. Credit cards have the next greatest market share (11%) here, but PayPal and providers of applications for pay-after-delivery payments are also meeting part of the market demand (see pie chart).



Source: eCommerce Payment Monitor 2017, GfK, Thuiswinkel.org, and iDEAL

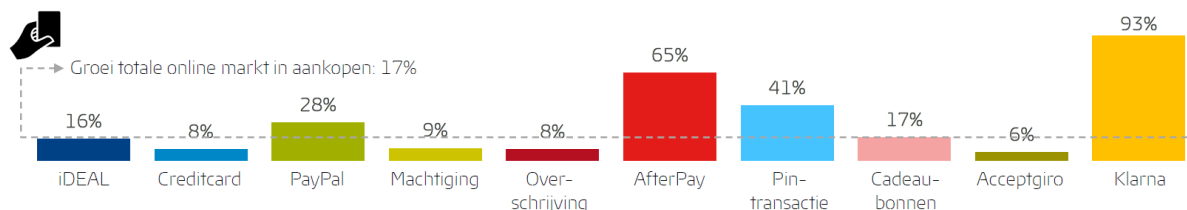
Sometimes, consumers prefer to pay retrospectively. This is the case if they do not yet know the online store, for example, or if they are ordering more than they plan to keep. This type of purchases is present in the fashion and shoe sectors in particular. Payments with Acceptgiro are being replaced more and more by payments with new retrospective payment solutions like AfterPay and Klarna. At 6%, these payment methods' share is relatively limited, but they were used much more frequently in 2017 (see graph). In addition to specific retrospective payment

¹² UNCTAD B2C eCommerce Index, 2017 <https://www.thuiswinkel.org/kennis/publicatie/19/thuiswinkel-markt-monitor>

¹³ Source: Betaalmogelijkheden webwinkels 2017, Boom marktverkenningen, on behalf of Currence, February 2018

solutions, there are also online retailers who offer a form of retrospective payment themselves, such as Bol.com and Wehkamp.

Growth in use of payment instruments compared to market growth of 17%



Source: eCommerce Payment Monitor 2017, GfK, Thuiswinkel.org, and iDEAL

PayPal also reports growth in the Dutch market: the proportion of PayPal payments increased by 28% in the past year, which means it is growing faster than the market as a whole. Its more widespread use with purchases in the media and entertainment sector is especially noteworthy; PayPal's share here rose from 7% in 2016 to 10% in 2017. In 2017, PayPal had more than 1.8 million active users, partly as a result of strategic partnerships and a focus on linking online sellers, including the largest Dutch e-commerce companies. PayPal also enjoys a reasonably high level of acceptance among online stores; it can be used to pay on around half of all Dutch online stores (according to the eCommerce research, having 'active retailers in mail order and internet' as registered in the business register as a sample).

Credit cards are accepted to a reasonable degree on the internet, with more than a quarter of all Dutch online stores accepting either MasterCard, VISA, or American Express. As well as payments, these brands offer certainty for consumers (such as protection against fraud and insurance for purchases) and support a variety of transaction types. Single and repeat payments, bookings, and refunds to card holders are all supported. In the case of subscription services like Netflix and Spotify, but also with platforms that prioritise a good mobile user experience, such as Uber and Deliveroo, credit card payments are a key payment option.

PayPal and American Express enter into direct relationships with their end-users. Whereas American Express has its origins as a card solution, PayPal's roots lie in the internet. Both are now active on the internet and in the physical world.

The iDEAL payment method is used more broadly than just for Dutch internet purchases. At 378 million transactions, there were far more iDEAL payments in 2017 than the total number of purchases on the internet (202 million). Non-Dutch e-commerce payments include those for purchases from foreign online stores, payment for transport, in the public sector, and donations to charities. iDEAL is also used for settling other payment methods like AfterPay, Klarna, and

the like. In 2017, the use of iDEAL for C2C¹⁴ payments with Tikkie, Betaalverzoek, and such grew considerably. More information about iDEAL can be found in the [Currence annual report](#).

Transition from iDIN to Currence

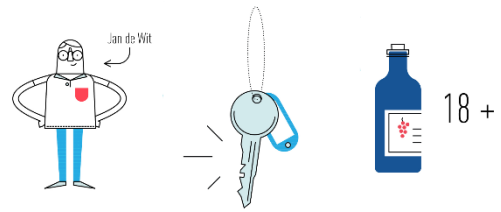


iDIN is an identification method that has been developed by the banks in collaboration with the Dutch Payments Association. With iDIN, people can log in online securely and reliably to companies or organisations, or submit their tax returns using the trusted and secure log-in resources of their own banks (e.dentifier, TAN code, scanner, random reader, digipas or identifier). iDIN became a part of the Payments Association in mid-2017. Currence then acquired Currence Holding iDIN. For a detailed report about the activities of iDIN, please refer to the [Currence annual report](#).

After the market introduction of iDIN in late 2016, it was made available on a broad scale. With iDIN, customers can log into different organisations using the log-in resources of their own banks.

¹⁴ C2C stands for Consumer to Consumer

- identification
- logging in
- confirming age



Thanks to iDIN, organisations can be certain about the identities of online customers and digitise paper processes. Companies can use iDIN to offer a broader range of online services because it gives certainty about people's identity, is secure, and safeguards privacy.

iDIN meets various security and privacy requirements

- ✓ eIDAS (substantial)
- ✓ Anti-Money Laundering and Counter-Terrorist Financing Act compliant
- ✓ General Data Protection Regulation (GDPR)
- ✓ iDIN rules and regulations set up by Scheme

Finally, iDIN has been positively assessed by an external agency that specialises in privacy.

To be able to use iDIN, merchants conclude an iDIN contract with their bank or a Digital Identity Service Provider (DISP). Private clients of the participating banks can use iDIN directly. They do not need to take any specific action.

In 2017, the focus was on connecting merchants and stabilising and improving the product. These efforts have certainly borne fruit. More than 25 merchants, in various sectors, and two DISPs already offer iDIN. Other companies are also in the process of implementation.



Piet Mallekoote, director of the Dutch Payments Association (bottom left) awards the first iDIN licence to Hans de Wolff, Director of Retail Banking of Triodos Bank

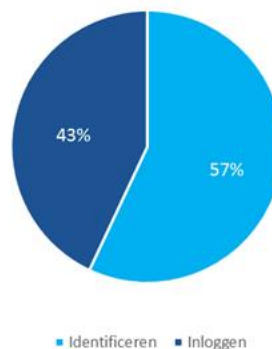
Triodos Bank became the first iDIN licensee on 17 May 2017. ABN AMRO, ING, Rabobank, SNS, ASN Bank, and RegioBank also became licensees in 2017.

Examples of where iDIN is used include logging into My environments, online identification for taking out insurance cover, mobile subscriptions and mortgages, and online requests for credit registration. iDIN ensures among other things that processes and customer journeys run more quickly and that paper processes are no longer needed, thereby reducing costs. In December 2017, 57% of iDIN transactions were carried out by

customers for identification purposes and 43% for logging in. Age verification using iDIN is still rare, but it has potential when it comes to online purchases of alcoholic beverages, for example.

Almost half a million successful iDIN purchases were made in 2017. iDIN can be used for logging in for submitting tax returns. This happened around 40,000 times in 2017.

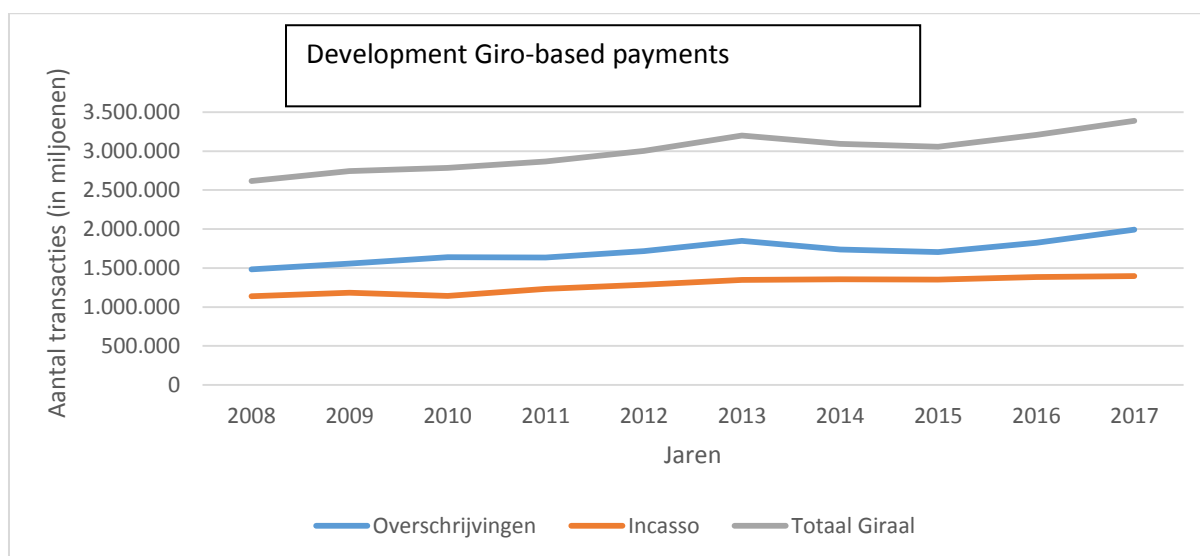
Shares login transactions (left) and identifications (right), December 2017



Giro-based payments

Giro-based payments are socially important

The giro-based payment system involves very many money transactions. There are more than nine million every day. According to [figures from DNB](#) on retail payments, 3,388 million giro-based payments were processed in 2017. There were 1,395 million direct debits (41%) and 1,993 million other giro based transfers (59%). The number of direct debits and transfers have grown on average by 2.3% and 3.5% respectively over the past ten years.



Consumers and commercial partners can be sure that their giro-based payments are transferred quickly and correctly to the intended recipient. This is done on working days, usually within 90 minutes and no later than the next working day. Giro-based payments in the Netherlands are carried out (on working days) much more quickly than in many other countries. But it could be even quicker. The Netherlands is taking significant steps towards achieving Instant Payments. This innovation has resulted in consumers and commercial partners will enable to make digital 'real-time' payments to each other 24 hours a day, 365 days a year, in the Netherlands and all across Europe.



Worldwide, the Netherlands has one of the highest rates of internet penetration. In recent years, the use of mobile bank apps via smartphones and tablets has risen; increasingly frequently, this is completely replacing the use of 'traditional' internet banking on a desktop or laptop. In 2017, 84% of customers used internet banking and

57% mobile bank apps¹⁵. Other developments are bridging the gap between 'old-fashioned' and new payment possibilities. With some banks, mobile phones can be used to scan paper Acceptgiros, which are then immediately converted into a digital payment order. In 2017, consumers submitted just 1.2% of payment orders on paper.

The introduction of digital e-mandates, which allow consumers to issue, entirely digitally, legal mandates to payees for carrying out recurrent or one-off direct debits from their bank accounts, is one development that is contributing towards the efficient and reliable payment system to which the Netherlands has become accustomed. More information about e-mandates can be found in the [Currence annual report for 2017](#).

Structural coordination with stakeholders makes valuable contribution

The Giro Stakeholder Forum (GSF) facilitates the exchange of information between providers and users concerning developments in giro-based payment transactions. One theme that is relevant to many areas is the continued digitisation of the payment system while ensuring accessibility for all users of payment services. Consumer and business organisations, banks, large payees, and payment processors take part in the Giro Stakeholder Forum. A properly functioning payment system is in the interests of each of these parties and they are all keen to make an active contribution. The participants value the GSF as a platform without direct commercial interests that holds collective discussions on issues, the needs and capabilities of giro-based payments.

With new developments too, as with Instant Payments, the stakeholders are involved from the very beginning and invited to give their input. As well as feedback from the supply side on the plans, it also means that market players can prepare for any forthcoming changes in good time.

¹⁵ Vertrouwensmonitor banken 2017, Dutch Banking Association

Payment request apps used more and more often

C2C payments are one of the factors resulting in smartphones being used more and more often for making payments. Various solutions have been launched in recent years in the Netherlands that enable consumers to make simple payments to each other, known as payment requests. One successful



example is Tikkie, an app launched by ABN AMRO that has now been downloaded by around two million people in the Netherlands. Other banks too offer possibilities to their clients via their mobile apps to make payment requests. This allows consumers to request money from other consumers when they want to settle up a joint lunch or gift. Payment requests can be easily shared on social media, such as WhatsApp. The payer is then taken to a payment page where he can pay the amount using iDEAL. Thanks in part to changes in legislation (PSD2) and in infrastructure (Instant Payments), the importance of payment services offered via smartphones is expected to rise in the years to come.

Towards real-time payments, 24/7 and 365 days a year



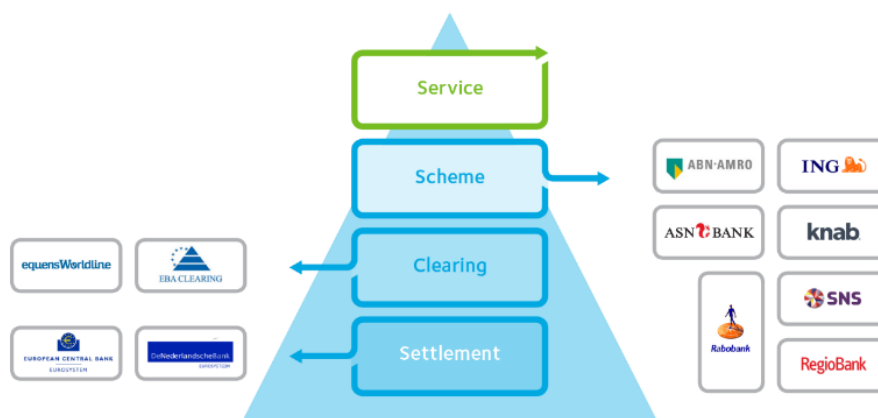
After the successful introduction of SEPA, Instant Payments involving real-time debits and credits will become the norm in the next few years. Dutch providers of payment services are working under the leadership of the Payments Association on the development of the new infrastructure for real-time

payments (Instant Payments). With Instant Payments, transfers are immediately debited from the payer and credited straight away onto the account of the payer. This is the case even if the latter has an account with a different bank, either in the Netherlands or elsewhere in Europe (SEPA area). This new infrastructure will be available continuously, 24 hours a day, 365 days a year. Even at weekends and on public holidays.

The construction of the infrastructure that will allow Dutch providers of payment services to offer Instant Payments is in full swing. Much work behind the scenes in the past two years to make this possible. Stakeholders are actively involved and informed. Their input has been incorporated in the requirements. End-to-end testing will start in mid-2018. After a pilot, Instant Payments will be rolled out in the first half of 2019. This will then become the new way of making direct digital payments. The Dutch ambition is to make Instant Payments the new standard for all simple payments via mobile and internet banking. From the broad-based market introduction in early 2019, large numbers of transactions will be processed from the very beginning and that requires meticulous preparation.

In Europe, Instant Payments have been operational since November 2017 based on the optional SEPA Credit Transfer Instant Scheme Rulebook (SCT Inst) that was published by the European Payments Council (EPC) in November 2016. The Netherlands is introducing Instant Payments collectively, as are Spain and Belgium. Some individual Dutch banks have offered the European Instant Payment to their clients since late 2017 for cross-border transactions. The Rulebook is the standard for all Instant Payments in euros. Unlike the current standard for giro-based transfers (SEPA Credit Transfer – SCT), participation in SCT Inst is not compulsory. In the Netherlands, most banks have stated their intention to introduce Instant Payments, which means it will be widely available from the start.

In the Netherlands, Instant Payments will be processed within five seconds (end-to-end) and there will be no common maximum amount for each payment. This means their ambitions go beyond those of the European EPC standard, which assumes a speed of ten seconds and maximum amount of €15,000. The Payments Association expects Instant Payments can be applied widely and that use of the new infrastructure will increase rapidly. As a result, Instant Payments will evolve into the new payments system norm.



*Parties involved
with Instant
Payments in the
Netherlands*

Public focus on erroneous transfers

Every year, many billions of payments are processed quickly by Dutch banks, without a hitch. Under European law, banks process payments on the basis of the 'self-checking' IBAN

number¹⁶. The amount is essential during processing. The remaining data in the payment order is present only for the information of the payer and/or the beneficiary.



Erroneous transfers are payments made to an unintended IBAN bank account number by mistake or because the payer has used an old bank account number into which to make the payment. This is known as an undue payment, that the payer can claim back. The payer can ask his bank to apply the Undue Payments Procedure (POB). As a result, the payee transfers the undue payment amount back, or the payer receives his details so that he can reclaim the money himself. This may involve taking legal action by the payer, if necessary.

Banks have taken measures and will take further steps in 2018 to support payers preventing payments to the wrong IBAN. One such step is the introduction of the [innovative IBAN name check](#). This was introduced by Rabobank in 2017 and will be adopted by other banks in 2018.

Switching service increasingly digitised

It was decided in 2004, in consultation with the Dutch government, to establish a Switching Service¹⁷. The Switching Service, which is highly rated by consumers and SMEs¹⁸, makes it easy to move from one bank to another. Since 2016, the European Payment Account Directive (PAD) has stipulated that member states must have a national switching service.



In the Netherlands, the Switching Service means that for 13 months, credit transfers and payments from the old payment account are automatically forwarded to an account with another bank. Companies attempting to collect direct debit payments are also automatically informed about the account changes. On average, 80,000 consumers and businesses use the Switching Service [www.overstapservice.nl] every year. ING, SNS Bank, ASN, Bunq, and Knab have now completely digitised their application processes for clients wishing to switch (including digital signature). As a result, applications by consumers and businesses to use the Switching Service have become easier and more customer-friendly. We expect other banks to

¹⁶ The IBAN contains a control number based on an algorithm (the so-called Modulo 97 test). This makes it possible to check whether or not an IBAN is valid.

¹⁷ The interbank Switching Service Covenant, which is managed by the Payments Association, contains the agreements on this subject.

¹⁸ The Switching Service is a joint initiative undertaken by banks in the Netherlands. In the Netherlands, the Switching Service means that for 13 months, credit transfers and payments from the old payment account are automatically applied to a new or existing account with another bank. Companies attempting to collect direct debit payments are also automatically informed.

quickly follow suit. In 2017, the product terms and conditions were simplified and drawn up in language that is easier to understand. The new general terms and conditions and application forms for the Switching Service (private and commercial) took effect on 1 February 2018.

Alias conversion for IBAN

Linking an alias, such as a mobile phone number or email address, to an IBAN increases convenience for consumers. Dutch banks offer this facility. In a number of neighbouring countries the use of aliases (limited in many cases to payments with a mobile phone) for IBANs for C2C payments is permitted.

It is often assumed that the use of an alias is an alternative to the switching service. The idea is that when switching from one account to another, the alias can remain the same, while the underlying IBAN is the only thing to change. However, this requires a routing and administration of all the links between IBANs and aliases. An additional factor is that aliases do not currently represent an alternative to IBANs for commercial payments by consumers (such as direct debits) or received payments (such as salaries). This would require a completely new accounts system for commercial market players, leading to a costly and time-consuming project similar to the introduction of IBAN several years ago.

At European level, interconnection of alias systems is a subject on the agenda of the European Payments Board (ERPB). The Payments Association is following these developments.

Less paper

The giro-based payment system is becoming more and more digital. In 2017, consumers submitted just 0.6% of giro-based payment orders on paper. In 2005, this figure was 10%.

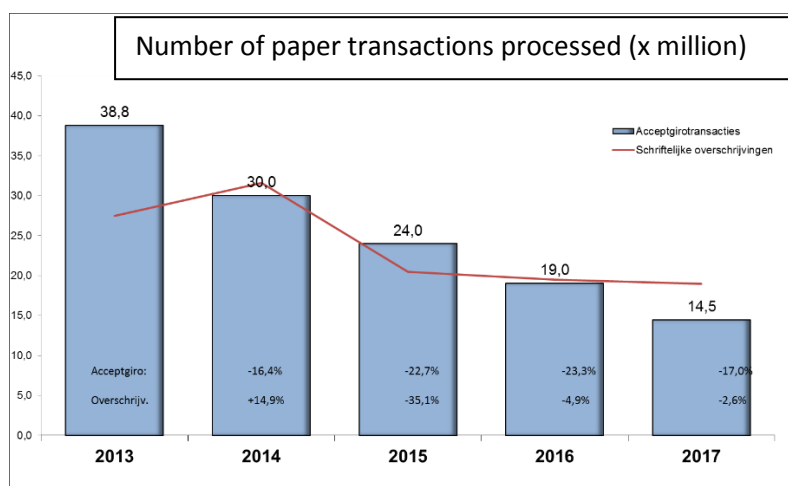
Very few consumers still use bank transfer slips that they send by post. The convenience of internet and mobile banking has resulted in far-reaching digitisation. In 2014, some 31.6 million transfer slips were filled in by hand. The following year saw a sharp drop to 20.5 million, while the figure for 2017 was 19 million.

The number of Acceptgiros is falling even faster. The [number of paper Acceptgiros](#) processed in 2017 was 14.5 million¹⁹. This was a decrease of 24.1% compared to 2016 (19 million), while the decline in 2016, compared to 2015, was 20.6%). Payees and consumers are paying with Acceptgiros less and less and moving to more efficient payment methods, such as the European direct debit and iDEAL. Additionally, increasingly fewer online retailers, public sector organisations, and other large payees are offering Acceptgiro as a payment option. Acceptgiros are currently used relatively often for fundraising campaigns



¹⁹ The number of counted Acceptgiro payments is based on the number of paper Acceptgiro forms processed by UPSS that is reported every month to the Payments Association.

and for paying taxes and similar levies, such as property taxes and water taxes. For more information on this, see the [Currence BV annual report](#).



From figures from the seven largest Dutch banks, it appears that no fewer than nine out of ten Acceptgiros were paid using internet or mobile banking. In 2010, the figure was 71%. A contributory factor to this is the growing popularity of mobile banking apps, which enable clients at certain banks to scan Acceptgiro forms and to pay them without having to enter any data.

Last ten digits of NL IBAN cannot be used separately from 2020

From 2020, every Dutch bank will be able to freely determine the last ten digits of any new IBAN. Until now, the last ten digit were allocated from a central Dutch stock of unique ten-figure numbers that had to meet the eleven test²⁰. This will no longer be the case from 2020, as a result of which these final ten IBAN digits will no longer be guaranteed to be unique. An information campaign was started in 2017 to enable stakeholders to make changes to their administrative systems and payment processes in good time.

Dutch IBANs of eighteen figures and letters may, from 2020, no longer be abbreviated to the last ten digits. Conversely, old Dutch account numbers of ten digits or less can no longer be automatically converted into complete IBANs. If this does happen, it could lead to errors occurring when payment orders are processed. Each Dutch



²⁰ The eleven test (11-test) is a test that was carried out in the Dutch electronic payment system on nine and ten-figure Dutch bank account numbers before the introduction of IBAN to verify whether account numbers are genuine.

IBAN of eighteen digits and letters will remain unique. Moreover, all valid IBANs already comply with the Modulo 97 check²¹. Because the last ten digits of each Dutch IBAN will no longer be issued centrally and because of the abolition of the eleven test, the Netherlands will be fully in compliance with the international IBAN standard from the year 2020.

This change does not affect private-citizen account holders. There will be no changes to existing IBANs. Commercial parties may well notice certain effects. Following the introduction of IBAN in 2014, some administrative systems underwent only limited modifications. Consequently, these systems only function correctly with Dutch IBANs, the last ten digits of which are unique to each bank account. Also, these systems are still applying the eleven test. These systems will have to be modified by 2020 so that complete IBANs can be correctly processed everywhere in the same way. The Payments Association is calling on commercial users and software companies to check their systems and processes in good time and to make any changes as necessary.

Being fully aligned to the international IBAN standard is necessary in order to meet the increasing demand for account numbers. With this new approach, every bank or payment institution will soon be able to issue IBANs themselves, while IBANs of accounts that have been closed do not have to be reused for a long time into the future. This expansion will allow companies in particular to manage their cash flows more efficiently, with the option of using multiple virtual bank accounts.

FiNBOX discontinued

FiNBOX enabled organisations to send invoices and other financial documents digitally to users of internet banking services. Many organisations now have their own solutions for sending their financial documents, such as a 'My environment'. Additionally, it is increasingly easy to pay bills using iDEAL or by direct debit, for example. That is why the banks – individually – have decided to discontinue using FiNBOX. FiNBOX was discontinued in April 2017.

²¹ The IBAN is 'self-checking'. This is because of the check that is integrated in IBAN based on the mathematical Mod-97 test. A control number (the two figures after the NL country code) guarantees that any typing errors will result in an invalid IBAN, so that the payment cannot be carried out.

Stability in the payment chain

More complex payment chain

Due to the sharp rise in the number of electronic payments, the stability of the payment chain has been an important theme for the Dutch Payments Association and its members for many years. To ensure that the payment system functions effectively, all the systems that make up the payment chain need to be available at all times. However, because the number of participants has increased in recent years, the payment chain has become more complex. The Payments Association monitors the stability of the payment chain and takes action where necessary whenever certain parties cause a disruption in the chain.

Hardly any disruptions to point-of-sale payment systems

Demand-side representatives on the National Forum on the Payment System have expressed their confidence in the availability and stability of the debit card payment chain on several occasions. At over 99.9%, the actual availability of the debit card payment chain was once again high in 2017, according to market participants.

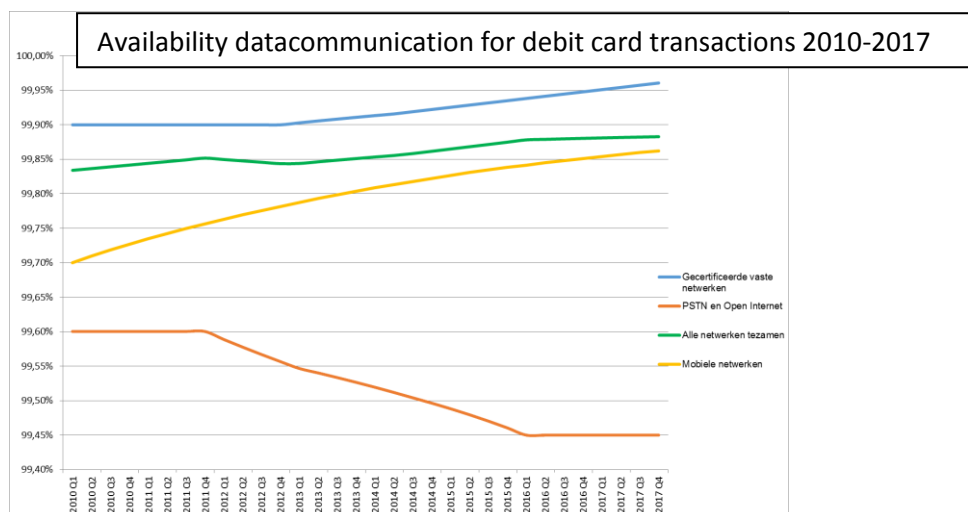


That means that for every thousand payment attempts, 999 were successful immediately. In 2017, no major disruptions occurred in the debit card payment chain. This was due to a continuous focus on preventing outages by all parties involved. DNB sets requirements for the availability of debit card payment options. The norm for late 2017²² was 99.76%, so it was easily met.

Although disruption in 2017 was minimal, occasional disruption can never be fully ruled out. Several years ago, the Dutch Payments Association developed the [CONNECT notification and information system](#) in order to minimise the impact of disruptions. Parties in the payment chain can use CONNECT to notify each other of any disruptions, as well as of any planned maintenance work. The notifications sent via CONNECT enable issues to be located and resolved rapidly. Additionally, CONNECT makes it easy to inform the market of the nature and duration of disruptions. Finally, market parties' are able to improve their schedules and coordinate their maintenance activities.

²²The norm for the end of 2018 has been set by DNB at 99.88%.

Most of the notifications sent through CONNECT relate to scheduled maintenance. The number of disruptions (POINT disruptions -debit card transactions over the internet- and other disruptions) fell clearly, from thirteen instances in 2011 to three in 2017. The disruptions had limited impact although every disruption, no matter how minor, is one too many.



As well as the three disruptions already mentioned, there were actually two others in the debit card chain, but these were unnoticed by consumers because two computer centres operate in parallel. During the disruption in one of the centres, payments were processed by the other. The Payments Association, in cooperation with all the parties involved, has conducted an impact analysis to determine whether further growth in the number of debit card transactions could be inhibited by any limitations in the processing capacity of one or more transaction-processing systems. It was concluded that there are no insurmountable barriers. The infrastructure is able to cope with the expected growth. This impact analysis will be updated every year.


Widespread availability of internet banking and mobile banking

There are no availability norms for internet and mobile banking, apart from the legal requirement that disruptions must be resolved within two hours. Thanks to the efforts of banks, including the upscaling of their capacity, the [availability of internet banking and mobile banking](#) to the public was greater than 99.8% throughout the year. This was more or less the same as the 2016 level, which was just under 99.8%.

The Payments Association publishes figures on the availability of internet and mobile banking on its website every quarter. Since 2015, bank-specific availability figures have also been
























included. The seven participating banks provide monthly information on the availability of their internet and mobile banking systems for this purpose.

Since June 2016, the Payments Association has published [real-time information about the availability of internet and mobile banking](#). Users can quickly check whether something is amiss across the country whenever they encounter problems with internet or mobile banking. The banks using this dashboard posted 93 notifications in 2017. In 48 cases it concerned scheduled activities, while the other 45 were complete or partial disruptions.








[Home](#)

AVAILABILITY INTERNET BANKING AND MOBILE BANKING

Last update: 18/05/2018 13:41

CONSUMER BANKS		
 ABN AMRO		
 ASN Bank		
 ING		
 Rabobank		
 RegioBank		
 SNS		
 Triodos Bank		

LEGEND

Internet banking	
Mobile banking	
Online	
Offline	
Planned maintenance	
Partial unavailable	

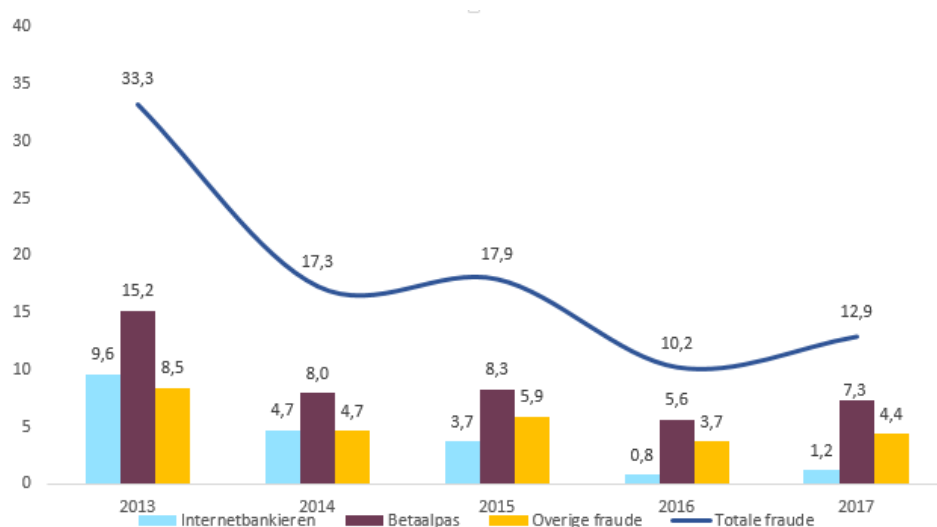
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Security in the payment system

Fraud in the payment system is rising somewhat, but remains low

In 2017, the overall level of fraud in the payment system rose slightly in comparison with 2016. In recent years it has fallen sharply, from 33.3 million euros in 2013 to 10.2 euros in 2016. In 2017, fraud rose to 12.9 million euros. From a historic perspective, however, the level of fraud is still low. The increase has been caused primarily by the greater level of fraud involving transfer forms and debit card fraud.

Fraud in the payment system, 2013 - 2017 (per year, millions of euros)



Seen from a European perspective, the security of the retail payment system in the Netherlands is relatively high. The steep decline in the level of losses due to fraud in the giro-based payment system shows that the measures taken by the banks (prevention, informing users, and collaboration) are effective. Although users of the payment system are more and more aware of security risks and are acting accordingly, there are still areas of concern. Banks are seeing an increase in non-banking financial fraud and internet fraud, such as scam emails, bogus apps, fraud in online trading platforms, fake invoices, identity fraud, and deception of financial employees of companies (known as CEO fraud). Consumers and businesses should remain constantly on their guard.

The most damage was caused by debit card fraud (7.3 million euros). This is 57% of the overall damage in 2017. In this category, the most prominent forms of fraud are those involving lost or stolen cards (3.5 million euros) and bogus card requests (2 million euros). The level of damage resulting from bogus card request has doubled.

Since Dutch banks started using 'geo-blocking' to block debit cards against fraudulent payments and cash withdrawals outside Europe, losses caused by skimming have stabilised at around 1.5 million euros (in 2012, this was 29 million euros). Most fraudulent cash withdrawals take place in Indonesia and the United States.

The 'other fraud' category (4.4 million euros) covers types of fraud such as 'card not present' (CNP)²³, credit card fraud, and fraud involving transfer forms.

CNP fraud amounted to 1.6 million euros in 2017. This was one of the few types of fraud to show a decrease - 9% - compared to 2016. The decline is possibly related to the growth in the number of online stores that support 3D secure²⁴. Fraud with transfer forms usually involves copies of forms that are filled in by the fraudster. The level of damage in this category quadrupled in 2017, to more than 0.8 million euros. This is not believed to be structural, but it is an indication that criminals are always on the lookout for new ways of committing fraud.

The remaining 2 million euros of fraud in the 'other fraud' category can be ascribed to the skimming of credit cards, for example, and fake direct debits.

Of the 1.2 million euros of internet banking fraud, the greatest form is, by a considerable margin, phishing (around 1 million euros). Fraud is also caused by malware.

Internet and mobile banking are secure

Losses resulting from internet banking fraud rose by 0.4 million euros in relation to 2016. However, at 1.2 million, this remains low. Consumers can feel safe using internet banking. Criminals now create very few victims using malware, but with phishing techniques they are still able to acquire log in details and security codes from some consumers. If this does occur, nearly every victim (96.7%) is fully reimbursed by his bank. The only time this does not happen is when a client has not observed the [five uniform security rules](#). The proportion of victims being reimbursed was a fraction lower than that of 2016 (98.6%).

²³ CNP fraud involves orders for goods or services being placed by post, telephone or the internet, using a credit card number, for example, by someone other than the lawful cardholder.

²⁴ Additional layer of security for credit card payments (such as MasterCard Identity Check and Verified by Visa)

In the Netherlands, no fraud has yet occurred through the banks' mobile banking apps. Nonetheless, the risk of mobile malware remains very real. Mobile devices like smartphones and tablets are now a permanent feature of our day-to-day lives. Cyber criminals are now able to offer apps in the official Play Store that have been fitted with malware. However, banks are constantly monitoring the payment behaviour of their clients using internet and mobile banking, and are getting better all the time at detecting fraud attempts. Clients themselves are also more aware of how to bank safely. The information campaigns by the Payments Association and the banks, and the media attention to these types of fraud are bearing fruit. The [‘Hang op, klik weg, bel uw bank’ radio and television campaign](#) was repeated in 2017. The campaign also featured on social media, at a meeting for senior citizens and during bus trips for senior citizens.



Collaboration and knowledge sharing continue to be important parts of the Dutch approach

The good working relationship and the sharing of knowledge and information between financial institutions, cybersecurity firms, and government bodies play an important role in curbing fraud in the payment system. The collaboration is aimed primarily at preventing and detecting cybercrime.

In order to remain one step ahead of the criminals, banks are therefore continuously investing in the security and availability of the electronic payment system. With the further digitisation of the payment landscape, it is of paramount importance that bank clients can continue to rely on secure and stable online services.

Dutch collaboration in the field of cybersecurity and the fight against fraud

The large number of actors involved, increasing internationalisation, the strict quality requirements and the large volume of transactions make the payment system extremely complex. PSD2, which will enter into force in 2018, will enhance this trend. Every payment chain is only as strong as its weakest link. [The links in the chain have to work together as a matter of necessity](#). The aim is preventing damage caused by disruptions, outages, or abuse of ICT, and - in the event that anything does go wrong - limiting the damage as much as possible and restoring services as quickly as possible. One of the objectives of the Payments Association is to keep the electronic payment system secure and reliable for the providers of payment services and their customers, at least at the present level.

Nationally, the Payments Association is working with others in the National Cyber Security Center and the Financial Institutions – Information Sharing and Analysis Center.

The Payments Association and its members share information and visions at a strategic level through the Chief Information Security Officers (CISOs) meetings, and at a tactical level through the Payments Association's Working Group on Security. Relevant knowledge and experience in the field of cybersecurity are shared and exchanged between the participants. Analyses of threats are carried out jointly, where relevant. This is done for mobile malware, for example. The analyses lead to recommendations to members to take measures to restrict fraud. This led to the banks being able to keep their mobile platforms secure. This national partnership is unique in Europe.

The Payments Association is also following developments relating to regulations that are relevant to cybersecurity. In 2017, for example, the Payments Association and its members responded to various consultations put out by EBA under PSD2. The directive for Network Information Security and the preparations and introduction of the General Data Protection Regulation were also important areas for attention.

The Payments Association [takes part in the Financial Institutes](#) – Information Sharing and Analysis Centre (FI-ISAC). Every year, the FI-ISAC draws up an Information Threat Monitor (the FI-ITM), which makes an inventory of the most important threats in the next one to three years. The FI-ITM identifies the most important incidents, vulnerabilities, and threats, and gives trends and best practices.

Some of the larger members participate in the [National Detection Network](#) (NDN). This is a public-private partnership that seeks to identify digital risks and dangers across the sector more rapidly and effectively. This concerns only the sharing of information about incidents that could potentially have a major impact. Two external parties provide cyber intelligence information (information about cyber threats) to the Payments Association and some of its members. In addition to monitoring for malware, suppliers also monitor for criminal apps. Where possible, signs that could indicate Advanced Persistent Threats are passed on. The members that use this service receive information to keep their own payment system secure.

International collaboration too

The Payments Association takes part not just in various national partnerships in the field of security, but at the international level as well. For example, the Association is a member of the European FI-ISAC. This ISAC brings together banks and the Computer Emergency Response Teams (CERTs) of the governments of many European countries. The European Network and Information Security Agency (ENISA), the European Cyber Security Center (EC3; part of Europol) and the FS-ISAC (Financial Services – ISAC) are also members. The [FS-ISAC](#) acts as an ISAC worldwide. It was created in 2016 and offers the Payments Association and its members a link to hundreds of international financial institutions. The effect is to strengthen our information position regarding fraud in other countries. This knowledge will enhance our members' resilience in relation to cybercrime and threats. Partly as a result of this, Dutch banks have encountered no successful attacks on their infrastructure.

New elements secure banking campaign

Two new elements were added to the secure banking campaign in the year under review. First, a folder about secure banking for SMEs was produced. After all, it is not just consumers, but also businesses who deal more and more with fraud caused by cybercrime. In order to keep the business sector informed about the methods used by cyber criminals, the Payments Association has issued a brochure about the most common forms of fraud. The brochure contains nine tips on how entrepreneurs can prevent fraud. The brochure was distributed among SMEs through trade organisations and trade publications.



Some consumers are concerned about contactless payments. For that reason, they continue to use regular debit card payments or pay cash. As all kinds of untrue stories circulate about how criminals manipulate contactless card remotely, the security measures relating to contactless payments were explained. Consumers were informed of what they themselves can do in order to keep contactless payments a safe option. Based on secure banking, the campaign was targeted mostly at more cautious audiences.

The end of the year saw the start of the development of campaign material designed to familiarise people with the safety of banking apps. [This campaign](#) will run from 2018.

Board and management

As specified in its statutes, the Dutch Payments Association's Board of Directors comprises nine members: three independent members, including the chairman, and six members who are affiliated with members of the Dutch Payments Association. Banks with a market share of more than 10% may each nominate a Board member. Members with a market share of less than 10% are together entitled to nominate a maximum of three members. Upon the establishment of the Dutch Payments Association, it was agreed that the three remaining seats would be allocated to medium-sized banks, smaller banks and payment institutions and electronic money institutions (EMIs).

On May 20th 2017, the board was composed of the following members:

The three independent board members:

- Lex Hoogduin (1956), Professor University of Groningen, chairman LCH Group, Non-Executive Director London Stock Exchange Group
- Henk van den Broek (1952), former Board Member of the Dutch Retail Council, Vice-Chairman
- Mijntje Lückérath (1968), Professor of Corporate Governance at Tilburg University/TIAS

Board members representing the banks:

- Vincent van den Boogert (1969), Chief Customer Officer of ING Netherlands, (appointed in the GMA (*Algemene Ledenvergadering – ALV*) June 7th 2017)
- Anne Marie Magis (1965), Managing Director Digitalisation Commercial Banking/Corporate & Institutional Banking at ABN AMRO (appointed in the GMA (*Algemene Ledenvergadering – ALV*) June 7th 2017)
- Alexander Baas (1966), COO of Volksbank, representing the medium-sized banks
- Edwin Hartog (1966), Head of Cash Management Corporates & MT member at Deutsche Bank Netherlands, representing the smaller banks
- Enny van de Velden (1961), CCO CCV/Chair of the Board of Directors CCV Group (representing payment institutions and EG (nominated to represent payment institutions and EGs *Algemene Ledenvergadering* June 6th 2018)
- Vacancy Board Member Rabobank

Board members who stepped down:

- Bart Schlatmann (1969), COO ING NL (until 1th January 2017)
- Karin Kersten (1970), Director Transaction Banking at ABN AMRO (until 1th May 2017)
- Henk Brouwer (1946), former Director of De Nederlandsche Bank, Chairman (until November 15 th 2017)
- Jeroen Verrijdt (1969), Director of Paying at Rabobank (until 1th February 2018)
- Michel van Westen (1967), Business Executive at Buckaroo, representing payment institutions and EGIs (until 1th February 2018)

Representatives of DNB and the NVB attend meetings of the board as observers.

The management team consists of:

- Piet Mallekoote (1954), General Director
- Gijs Boudewijn (1958), Assistant Director
- Marco Demmink (1961), Secretary

Governance

The Dutch Payments Association is a small and efficient organisation, which works to ease the burden on its members. It was set up as an association. The Dutch Payments Association comprises several organs:

General Members Assembly (GMA)

Parties on the supply side of the Dutch market that focus on corporate or private end users can become members of the Dutch Payments Association. They fund the Dutch Payments Association and can take part in the GMA. The GMA's primary activities concern determining strategy and approving the annual accounts.

Board of Directors

The Board of Directors takes substantive decisions on important issues, establishes policy frameworks and advises the Executive Board. Its other important duties include appointing and dismissing members of the Executive Board, approving the annual plan and budget, and monitoring how well the Dutch Payments Association carries out its tasks.

Executive Board

The Board of Directors appoints the Executive Board, which is responsible for operational organisation and day-to-day business. The duties of the Executive Board include drafting policy proposals, taking decisions regarding the admission of new members, developing the certification policy and monitoring compliance with regulations.

Advisory Council

The Advisory Council advises the Executive Board – on request or otherwise – on the Payment Association's policies and activities.

Working groups

The working groups are responsible for preparing tactical and operational policy, in collaboration with specialists from the supply side. The working groups can advise the Executive Board, both upon request and of their own initiative. The main working groups are Giro-based Payments, Cards, Cash Payments and Security. Other working groups are active in legal affairs and in communications information campaigns.

Appeals Board

An independent Appeals Board makes it possible to appeal against decisions regarding acceptance and certification when parties are unable to reach agreement with the Executive Board, the Board of Directors or the Appeals Committee of the Board (in that order).

List of members

April 22th 2018, the Dutch Payments Association had 52 members that provided payment services.

ABN AMRO Bank	CCV Group	LeasePlan Corporation
Acapture	China Construction Bank	Lombard Odier Darier Hentsch & Cie (Nederland)
Achmea Bank	Citco Bank Nederland	Mizuho
Aegon Bank	Citibank	MUFG Bank
American Express	CM	Nationale-Nederlanden Bank
Amsterdam Trade Bank	Commerzbank	Nederlandse Waterschapsbank
ASR Bank	Credit Europe Bank	NIBC Bank
Insinger Gilissen Bankers	De Volksbank (used to be SNS, ASN and RegioBank)	PaySquare
Bank of America Merrill Lynch	Delta Lloyd Bank	Rabobank
Bank of China	Demir Halk Bank	Société Générale Bank Nederland
Bank of Dutch Municipalities	Deutsche Bank	Svenska Handelsbanken AB
Bank of Scotland plc	GarantiBank International	Triodos Bank
Bank of Chaabi du Maroc	GWK Travelex	Van Lanschot Bankers
BinckBank	HSBC Bank plc	Volkswagen Bank
Bitsafe	Industrial Bank of China	
BNP Paribas	ING Bank	
Brandnewday	INGENICO Financial Solutions	
Buckaroo	KAS BANK	
Bunq	KBC Bank Nederland	



Dutch Payments Association

