

# ADVISORY GROUP ON MARKET INFRASTRUCTURES FOR PAYMENTS

## Mandate

### 1. Preamble and objectives

Safe and efficient financial market infrastructures are necessary for the reliable transfer of funds and securities, the smooth implementation of monetary policy and financial stability.

In line with the Treaty on the Functioning of the European Union and the Statute of the ESCB<sup>1</sup>, the Eurosystem has a keen interest in the prudent design and management of financial market infrastructures operating in the single currency. The Eurosystem provides financial market infrastructures for payment and securities settlement, engages in discussions with market stakeholders to facilitate the further integration of financial markets in Europe and oversees financial market infrastructures and payment instruments.

The Advisory Group on Market Infrastructures for Payments (hereinafter referred to as the AMI-Pay) shall assist the Eurosystem in promoting the smooth operation of financial market infrastructures, facilitating an active dialogue with market participants and financial market infrastructures, with a view to fostering financial market integration in the field of payments and to providing advice on market infrastructures managed by the Eurosystem and related projects.

### 2. Responsibilities and tasks

The AMI-Pay shall be responsible for exchanging views with, and advising, the Eurosystem on matters related to payments. It shall address, in line with user needs, all relevant aspects of the provision or modification of Eurosystem payment services of a strategic nature; provide advice to the Eurosystem on payment-related developments and their potential impact; and facilitate an efficient and effective interaction between the Eurosystem and the relevant financial market actors on matters of common concern, with an emphasis on:

- conveying user needs in the context of the provision and modification of Eurosystem payment-related services;
- providing advice on payment integration issues and their implications for the supply side, and acting as a “sounding board” for existing and future Eurosystem financial market innovation and integration projects;
- considering innovation-related issues in the field of payments;
- advising on the tools that Eurosystem infrastructures provide/could provide to support financial institutions’ liquidity management;

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<sup>1</sup> Protocol (No 4) on the Statute of the European System of Central Banks and of the European Central Bank.

- making suggestions of a strategic nature to ensure safe, efficient and effective European payment-related market infrastructures;
- discussing practical solutions and other issues of relevance for payments, e.g. strengthening the technical infrastructure of TARGET2 (T2);
- receiving input from T2 cash national user groups, which are to form the link between the national markets and the AMI-Pay.

### **3. Composition and term**

The AMI-Pay shall be composed of the Chairperson, the Secretary, full members and observers.

- The Chairperson shall be the Director General of the Directorate General Market Infrastructure and Payments at the European Central Bank (ECB).
- The Secretary shall be a highly experienced ECB staff member in the area of market infrastructures and is appointed by the Chairperson. The ECB shall provide the Secretary with operational and secretarial support.
- The Chairperson may designate an alternate to replace the Secretary in exceptional circumstances.

In order to foster financial market integration, it is essential that the representation of members and observers be balanced (including from a geographical point of view).

#### **Full members**

##### Users

- Up to 22 senior executive managers representing banks active in the European Union, with an emphasis on euro area banks with high volumes settled in TARGET2 (e.g. transaction bankers as well as treasurers). The aim is for the AMI-Pay to be broadly representative, meaning that its members shall include different types of credit institution (commercial, savings and cooperative), encompass small, medium and large institutions and markets, and reflect the various types of service provided to/requested by users. Replacements for user members who resign during a regular term shall be selected by the Chairperson based on applications received from the relevant industry organisation.

##### National central banks (NCBs)

- Senior managers representing the Deutsche Bundesbank, the Banco de España, the Banque de France the Banca d'Italia and eight other NCBs on a rotating basis<sup>2</sup>. In exceptional cases, other euro area NCBs may participate in meetings upon their specific request and with the Chairperson's consent.

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<sup>2</sup> Based on expression of interest

## **Observers**

### Financial market infrastructure providers

- two automated clearing house representatives nominated by the European Automated Clearing House Association (EACHA)
- one representative of CLS
- one representative of EBA Clearing.

### Industry associations

- European Banking Federation (EBF)
- European Savings and Retail Banking Group (ESBG)
- European Association of Cooperative Banks (EACB)
- European Automated Clearing House Association (EACHA)

### Others

- European Payments Council (EPC)
- European Commission
- One representative of the central banks forming the 3CB
- Eurosystem oversight function

The seniority and commitment of the AMI-Pay members are of core importance for it to be an efficient and effective advisory body. Members shall be expected to actively contribute to the work of the AMI-Pay, and their employers shall ensure that they have sufficient time to be actively involved in the AMI-Pay's work. The Chairperson may reconsider the membership of members who do not actively contribute and/or participate in three consecutive meetings. The aim is for the AMI-Pay's members to be active discussion partners for the Eurosystem and to encompass a wide range of actors and regions, with an emphasis on the euro area.

Full members shall be nominated for a renewable term of two years and are to be selected by the Chairperson after consultation with the Market Infrastructure Board (MIB) and the Market Infrastructure and Payments Committee (MIPC).

The Chairperson shall have the possibility to invite observers, including representatives of e-money and payment institutions, to attend the AMI-Pay meetings on an ad hoc basis. The AMI-Pay set-up and the outcome of its work shall be evaluated after two years.

## **4. Reporting**

The AMI-Pay shall provide advice and reports to the MIB and/or MIPC, depending on the issue at stake and in line with the respective mandates.

## **5. Working procedures**

The AMI-Pay shall work in an open and transparent manner. Documentation shall be published on the ECB's website to allow market participants not represented in the Group to follow the relevant discussions. The AMI-Pay shall liaise with T2 cash national user groups in order to form a link to activities pursued in national user communities. The MIB and the MIPC may provide general guidance to the AMI-Pay, either on their own initiative or upon request.

### Provision of advice

The AMI-Pay shall provide advice to the Eurosystem in relation to developments in the area of payments. Full members shall be entitled to take part in the AMI-Pay's provision of advice, while observers shall be entitled to participate in the AMI-Pay's meetings and discussions, but not in the process of providing advice.

The AMI-Pay's advice shall be adopted by way of consensus. Where consensus cannot be reached, the Chairperson may, after having an open and transparent exchange of views, assess the degree of consensus by asking for the views of its full members. The AMI-Pay's advice and the degree of consensus shall be communicated to the MIB and/or MIPC as appropriate. The Chairperson shall be entitled to take a position on the adoption of advice.

### Sub-structures

The AMI-Pay may establish sub-structures to support its work if it considers it to be necessary. It shall coordinate this with the MIB and/or MIPC in order to properly involve all relevant governance bodies and to avoid duplication of sub-structures on similar topics.

### Meetings

As a rule, the AMI-Pay shall meet at least twice a year. Ad hoc meetings may be organised where necessary, at the discretion of the Chairperson. The AMI-Pay shall aim to meet with the Advisory Group on Market Infrastructure on Securities and Collateral (AMI-SeCo) once a year to discuss topics of common interest.

In principle, meetings shall take place at the ECB's premises in Frankfurt am Main. Meeting dates shall be set and communicated to members and observers sufficiently in advance. The meeting documentation shall be distributed to members and observers at least five working days, and the agenda at least ten working days, before the meetings. In addition, the Chairperson may invite the AMI-Pay to provide its advice by other means, including by way of written procedure.

The working language shall be English. Full members and observers shall participate in person in the AMI-Pay meetings.