

De Nederlandsche Bank  
Oversight Dept  
Mr L. Strous RE CISA  
Westeinde 1  
1017 ZN AMSTERDAM

uw kenmerk	ons kenmerk	doorkiesnummer	datum
2002	WS/as/02b153	030-2835014	27 September
betreft			telefax voor dit
onderwerp			
Consultation round on Core Principles for retail payment systems			030-2835001

Dear Mr Strous,

In your letter of 9 July 2002 you invited us to comment on the ECB/NCB proposal to apply some of the Core Principles for Systemically Important Payment Systems to retail payment systems in euro.

Summarising we have come to the following conclusions:

- Interpay supports several types of (interbank) payment systems on which the standard for retail payment systems can be applied.
- The six selected Core Principles are, in principle, relevant to retail payment systems.
- Interpay believes that interbank payment systems in the euro area similar to Clearing and Settlement and Telegiro, could be designated as systemically important payment systems to which all ten Core Principles are relevant. Actually, we believe these two systems have been set up in line with the ten core principles.

The standard seems to have no consequences for the present (interbank) payment systems supported by Interpay.

Please find below Interpay's answers to the three questions posed in the letter, containing detailed comments on the (draft) standard.

***1. What is your opinion on the application of a selection of Core Principles to specific payment systems for retail payments in euro, even if these are not systemically important? Should the selected Core Principles also apply to other payment systems?***

Within Interpay, a distinction can be made between several payment systems, which are to some extent interrelated. The following retail payment systems can be distinguished at Interpay:

- PIN (debit card) payments
- ATM withdrawals
- Chipknip (prepaid card) payments
- Funds transfers
- Telegiro payments (urgent payments)
- Credit card payments (Mastercard, Visa, etc..)
- Internet payments (?)

With respect to the application of the said selection of Core Principles to various payment systems, we believe that the proposed six Core Principles have such a general and fundamental tenor that, with a view to the realisation of a reliable and safe payment system, the application of these six principles must be considered quite logical.

As for credit card payment systems, these are mostly governed by comprehensive domestic and international agreements applicable to brand members in the form of by-laws and regulations. Application of this standard to credit card payment systems carries the risk of overkill in terms of regulations and domestic and international oversight whilst, moreover, these systems can be classified as relatively small-scale.

In addition to the application of the six Core Principles to Interpay's payment systems, these six Core Principles could also be seen as relevant to banks' payment systems which although not as large-scale and multilateral as those of Interpay do have relevance for payment transactions.

***2. What is your opinion on the proposed selection of Core Principles to be observed in the case of specific retail payment systems? Is the selection adequate or should other Core Principles be observed as well?***

As for the processing of funds transfers and telegiro payments in particular, we are of the opinion that these interbank payment systems could be classified, according to the standard, as Systemically Important Payment Systems because of their economic and financial significance to Dutch and euro area interbank payments. This means that we regard all ten Core Principles as relevant to these payment systems both in the Netherlands and in the euro area.

***3. You are requested to describe instances or problems you expect to be faced with if these Core Principles are implemented.***

Interpay has broadly analysed the possible consequences of introduction of the standard for (systemically important) payment systems for retail payments in euro. This broad analysis has been made for the interbank systems Clearing and Settlement, Telegiro, PIN and Chipknip that are supported by Interpay. The tentative conclusion has been drawn that these payment systems comply with the six Core Principles and that the Core Principles can therefore be easily implemented as a standard. Yet, for an unambiguous objective assessment we deem it necessary that a fully detailed normative framework within the context of the Core Principles be made available to us.

Yours sincerely,

Interpay Nederland B.V.

W.J.B.M. Stolwijk RA

Chairman of the Executive Board