

CALL FOR PAPERS

Joint European Central Bank-Banca d'Italia conference The Digital Transformation of the Retail Payments Ecosystem

Dates: 30 November and 1 December 2017

Place: Rome, Italy

Deadline for submission: 1 May 2017

Background

This conference is the fifth in the series of high-profile retail payments conferences organised by the European Central Bank (ECB) in cooperation with a national central bank. These retail payments conferences have proven to be an excellent platform for bringing together market participants, policymakers, regulators and researchers to share experiences, research and policy analysis. This time, the conference will be co-hosted by the ECB and the Banca d'Italia and will focus on "The Digital Transformation of the Retail Payments Ecosystem".

Context

The retail payments ecosystem is undergoing material changes due to potentially disruptive technologies, new legal and regulatory requirements, innovative business models, new market entrants and changes in customer behaviour. These developments have the potential to foster competition among payment service providers (traditional ones and "FinTechs" alike), improve efficiency and drive innovation. Some of the most relevant developments in retail payments in Europe and beyond are instant payments, payment initiation services, person-to-person mobile payments, and contactless proximity payments. Digital currencies and distributed ledger technologies are still in their infancy, but they have the potential to substantially change the payments industry. In this context, the involvement and cooperation of relevant stakeholders are key to ensure the alignment of strategic objectives in a network industry such as the retail payments industry. The Euro Retail Payments Board (ERPB), which includes high-level representatives from both the demand and supply sides of this market and is chaired by the ECB, fosters the creation of an integrated, innovative and competitive market for euro retail payments in the European Union and deals with a range of topics that will facilitate the digital transformation of the retail payments ecosystem in Europe.

However, digital transformation brings challenges as well as opportunities. As proprietary (and in particular innovative) retail payment solutions compete for market share, there is a risk of fragmentation and a lack of interoperability. Avoiding the emergence of fragmentation in the European retail payments market is therefore an important point for the attention of all European stakeholders. Enhancing retail payment interoperability within countries and across borders is therefore high on the agenda, not only in Europe but also in many other countries and regions across the globe, as interoperability can contribute to increasing the efficiency of cross-border payments. Another focal point is the increased cyber risk in such a growing digital ecosystem. Retail payment infrastructures, payment service providers and end-users can be vulnerable to cyber attacks, which may become more frequent and sophisticated and require cooperation at a broad strategic level in order to effectively address potential security risks.

Objective of the conference

Exploiting the opportunities and mastering the challenges of the digital transformation requires a good understanding of the technological, social and economic factors that drive these developments in the retail payments ecosystem. The digital transformation of the retail payments ecosystem should ultimately give end-customers access to retail payment services that are not only fast and user-friendly, but also safe and cost-efficient. The objective is to improve authorities', academics' and practitioners'

understanding of how the digital transformation affects the retail payments ecosystem and to identify possible future developments and dynamics.

Conference themes – call for papers

The conference organisers invite authors – whether from academia, public authorities (including central banks), special interest groups or the private sector – to submit policy-oriented, theoretical and/or empirical papers. These papers should be original and clearly focus on digital retail payments, by covering at least one of the following three related themes:

Theme 1: Digital transformation of retail payments – instant payments, payment initiation services, mobile payments and digital wallets

- Economic effects and the impact on traditional retail payment business models of payment infrastructures, schemes and service providers
- User expectations and the adoption of innovative payment solutions
- Impact of instant payments on service providers and customers (e.g. in terms of settlement risk or liquidity management)
- Impact of regulatory changes (in particular the implementation of the second Payment Services Directive (PSD2) and payment initiation services) on incumbent retail payment service providers and new competitors

Theme 2: Transformation fostered by technological innovation – distributed ledger technologies, virtual currencies and evolution of correspondent banking

- Potential impact of distributed ledger technologies in general – and restricted versus unrestricted networks in particular – on the payment market structure and business models (e.g. traditional correspondent banking and cross-border payments, centralised payment infrastructures and legacy financial telecommunication networks) and the associated challenges
- The future of digital currencies (central bank-issued digital currencies, developments in the field of virtual currencies)

Theme 3: Challenges and opportunities of digitalisation

a) Innovation, competition and interoperability

- Role played by FinTechs in increased competition and innovation in retail payments
- Cooperation versus competition and interoperability in the field of digital payments (e.g. anti-trust and business implications, timing and market concentration considerations for authorities)

b) Compliance, security and privacy

- Potential of FinTech and “RegTech” innovations to meet anti-money laundering and know your customer requirements and effectively prevent fraud
- Cyber security challenges, cyber resilience of retail payment infrastructures, quantum computing and cryptography
- Role of trust in end-user acceptance of digital payments
- Use of big data and social networks for retail payments (e.g. targeted marketing, data privacy)

Extended abstracts of around 1,000 words (or preferably completed papers) should be in English. Each submission should include an abstract and the name and email address of a nominated author who could present the content or specific aspects of the paper. The deadline for submissions of extended drafts/papers is 1 May 2017. Papers should be sent by email in PDF format to the following two email addresses:

payments-conference-2017@ecb.europa.eu

and

payments-conference-2017@bancaditalia.it

Selection process and conference participation

All extended abstracts/papers submitted on time will be reviewed by the conference organisation committee with respect to their quality and broadness of interest/policy relevance, while also ensuring an overall balance of topics, stakeholder interests and approaches. The authors will be informed by the end of July 2017 as to whether or not their papers have been accepted. If a paper is accepted for presentation and discussion at the conference, the authors must submit a final draft of the paper no later than 1 October 2017. Authors also agree to have the submitted paper published on the conference website and to revise it based on discussion at the conference. Accepted and updated academic papers can be submitted for inclusion in the Banca d'Italia Discussion Papers following the conference. Travel and accommodation costs can be reimbursed for one academic speaker per accepted paper.