26TH WSBI WORLD CONGRESS

The prime networking event of saving and retail banks is back

Alexa in acta est. With a year delay due to the Covid-19 pandemic and four years after New Delhi, the World Savings Banks Institute community will get together again in Paris, France, on 7-8 of July.

The City of Light will welcome more than 200 high-level participants from the WSBI and ESBG vibrant member country community, decision-makers, representatives of the academic and business world and other relevant stakeholders. It will be a unique networking event, focusing on the global responsibility of regionally rooted savings and retail banks. Key focus areas of the two-day event will also include financial sustainability, innovation and digitalization, social responsibility, financial education and literacy as well as the Covid-19 pandemic temporary and permanent consequences as well as recovery plans worldwide.

The event will also mark the end of the current phase of WSBI’s Scale2Save programme for financial inclusion, a unique multi-layer initiative aiming to highlight the importance of small-balance savings and retail banks.

Central Bank Digital Currencies (CBDCs) and Crypto-currencies are on everybody’s lips. Their development will have a profound influence on our retail banking business. In this article, WSBI-ESBG Payments Adviser Alessia Benevelli gets valuable insight from a talk with Sofia Lindh Posse, Senior Adviser at Swedbank and chair of the WSBI-ESBG Task Force on Central Bank Digital Currencies.

Let’s start from the beginning. Can you briefly explain what CBDCs are and how are they different from cryptocurrencies?

CBDCs are a new form of central bank money. Basically, it’s like digital cash. As cash, it is issued by the state that is behind that central bank. Crypto-currencies, on the other hand, have no state backing them; there is no authority that can steer and monitor the currency and its price can be very volatile. Crypto-currencies lack consumer protections because they are not yet regulated. Some private players have issued stablecoins, a type of cryptocurrencies that attempt to offer price stability by being backed by low-risk reserve assets, generally represented by a basket of fiat currencies.

With crypto-currencies now estimated to have reached USD 2 trillion total market capitalisation, I think an appropriate regulatory, supervisory and oversight frameworks must be put in place. In this respect, the European Commission’s proposal for the Regulation on Markets in Crypto-assets (MiCA) is a significant step forward. However, I believe the global reach of these new instruments requires global standard-setting bodies to take an action now, before crypto currencies become a threat to financial stability.

If I understand you correctly, you are saying that CBDCs would be the safest form of money. Can you elaborate a bit more?

Generally speaking, central bank money is the safest form of money since it is a direct liability of the central bank. However, new regulations implemented after the financial crisis of 2008 have significantly increased the resilience in the banking sector by ensuring that banks always have enough liquidity and capital reserves.

Additionally, in the EU deposits are protected up to €100,000 thanks to the Deposit Guarantee Scheme Directive. And the Bank Recovery and Resolution Directive ensures that banks and authorities have proper crisis management planning.

Do you think the COVID19 pandemic has had an impact on the development of CBDCs around the world? Or has it been influenced by other factors?

The majority of central banks are now exploring the benefits and drawbacks of CBDCs. There are different drivers behind this development in advanced economies. Some central banks see the decline in the use of cash as the major concern, and they want to ensure individuals will be able to access central bank money in the future by considering CBDCs. Other drivers are the development of private initiatives like Diem that promise to have a global reach, thus jeopardising the role of the fiat currency.

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Despite CBDCs being central bank money in a digital form, they would also still be subject to some risks. I am especially referring to fraud, theft, and loss. Just like cash stored in a physical wallet, citizens may lose their money if CBDCs are stored locally on a physical device that is lost or stolen.

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Feature: Living apart together: Central Bank Digital Currencies and Cryptos

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Looking at this phenomenon from a global perspective, I think one should consider that there are at least 1.7 billion people around the world who are unbanked or underbanked. Retail CBDCs may offer an alternative, especially considering that cash is very difficult to access in certain areas while mobile phones are rather widespread. Additionally, CBDCs could help solve the problem of high remittance costs.

On the downside, it should be considered that the potential benefits of a CBDC for financial inclusion may decrease if central banks decided to link them to a digital identity, as citizens in developing countries sometimes even struggle to get paper documents. All in all, much will depend on the concrete features of a CBDC.

What will be the impact on savings and retail banks around the world?

This is one of the key questions that we are trying to address within the WSB-ESBG Task Force on CBDCs that was established in March 2021. One of our main concerns is related to the impact that CBDCs may have on our funding model because savings and retail banks’ funding is rather strongly related to cash on deposit.

The introduction of CBDCs may imply a sudden shift from banks’ deposit into CBDCs. This, in turn, would mean that savings and retail banks will have to switch from deposit-based funding to market-based funding. However, market-based funding is not only more expensive, but also riskier. Also, not all banks have access to market-based funding today. If banks are forced to change their funding structure that might lead to higher funding costs which, in turn, might increase the rates on bank loans. This could also curtail the volume of credit to the economy.

Additionally, the demand for CBDC may increase dramatically in a crisis situation. The triggering and precipitating bank runs and in the worst-case scenario, lead to a systemic financial crisis.

For all these reasons, we believe it is crucial that central banks put a cap on CBDC holding and establish mechanisms that can manage the quantity of CBDCs in circulation. Individual limits to holdings are a critical tool to prevent an excessive build-up of liquidity in digital euro accounts or wallets, which could seriously impinge on the transmission of monetary policy through the credit channel as well as raise financial stability issues due to bank runs that could be facilitated by CBDCs.

Do you think this new form of money will encounter resistance from the public or will it be a success?

It depends on each central bank’s purpose with the CBDC and the payment landscape in each economy. The central bank will have to carefully identify what problem the CBDC would solve. In some jurisdictions there may be a real demand for a retail CBDC, since it would offer access to the fiat currency to the general public, which may be difficult today.

In the EU, the banking system already provides citizens with safe, fast, and reliable means of payments. These payments are protected by deposit insurance schemes and other regulations making sure both payments and personal information are protected. In the EU, the potential demand for retail CBDCs is less clear.

Thank you for this insight, Sofia. At this point, I would have one last question: Will physical banknotes and coins disappear? What is your forecast?

This is a one-million-dollar question! I believe cash still has a role to play to ensure that a transaction between two individuals does not necessarily require any technical equipment. In that sense, the existence of cash increases the resilience of the payment system as it is a complement to all digital payment methods. At the same time, digital payments will continue to increase, driven by private and public initiatives that are ongoing. The international payment landscape is going through a transformation, there is no doubt about that. It is essential that we cooperate across the public and private sectors. Together we can design the payment landscape in a way that future payments are efficiently accessible to the general public and, at the same time, ensuring that the financial payment system is robust and properly regulated.
The power of community-based organizations to mobilize farmers’ savings in Cote d’Ivoire

By Celine Stevens

The cocoa seasons in Ivory Coast happen twice a year with a small harvest in May-June and a large one in October-December. Between seasons, a typical small-holder farmer does not generate revenue but has several costs to pay such as seeds and fertilizer. Managing cash flows to cover production cost is a usual struggle.

To financially empower small-holder farmers, the Scale2Save programme is implementing a solution in partnership with Advans Côte d’Ivoire, a microfinance institution. Building on the strong relation that small-holder farmers have with their cooperatives, which usually have been buying their produce for many years to sell it on, 24 of them are now acting as a financial agent enabling farmers to deposit and withdraw money from their accounts at their office, very close to the fields. This is more convenient and safer than travelling with cash to the closest bank branch, which usually have been buying their produce at high prices in order to grow their own farms.

The cooperative counts on average 300 farmers divided in sections working on mono or multiple sector(s) such as cocoa, cashew nut, coffee and rubber and covers on average 2-3 hectares.

THE ROLE OF THE COOPERATIVES

Cooperatives are generally well structured around a board of directors, a general assembly, a treasurer, a secretary, a supervision commission, all supported by a director, an accountant and various committees (technical, logistics, collection, sustainable development, etc.) The cooperatives are strongly linked to the farmers through the section delegates, appointed by the farmers and approved by the cooperatives themselves.

The cooperative counts on average 300 farmers divided in sections working on mono or multiple sector(s) such as cocoa, cashew nut, coffee and rubber and covers on average 2-3 hectares.

Thanks to a high trust level between the farmers and the cooperatives due to their long-standing collaboration and the key place that cooperatives occupy in farmers daily life, the cooperatives have been very successful at playing the role of third-party agent, especially to collect farmers formal savings. Even more interesting is that advice and assistance is at the top of the list of services that farmers request from local agents. These include, for example, support in processing a complaint or opening an account.

In 2018, a survey conducted by Advans confirmed that 75% of farmers were saving more thanks to the cooperative-agent model and 100% of them mentioned they would continue to use this vary, accessible, and secure channel.

By the end of 2021, Advans had collected more than $15.17 million from some 86,000 farmers through their cooperatives network. Now the target is to raise that amount to over $35.19 million in deposits from 120,000 farmers before the end of the Scale2Save programme in mid-2022.

THE KEY TO SUCCESS

The cooperative agent model is successful because it integrates well into the farmer’s environment. It tends to capture the financial flows during the harvest period by incentivizing the farmers to deposit on an account some of their savings when they receive their income or just whenever they want to put some money aside.

The cooperative allows the farmers to withdraw their money at any time.

Thanks to the longstanding relationship with the farmers, the cooperative is also able to advise Advans on the eligibility of the farmers requesting for a scholarship loan.

From the cooperative perspective, this partnership with Advans has many advantages: it allows them to make some direct profit through customers transactions but, perhaps more importantly, it reinforces their relationship with the farmers and their reputation and expands their farmers’ network.

On the long term, thanks to their savings, the farmers would be able to diversify their sources of income by investing in a wider range of crops, for example. They would also become more and more financially autonomous from the cooperatives.

Challenges encountered by the cooperatives during the pilot and recommendations for financial service providers:

- Allocate all the training resources needed to ensure a 100% uptake of the cooperative to play the agent role.
- Use the most efficient tools / equipment to avoid errors or time-consuming transactions, such as USSD menu errors or SMS not delivered, through the development of an agency banking solution.
- Ensure a good network quality to keep farmers and cooperatives trust in the service.
- Investigate the use of financial tools to support the cooperatives to mobilize farmers’ savings.

More information is available on the WSBI-ESBG website and on the Scale2Save webpage.

Celine Stevens is Senior Programme Manager at the World Savings and Retail Banking Institute (WSBI). Scale2Save is the programme for financial inclusion of the WSBI in partnership with the Mandate Foundation.

In 2018, Advans Côte d’Ivoire launched a project under the Scale2Save programme that aims to serve this segment of the population by offering them accessible financial services through partnerships with the local cooperatives acting as agents, with the ultimate goal of boosting farmers financial resilience and wellbeing. By the end of 2021, Advans had developed partnerships with some 24 cooperatives.

In 2018, a market research revealed that farmers would value the new financial services offered by the cooperative and, although many would prefer a free service, they would be willing to pay reasonable fees that fit into how they already pay for a Mobile Money Operator.

After 5 years of project implementation, data shows a low number of withdrawals at the cooperatives suggesting that the fees are not attractive and farmers prefer to spend time before going to travel to the closest bank branch, where withdrawals are free.

The way forward

Despite the success of the cooperative model in mobilizing smallholder farmers savings, the business model is not yet viable for the financial service provider.

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Advans Côte d’Ivoire is now reviewing the pricing strategy of the cooperative agent model to offer more affordable services to their customers to boost usage of its products and reach a viable business model in 2022.

Thereafter and following the success the cooperative agent model in the cocoa sector, Advans has the ambition to extend this model to other value chain players with high potential in Ivory Coast, such as the tea or the cotton sector.
Cash no longer king?

ERPB PUBLISHES REPORT ON ACCESS TO AND ACCEPTANCE OF CASH

By Diederik Bruggink

In November 2020 the Euro Retail Payments Board (ERPB) set up a working group to prepare a report on access to and acceptance of cash and the respective conditions thereof. The ERBP is a high-level strategic body tasked with fostering the integration, innovation and competitiveness of euro retail payments in the European Union. Launched on 19 December 2015 by the ECB, the ERBP is chaired by a high-level representative of the ECB (currently Fabio Panetta) and comprises of members from the supply side of the market (notably the payment services provider community, banking representatives, representatives from payment institutions and an e-money representative) and representatives from the demand side of the market (notably consumer representatives and representatives from retailers with a physical presence; internet retailers, businesses/corporates; small and medium-sized enterprises, and national public administrations).

In addition, five national central banks (NCBs) representing the Eurosystem, and one NCB representing the non-euro NCB community take part in ERBP meetings on a rotational basis. The European Commission is invited to attend these meetings as an observer. ESBG is represented in the ERBP since the inception of the latter. Whilst the ERBP so far has been focusing on cashless payments, in November 2020 it expressed the view that access to and acceptance of cash is a relevant concern and may become a crucial issue in the light of developments driven by the coronavirus (COVID-19) pandemic. The mandate of the working group states that “In the course of the structural changes in retail banking, credit institutions continue to adjust their branch networks and strive for optimising operational costs, implying the risk that cash services would become difficult to access in some areas. Whilst consumers and companies seem to still have, by and large, adequate access to cash services of credit institutions, there is evidence that the range of cash services offered is diminishing, at least in certain areas in the euro area. At the same time, the costs associated with acquiring and depositing cash by businesses and the general public seem to be increasing. The working group was set up under the aegis of the High Level Innovation and Payments, to become co-chair of this working group, together with a representative from a consumer association. The EC also asked ESBG to provide the Secretariat for this working group which has been provided by Alessio Benvenuti and Janine Barten, both within Diederik's department. A variety of ESBG Member representatives participated in the working group itself.

There are growing concerns about a diminishing network of cash access points (withdrawals and lodgements of cash) — especially for coins — and the related service conditions. In order to safeguard (legal tender) cash as widely accepted and available means of payment and to promote a cooperative approach to improve the cash cycle, the working group will analyse the current cash service levels for consumers and businesses in the euro area and whether they meet customers' needs. In case loopholes are identified, the working group may elaborate on them.

The working group was invited to prepare a report summarising the stock take, their analyses and key findings regarding access to and acceptance of cash and the respective conditions thereof, including the following:

1. Overview of the factors influencing the bank branch and the challenges reportedly faced by consumers accessing cash
2. Overview and evaluation of alternative ways where other the lack of clarity about the implications of legal tender
3. Overview of various initiatives aiming at ensuring adequate the need for a sustainable cost/profit model for ATMs,
4. Overview of obstacles regarding the acceptance of cash and the respective needs. In case loopholes are identified, the working group conditions thereof, including the following:

• the challenges reportedly faced by consumers accessing cash in certain regions;
• the need for a sustainable cost/profit model for ATMs,
• the lack of clarity about the implications of legal tender
• the slow scaling-up of cashback and cash-in-shop as status for cash payments,
• the lack of clarity on how the costs of different means of alternative ways of accessing cash;
• the need to maintain a minimum level of cash infrastructure and payment instruments in the euro area (provided a minimum and cash services,
• the lack of clarity on how the costs of different means of sufficiency and need to rely on “local” cash services);
the lack of clarity on the implications of legal tender
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For access to cash:

• the need to maintain a minimum level of cash infrastructure and cash services,
• the lack of clarity about the implications of legal tender

Based on this analysis, the working group suggested revisiting the evolution of cash access and acceptance in the future to ensure that cash remains an inclusive, efficient and sustainable means of payment for consumers alongside digital retail payment means. In doing so, attention could be paid to other emerging payment means, notably other alternative cash access points (e.g. IADs, cashback and cash-in-shop) and what role they could best play in the future. The evolution of access to and acceptance of cash could be further monitored through either a new ERBP working group or a dedicated body (e.g. the European Forum for Innovation in Payments, given its membership of national payment committees, and/or the Euro Cash Advisory Group), in consultation with industry stakeholders. As part of this follow-up work, a study on post-pandemic consumer attitudes towards payments in the euro area and a study on the societal costs and benefits of different payment instruments in the euro area (provided a minimum number of participants is guaranteed) would be welcome.

The ERBP welcomed the comprehensive analysis conducted by the working group and agreed to consider the follow-up actions raised by the working group in the next update of the ERBP workplan, taking into account existing fora/workstreams.

ERBP and its Member representatives have put lots of efforts in this work and this helped strengthening ESBG’s visibility, on the one hand vis-a-vis the ECB, and on the other hand as taking its responsibility on cash related matters, as for parts of the population cash is the most important means to participate in the economy.

Diederik Bruggink is Head of Payments and Innovation
Sustainable finance: the beat goes on

Sustainable finance is undoubtedly the most important file in finance for the years to come. As highlighted in the recent and more comprehensive report on the most recent developments in the field of taxonomy, green bond standards and assessment of ENG risks in the EU, it is now established that there is a holistic approach to address climate-related financial risks to the global banking system.

In his draft report on the European Commission’s proposal, the EBA suggests that the ECB will work on a European banking taxonomy (CBP) and also publishes its updated draft of the taxonomy. The EBA also published an updated fit and proper questionnaire and the ECB will conduct a public consultation on these two topics.

In ESBG’s view, the ECB’s action should be considered preemptive and the focus should be on the overall banking system, not just specific banks.

In our response to the consultation, we also stressed that climate risks are associated with greater uncertainty than other types of risks, and that banks have lost experience assessing them. Therefore, banks will need to be given time to build up their understanding with regards to ESG factors.

In addition to this, banks need to have an overview of available information internally and the missing information that must be collected from their clients. Therefore, banks will need to be given time to obtain the data necessary to make informed decisions.

For example, in some savings banks, the supervision of a new public body, such as the National Supervisory Authority, would need to be put in place. In recent years, some savings banks have been granted special status by the European banking authorities to facilitate the transition to climate neutrality. However, these savings banks have less experience assessing climate-related risks.

In the worst-case scenario, bond proceeds allocation prior to the criteria’s amendment. Otherwise, projects that were eligible for an amendment in the dossier, MEP Paul Tang (S&D), asks for a Commission’s proposal, the Rapporteur of the European Parliament, will be registered with and supervised by the European Securities and Markets Authority (ESMA). Finally, in the event of a change in the corporate governance of boards and key function holders.

In the strengthened prudential framework for banks, ESBG members believe that the revised CRD (CBP) will be the starting point for any board reforms that wish to call their board an “European green bond” or “ESBG”. Moreover, the standard requires that issuers allocate 100% of the funds raised by their bond to economic activities that meet the EU Taxonomy requirements, by the time the bond matures, which will be checked by an external reviewer. Examiners will be registered with and supervised by the European Securities and Markets Authority (ESMA).

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Consumer Credit Directive: 30 years on, a new consultation steam ahead

By Sebastian Stodulka

Do you remember how life was in the year 2000? Yes, certainly do. However, the longer you think back to this period, you will recall that certain things have significantly evolved since then. Did you already have a tablet computer back then? Or a powerful smartphone with 512 MB of RAM? Most probably, the vast majority among you would answer these questions with no. And that’s just perfectly normal and fine.

As a matter of fact, the proposal for the CCD as it is nowadays in force was adopted by the European Commission already in 2002, but it was not formally concluded by the Council and the European Parliament before spring 2008. Hence, the concepts and ideas, even if many of them are still of great relevance today, stem from a time when the technological developments, for example, were far less advanced than today.

Before getting deeper into this, let’s recall the main intentions and provisions of the 2008 CCD. In a nutshell, the CCD was designed to regulate the credit market, to strengthen consumers’ rights, help potential customers make an informed choice when signing up to a credit agreement, and reduce national borders in the consumer credit market.

To achieve these objectives, the 2008 CCD established a ruleset that requires lenders to provide standardised information on the total cost of credit agreements as well as in a credit agreement itself. This allows a clear comparison by the consumer and makes it easier for them. In addition, lenders provide detailed information on the annual percentage rate of change, including the total cost of the credit. Mortgage lending is exempted from the CCD, by the way – another dedicated directive (the Mortgage Credit Directive (Directive 2014/17/EU), deals with any home purchase plans. The 2008 CCD applies to loans between EUR 200 and EUR 75,000 (while giving Member States the possibility to apply it also to consumer credits that exceed this limit).

One example could be the threshold, as of which the CCD should apply. In the first decade of this century, the decisions made concluded that 200 EUR would be an appropriate threshold for many reasons. If you think of a smaller amount that would incur high processing costs and burdensome formalism. Several stakeholders also claim that this threshold would be disadvantageous to the borrower, in particular regarding the (tolerable) low risks of such small loans. On the other hand, excluding loans below 200 EUR from the scope would give payday loan companies, who often give out loans around a few hundred Euros, the opportunity to get outside the consumer protection provisions of the CCD, which does not seem clever enough.

In summary, the revision and modernisation of the 2008 CCD should be partially reviewed and modernised. Here is an explanation of the reasons for that:

- The consumer should also have the right to obtain a meaningful explanation of the assessment made and of the functioning of the automated processing tool, including among others the main variables, the logic and risks involved, as well as a right to express his or her point of view and to contest the assessment of the creditworthiness and the decision (Article 16 and Recital 48).

It is certainly not a bad idea to take into account new technological developments in the revised CCD (without creating up any obstacles to innovation, obviously). After all, many among us are arguing that the 2008 CCD is outdated. Modernisation is what it is all about.

Generally speaking, beyond the finding the right balance must be the greater objective here too. It appears sensible to leave Member States some flexibility in the way creditworthiness assessments are being carried out for different types of consumer loans. The creditworthiness assessment should not be the same, for example, for short-term overdrafts and a considerable loan.

There is not the slightest doubt that consumer protection is key and over-indebtedness needs to be avoided, as the latter includes a list of problems for both borrowers and lenders. It’s in nobody’s interest to see a large number of loans being irresponsibly granted without appropriate assessments of the creditworthiness of a consumer.

However, if the balance is not right, we may end up in the situation that new provisions, overshadowing the target, will force banks to restrict credit to customers dramatically to avoid any kind of non-payment that could be blamed on the irresponsible lending of creditors. Consumers with more difficulties in accessing finance would turn to shadow banks or loan sharks who would impose much more burdensome conditions and who are at the edge of being controlled by competent authorities.

"Consumer credits play an integral part in supporting the modern economy by providing consumers and small businesses with access to finance, be it for planned projects as well as covering the risk of future unforeseen expenses. Savings and retail banks all over the world have been mastering this business in a trustworthy manner for more than 200 years."

Moreover, consumer credits play a key role in both the economic recovery from the devastating impact of the COVID-19 pandemic, as well as supporting Europe’s green transition as a key enabler of modern, energy-efficient cars and other durable consumer goods to green home investments. In summary, the revision and modernisation of the 2008 CCD is much welcome and much needed. Many concepts and new provisions are very laudable, such as the extension of the scope of consumption for a wide range of purposes, from the sales of modern, energy-efficient cars and other durable consumer goods to green home investments.

Sebastian Stodulka is head of consumer regulation at ESBG-WSBI. He has a strong background in the areas of regulatory and legislative affairs at a European and national level.
**ESBG-WSBI Financial News & Views**

**EDUCATION**

**ESAP: Data is key**

The regulatory developments in the context of the EU Sustainable Finance agenda have created an urgent need for publicly available ESG data as well as ways to improve their sourcing. Robust, comparable and reliable ESG data is also essential for identifying and assessing sustainability risks in lending activities. In addition, availability of ESG data is also necessary to enable financial institutions and investors to steer their portfolios towards the objectives of the Paris Agreement and of the European Green Deal much more efficiently and on a much broader scale.

Unfortunately, the availability of quality, comparable, reliable and public ESG data is currently rather limited and insufficient to meet rising expectations and new legal requirements set to take effect soon. When data are available, it is often impossible to compare, which raises doubts about its credibility. Furthermore, ESG data from third-party suppliers is often too expensive, particularly for small financial market participants, researchers and academies. With the growing demand for ESG data, fragmentation among ESG third-party data providers risks resulting in a lack of comparable and accurate data, thus excessive costs.

The ESAP is expected to provide easy access to a wider array of information in a timely and efficient manner. It will also help address a growing demand for sustainability-related data by investors, companies, NGOs and civil society contributing to the objectives of the European Green Deal. By making information available in an extractable format or in a machine-readable format, ESAP would also enable the use and re-use of companies’ data and would also make a significant contribution to the digital transformation of finance. ESBG endorses the Commission’s proposal for all of the reasons stated above. We especially value the opportunity to have access to detailed digital and sustainable finance competences.

We also appreciate that the current proposal for the establishment of ESAP merely regulates the structure of the central register and the reporting channels. ESAP does not provide for any changes or additions in the data that corporations are required to report. However, looking from the standpoint of data providers, we are concerned about the introduction of additional reporting requirements and costs. Until now, the publication of data on the institution’s website has sufficed in certain cases, particularly in the case of disclosures in conjunction with capital market regulations (e.g. PRIIPS, SFDR).

This data must now be submitted to ESAP in a specific format via the collection points, resulting in the creation of new and additional reporting requirements. Technical implementation standards have yet to specify data formats, metadata, and reporting channels. Therefore, we expect that banks may incur additional high costs in order to provide this information. We would like to emphasize, particularly in relation to the PRIIPS Regulation (EU) 1286/2014, that the costly efforts for manufacturers to stay on track with the new reporting requirements will outweigh the benefits for ESAP users. This is due to the large number of PRIIPs in some national markets, as well as to the fact that the KID, which must be submitted to the relevant collection body, must be updated on a regular basis. We, therefore, doubt whether the new requirements should be applied to the PRIIPS Regulation.

Moreover, we urge the European Commission to ensure that additional efforts are kept to a minimum. Given the need of ESG data, ESBG considers that the ESAP should first focus on ESG disclosure in line with NFRD, and EU taxonomy based information, as well as ESG data necessary to financial market participants to comply with the SFDR. The ESAP could also include relevant ESG information already collected by European and national institutions such as governments, central banks, statistical bodies, etc.

With regards to data accessibility, ESBG appreciates that data submitted to the ESAP will be made available directly, immediately, digitally and free of charge to users of financial and non-financial information, not only investors, but also lenders, academic, researchers, authorities and others. We also believe that the provided level of standardization will facilitate the collection of data. More specific, we suggest as follows:

- **Financial education:** the European Commission launches the Financial Competences Framework

End of January, the European Commission launched the Financial competence framework for adults in the European Union launched end of January by the European Commission (EC) and the OECD’s International Network on Financial Education (INFE). Further it will allow private stakeholders to better assess the sustainability of European entities and, more generally, the progress toward the EU’s policy objectives related to sustainable development including the EU’s climate strategy and targets.

ESBG also supports the establishment of ESMA as the responsible body for establishing and operating the ESAP. We also consider that the tools that the Commission proposes to ensure the integrity of the information and the credibility of the source of data, when it is made accessible in an ESAP, i.e. a qualified electronic seal, etc, are sufficient.

Public funding is in line with ESBG’s view; however, we consider that development and maintenance costs should be covered only by EU funds without the participation of National Competent Authorities. However, we would like the Commission to note that companies already make an important effort to comply with all reporting’s required at international and national level. The ESAP should not imply new costs for companies neither financially nor in terms of staff dedicated to carrying out these tasks. Therefore, we appreciate that the Commission’s is basing the design of this new tool on information that companies are already required to publish based on other rules.

**Financial education:** the European Commission launches the Financial Competences Framework

End of January, the European Commission launched the Financial competence framework for adults in the European Union launched end of January by the European Commission (EC) and the OECD’s International Network on Financial Education [INFE]. This framework provides much needed guidance to ensure citizens are prepared to make sound financial decisions that help them prosper and build resilience across all Member States.

The framework builds on the OECD’s existing one, updating it to the EU context and enriching it with more detailed digital and sustainable finance competences. It is made available for voluntary uptake in the EU by public authorities, private bodies and the civil society.

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Cybersecurity a top concern for savings and retail banks around the globe

Cyber security and combating cybercrime are among the top concerns for all banks across the globe. News on identity and data theft, various cyber-attacks, security breaches resulting in large losses, make regular front-page news on a daily basis. The global pandemic has further increased cyber risks as criminals attack mobile phones, notebooks and PCs used for communication between home and main offices. Banks are spending substantial amounts to prevent information and communication technologies and cyber security breaches and improve their defences against cyber risks.

At the conference a panel of excellent speakers described the latest threats and how to deal with them, state-of-the-art solutions in malware detection, phishing attacks, etc., banks need to use effective threat intelligence programs that allow to track potential attacks.

In many cases the attackers maintain access to the organization or the ability to obtain it long after the incident is over from the victim's point of view. There are usual and unusual things being overlooked during the incident response, forensic analysis and implementation of system controls. It is therefore imperative to find the proper measures to minimize such phenomena and enhance the feeling of security while performing online transactions.

Banco Atlántida celebrates 109 years of operations reaching a historic milestone in deposits

WSBI member Banco Atlántida celebrated 109 years of operating in the Honduran market, exceeding USD 4 billion (100 billion lempiras) in deposits thus making it the first Honduran bank to reach this milestone.

Gillemo Bueso, the bank's CEO, highlighted that in recent years the institution has implemented a series of innovations to meet the growing demand of services from its customers making large investments in technology, and in addition to the service available through its wide network of branches throughout the country. These new services include Atlántida Más Fácil, the first digital savings account in Honduras offering a fully digital onboarding process to set up the account from a smartphone with total security and without visiting a branch. Products such as Atlántida Online and Atlántida Más, also contributed to this success, allowing customers to carry out more than 400 transactions from their mobile phones or computers with the highest security standards.

Another key element in Banco Atlántida’s successful business model was the highly experienced human resources, including specialized work structures at management, vice-presidency and Board of Directors levels, facilitating the growth of the institution in Honduras and its expansion in the region.

A heartfelt thank you for 47 years of service

When 18-year-old Petra Bacheberle was hired as a secretary for ESBI in Brussels, fresh from school, she could not have imagined the adventures that awaited her in the next 47 years working for the same organization.

Such adventures included exchanging with some of the most renowned leaders in banking; facing the challenges that came with the merge in the 1990s of ESBI with the WSBI previously headquartered in Geneva; and even searching through the paper bins of a hotel in New Delhi to recover irreplaceable name holders during the latest World Congress.

“The best memories I have are all about the people. It was really amazing to have the opportunity to meet so many people from all over the world”, she said from her home in the Belgian region of Wallonia. “Many colleagues became also friends over the years”.

She was hired after a quick typing test as that was going to be her main task for the first few years. In the time all documents had to be produced on paper and sent to members in 5 languages.

She was, and still is, proud of her ‘secretary’ title, which was later replaced with ‘assistant’. At the entry level, she supported a whole department. In the 80s, she became assistant to the Deputy Managing Director and since 1994, until her retirement in January, she was the assistant of the Managing Director. She went from copying documents in a mechanic typewriter to being a key contact point for members and for the organization of international meetings and events.

“It might sound strange, but I never thought about changing jobs because I was happy with my career and satisfied with the work I was doing. I had challenges that I enjoyed such as helping organize large events and meetings”, she said.

Petra is now enjoying a very well-deserved retirement focused on her family and on giving back to the community through volunteering.

From WSBI-ESBI we can only thank her for her exceptional 47 years of committed service for the joint office and our members.