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Från: Winther, Andreas <winthera@visa.com>
Skickat: den 20 oktober 2017 22:17
Till: e-krona.tech
Ämne: Fwd: e-Krona consultation - Visa's contribution

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Fyi

Sent from my iPhone

Begin forwarded message:

From: "Sorvillo, Pia" <sovillp@visa.com>
Date: 20 October 2017 at 19:20:38 GMT+2
To: "eva.julin@riksbank.se" <eva.julin@riksbank.se>
Cc: "cecilia.skingsley@riksbank.se" <cecilia.skingsley@riksbank.se>, "Winther, Andreas" <winthera@visa.com>
Subject: RE: e-Krona consultation - Visa's contribution

Dear Mrs. Julin,

I'm following up to my previous email to reiterate how Visa would appreciate the opportunity to have an exchange of views on the e-krona project and discuss technical solutions for this fascinating initiative.

Unfortunately, we were made aware of the e-krona consultation only a few days ago. Though the deadline for response does not allow us to elaborate a comprehensive response, we are eager to contribute to this effort and cooperate with the Riksbank in support of what we consider a visionary project. We have summarized below our preliminary thoughts, mainly related to the challenges and opportunities we see in relation to the potential e-krona solutions.

We would be delighted to have a follow-up meeting with you and your colleagues: in particular, we would be honoured if you could accept **our invitation to visit our Innovation Centre in London** and discuss the project in further detail on that occasion.

Visa's mission is advancing payment products and technologies worldwide to benefit consumers. In Sweden we have successfully contributed to enabling citizens to participate in the digital economy by working in close partnership with Swedish banks – and other payment stakeholders – to provide state-of-the-art innovative payment solutions. Our goal is to ensure consumers have a safe, convenient and seamless payments experience and correspondingly we continue to innovate to make this a reality. For many years, we summarised our vision very simply, to make Visa the world's most trusted currency. Our vision remains unchanged today.

1. A trusted partner to secure the success of the e-krona project

Trust is the absolute foundation for any currency: consumers must feel confident in the products and services that they elect to purchase and use. Visa places the highest value on trust in its brand

values. The public perception of Visa makes it one of the world's most trusted brands through that careful stewardship of our values: this holds true also for Sweden.

2. Low Value Payments

As observed in the Riksbank e-krona project report, the e-krona would become a mean to replace notes and coins in circulation in view of "society no longer wanting to use notes and coins to pay for things" (p.13). For over a decade Visa has provided a capability for these low value payments through its contactless cards: today we enjoy mass-market adoption of this technology in Sweden and throughout Europe. We also provide ubiquity in our operation through pre-paid, debit and credit card products. And we work extensively with local domestic payment schemes and card manufacturers to standardise our operation. Visa provides the network that enable innovative new solutions like Tokenisation that support payments security on mobile devices and internet-of-things devices such as wearable technology. Additionally, we can help individuals to control their spending and have full traceability of their transaction if needed through products such as Visa Transaction Controls.

3. Interoperability, security and availability – Access for everyone

The full convertibility of an e-krona into other currencies to make a payment would rely on ensuring secure, fast and global capability. Visa provides a global network of card acceptance and transactions can flow around the world in milliseconds. A customer with a card issued in Sweden can buy goods in Norway using their Visa card. For the movement of money in and out of Sweden, Visa plays a key part in providing people with the means to make payments and also direct money transfers with Visa Direct on the same network.

We are particularly proud of the security and availability level of our services. Our network provides seven-nines (99.9999%) availability which for any e-currency would be the minimum requirement as an alternative to paper bank notes.

4. Societal challenges in implementing the e-krona project - Financial Inclusion

Societal challenges, including - but not limited to - financial inclusion need to be addressed in parallel to challenges surrounding technical platforms. In addressing the human element first, the technical solutions required can be developed with a high degree of certainty that they will be fit for purpose. We have taken a specific commitment in tackling societal challenges associated with digital payments and are prepared to cooperate with the Riksbank in addressing these challenges specifically in the following areas:

(a) The Unbanked

The conversion to a truly digital payment economy needs to take into account the unbanked population. Understandably, the unbanked without access to a bank account would be reluctant to embrace this change. Visa has studied and understands the societal challenge of the unbanked population relying on cash to make payments.

Our work in Latin America and Asia-Pacific (notably India's recent demonetization initiative) has proved particularly useful to help creating mass-market solutions that address the needs of the unbanked. Building consumer confidence to accept card payments and make card payments is key in this regard. For example, mVisa is a low cost option to securely accept payments without the need for costly terminals. We have worked to create products such as pre-paid cards which are popular throughout the world and Europe. To augment this technology and remove the barriers to obtaining these cards, Visa has established a network of partners that provide rapid enablement capabilities. New technology like electronic KYC and instant customer authentication technologies can simplify the process of applying for these cards and yet make them as secure as possible. Our technology partners

can also provide virtual cards of all types (pre-paid, debit and credit) that can be issued in seconds.

Through our innovation capabilities we can address unique problems, create capable solutions and deliver these quickly to market in a matter of months (not years).

(b) Late Adopters of Technology

We have observed a number of different socio-economic and demographic groups resisting change and being reluctant to adopt new technologies. These groups tend to place their trust in using cash to make payments. Often, the perception of technology is not aligned with its positive benefits and the adoption of that technology can be slow.

Our current efforts centre around creating innovative solutions that encourage consumers to embrace electronic payments. This approach first and foremost looks at consumer concerns in making digital payments. One recent example is our work in Scandinavia which focussed on building consumer confidence by addressing security concerns. Visa has brought new technologies to the market like Tokenisation that enhance security and dispel fears of risk of fraud.

Visa is very keen to support the Riksbank shape their vision for Sweden. We are prepared to share with you our expertise, capabilities, technical know-how and experience in Sweden to contribute to the success of the e-krona initiative.

We would be grateful to schedule a meeting with you at your earliest convenience to discuss this interesting project in greater detail.

With kind regards,

Pia

From: Sorvillo, Pia

Sent: 18 October 2017 14:09

To: 'eva.julin@riksbank.se' <eva.julin@riksbank.se>

Cc: 'cecilia.skingsley@riksbank.se' <cecilia.skingsley@riksbank.se>

Subject: e-Krona consultation - Visa's contribution

Importance: High

Dear Mrs. Julin,

By way of introduction I'm the Director of European Government Relations & Regulatory Affairs at Visa.

My team and I only recently became aware of the consultation on the e-Krona project that the Riksbank published back in September.

Visa has an extensive experience in collaborating globally with governmental agencies and policy makers to ensure cash displacing initiatives are successfully managed, especially to preserve a safe, efficient and solid payment system for users and business. Visa is keen to contribute with its expertise and know-how and discuss potential technical solutions for the introduction of a digital alternative to cash in Sweden.

We are aware that the response to the consultation is due by this Friday, but wanted to check if there is any **flexibility from your side to allow for an extension to enable us to contribute.**

Looking forward to hearing from you: thank you very much.

Best regards,
Pia

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