



## **ECSG Processors Sector Group Terms of Reference**

Cards Stakeholders Group  
Processor Sector Group

**October 2015**

### **1. Name and Objectives**

- 1.1 European Cards Stakeholders Group (ECSG) will be registered as an AISBL (international non-profit association) representing 5 sectors: payment service providers, merchants (retailer/wholesale), processors (of card transactions), vendors (manufacturers of cards, payment devices, and related IT systems) and card schemes.
- 1.2 Processor Sector Group (PSG) is composed of card processing companies that have agreed to participate in the ECSG and abide by the ECSG By-Laws and the present PSG Terms of Reference.
- 1.3 The objectives of the PSG are to contribute to the activities of the ECSG, to discuss non-competitive matters between its members and where possible to agree on positions to be proposed to the ECSG.

### **2. Membership Criteria**

- 2.1 Organisations wishing to join the Processor Sector Group must meet all of the following criteria:
  - (a) The organization is a legal entity;
  - (b) The activities of the organization are in the field of card processing and/or payment processing (acquiring, issuing, switching);
  - (c) The organization is a scheme-independent processor;
  - (d) The organization is headquartered in the EU;
  - (e) The organization has most of its activities in the EU.
- 2.2 Organization must be able to provide the required resources for the review of standards or specification proposals within the PSG and / or the CSG and Expert Teams.
- 2.3 Organization must consider the support of solutions based on Implementation Specifications recognized as Volume compliant, knowing that such deployment remains market driven.
- 2.4 A given Organization cannot be represented by more than one individual in the PSG.
- 2.5 Organizations wishing to apply for membership must send the Application Form (Attachment 1 of this document) to any existing member of the Processor Sector Group or to the ECSG Secretariat.

### **3. Processor Sector Group (PSG)**

#### 3.1 Functions

- (a) The PSG will meet before each ECSG meeting (or at any other occasion where it is deemed required) to discuss and provide opinion on relevant ECSG agenda items. Meetings may be in person or by conference call, depending on the availability of PSG members.
- (b) Each meeting shall have an agenda that is sent by email to all PSG members, at least 3 working days in advance of the meeting. If relevant, pre-read materials will also be sent in advance of the meeting.
- (c) After each meeting minutes reflecting the conclusions of the meeting will be circulated to each PSG member.

3.2 All PSG members will receive any documentation made available within the ECSG's activities and may participate in all existing working groups under the ECSG (e.g. task forces, expert teams).

3.3 All PSG members will be able to participate in ECSG's General Assembly meetings.

3.4 The PSG is properly convened if 80% of its members are present or represented by a proxy; if a member does not attend the PSG meetings for 3 consecutive times, he will not be considered anymore when computing the percentage of attending members.

3.5 The PSG will convene for decision in case there are less than five members applying for Board Membership.

### **4. Board Membership**

4.1 Board mandate duration is 2 years

4.2 In order to be candidates to the ECSG's Board, members must meet the following conditions, that will also allow a ranking process, in case there are more than 5 candidates:

- (a) The organization processes multiple schemes;
- (b) The organization has most of its activities in the EU, in multiple countries;
- (c) The organization processes both card present and card-not-present transactions.
- (d) The organization must provide, when applying for membership, the EU quantitative activity indicators defined in item B) of the attached Application form.

4.3 Exclusion criteria to Board membership in case there are more than five candidates:

- (a) The same organization/group is already represented in the ECSG's Board in a different sector;

(b) There is already a ECSG's Board Member from the same country in the Processor Sector of the ECSG.

4.4 Applications for the 2016/2017 mandate must be received by the PSG by October 30<sup>th</sup> 2015. The election process for future mandates will be defined by the PSG.

4.5 All applications received that have supplied data detailed in Item B) of the attached application form will be ranked according to the information provided by each organization. The five candidates that get a higher ranking will become Board Members, except if the exclusion criteria (defined above) are applicable, in which case the next candidate with the higher rank will become Board Member and the excluded organization will remain as Member. Results from the selection process will be shared with all PSG members.

## **5. Processor Sector Spokesperson (PSS)**

### 5.1 Functions

- (a) Interface with the ECSG when urgent decisions must be taken (e.g. board consultation/decision via written procedure).
- (b) Coordination of preparatory meetings (e.g. before ECSG Board meetings) and responsibility for meeting minutes.
- (c) Interface with new potential ECSG participants.
- (d) The Spokesperson will undertake his/her best endeavours to ensure the full involvement of all PSG members.

### 5.2 Election

- (a) Any of the 5 Board Members may be a candidate to become the Processor Sector Spokesperson.
- (b) The 5 Board Members from the Processor Sector Group will elect (simple majority) a Spokesperson for a two year period.

## **6. Membership Fee**

6.1 Each of the 5 ECSG sectors will contribute with 1/5 of the ECSG's annual budget (estimated at 50,000€ per year for the triennium 2016-2018).

6.2 These costs will be shared by all PSG members according to the following distribution:

(a) PSG members who are not Board Members will equally contribute with 2,000 €/year/Member (which represents less than 20% of the estimated costs for the Processor Sector).

(b) Board Members will equally contribute with 1/5 of the remaining Processor Sector costs.

6.3 When applying for board membership, members commit to a financial participation for a 2 year period.

6.4 Membership fee rules will be communicated to ECSG secretariat which will manage the invoicing of each PSG member accordingly.

## **7. Membership Termination**

7.1 Members may cease membership at any time, but financial participation for the on-going year must be assumed.

7.2 Board Members may cease membership at any time, but financial participation for the on-going year must be assumed, as well as for the mandate duration in case there is no replacement candidate for Board Membership.

7.3 All Members may cease membership in case of *force majeure* causes (e.g. organization's end-of-business).

## **8. Amendments**

Decisions to amend the present PSG Terms of Reference must receive a Qualified Majority (80%) of the PSG Members.

## ATTACHMENT 1 - ECSG Membership Application Form (Processor Sector)

A) The following contact person hereby confirms that the Organization will abide by the Processor Sector Terms of Reference, and is namely compliant with the Membership Criteria detailed in Article 2.

Organisation Name and Institutional Site	Contact Name	E-mail address

B) If the Organization wishes to become one of the five Board Members of ECSG’s Processor Sector, please indicate:

In which EU Country is the Organization headquartered?	
How many schemes does the Organization process?	
The organization processes transactions from how many EU countries?	
Does the organization process e-commerce transactions?	
Does the organization process mobile transactions?	
Number of cards processed (in millions)?	
Number of transactions processed (in millions/year)?	
Number of ATM Terminals managed (in 000’s)?	
Number of POS Terminals managed (in 000’s)?	

Date

Signature

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