



CALL FOR PROPOSALS

Regulatory Focus on Competition and Innovation in Payments Services

The SWIFT Institute invites proposals for research on the increasing regulatory focus on encouraging competition and innovation in the provision of payment services.

Competition and innovation in payment services is a key regulatory theme in a number of markets, including the wider EU and individually in the UK. Updated EU regulation on payment services will soon complete its main legislative stages, and a new Payment Systems Regulator (PSR) will be fully operational in the UK from April 2015.

The major rationale for these developments, together with a similar regulatory driven focus on updating payment services in markets such as the US and Australia, is to ensure that payments become easier and less costly for consumers, and that the industry keeps pace with new technology. There is also a clear priority to break down barriers and encourage new entrants that can offer innovative payment solutions and compete with more established providers at both the domestic and cross-border levels, and from both retail and commercial perspectives. The 2014 World Payments Report showed that half of the global regulations and initiatives analysed within the report had a positive effect on 'new thinking'.

Research proposals on these developments can be theoretical or empirical. The focus of the research could look at the following issues (other suggestions are welcome):

- What should be the scope of regulatory action to encourage competition and innovation in payments markets?
- What evidence is there to show that regulatory encouragement of competition and innovation benefits end consumers?
- Do current and planned regulations go far enough to ensure protection for consumers from new payments entrants?
- Does regulation aimed at encouraging competition and innovation conflict with requirements for KYC, AML, etc.? Are the two sides compatible?
- Is there a need for more infrastructure providers, or would economies of scale from larger providers operating cross border be preferable?
- To what extent will network externalities and the two-sided nature of payment systems markets undermine the regulatory efforts?

Grant & Working Paper

A grant of EUR 15,000 will be awarded to the author of the selected proposal. 50% will be paid immediately; the remaining 50% will be paid on acceptance of a working paper.

Proposal Submission

Please submit your research proposal as follows:

1. CV / bio including education, work history, research experience, publications, etc.
2. Description of your research project (2,500 words maximum) to include the following:
 - Objective of your research
 - Methods by which you intend to undertake your research
 - Timeframe by which you intend to complete your research
3. By email in MS Word / Excel / PowerPoint format and / or pdf.

Deadline: Proposals must be submitted no later than 25 March 2015

Email: Send submissions to: nancy.murphy@swift.com