



Co-funded by
the European Union



EWC Payment Taskforce:

Shaping the Future of Payments with EUDI-Wallets

EWC Payment Taskforce: Shaping the Future of Payments with EUDI-Wallets

In a rapidly evolving digital landscape, payment processes are at the forefront of innovation, driven by the need for secure, seamless, and compliant solutions. The European Digital Identity Wallet (EUDI-Wallet), a core component of the eIDAS 2.0 regulation, can also play a key role in payments going forward. Among the key drivers of this change is the EUDI-Wallet Consortium's (EWC) Payment Taskforce, which is dedicated to exploring the intersection of identity and payment technologies. With a strong belief that payments are a key use case for driving EUDI-Wallet adoption, the taskforce is developing open standards to benefit the entire financial ecosystem.

The Role of the Payment Taskforce

The EWC Payment Taskforce is focused on defining and piloting Strong Customer Authentication (SCA) specifications while identifying and overcoming barriers to adoption. It seeks to demonstrate the use of EUDI-Wallets in payment transactions by addressing regulatory obligations and streamlining the customer experience. By the end of 2027, banks will be required to offer their customers the option to authenticate payments using their EUDI Wallets for online SCA. This obligation positions the EWC Payment Taskforce as a key player in ensuring readiness across the financial ecosystem.



Figure 1: EWC Payment Taskforce Members

Key Objectives of the Payment Taskforce

The Payment Taskforce has outlined several key objectives to drive the adoption of EUDI-Wallets within the payments space:

- **SCA Specifications and Use Cases:** Developing, building, and piloting SCA specifications for both card and account online payments to ensure compliance with regulatory frameworks and identify real-world barriers to adoption, such as regulatory constraints and user experience challenges.
- **EWC Payment RFCs for Wallet-to-Wallet Interactions:** in particular, the RFC specifications extend OpenID4VCI (OpenID for Verifiable Credential Issuance) and OpenID4VP (OpenID for Verifiable Presentations) to enable secure authentication and payment processes.
- **Beyond SCA:** Exploring opportunities where EUDI-Wallets can be used to initiate payments, being card or account, in person or online.
- **EWC specifications** and lessons learned from pilots will serve as the foundation for future standards across, for example, the ARF (EUDI-Wallet Architecture Reference Framework), EMVco for card-based payments, and the Berlin Group for Open Banking/Account-based

payments.

- **Awareness and Feedback:** Raising awareness of the taskforce's developments within payment and identity communities while collecting valuable feedback from stakeholders.

Innovation in Payment and Identity

The Payment Taskforce is focused on innovatively combining identity and payment credentials. The goal is to ensure the integration of EUDI-Wallets with card-based and account-based payments while minimising disruption to existing payment infrastructures. This includes facilitating secure and seamless payment experiences through the EUDI-Wallet for both online and in-store transactions.

Examples of these innovations include:

- **Payment Authentication:** Using the EUDI-Wallet as an alternative SCA method for card-based and account-based payments. The EUDI-Wallet can either be invoked by the payer's bank (the card issuer or ASPSP), or authentication data can be captured directly by the merchant and passed back to the payer's bank. The later integration model enables enriched checkouts where identity attributes (e.g. age) or attestations (e.g. driving licence) can be securely shared as part of the payment authentication flow, which enables innovative use cases, e.g. age verification when paying for an age-restricted service online, or presenting a driving licence when paying for renting a car online.
- **Payment Initiation:** The EUDI-Wallet can be leveraged as a payment wallet, storing payment credentials and provisioning card or account tokens for initiating payments. This feature offers significant potential for in-store NFC payments and online transactions on iOS and Android platforms.

The EWC Payment Interest Group

In addition to the work of the taskforce, the EWC Payment Interest Group plays an important role in disseminating information and gathering feedback. Open to non-EWC members, this quarterly virtual meeting provides participants with updates on the progress of the Payment Taskforce. While the meeting is purely informational and not a decision-making body, it serves as a forum for industry stakeholders to stay informed about the latest developments and share their insights.

EWC Pilot Programs: Bringing Theory to Practice

One of the primary objectives of the Payment Taskforce is to demonstrate that the EWC payment specifications work effectively in real-world scenarios. This is achieved through pilot programs involving banks, merchants, and wallet providers. These pilots will allow real EU citizens to use EUDI-Wallets for payments at selected merchants, ensuring a thorough testing process before scaling to larger, production-level implementations.

The taskforce plans to launch the first pilot in early 2025 based on the EWC RFCs, providing enough time to collect feedback and share insights with the European Commission before the EWC Large

Scale Pilot (LSP) phase ends. These pilots aim to optimise the user experience, address integration challenges, and identify further innovation opportunities.

A Glimpse into the Future of Payments

The EWC Payment Taskforce is pioneering the integration of EUDI-Wallets with existing payment infrastructures, ensuring that banks, merchants, and payment service providers are prepared for the future of digital identity and payments. With a focus on compliance, user experience, and innovation, the taskforce is building a foundation that will not only benefit individual stakeholders but also contribute to creating open standards that can serve the broader financial ecosystem.

Interested in learning more or being part of EWC's Payment Taskforce or Payment Interest group? Please reach out to Laurent Bailly (baillyl@visa.com)

The EWC payment RFCs are published at <https://github.com/EWC-consortium/eudi-wallet-rfcs>. Please feel free to comment directly on the RFCs published and contribute to this collaboration.



**Co-funded by
the European Union**

Co-funded by the European Union. Views and opinions expressed are, however, those of the author(s) only and do not necessarily reflect those of the European Union or the granting authority. Neither the European Union nor the granting authority can be held responsible for them.