

21.02.2007 D/000450

**Subject: Call for participants for SEPA conference on 8 May 2007  
concerning SEPA implementation in public sector**

Dear Sir, Dear Madam,

You are all aware of SEPA, the European initiative to create a Single Euro Payments Area (SEPA). This market-driven initiative is in line with the Member States commitment under the eGovernment agenda<sup>1</sup> and is designed to support the Lisbon agenda, stimulate economic growth, and encourage business activity across the Single Market.

In promoting SEPA, the European Finance Ministers (ECOFIN), the European Commission and the Eurosystem, together with industry, have stressed the importance of the early engagement by all relevant stakeholders, in particular the public sector. The SEPA initiative has a similar level of complexity as the introduction of the euro notes and coins in 2002 and will require a high level of public sector commitment.

I am writing to you to ask for your support in engaging the public sector and making SEPA a success. Since SEPA will happen in the period 2008-2010 and beyond, now is the time for the public sector and its bodies and agencies – especially those in the euro area – to make concrete preparations.

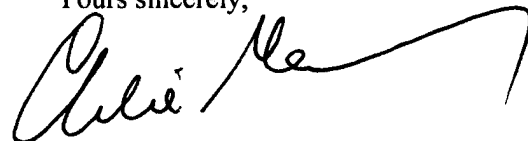
To focus these efforts, the European Commission will organise in close co-operation with the European Central Bank and the European Payments Council a conference for public administrations on SEPA on 8 May 2007 in Brussels. I am honoured that Mrs. Tumpel-Gugerell, Member of the Executive Board of the ECB will participate in this discussion. It would be a great pleasure for me to welcome participants from public administrations and financial service providers from all Member States.

Public sector involvement will be vital to bring critical mass to the new SEPA payment instruments and deliver the promised efficiency and cost gains. Given the large number of payments generated by and towards the public sector, early adoption can make a significant contribution towards building economies of scale and meeting the eGovernment agenda.

There is also an economic side to this, public administrations will benefit considerably from the use of the new SEPA services. A cost-benefit study by an independent research group on behalf of the Commission is currently estimating the efficiency gains from automation of tax, pension, health and procurement processes in public administrations.

I look forward to our discussion at the conference and I would be grateful if you could submit a proposal of participants to [markt-sepa-conference@ec.europa.eu](mailto:markt-sepa-conference@ec.europa.eu).

Yours sincerely,



Charlie McCreevy

Encl.: ECOFIN Resolution on SEPA (October 2006)

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<sup>1</sup> The eGovernment initiative is set in the context of i2010 initiative of the European Commission and the relevant e-procurement legal framework. See also the Declaration of the Ministerial eGovernment Conference from November 2005 in Manchester.

# DRAFT CONFERENCE PROGRAMME

## "SEPA: An opportunity for Europe" – Role of the public sector

Wednesday 8 May 2007 at 8.30–17.30

European Commission, Charlemagne building (room S3)  
170 rue de la Loi, 1000 Brussels

The conference will be held in English and translation in French and German will be available.

### WELCOME & OPENING ADDRESS

**8.30 Registration & morning coffee**

**9.15 Welcome & opening remarks** from the Chair

*Jörgen Holmquist*, Director General, Internal Market and Services DG, European Commission

**9.30 Keynote address:** "Importance of SEPA for Europe"

*Charlie McCreavy*, Commissioner, European Commission

**10.00 Coffee break**

### HIGH LEVEL PANELS

**10.30 Opening debate:** SEPA implementation in the public sector

Chair: *Gerard Hartsink*, Chairman of the European Payments Council (EPC)

**Discussion:** SEPA planning and implementation projects at national level in close collaboration with public administrations, central banks, banking communities and other stakeholders.

Panellists: **4 panellists** (representatives of the national SEPA implementation committees)

**11.30 Opening debate:** Relevance of SEPA for the public sector

Chair: *David Deacon*, Head of Unit, Retail Issues, Consumer Policy and Payment Systems, Internal Market and Services DG, European Commission

**Discussion:** eGovernment - Cost and benefits for the public administrations from an early adoption of SEPA payment services starting in 2008

Panellists: **4 panellists** (to be confirmed)

**12.30 Lunch**

## BREAK-OUT SESSIONS (A & B)

14.00–15.45

**Break-out sessions** in two parallel streams – Group A and Group B

### GROUP A

**14.00–14.45 Session A(1):** Centre of Excellence – Case studies about successful implementation of modern electronic payment systems in the public sector

**Chair:** NN (public administration representative)

Panellists: **3 panellists** (to be confirmed)

**15.00–15.45 Session A(2):** Practitioners presentation of banks SEPA offerings, Addressing the needs of public administrations.

**Chair:** NN (European Central Bank)

Panellists: **3 panellists** (to be confirmed)

### GROUP B

**14.00–14.45 Session B(1):** SEPA payment instruments, and introduction, benefits and efficiencies.

**Chair:** NN (European Payments Council)

**Presentations:**

SEPA credit transfer

**Marc Hale**, Chairman EPC credit transfer WG (to be confirmed)

SEPA direct debit

**Christian Westerhaus**, Chairman EPC direct debit WG (to be confirmed)

SEPA card payments

**Claude Brun**, Chairman EPC cards WG (to be confirmed)

**15.00–15.45 Session B(2):** Mobilise a SEPA project and budget in your organisation for implementation of SEPA services. Assessment of the practical steps needed to adopt the SEPA payment instruments in public administrations.

**Chair:** Charles Bryant, Secretary General, European Payments Council

Panellists: **4 panellists** (to be confirmed)

15.45 Afternoon coffee

## FINAL SESSION

**16.00 Wrap-up session:** Conclusions, challenges and opportunities

Chair: *EC*

**Discussion:** Actions needed for implementation in public administrations.

Panellists: chairs of the different working groups

**16.45 Closing address:** "Making SEPA a reality"

*Gertrude Tumpel-Gugerell*, Board Member, European Central Bank (ECB)

## SEPA BENEFITS

### 1. PUBLIC ADMINISTRATIONS BENEFITING FROM THE FIRST WAVE OF SEPA PAYMENT SERVICES STARTING IN 2008

Public administrations will benefit immediately from using SEPA-compliant payment services.

These benefits will derive from using the payment services offered by banks based on the SEPA schemes from 2008 onwards:

- (1) **A single standard saves money:** Public administrations will be able to submit electronic payment instructions in euro to reach customers of all banks operating throughout SEPA using a single standardised format, a common account identifier based on the BIC (Bank Identifier Code) and IBAN (International Bank Account Number) and one set of processing rules, including procedures for rejected and returned payments. The current necessity to distinguish between domestic and cross-border payments in euro will not exist in SEPA.

Today it is very likely that public administrations are submitting payments in a multitude of ways, which results in expensive and inefficient processing operations, often involving substantial manual intervention. This will provide a major opportunity for rationalisation and direct cost savings.

- (2) **Geographic reach and choice:** Sending and receiving payments to and from citizens and corporates throughout the SEPA (30 countries) will be considerably eased. Most obvious are the substantial numbers of pensioners who reside some or part of the year outside their original home country. Similar considerations apply to students, businessmen and other mobile people as well as corporate entities with which the public sector has economic relations.

The benefit of geographic reach is the ability to make and receive payments using the same infrastructure and channels as apply to purely domestic transactions. SEPA becomes one large competitive payment market. Public Administrations will have a great deal more choice in selecting service providers across the entire market place.

- (3) **Easier reconciliation:** The SEPA payment instruments will provide more extensive and predictable facilities for the end-to-end transport of standardised remittance information included within a SEPA payment from payer to receiver.

This will facilitate automated reconciliation and potentially reduce the number of costly exceptions and queries leading to further cost savings.

- (4) **Benefiting from Internet technologies:** The new SEPA payment instruments are based on XML (Extended Mark-up Language) standards, which power the Internet.

They provide a uniform method for describing and exchanging structured data thus enabling full interoperability between parties. They will greatly contribute to improving the efficiency of IT developments and end-to-end STP (straight-through-processing). The SEPA Schemes recommend that end-users use the same XML Standards in instructing their banks as the banks use themselves thus promoting end to end efficiency.

Payments will not be the only arena in which public administrations will embrace XML and Internet technologies. However, payments can feed the process and help to deliver lower IT costs and greater user satisfaction through richer data management.

- (5) **New direct debit capability:** SEPA-compliant direct debit services will enable recurrent and one-off payments to be collected from the entire SEPA with uniform formats, time cycles and rules, including refunds.

Today a Pan-European direct debit service does not exist on any scale and the new SEPA scheme provides the foundation for this as a new capability which can also fully support today's national volumes.

- (6) **Predictable cash flow:** There is not expected to be any regression in current execution times for payments at national level. Payments made on a SEPA-wide basis will benefit from a guaranteed maximum execution time as is being formulated as part of the Payment Services Directive (PSD) deliberations. These features will deliver benefits in terms of predictability and cash flow management.
- (7) **Growth in card payments:** As payment cards become fully interoperable across SEPA as provided in the SEPA Cards Framework, there will be benefits to public administrations for payments acquired through cards in terms of acceptance, consistency and processing efficiency. Wide introduction of a standard security technology (EMV Chip and PIN) will provide a common approach to winning the battle against fraud. The usefulness and ubiquity of cards will receive further boosts from SEPA, strengthening their already explosive growth, thus promoting less cash usage.
- (8) **Leapfrogging:** The adoption by public administrations of the new SEPA payment instruments will give them a golden opportunity to renew ageing payment applications. It has often been the case that administrative systems such as those supporting payments are updated infrequently on a minimum basis. SEPA will be a reality and advantage can be taken of the newest and richest technology offerings and their associated cost benefits.
- (9) **Still fully secure:** It should be emphasised that the SEPA payment instruments will enjoy at least as good levels of safety and security as today. There will be over time further improvements based on the latest developments in technologies such as e-signatures and encryption.
- (10) **Legal harmonisation:** All users of payment services will benefit from the harmonised legal environment contemplated in the PSD and being developed by the European Union as an important parallel and supportive initiative alongside the SEPA programme.

## **2. BENEFITING FROM ADDITIONAL PAYMENT MARKET DEVELOPMENTS STIMULATED BY THE INTRODUCTION OF SEPA**

SEPA will transform the market for payment services. The initial SEPA products and services will be based on the cooperation between providers of payment services at the level of standards, rules and practices. Further waves of innovative value-added services are likely to be developed through competitive forces. In the integrated market place that SEPA brings into being, economies of scope and scale provide the stimulus for this innovative activity.

Public administrations will benefit from these value-added services as soon as they are made available to adopters of the SEPA payment instruments.

A likely example is electronic bill presentment and payment (e-invoicing), whereby invoices are no longer printed and mailed but presented electronically to the recipient who initiates the payment from an Internet banking portal. This eliminates printing and mailing costs, cheques and other paper payments whilst substantially reducing reconciliation overheads.

Beyond e-Invoicing, banks are also developing further value-added services which will support the integration of the physical and financial supply chains. These services could significantly improve operational efficiency and cash-flow.

The SEPA Direct Debit is planned to support electronic mandates secured with electronic signatures. The public sector is a major promoter of e-signatures and e-government, and will be able to actively participate in this development with tangible benefits to its own efficiency and that of its citizens.

Individual banks will build on the SEPA Schemes and Frameworks to create new value propositions for payments.



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 10 October 2006**

**13544/1/06  
REV 1**

**LIMITE**

**ECOFIN 317  
EF 38**

**REVISED NOTE**

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from: General Secretariat of the Council  
to: Delegations  
Subject: Draft Council Conclusions on Single Euro Payment Area (SEPA)

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Delegations will find attached revised draft Council Conclusions on Single Euro Payment Area (SEPA), elaborated by the FSC at its meeting on 12 September 2006, and the EFC at its meeting on 29 September 2006.

**Draft Council conclusions on SEPA**

"The Council

- SUPPORTS the aim of the Single Euro Payments Area (SEPA): to achieve an integrated market for payment services in euro which is subject to effective competition and where there is no distinction between cross-border and national payments in euro within the EU;
- CONSIDERS that the highest priority must be given to meeting users' needs by the payment services developed under the SEPA, which requires continual involvement at national level of all interested parties;
- EXPRESSES appreciation of the substantial work undertaken by industry to achieve this aim and encourages it to make progress in the areas where work remains to be completed;
- NOTES that the completion of SEPA calls for the removal of all technical, legal and commercial barriers between the current national payment markets;
- NOTES that continued attention is needed to ensure that SEPA-payment services, including their supporting technology and procedures, do not represent a deterioration compared to the national cost and service level in the most efficient Member States and that SEPA products and services are offered in a competitive environment;
- STRESSES the importance of ensuring a level-playing field as regards the application of competition principles to all market participants, including new entrants to the payment services market, and INVITES the Commission to continue without delay, its work on this subject;
- UNDERTAKES to work, together with the European Parliament, towards a swift adoption of the Proposal for a Directive on Payments Services;

- WELCOMES that the Commission intends to come forward with the final report regarding the sector inquiry into competition in the retail banking market (which includes payment cards) before the end of the year;
- In order to facilitate commitment to an early use of SEPA, INVITES Member States to carry out cost and benefit analysis, where necessary, to check that SEPA products are better or at least equivalent to existing products in terms of price and quality, including as regards the security of payments and INVITES the industry to provide information to this end;
- INVITES Finance Ministries of Member States to monitor progress on SEPA at national level, with all interested parties; as well as the Commission and the ECB to continue monitoring the overall development, together with the Financial Services Committee and the Economic and Financial Committee, and report back to the Council if progress is not satisfactory and at the latest in 2008;
- INVITES the Commission to assess the economic and competition impacts of the SEPA taking into account its planned time schedule, and
- INVITES the Commission to continue its work on the next steps regarding the issues raised in its consultative paper on SEPA<sup>1</sup>, including the responses to the public consultation, without delay."

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<sup>1</sup> [http://ec.europa.eu/internal\\_market/payments/docs/sepa/sepa-2006\\_02\\_13.pdf](http://ec.europa.eu/internal_market/payments/docs/sepa/sepa-2006_02_13.pdf)

# PROPOSAL OF PARTICIPANTS FOR THE SEPA CONFERENCE of 8 May 2007 Brussels, Belgium

## Profile of conference participants

The conference is aimed at:

- **Representatives from public administrations**, at management level or expert level;
  - Ministry of Finance and Treasury (which also might already play a coordinating role at Member State level)
  - Administration for pensions and social security
  - Tax authorities, at state, regional and local level
  - Administration responsible for salaries paid to officials
  - Central procurement department, responsible for payments for goods and services
- **Institutions/providers serving public administrations**, with a background in payments either at management level or expert level.
  - Specialised financial service providers (e.g. commercial banks, the government's financial agent, postal bank, central bank, etc.)
  - IT – service provider (e.g. the relevant government IT service providing the technical implementation of payment messages sent and received by the public sector)

The representatives should be familiar with the payments process in the public sector.

## List of representatives

We would ask you to provide us, if possible, with the **details of the experts from your institution** in the attached form and **return this information to us [by 15 March 2007](#)**.

(Please send the completed list to [markt-sepa-conference@ec.europa.eu](mailto:markt-sepa-conference@ec.europa.eu)).

**Proposal of participants**  
**for the Conference "SEPA: An opportunity for Europe – Role of the public sector", 8 May 2007, Brussels, Belgium**

<b>Organisation</b>	<b>Name</b>	<b>Job title/ Function</b>	<b>Contact details (postal address)</b>	<b>Phone</b>	<b>Email</b>

Please send the completed list to [markt-sepa-conference@ec.europa.eu](mailto:markt-sepa-conference@ec.europa.eu) by **15 March 2007**. Thank you!

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Office: SPA2 04/61. Telephone: direct line (32-2) 298 45 87. Fax: (32-2) 295 07 50.

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