

**Conseil Européen des Paiements
Association Internationale Sans But Lucratif
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CHARTER OF THE EUROPEAN PAYMENTS COUNCIL (EPC)

COORDINATED VERSION INCLUDING AMENDMENTS APPROVED BY

THE PLENARY ON 19 JUNE 2007

1. PREAMBLE

The European banking industry formulated its vision of the Single Payment Area, notably declaring in the White Paper released in May 2002: “We, the European banks and European Credit Sector Associations (hereinafter ECSAs) – the European Banking Federation (FBE), the European Savings Banks Group (ESBG), and the European Association of Cooperative Banks (EACB) -,

- Share the common vision that Euroland payments are domestic payments,
- Join forces to implement this vision for the benefit of European customers, industry and banks, and accordingly,
- Launch our Single Payment Area”.

Subsequently, the signatories of this White Paper (see Annex 22.4) established the European Payments Council (hereinafter EPC), which is to function in accordance with the provisions of the following Charter.

2. EPC PURPOSE AND OBJECTIVES

The purpose of the EPC is to support and promote the Single Euro Payments Area (SEPA) in accordance with the vision formulated in the Preamble to this Charter. To that effect, the EPC shall, amongst others, develop the activities mentioned below.

For Credit Institutions within the Single Euro Payments Area (SEPA) the EPC shall:

- Define common positions for core payment services,
- Provide strategic guidance for standardization,
- Formulate rules, best practices and standards,
- Support and monitor the implementation of decisions taken,
- Perform the functions of Scheme Management,

So that they can:

- Maintain self-regulation,
- Meet regulators' and stakeholders' expectations as efficiently as possible.

The scope of the EPC's focus is core payment services (retail and commercial payments) in Euro in Europe, and their settlement (see Interpretation in Annex).

The objectives and critical success factors are defined as being:

- widespread acceptance of reusable standards and best practices, which are simple, easy to understand and implement,
- reconciling the implementation of new solutions with the implications of existing legacy systems of banks, market infrastructures and customers,
- the sustained lowering of the cost base for the payments business,

All objectives should be achieved through self-regulation by decisions taken by the EPC Plenary, the Co-ordination Committee and the Scheme Management Committee.

3. THE ROLE OF THE EPC

Within the above scope the EPC is established to serve as the decision-making organization for the European payments industry. It will also supervise the implementation of such decisions.

Within its scope EPC will act as the standardization body for payments related standards and provide guidance to and liaise with other standardization bodies in order to achieve its objective.

The EPC shall be responsible for the performance of functions relating to Scheme Management, as set out in the Internal Rules of the EPC.

However the EPC is neither a market infrastructure, nor a payments association.

The EPC is an international not-for-profit association ("A.I.S.B.L.") governed by the provisions of Title III of the law of 27 June 1921 of the Kingdom of Belgium on not-for-profit associations, international not-for-profit associations and foundations.

4. STRUCTURE OF THE EPC

The EPC Plenary shall be the main decision-making body of the EPC. In order to achieve its purpose, the Plenary shall be supported by the Co-ordination Committee, which shall have the powers defined in the present Charter.

In addition, the working of the association shall be supported by:

- The Nominating & Governance Committee,
- The Scheme Management Committee,
- Working Groups and Task Forces that the Plenary may establish from time to time,
- And such Committees or bodies that the Plenary may establish from time to time.

5. POLICY REPRESENTATION AND COMMUNICATION OF THE EPC VIS À VIS THIRD PARTIES

At European level, the Chair of the EPC, together with the ECSAs, will represent the EPC and communicate notably with:

- the European Central Bank,
- the European Commission, the European Parliament, and other European Union institutions,
- various EU lobby groups.

At national level, the EPC will communicate through national associations with:

- National Central Banks,
- National authorities and National Parliaments,
- National lobby groups.

6. IMPLEMENTATION

As highlighted in the Preamble, one of the key roles of the EPC is supporting and monitoring the implementation of its decisions. To achieve this, the EPC shall engage in constant dialogue with the ECSAs and the national communities in SEPA.

7. MEMBERSHIP OF THE EPC

7.1- ELIGIBILITY

The three ECSAs are Members as of right.

To be eligible to become and remain a Member of the EPC other persons must:

- Have an authorization to take up and pursue the business of credit institutions (as defined in Council Directive 2000/12/EC as amended by Council Directive 2000/28/EC), or the equivalent authorization from an EEA Central Bank, or another appropriate regulatory authority, which has not been suspended or withdrawn,
- Or be a European or national banking or bank payment Association established in the European Union or EEA, or EFTA,
- And contribute to the budget of the EPC, either directly or through an ECSA, with such annual Membership fees as determined by the EPC from time to time,
- And be legally constituted in accordance with the laws and practices of their country of origin (i.e. in the European Union, or EEA, or EFTA).

All Members shall sign the Charter for acceptance.

Market infrastructures (being defined as entities operating a system) cannot be Members. Associations may become EPC Members. The Plenary will request a recommendation of the Nominating & Governance Committee to that effect.

Members are elected by the EPC Plenary for a renewable 2-year term. The first 2-year term began in June 2002. Subsequent terms shall be determined accordingly, unless the Plenary decides otherwise.

Membership can be neither assigned nor transferred.

Members in their capacity as Members shall not be liable for the obligations of the EPC.

7.2- MEMBER OBLIGATIONS

Each EPC Member shall:

- act at all times in a manner compatible with the objectives of the EPC,
- ensure that when relevant it voices the interests of its constituency,
- be responsible for its own Representative's travel and accommodation expenses, and this regardless of this Representative's role in any of the EPC bodies,
- contribute to the budget of the EPC, either directly or through an ECSA, with such annual Membership fees as determined by the EPC.

Each Member undertakes to notify the EPC immediately of becoming aware of any of the following events:

- The Member ceasing to satisfy the Membership criteria specified above,
- The occurrence of bankruptcy, liquidation or any other procedure having bankruptcy or liquidation effects under the national law of such Member.

7.3- WITHDRAWAL OF A MEMBER

Any Member shall be entitled to withdraw from the EPC by giving written notice to the EPC Chair specifying a proposed future date for withdrawal. Once notification to EPC Members has been made the withdrawing Member may only revoke its notice with the prior written approval of the EPC.

Notwithstanding any withdrawal, a withdrawing Member or successor to its rights and obligations shall be fully liable for the due performance of all its obligations under the Charter incurred prior to its effective withdrawal date from the EPC, in particular all costs which would otherwise be its responsibility for the calendar year in which the notice of withdrawal is received. If the notice of withdrawal is received in the last two months of a calendar year, the withdrawing Member's liability extends to the totality of such costs for the following calendar year. Without prejudice to the foregoing, if a Member withdraws from EPC because it cannot support a decision of a competent EPC body, then such Member or the successor to its rights shall not, between the date of its written notice of withdrawal and the effective date of its withdrawal from EPC, be bound by such decision.

The Nominating & Governance Committee will recommend practical modalities to address situations such as a merger between 2 EPC Members, as well as other structural changes in the European banking industry.

7.4- SUSPENSION AND EXCLUSION OF A MEMBER

The EPC may suspend or exclude a Member with immediate effect (or with effect from such time and date as the EPC may specify) in the following circumstances:

- If the Member ceases to satisfy the membership criteria set out in Article 7.1.
- If any of the events set out in Article 7.2 occur.
- Where, in the opinion of the EPC, the Member is in material breach of any provision of this Charter, or circumstances have arisen which could be prejudicial or represent a threat to the integrity or reputation of the EPC.

The EPC must take its decision by way of a Resolution. In this case, no Member may be suspended or excluded without having been invited to previously present its views to the Plenary.

7.5- MEMBER REPRESENTATIVES ON THE EPC

Each EPC Member shall nominate a Representative to the EPC for a renewable 2-year term. This Representative may serve a maximum of 4 terms of 2 years. By exception, upon recommendation of the Nominating & Governance Committee, accepted by the Plenary, a Representative could serve more than 4 terms. The Secretary Generals of the ECSAs are Representatives as a consequence of their function.

Each ECSA may nominate an Alternate for their Representative, in the event that the Representative is not available. This Alternate has the same rights and obligations as a Representative.

Other Members cannot appoint an Alternate. In the case of unavailability to attend a meeting or part of a meeting their Representative may give his/her proxy for a given meeting or part of a meeting to another Representative. Written notification must be given by the Representative to the Secretariat, specifying to which Representative, and if required which item(s) of a Plenary meeting agenda the proxy has been given. Any Representative may hold the proxies of two other Representatives at a maximum.

The Representatives may give a proxy to a third party in case of a Plenary having to adopt in the presence of a notary amendments to the present Charter which must be recorded in an authentic deed, provided that these amendments have been previously approved by the Plenary constituted in accordance with the previous paragraphs. Each third party has the right to hold an unlimited number of proxies, provided that the Plenary must always be composed of at least two persons.

If a Representative is absent from three consecutive Plenary Meetings the EPC Plenary may, in its discretion, require that the Member concerned nominate a different Representative.

In case a Representative does not any more meet the representation requirements set forth in Article 7.6, the Member will appoint another Representative for the remainder of its term. Written notification thereto shall be provided to the EPC Secretariat as soon as possible, the latter notifying EPC Members.

7.6- REQUIREMENTS FOR EPC REPRESENTATIVES

To qualify as a credit institution Representative an individual must at a minimum be a senior professional accepted by credit institutions within the Single Euro Payments Area, have direct access to, and be duly mandated by top management in his/her credit institution.

In addition nominees for Working Group Chair must have the ability to take the EPC forward in meeting its objectives, and evidence skills to build viable consensus.

The same requirements as for credit institution Representatives apply for Association's and other Representatives, but with the following variation: they must have direct access to his/her Association's member's functional and top management, and to functional and top management of credit institutions of the constituency.

All such requirements also apply to the Secretary Generals of the ECSAs.

A more comprehensive list of requirements will be set forth in the Internal Rules of the EPC.

It is generally recommended that Representatives are from a credit institution, in particular where there is a single seat for a given country.

8. THE EPC PLENARY

8.1- THE ROLE OF THE EPC PLENARY

The Plenary is the main decision-making body of the EPC. All EPC Committees and other bodies that may be established from time to time report to the EPC Plenary. The Co-ordination Committee and the Scheme Management Committee have decision-making power in the exercise of their functions. With the exception of these bodies, all other committees and other bodies of the EPC may only make recommendations to the EPC Plenary, and have no decision-making power. The Plenary meets at least once every calendar year to hold the Annual General Meeting.

8.2- EPC PLENARY RESOLUTION

The Plenary expresses its position and will by means of Resolutions. A register of Resolutions is maintained by the EPC Secretariat at the registered office of the EPC. EPC Resolutions may be presented to third parties as representative of the EPC position. EPC Resolutions are freely communicated to third parties, unless the EPC Plenary decides otherwise.

All EPC Members have one vote. Resolutions are passed at a 2/3 majority (yet any amendment to the Charter is subject to Art. 18). The outline of the voting procedure can be found in Annex 22.2.

8.3- PRINCIPLES FOR SEAT ALLOCATION

The composition of the EPC Plenary reflects market reality in payments, with the objective to achieve at all times a fair representation of all banking sectors and types of players.

8.4- NOMINATION PROCESS

The basis for seat allocation at country level shall be the number of non-cash transactions effected by country (as per the latest ECB Blue Book or, if superseded, its equivalent provided by the ECB). This number is adjusted by the country's population statistics. In addition, from a consolidated European perspective, each of the 3 credit sectors will have a number of seats in proportion to its market share on the basis of the non-cash transactions effected by its members. The detailed criteria for seat allocation by country, the sector's current market shares, as well as the procedure to be followed in this instance by the Nominating & Governance Committee, the countries, and the Plenary, will be described in the Internal Rules of the EPC.

National communities recommend candidates for election as Member by the EPC Plenary, upon consultation and in constant dialogue with the Nominating & Governance Committee, in order to achieve the intended fair representation of all credit sectors and types of players.

In addition to these regular seats, the Nominating & Governance Committee may recommend that a certain number of seats (8 at a maximum) be added to the composition resulting from the above criteria. The addition of such seats could be recommended in order to mitigate the absence on the EPC Plenary (as a result of their non-selection by a national community) of a major player, or of a category of smaller players, and/or to achieve the balance between the 3 credit sectors that reflects market reality.

If a candidate is not elected by the Plenary, the Nominating & Governance Committee in cooperation with the relevant national communities will assess the situation and make a new recommendation.

8.5- OBSERVERS

Observers can be accepted to attend the EPC Plenary. Observers have no vote.

8.6- THE EPC CHAIR AND VICE CHAIR

8.6.1- Role of the Chair

The Chair chairs Plenary and Co-ordination Committee meetings. At meetings, and in-between meetings, the Chair will be intent on:

- firstly, ensuring that the conditions for wide and open debate exist,
- secondly, creating where necessary the conditions for bringing together diverging opinions, in order to deliver the consensus that is essential at the industry level.

The Chair at all times represents the EPC's interests, and not the interests of any specific institution or organization.

8.6.2- Requirements for Chair and Vice Chair

The general qualification criteria are set out in Art. 7.6 and in the Internal Rules of the EPC. In comparison with Working Group Chairs, the following additional requirements apply to nominees to EPC Chair and Vice-Chair:

- they must represent a credit institution from a Euro country,
- they must have the ability to be the spokesman of the EPC, and in that respect the ability of working together with the ECSAs Secretary Generals,
- the Chair should be able to dedicate the necessary time to the EPC.

8.6.3- Term

The Chair is elected by the Plenary for a 2-year term that can be renewed once. (A) Candidate(s) meeting the requirements set out in Art. 7.6 and 8.6.2 will be recommended to the Plenary by the Nominating & Governance Committee.

The current incumbent of the office of Chair, as at the date of the Plenary of 21 June 2006, having served during two terms of office, may stand for election as Chair for one further two-year term of office and if elected serve in such capacity for the said additional two year term. Assuming the current Chair is re-elected for an additional term, the preceding sentence shall become without object and shall no longer be part of the Charter upon the termination of the additional term of the current Chair.

8.6.4- Vice-Chair

The Vice-Chair is elected by the Plenary for a 2-year term that can be renewed once. (A) Candidate(s) meeting the requirements set out in Art. 7.6 and 8.6.2 will be recommended to the Plenary by the Nominating & Governance Committee. The Vice-Chair shall be selected presuming that he/she replaces the Chair when the latter is not available. Consequently, Article 8.6.1 also applies to the Vice-Chair.

The current incumbent of the Vice-Chair, as at the of the Plenary of 21 June 2006, having served during two terms of office, may stand for election as Vice-Chair for one further two-year term of office and if elected serve in such capacity for the said additional two year term. Assuming the current Vice-Chair is re-elected for an additional term, the preceding sentence shall become without object and shall no longer be part of the Charter upon the termination of the additional term of the current Vice-Chair.

8.6.5- Compensation Committee

When required, the Chair and Vice-Chair form the “compensation committee” to define and review employment conditions of the EPC Secretary General, and gives general directives for the employment conditions of other EPC employees.

8.6.6- External representation of the EPC

The EPC shall be validly represented vis-à-vis third parties and with regards to all deeds by the Chair. Legal proceedings, either as plaintiff or as defendant, shall be conducted by the Plenary represented by the Chair.

The Chair need not justify his/her powers vis-à-vis third parties.

In addition, the EPC shall be validly represented, within the framework of his/her mandate, by a proxy holder duly mandated by the EPC Plenary or the Co-ordination Committee.

Only EPC Plenary Resolutions and decisions of the Scheme Management Committee (SMC) may be presented as representative of the position of the EPC.

9. THE CO-ORDINATION COMMITTEE

9.1- ROLE OF THE CO-ORDINATION COMMITTEE

The Co-ordination Committee deals with all issues relating to the EPC mission statement and scope, as described in the preamble.

It is charged:

- 1- with drafting the agendas of the Plenary
- 2- with the daily management of EPC
- 3- with monitoring the implementation of EPC decisions in co-ordination with the ECSAs, and national committees.

It also makes recommendations to the EPC Plenary and other association bodies. These recommendations must be the expression of a consensus, or at the very least reflect the opinion of a very large majority of Co-ordination Committee members. In particular the Co-ordination Committee:

- recommends establishing and discontinuing Working Groups and Task Forces,
- advises Working Groups and Task Forces on their work,
- prepares draft work plans and strategies for EPC Plenary decision,
- advises the Chair and other Representatives on the dialogue with authorities, media, etc.

The Co-ordination Committee establishes the annual accounts of the past financial year and prepares the budget for the next financial year.

The Terms of Reference of the Co-ordination Committee are annexed to this Charter.

9.2- COMPOSITION OF THE CO-ORDINATION COMMITTEE

The Co-ordination Committee is composed of up to 26 members in total. These are:

- Members selected from the EPC Plenary based on the number of regular seats on the Plenary. The current applicable key is 1 Co-ordination Committee member for every 4 Members on the Plenary. The Members will be represented by a Representative;
- the 3 ECSAs, represented by their respective Secretary Generals;
- the Members whose Representatives are the Chairs of the ECSA's Payment Committees, represented by these Chairs;
- the Members whose Representatives are the Working Groups Chairs, represented by these Working Group Chairs;
- the Chair and the Vice Chair.

The duration of the mandate of the members of the Co-ordination Committee is indefinite; provided that the mandate of a Co-ordination Committee member shall terminate forthwith if the member no longer complies with the aforementioned criteria to be member of the Co-ordination Committee.

The composition of the Co-ordination Committee shall respect (as much as possible) the sectoral balance between the 3 ECSAs.

The Co-ordination Committee shall never consist of less than fifteen members.

The EPC Chair and Vice-Chair are respectively Chair and Vice-Chair of the Co-ordination Committee.

10. WORKING GROUPS AND TASK FORCES

10.1- WORKING GROUPS

The Plenary can set up Working Groups. Supported by specific Terms of Reference approved by the Plenary, Working Groups hold their mandate from, and report to, the EPC Plenary. Working Groups have no decision-making power. Working Groups can only make recommendations to the EPC Plenary, after a positive review by the Co-ordination Committee.

Working Groups can be composed of Plenary Members and non-Members. Working Groups are chaired by an EPC Representative appointed by the Plenary upon the proposal of the Nominating & Governance Committee. The Working Group Chair is a member of the Co-ordination Committee. If a Working Group Chair ceases to be an EPC Representative, his/her mandate shall immediately terminate and a new Chair shall be appointed for the rest of the term.

10.2- TASK FORCES

Working Groups can recommend to set up Task Forces. In the interest of efficiency, the next following Co-ordination Committee may approve a new Task Force, which will be formally sanctioned through the Progress Report submitted by the relevant Working Group to the next EPC Plenary meeting. Task Forces are supported by specific Terms of Reference approved by the Working Group, and report to Working Groups.

Task Forces can be composed of Plenary Members and non-Members. Task Forces should be chaired by an EPC Representative. The Task Force Chair is a member of the Working Group to which the Task Force reports.

11. THE NOMINATING & GOVERNANCE COMMITTEE

11.1- ROLE OF THE NOMINATING & GOVERNANCE COMMITTEE

The Nominating & Governance Committee can only make recommendations to the EPC Plenary, either upon the latter request, or on its own initiative and has no decision-making power. These recommendations notably concern:

- reviewing the Charter,
- defining the profile of EPC Plenary Members,
- in particular, ensuring that there is at least one candidate for the EPC Chair position,
- reviewing nominees in co-operation with national communities (in particular nominees to the Co-ordination Committee, the Scheme Management Committee and for Working Group Chair),
- reviewing the Terms of Reference of all standing committees,
- reviewing the composition of the Co-ordination Committee,
- reviewing the composition of the Scheme Management Committee,
- evaluating the contribution of Representatives on the EPC, including the Chairs of its various bodies.

The Terms of Reference of the Nominating & Governance Committee, as well as the procedure to be followed in such instances by the Nominating & Governance Committee, the countries, and the Plenary, will be set forth in the Internal Rules of the EPC.

11.2- COMPOSITION OF THE NOMINATING & GOVERNANCE COMMITTEE

The Nominating & Governance Committee has 6 members. They are:

- the Secretary Generals of the 3 ECSAs,
- 3 senior Representatives from Members which are credit institutions (one from each ECSA), elected by the Plenary from a selection of 6 Plenary Representatives proposed by the ECSAs (2 by each ECSA). These 3 EPC Representatives must have been nominated by different countries, at least 2 of them by Euro countries, and at least one of them by a country having a single Member on the EPC Plenary,
- neither the EPC Chair, nor its Vice-Chair can be Representatives of the Nominating & Governance Committee.

From amongst the 3 above mentioned credit institution Representatives, the EPC Plenary elects the Chair of the Nominating & Governance Committee.

12. SCHEME MANAGEMENT

12.1 - OVERVIEW OF SCHEME MANAGEMENT

The EPC has produced SEPA Rulebooks as a step towards realising the Single Euro Payments Area and may produce further such Rulebooks in the future.

The Rulebooks set out rules and technical standards for the operation of payments schemes for making payments throughout the Single Euro Payments Area.

Scheme Management consists of two functions. The first function involves the administration of the Payment Schemes and the process of ensuring compliance with their rules, as set out in the Rulebooks, and the second function involves managing the development and evolution of the Schemes.

The detailed rules for Scheme Management are set out in the Internal Rules of the EPC.

12.2 - ROLE OF THE SCHEME MANAGEMENT COMMITTEE

The Scheme Management Committee is responsible for performing the administration and compliance functions of Scheme Management. Its members are approved by the EPC Plenary and may, in certain exceptional cases, be removed from office by a resolution of the EPC Plenary in accordance with the Internal Rules of the EPC. The Scheme Management Committee is a body with decision-making power. This power may only be exercised in relation to the specific functions of Scheme Management for which it is responsible pursuant to the Internal Rules of the EPC. The Scheme Management Committee is required to report to the EPC Plenary at each EPC Plenary meeting and may do so more regularly, if required.

12.3 - ROLE OF THE EPC PLENARY IN SCHEME MANAGEMENT

In relation to Scheme Management, the EPC Plenary is principally responsible for carrying out the development and evolution function for the Schemes. As part of this role, the EPC Plenary shall decide on the introduction of new Schemes and on changes to be implemented into the Schemes in accordance with the Internal Rules of the EPC. In addition, it shall facilitate the establishment of stakeholder forums and carry out consultation and dialogue with stakeholders during the change management process. The EPC Plenary shall be supported by its Working Groups in the exercise of this function.

In relation to the administration and compliance role of Scheme Management, the EPC Plenary shall be responsible for approving nominations to the Scheme Management Committee and, in certain exceptional cases, for removing existing members of the Scheme Management Committee in accordance with the Internal Rules of the EPC.

Also in relation to the administration and compliance role of Scheme Management, the EPC Plenary shall be able to raise issues arising from the work of the SMC at meetings of the EPC Plenary (including in order to discuss policy issues arising in respect of the Rulebooks).

The EPC Plenary shall not comment on specific cases pending before the SMC, but may discuss matters of SMC policy to ensure that the SMC is acting within its scope and performing its role in a proper manner.

13. BUDGET AND FUNDING

The budget year is the calendar year. The budget of the EPC shall be decided by the Plenary. Non-recurrent expenditures may be decided on a case-by-case basis. The accounts and the final budget of the EPC for each calendar year are submitted for approval by the Plenary at the Annual General Meeting.

As per Art. 7.1 above each EPC Member is accountable for its membership fee. Each of the 3 ECSAs can decide individually how to organize for its Members the collection of annual and other fees, always as a function of its share of seats on the Plenary. The number of seats allocated to each ECSA for each term will be the basis for billing.

To meet a fair and equitable proportion of expenses incurred in relation to Scheme Management, the EPC shall be entitled to levy fees from Scheme Participants in accordance with the Internal Rules of the EPC.

14. EPC SECRETARIAT

The EPC Secretariat is external to the ECSAs. The EPC Secretary General reports to the EPC Chair, and works according to a set of Terms of Reference defined by the Coordination Committee.

The EPC Secretary General presents all relevant issues to Plenary and Coordination Committee meetings, and delivers a fact-based quarterly report on design and implementation.

The role of the EPC Secretariat is to provide management and administrative support to EPC activities. This includes support for process management, Scheme Management, support to EPC governance bodies, Working Groups, Scheme Management Committee, management of the EPC information service and the EPC calendar. The EPC Secretariat shall provide secretarial and project management services to these bodies. The EPC Secretariat is funded through the EPC budget.

The appointment of the EPC Secretary General is approved by the Coordination Committee on the recommendation of the EPC Chair and Vice Chair, who will consult the Nominating & Governance Committee.

15. OFFICES

The EPC's registered office shall be located at 1040 Brussels, avenue de Tervueren 12. It may be moved to any other location in Belgium decreed by the EPC Plenary. The EPC Secretariat shall notify Members in writing of any change to the registered offices. Any change of the registered office shall be published in accordance with the law.

The EPC Plenary may decide to open EPC branch offices in Belgium or abroad.

16. DURATION

The EPC is established for the duration necessary to meet its objectives.

17. THIS CHARTER

This Charter replaces any previous Charter and related EPC governing document(s) in force at the time of its adoption. Each Member is bound by this Charter and by any amendment(s) to it. Amendments to this Charter shall be made by a Resolution passed at a Plenary meeting pursuant to Article 18.

If there is a conflict between a provision of this Charter and any provision of other EPC documents, the relevant provision of this Charter shall supersede.

18. AMENDMENTS TO THE CHARTER/DISSOLUTION AND LIQUIDATION OF THE EPC

The present Charter can be amended pursuant to a recommendation of the Nominating & Governance Committee. Any amendment to the Charter requires the approval of three quarters (3/4) of the Members present or duly represented in the EPC Plenary. When the law requires it, the amendments to the Charter shall require the approval of the King and/or shall be recorded in a notarial deed. The date on which the amendments to the Charter shall enter into force shall be determined in the Internal Rules of the EPC or by the decision of the EPC Plenary regarding the modifications to the Charter. Any decision of the EPC Plenary relating to the amendments of the Charter is subject to the additional requirements imposed by applicable law.

A decision to dissolve and liquidate the EPC requires the approval of three fourths (3/4) of the Members present or duly represented in the EPC Plenary. Any decision to dissolve and liquidate the EPC shall be published in accordance with the law. Upon the dissolution and liquidation of the EPC, the EPC's net assets shall be used to promote a disinterested purpose.

19. NOTICES

All notices under this Charter are in writing. Such notices may be made in any way and using any mechanism. Notices submitted via electronic means, i.e. via e-mail shall be considered as notices in writing.

A communication by post which is correctly addressed is deemed to be made 7 calendar days after posting (postage pre-paid). A communication by facsimile transmission is deemed made when the sending fax machine records a complete and correctly addressed telex transmission. A communication by e-mail is deemed made when the e-mail has been sent, having been properly addressed, and no notice of non-delivery having been received.

20. ARBITRATION

If arbitration is deemed necessary by a Member of the EPC Plenary in relation to matters that are not related to Scheme Management, or requested by any Member in relation to such matters not related to Scheme Management, then the dispute is referred for resolution to a group of 3 members from the Co-ordination Committee. The 3 members are appointed by the Nominating & Governance Committee, and may not be directly involved in the dispute.

In relation to Scheme Management, the conduct of appeals arising between Scheme Participants shall be carried out in accordance with the Internal Rules of the EPC.

21. GOVERNING LAW AND JURISDICTION

This Charter shall be governed by and construed in accordance with Belgian law. In respect of all appeal proceedings commenced in accordance with Article 20, paragraph 2, of this Charter, Belgian Courts shall ultimately have exclusive jurisdiction to settle any such disputes. If the EPC Plenary decides to move the offices to another Euro country, the changes required to bring this Charter in accordance with the law of that country shall be made.

22. ANNEXES

22.1- Definitions and Interpretation

22.2- EPC Plenary meetings and voting procedure

22.3- Terms of Reference of the Co-ordination Committee

22.4- Signatories of ECSA's Workshop White Paper – May 2002

22.1- DEFINITIONS AND INTERPRETATION

In this Charter, unless the context otherwise requires:

Alternate: is a natural person nominated by the Representative of an ECSA in accordance with Article 7.5, if the Representative is not able to attend a Plenary Meeting or a Co-ordination Committee Meeting.

Association: means any body other than the 3 ECSAs, based in either the European Union or the EEA, which represents a number of credit institutions on matters pertaining to payments.

Chair: is the Representative for the time being appointed by the EPC (for the Plenary, Coordination Committee, or Working Groups), or by the Co-ordination Committee (for Task Forces) to be the Chair as the context requires. For Task Forces this may be a Representative, or another natural person.

Charter: means this Charter, as amended from time to time.

Co-ordination Committee: is the group of EPC Members and other persons designated pursuant to Art. 9.2 responsible for the day-to-day management of EPC activities.

Core payment services: means the basic services provided by financial institutions on behalf of their retail and commercial customers for the execution of payments instructions, to the exclusion however of those services that go beyond the mere execution scope. Clearing services are outside the scope.

ECSA: is the acronym for “European Credit Sector Association”, i.e. any of either the European Association of Co-operative Banks (EACB), or the European Banking Federation (FBE), or the European Savings Banks Group (ESBG).

EPC: means the European Payments Council.

Internal Rules of the EPC: such rules as are set out in relevant documents of the EPC, as produced and amended from time to time.

Intra-EU transactions: for the purpose of the EPC’s work “intra-EU” shall mean all transactions that originate from a EU country, and are destined for a beneficiary in an EU country, regardless whether it is the same, or a different, country. “Intra-EU transactions” thus are the sum of what is currently known as domestic (or national) and cross border (between 2 EU countries) transactions.

Intra-SEPA transactions: for the purpose of the EPC’s work “intra-SEPA” shall mean all transactions in Euro that originate from a SEPA – as defined hereafter - country, and are destined for a beneficiary in a SEPA country, regardless whether it is the same, or a different, country

Local transactions: for the purpose of the EPC’s work “local” shall mean all transactions that originate in a EU country, and are destined for a beneficiary in that same EU country. “Local transactions” thus replace what is currently known as national transactions.

Member: means any person which in accordance with Article 7.1 has been admitted as, and has not ceased to be, a Member (the term “Membership” shall be construed accordingly).

“member”: means a member of a body in any other context than the above.

National communities: for the purpose of this Charter, “national communities” shall mean all financial institutions in the banking sector in a given country, regardless of their membership, or not, in one or several associations.

National association: for the purpose of this Charter, “national association” shall mean any association constituted at national (i.e. country) level notably to represent the interests of financial institutions. There can be one or several associations at any time in a given country.

Nominating & Governance Committee: means the body providing recommendations to the EPC Plenary on nomination and governance matters.

Plenary: means the body encompassing all EPC Members.

Regular seats: mean the seats allocated to Members on the Plenary as a result of the process described under Articles 8.3 and 8.4 first and second paragraphs. Those seats that may be allocated as a result of the process described in Article 8.4 third paragraph are not regular seats: their existence is without effect on the total number of seats by country on the Co-ordination Committee.

Representative: is the natural person nominated by a Member to represent them at Plenary Meetings (and, as the case may be, at Co-ordination Committee Meetings).

Resolution: means an official decision of the EPC Plenary as a result of a vote.

Rulebooks: means the SEPA Direct Debit Scheme Rulebook and the SEPA Credit Transfer Scheme Rulebook and such other Rulebooks as are produced by the EPC from time to time.

Schemes: the SEPA Direct Debit Scheme and the SEPA Credit Transfer Scheme, or such other Schemes as the EPC may establish from time to time.

Scheme Management: denotes the governance, development and compliance mechanisms in relation to a Scheme.

Scheme Management Committee: is the Committee of the EPC responsible for the performance of the administration and compliance role of EPC.

Scheme Participant: is an entity that has adhered to a Scheme.

Secretariat: is the function performed by a natural person or persons who provide administrative services to support the EPC, as set out in Article 14 of this Charter.

SEPA (or Single Euro Payments Area): for the purpose of this Charter it shall encompass European Union and EEA countries. For the purpose of Article 7.6 it shall in addition encompass Switzerland.

Stakeholders: within the SEPA context the key stakeholders are: governments, authorities and regulators, the banking and payments industry and their suppliers, corporates, merchants, individual customers and consumers.

Task Force: is a small group established by the Co-ordination Committee for a limited period of time, and a specific scope, and reporting to the Chairman of a Working Group, to investigate and formulate recommendations to the Working Group.

Vice Chair: means the Representative elected in accordance with Article 8.6.4.

Working Group: is a body established by and reporting to the EPC Plenary to investigate a broad range of issues and formulate recommendations to be submitted to the EPC Plenary.

22.2- EPC PLENARY MEETINGS AND VOTING PROCEDURE

22.2.1- Plenary Meetings

Frequency of meetings

The Chair may call Plenary meetings in at least twice a year. Under exceptional circumstances, an extraordinary Plenary meeting shall be convened at the request of at least one third (1/3) of the Members, or of the Co-ordination Committee.

Notice of meetings and agenda

Representatives shall receive from the EPC Secretariat written notice of a meeting no less than four (4) weeks before the date of the meeting, and the agenda of a meeting no less than two (2) weeks before the date of the meeting.

Any Representative shall have the right to propose to the Secretariat an item to be put on the agenda of a meeting. It shall be left to the discretion of the Chair to put or not to put such item on the agenda. The Secretariat shall without undue delay inform such Representative accordingly.

Participation in meetings

Representatives of the three (3) ECSAs or their designated Alternate may be accompanied by a secretariat staff.

Non-Members may be invited to participate in a given meeting for a specific purpose with observer (i.e. non voting) status.

22.2.2- Quorum and voting procedures

To make valid decisions, a Plenary Meeting requires that at least 2/3 of the Representatives are present or duly represented (Quorum of participants). Any Representative or, where applicable, his/her Alternate shall be entitled to attend and vote at a Plenary Meeting.

Each Member has one vote. To be adopted, any Resolution requires the approval of a qualified majority of two thirds (2/3) of the voting rights of the Members present or duly represented (Majority Quorum). Abstentions do not count, yet no Resolution can be passed if more than half of the Quorum of participants abstains.

If ever there is an issue that refers exclusively to Euro matters and affects only Members in those countries that have adopted the Euro, and if a vote on a proposed Resolution related to such an issue resulted in a blocking minority, then another vote on that same Resolution would be organized, in which the voting rights of all Members from Euro countries would count double. Votes (in favor, against, abstain) are disclosed to Plenary Members. Votes in favor, against and abstentions shall be recorded separately for the purpose of the vote and minutes.

Any vote which involves a person will be made without the presence of the person concerned.

The detailed voting procedures are contemplated in the EPC Internal Rules approved and amended from time to time by the EPC Plenary.

Voting by written procedure

In exceptional cases and when the urgency of the matter so requires the Plenary may take decisions by a written procedure.

To that effect, the Chair with the assistance of the Secretariat, shall send via regular mail or via any other modern means of written communication (including e-mail) he/she deems fit, the proposed resolutions to all Members. The communication shall be accompanied by a memorandum prepared by the Chair setting forth the reasons which have led to the use of the written procedure, as well as the context of the proposed resolutions. The proposed resolutions shall be deemed adopted if within fifteen working days after being sent the number of, and votes attached to, the duly completed communications returned to the Chair by the Members is sufficient to meet the quorum and voting requirements set forth in this Charter.

If the Chair is unwilling or unable to send the communication and prepare the memorandum, the communication shall be prepared by the Vice Chair.

Votes against and abstentions shall be recorded separately by the Secretariat. Results of the vote must be communicated to all Members by the Secretariat within 5 business days of the close of voting.

The results of a vote via the written procedure shall have the same standing as a vote at a Plenary meeting. However neither amendments to the Charter, nor an election, nor other decisions on personal matters, may be made/taken by a vote via the written procedure.

22.2.3- Election of natural person(s)

For a valid election of natural persons to take place, at least 2/3 of the Representatives must be present or duly represented (quorum of participants). Any Representative or, where applicable, his/her Alternate shall be entitled to take part in the election of natural persons.

Each Member has one vote and may hold the proxies of two other Members at a maximum.

The election of natural persons may only be organised during Plenary meetings. Representatives vote by secret ballot. The election may require one or two voting rounds:

- In a first voting round, Members may vote for any presented candidate. Any candidate who gathers more than half of the votes of the Members present or represented (abstentions do not count), is elected.
- If no candidate gathers more than half of the votes of the Members present or represented, a second voting round takes place immediately. Only the 2 candidates having gathered the highest number of votes during the first round may participate in the second round. The candidate gathering a relative majority (abstentions do not count) is elected.

22.3- Terms of Reference of the Co-ordination Committee

22.3.1. Role of the Co-ordination Committee

The role of the Co-ordination Committee is set in Article 9.1 of the Charter.

22.3.2. Frequency of meetings

The Chair may call Co-ordination Committee meetings at least four times a year. Under exceptional circumstances an extraordinary Co-ordination Committee meeting may be convened at the request of at least one third (1/3) of its members.

22.3.3. Notice of meetings

Members of the Co-ordination Committee shall receive – via their representatives, if applicable - from the EPC Secretariat written notice of a meeting no less than two (2) weeks before the date of the meeting. Meeting documents will be sent no less than one (1) week before the date of the meeting.

22.3.4. Agenda for meetings

The agenda of a meeting will be sent by the EPC Secretariat at the same time than the notice for the meeting. Any member of the Co-ordination Committee shall have the right to propose to the Secretariat an item to be put on the agenda of a meeting. To add or not such item to the agenda is left at the Chair's discretion. The Secretariat shall without undue delay inform such member accordingly.

22.3.5. Participation in meetings

22.3.5.1. Quorum

To be validly constituted a Co-ordination Committee meeting requires that at least two third (2/3) of its members are present or duly represented (quorum of participants).

22.3.5.2. Representatives and alternates

Members must be present in person, or via their representative, if applicable, or give a written proxy to another member. No member may carry more than one proxy at any given Co-ordination Committee meeting.

22.3.5.3. Other participants

Non-members may be invited by the Chair or Vice-Chair to participate at any given meeting (or part thereof) for a specific purpose with observer (i.e. non-voting) status.

22.3.6. Decision making process

22.3.6.1. By consensus

The Co-ordination Committee makes decisions first and foremost by consensus amongst its members. It is the task of the Co-ordination Committee Chair to achieve such consensus whenever possible.

22.3.6.2. Voting procedure

In circumstances where such consensus cannot be achieved as appropriate, the Co-ordination Committee will make its decision(s) via a vote. Any member shall be entitled to vote at a Co-ordination Committee meeting. Each member on the Co-ordination Committee has one vote. To be passed, any item for decision requires the approval of a qualified majority of two thirds (2/3) of the votes of members present or duly represented (Majority Quorum). Abstentions do not count, yet no item for decision can pass if more than half of the quorum of participants abstains.

Votes (in favor, against, abstain) are disclosed to Co-ordination Committee members, and are recorded separately for the purpose of the vote and minutes. Any vote which would involve a person will be made without the presence of the person concerned.

22.3.7. Register of decisions

The EPC Secretariat maintains a Register of minutes, evidencing notably the decisions made.

22.3.8. Information of EPC Members

The approved minutes of Co-ordination Committee meetings are made available to all EPC Members.

22.4 SIGNATORIES OF ECSA'S WORKSHOP WHITE PAPER – MAY 2002

The banks:

ABN AMRO
Alliance & Leicester
Allied Irish Bank
Banca del Piemonte
Banca Di Roma
Banco Espirito Santo
Bank of Ireland
Barclays Bank
Bayerische Landesbank
BBVA
BCEE
BNP Paribas
CECA
Citibank
CNCE
Credit Agricole
Credit Mutuel
Credito Valtellinese
Credit Suisse
Deutsche Bank
Dresdner Bank
DZ Bank
Erste Bank
Fortis
HSBC
Hypo Vereinsbank
ING Bank
Intesa BCI

KBC Bank
Lloyds TSB
Natexis Banque Populaire
Nordea
Rabobank
Royal Bank of Scotland
Santander Central Hispano
SanPaoloImi
SNS
Société Générale
Swedbank
UBS
Unicredito Italiano

European Credit Sector Associations (ECSAs):

European Association of Cooperative Banks
European Banking Federation
European Savings Banks Group

Other organizations:

EBA

EPC Member:
(name of Member, legal form)
Signed on
At
Represented by (name, first name, title)
And by : (name, first name, title)