



Press Release

EPC launches the two SEPA Direct Debit Schemes in November 2009

The European banking industry confirms its commitment to the Single Euro Payments Area

On 31 March 2009 the EPC Plenary – the decision-making body of the European Payments Council – decided that as of 1 May 2009 it will be possible for banks to sign up for participation in the SEPA Core Direct Debit Scheme and / or the SEPA Business to Business Direct Debit Scheme. Banks will therefore be able to start delivering euro direct debit services as of 2 November 2009. “The introduction of the two SEPA Direct Debit Schemes demonstrates the continued commitment of the European banking industry to the creation of one domestic euro payments market and its ability to deliver on time the euro payment schemes that are the foundation of SEPA. SEPA Direct Debit services offer citizens, companies and public administrations a new and unique opportunity to make euro direct debit payments within and across 31 European countries”, comments EPC Chair Gerard Hartsink.

Prior to yesterday’s confirmation of the SEPA Direct Debit launch date, the EPC had emphasized the need for certainty as regards the acceptability of a multilateral inter-bank fee arrangement for SDD transactions in the long term. In a joint statement on 24 March 2009 the European Commission and the European Central Bank clarified their position on such an inter-bank fee arrangement applicable to SEPA Direct Debit transactions after October 2012. The EPC recognizes that the principles outlined in the joint statement of the regulators will affect the SEPA banking communities differently due to the fact that banks’ existing direct debit business models vary from country to country. This means that some communities are confronted with the obligation to adapt their current direct debit business model significantly as of November 2012.

National and European public authorities must now implement those legal provisions that will allow banks to finalize SEPA implementation projects and will enable bank customers to fully exploit the benefits of the SEPA Direct Debit. It is very important that national governments complete transposition of the EU Payment Services Directive (PSD) by 1 November 2009 the latest. The PSD provides the harmonized legal environment needed for SEPA-wide operation of the SEPA Direct Debit Schemes. In addition, EU Member States must, where necessary, create legislative solutions to ensure the continued legal validity of existing mandates under the SEPA Direct Debit Scheme.¹

The SEPA Direct Debit Schemes provide a fast, secure and convenient means of making single or recurrent euro payments. The SEPA Direct Debit Schemes allow customers – for the first time ever – to make both domestic and cross-border euro direct debit payments throughout the 31 SEPA countries. The EPC invites major billers such as tax authorities, insurers, publishers and telecommunication companies, for example, to take advantage of SEPA Direct Debit services and to make this new means of bill payment available to consumers.

Gerard Hartsink
EPC Chair

Enclosure: EPC publication “Shortcut to the SEPA Direct Debit Schemes”

¹ A mandate is completed by a customer purchasing goods or services to authorise a seller or service provider to collect payments via direct debit.

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The EPC Plenary is the decision making body for the European payments industry with four key functions including 1) agree common position vis-à-vis European public authorities, 2) develop common business rules and standards, 3) support members with implementation and 4) organise the scheme management of SEPA Credit Transfer and SEPA Direct Debit through a Scheme Management Committee (SMC). The SMC consists of 12 members of whom 3 are independent including the Chair. The EPC has 74 members including the major banks and a fair representation of smaller banks and their banking associations.

For further information please contact the EPC Secretariat at secretariat@europeanpaymentscouncil.eu or visit the EPC website at www.europeanpaymentscouncil.eu.