



PRESS RELEASE

European Payments Council launches SEPA Direct Debit Schemes

13 October, 2009 – Brussels: the European Payments Council (EPC), the coordination and decision-making body of the European banking industry in relation to payments, launches the SEPA Core Direct Debit Scheme and the SEPA Business to Business Direct Debit Scheme on 2 November 2009.

⇒ Banks throughout the Single Euro Payments Area (SEPA) are now gradually starting to deliver SEPA Direct Debit services to their customers. All branches of banks in the euro area must be reachable for SEPA Core Direct Debit by 1 November 2010 as mandated by the EU Regulation on cross-border payments in the Community. The EPC confirms a successful kick-off: to-date 2607 banks representing about seventy per cent of SEPA payment volumes have signed up to the new schemes and are ready to roll-out SEPA Direct Debit services from 2 November 2009 onwards. Of those, 2366 banks are offering both SDD Core and SDD B2B services.

⇒ SEPA Direct Debit services enable customers – for the first time ever – to **make and receive both domestic and cross-border euro direct debit payments throughout the 32 SEPA countries**, i.e. the 27 EU Member States, Iceland, Liechtenstein, Norway, Switzerland and Monaco. The direct debit is a major payment instrument widely used in many euro area countries.

⇒ EPC Chair Gerard Hartsink comments: "Following the introduction of euro notes and coins in 2002 the **political drivers of the SEPA process** – the Economic and Financial Affairs Council (ECOFIN), the European Commission, the European Parliament and the European Central Bank – **called on the payments industry to bolster the common currency by developing a set of harmonised schemes and frameworks for electronic euro payments**. The SEPA Credit Transfer Scheme, the SEPA Direct Debit Schemes and the SEPA Cards Framework developed by the EPC in close dialogue with the customer community strengthen the monetary union. The SEPA schemes also support cross-border trade within the internal market".

⇒ **SEPA offers significant benefits for bank customers**. The implementation of innovative and competitive SEPA payment services based on global ISO standards translates into efficiency gains for businesses and public administrations, while consumers can rely on a single set of euro payment instruments covering 32 countries: one bank account, one bank card, one SEPA Credit Transfer, one SEPA Direct Debit.

⇒ The impact of SEPA, however, transcends monetary policy and payments services. The European Commission expects the legal and technical SEPA harmonisation exercise to facilitate the **dematerialisation of business processes** by replacing paper-based procedures with standardised electronic solutions such as e-invoicing.

⇒ The introduction of the SEPA Direct Debit Schemes requires a **uniform EU-wide legal framework for payments**; the launch date of the SDD schemes therefore aligns with the 1 November 2009 deadline for EU Member States to transpose the Payment Services Directive (PSD) into national law.

⇒ EPC Chair Gerard Hartsink concludes: "Moving forward, the **focus must be on accelerating migration** to the new euro payment instruments. Today, more than 4500 banks offer SEPA Credit Transfer services. Eighteen months after the launch of the SCT, 4.4 per cent of all euro credit transfers in the EU are actually based on the SCT scheme. The current rate of SEPA market uptake is in line with expectations considering the average timelines required for the roll-out of other major EU integration initiatives."

⇒ "The **political drivers of the SEPA project now have to incentivise market transition**. Firstly, the European Commission, the European Central Bank and EU governments should implement a SEPA communication campaign comparable to that afforded for the euro introduction. Secondly, public administrations – accountable for up to 20 per cent of electronic payments made in society – must speed up implementation. Moving public sector payments to SEPA will create critical mass and trigger implementation by other market participants".

⇒ The EPC recognises the value of setting a **deadline for migration to SEPA services**. An end date for phasing out legacy euro payment instruments creates awareness, ensures planning security for all market participants and confirms the commitment to making SEPA a reality. Mandating an EU-wide end date would require EU regulation. – **ENDS** –

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About the European Payments Council

⇒ The European Payments Council (EPC) is the decision-making and coordination body of the European banking industry in relation to payments. The EPC defines common positions for core payments services, provides strategic guidance for standardisation, formulates best practices and supports and monitors implementation of decisions taken. The EPC consists of 74 members comprising banks and banking communities. More than 300 professionals from 32 countries are directly engaged in the work programme of the EPC, representing all sizes and sectors of the banking industry within Europe.

⇒ The EPC develops the payment schemes and frameworks necessary to realise the Single Euro Payments Area (SEPA). SEPA is an EU integration initiative in the area of payments designed to achieve the completion of the EU internal market and monetary union. SEPA is the area where citizens, companies and other economic participants can make and receive payments in euro, within Europe, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location. SEPA is currently defined as consisting of the EU 27 member states plus Iceland, Norway, Liechtenstein, Switzerland and Monaco.

⇒ For further information on the EPC please contact secretariat@europeanpaymentscouncil.eu or visit www.europeanpaymentscouncil.eu.

⇒ **This press release is also available in the following euro area languages included in the EPC SDD Launch Media Kit available on the EPC website (see below):**

Full text: French and German

Summary text: Italian and Spanish

⇒ **The EPC SDD Launch Media Kit is available on the EPC website at www.europeanpaymentscouncil.eu / Latest News section on the home page.**

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