

Doc EPC175/05

Brussels, 21 September 2005

Press release

The banking industry delivers the next milestone on the road to SEPA.

The European Payments Council today approved its SEPA Cards Framework at a Plenary meeting in Brussels. It also agreed to release its SEPA Scheme Rulebooks for credit transfers and direct debits for consultation amongst national banking communities who will deliver the Single Euro Payments Area (SEPA) as set out in the EPC Roadmap.

These are significant steps towards meeting the expectations of bank customers and the industry commitment to delivering SEPA, thereby satisfying the aspirations of the European Commission and the Eurosystem.

Gerard Hartsink, EPC Chair, said “I am delighted with the consensus that we have achieved and the progress that we continue to make in this ambitious programme”.

The SEPA Cards Framework (SCF) spells out high level principles and rules which, when implemented by banks, schemes, and other stakeholders, will enable European customers to use general purpose cards to make payments and cash withdrawals in euro throughout the SEPA area with the same ease and convenience as they do in their home country. The SCF will create conditions for banks, cards schemes and all stakeholders to achieve the single market for card payments starting in 2008.

The SEPA Credit Transfer Scheme will establish a set of interbank rules, practices and standards to be observed by credit institutions. It will allow the banking industry in SEPA to offer a core credit transfer product to customers in euro. As a result, customers and banks will be able to make credit transfers in euro throughout SEPA as easily and efficiently as they do today in their local market.

Similarly, the SEPA Direct Debit Scheme will provide a set of interbank rules, practices and standards which will allow the banking industry in SEPA to offer a pan-European direct debit product in euro to customers. This Scheme will support significant innovation by the banking industry as it for the first time allows creditors, such as utility and insurance companies, to conveniently collect payments in euro due from their customers whether local or from other countries throughout SEPA.



EUROPEAN BANKING FEDERATION



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It is planned to complete the consultation on both Rulebooks by the end of 2005 and to bring the schemes to the market ready to be used by customers by the beginning of 2008.

Note to Editors:

The European Payments Council (EPC) is the decision-making and coordination body of the European banking industry in relation to payments. Its purpose is to support and promote the creation of the Single Euro Payments Area (SEPA). The vision for the SEPA was formulated in 2002 at the time of the launch of EPC, when some 42 banks, the three European Credit Sector Associations (ECSAs) and the Euro Banking Association (EBA) came together and released the White Paper in which the following declaration was made and subsequently incorporated into the EPC Charter:

We, the European banks and European Credit Sector Associations:

- *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 Payments Area.*

The EPC's intention is to create a Single Euro Payments Area, working as a single domestic payments market in which citizens and economic actors will be able to make payments as easily and inexpensively as in their hometown. EPC's focus is core payment services, both retail and commercial, in euro, throughout Europe. Today, EPC consists of 64 Members from 27 European countries. It is composed of banks or banking associations representing all sizes and sectors of credit institutions across the market.

SEPA will be the area where citizens, companies and other economic actors will be able to make and receive payments in euro, within Europe, whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location. SEPA will be delivered as a priority within the eurozone. Within Europe, outside the eurozone there will be opportunities to participate in euro payment systems, and communities will be able to adopt SEPA standards and practices to contribute to the Single Market for payment services. For SEPA, Europe is currently defined to consist of the EU 25 Member States, together with Iceland, Norway, Liechtenstein and Switzerland.

The EPC Roadmap was approved in December 2004 and lays out concrete milestones and deliverables for the transformation of the European payments landscape. Building on already achieved steps in the area of wholesale and retail cross-border payments in euro, and the introduction of euro notes and coins, the banking community will create a range of SEPA payment solutions, which will find widespread adoption in the eurozone and beyond.

Following discussion on the implementation aspects at national level, the Roadmap was further endorsed at the EPC Plenary meeting in March 2005. Please see the EPC Web-site for the press release dated 5 April 2005 and accompanying declaration.



EUROPEAN PAYMENTS COUNCIL
Towards our Single Payment Area

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