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Press Release

The European Payments Council Comments on the European Commission's Investigation into its Standardisation Process for Online Payments

27 September 2011 – Brussels: The European Payments Council (EPC), representing the European banking industry in relation to payments, today commented on the antitrust investigation launched by the European Commission against the EPC's work in the area of SEPA-wide online payments. The EPC has provided full and transparent information available to all stakeholders on its activities aimed at developing secure SEPA-wide online payment solutions at all times. The EPC emphasises that this activity remains as a work in progress. In addition, several European Union (EU) authorities requested that the European banking industry produces – as a matter of urgency – a model which allows SEPA-wide online payments. The EPC's work in this area is therefore fully aligned with the payment innovation agenda promoted by these authorities. As such, the EPC does not support the allegations that its work in this area could potentially discriminate against any market participants. The EPC renews its call on the European Commission to align its policies with regard to market integration, payment innovation and competition.

In response to the rapidly increasing volumes of e-commerce payment transactions in the Single Euro Payments Area (SEPA) and requests articulated by EU authorities¹, the EPC has committed to develop the SEPA e-Payment Framework which will seek to facilitate online payments across the EU. It is designed to support interoperability between existing and new e-payment schemes that make SEPA-wide euro credit transfers and will enable such e-payment schemes to migrate from a national payment landscape to a SEPA environment. The framework is not a code of conduct for web merchants on how they should deliver goods and services in time at the appropriate level of quality to consumers, and does not address the commercial relationship between buyers and sellers of goods and services.

The Directorate General (DG) Competition of the European Commission opened an antitrust investigation into the standardisation process for payments over the internet undertaken by the EPC. Gerard Hartsink, EPC Chair, comments: "The EPC is continuously providing full and transparent information available to all stakeholders, including the European Commission, on the EPC's activities in the area of online payments. To-date, related work remains in progress and no final documentation has been published. The EPC therefore does not support the allegations by DG Competition that the EPC's work in this area could potentially discriminate against new market entrants or other service providers."

Hartsink adds: "The EPC aims to contribute to creating an efficient and secure SEPA payments landscape in line with market needs. Several EU authorities requested that the banking industry produce – as a matter of urgency – a model which allows SEPA-wide online payments. The EPC's work in this area is therefore fully aligned with the payment innovation agenda promoted by these authorities. Going forward, the EPC requires that the European Commission aligns its views on the merit of market integration and innovation on the one hand and competition on the other. Inconsistencies between the European Commission's objectives continue to hamper the SEPA progress."

– ENDS –

¹ See notes to editors for further details.



Notes to editors:

Further sources of information regarding the political drivers behind this initiative:

- The EU Finance Ministers represented in the Economic and Financial Affairs Council called on industry to deliver solutions for online e-payments in its December 2009 conclusions on SEPA.
- The European Commission communication ‘Completing SEPA: a Roadmap for 2009 – 2012’ reflects the need to deliver solutions for e-payments.
- The European Commission Communication ‘A Digital Agenda for Europe (May 2010) states: “Fragmentation also limits demand for cross-border e-commerce transactions”.
- The European Central Bank / Eurosystem strongly encouraged the banking industry to engage in this area of activity by providing SEPA-wide online e-payment solutions in its Seventh Progress Report on SEPA published in October 2010.
- The explanatory statement tabled with the motion for a European Parliament resolution on completing the internal market for e-commerce of September 2010 also stressed that e-commerce is a vital force of the internet and an important catalyst to achieving the aims of the EU 2020 strategy for the internal market.
- For detailed information on the subject, view the article [‘Arrested Development. Inconsistencies between European Commission’s objectives threaten to hamper SEPA progress’](#) by EPC Chair Gerard Hartsink in the July 2011 edition of the EPC Newsletter.

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About the European Payments Council:

The European Payments Council (EPC) is the coordination and decision-making body of the European banking industry in relation to payments. The term bank is used in a non-discriminatory fashion and does not exclude payment institutions. The purpose of the EPC is to support and promote 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 actors can make and receive payments in euro, throughout 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. The EPC develops the payment schemes and frameworks necessary to realise SEPA. In particular, the EPC defines common positions for the cooperative space of payment services, provides strategic guidance for standardisation, formulates rules, best practices and standards and supports and monitors implementation of decisions taken. The EPC consists of 74 members representing banks, banking communities and payment institutions. More than 360 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.

Source: European Payments Council

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