SEPA in a nutshell – update 2013

The Single Euro Payments Area
The Single Euro Payments Area: harmonises the way Europeans make euro payments in 33 countries
SEPA building blocks

Agreed set of instruments

Standardised infrastructure

Harmonised business rules

Legislation
SEPA PAYMENT INSTRUMENTS

SEPA credit transfer
provides customers with a single means of transferring funds, regardless of whether it’s within a single country or involves a cross-border payment.

SEPA direct debit
makes it possible, for the first time, to charge directly an account in one European country for services provided by a company based in another country.

SEPA for cards
will enable consumers to use the same cards they use in their own country for purchases everywhere in Europe more conveniently. For merchants, accepting cards will become easier and more attractive.
SEPA STANDARDS

- International Bank Account Number (IBAN)
- Phasing out the Business Identifier Code (BIC):
  1/2/2014 domestic payments
  1/2/2016 cross-border SEPA payments
- ISO20022 XML
- EMV chip
- Functional and security standards for cards and terminals
IMPORTANT LEGAL PROVISIONS

• **SEPA migration end date regulation** (Regulation No 260/2012)
  – End dates and requirements to migrate credit transfers and direct debits in euro

• **Regulation on cross-border payments** (Regulation No 924/2009)
  – Eliminates the differences in charges for cross-border and national payments in euro
  – Applies to payments in euro, in all EU Member States
  – Principle: charges for payment transactions in euro have to be the same whether the payment is a national or cross-border payment

• **Payment Services Directive - PSD** (Directive 2007/64/EC)
  – Harmonised terms and conditions, transparency and information requirements
  – New category of service providers: payment institutions

• **New legislation proposals by the European Commission**
  – Revised Payment Services Directive - PSD2
  – Regulation on interchange fees for cards
  – Directive on account switching, fee comparability and basic account access
Status of SEPA migration (1)

Euro area migration indicator for SEPA credit transfers: share of transactions processed in SEPA format

Indicators of the usage of SEPA credit transfers as a percentage of all credit transfer transactions in each country (euro area countries)

Source: ECB.
Note: GR data does not included on-us transactions.
Status of SEPA migration (2)

SEPA direct debits (Core scheme) as a percentage share of all direct debit transactions in the euro area (July 2010 to July 2013; in percentage)

Source: ECB.

SEPA direct debits as a percentage share of all credit transfer transactions in individual euro area countries (n percentage)

Source: ECB.
Note: GR. data does not included on-us transactions.
## Status of SEPA migration (3)

Preparedness of different stakeholder categories for SEPA credit transfers (assessment end-Q2 2013)

| Stakeholder Category               | AT | BE | CY | DE | EE | ES | FI | FR | GR | IE | IT | LU | MT | NL | PT | SI | SK |
|------------------------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Payment service providers          |   | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Yellow](Yellow.png) | ![Yellow](Yellow.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) |
| Big billers                        | ![Yellow](Yellow.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) |
| Public administrations             | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Red](Red.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) | ![Green](Green.png) |
| SMEs                               | ![Yellow](Yellow.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) | ![Red](Red.png) |

**Green** – Preparations completed successfully  
**Yellow** – Preparations in progress and expected to be ready on time  
**Red** – Preparations not started yet and/or not expected to be ready on time  
**△** -- Improvement in relation to previous assessment (end-Q1 2013)
### Status of SEPA migration (4)

#### Preparedness of different stakeholder categories for SEPA direct debits (core) (assessment end-Q2 2013)

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△/▽ -- Improvement/deterioration in relation to previous assessment (end-Q1 2013)
MORE INFORMATION

SEPA on the ECB’s website: www.sepa.eu

Key facts to prepare for SEPA migration end dates
Country-specific SEPA information
SEPA migration indicators and reports
Video introduction on SEPA
Retail payment innovations