

# EUROSYSTEM'S EXPECTATIONS FOR SEPA PROVIDERS\*

## SELF-ASSESSMENT TEMPLATE FOR BANKS AND PAYMENT INSTITUTIONS

### BACKGROUND INFORMATION

The Eurosystem's expectations are not formal or legally binding requirements for a SEPA provider (i.e. a bank or a payment institution). Rather, the aim is that the expectations published by the Eurosystem provide a benchmark to ensure that providers can aim to fulfil the Eurosystem's more comprehensive expectations and not only adhere to the relevant rulebooks and frameworks. The Eurosystem will not assess whether SEPA providers fulfil these expectations, but providers are invited (not legally required) to assess their operations against the criteria and recommendations on a regular basis and to publish the results.

It is not expected that banks and payment institutions which are currently not active in a specific product type will need to offer the corresponding product type within SEPA. Therefore, SEPA expectations relate only to products a bank or payment institution already offers in legacy euro instruments. Providers are free to choose not to offer a product type which they do not provide already for legacy euro instruments, and yet they can still fulfil the expectations.

### SELF-ASSESSMENT

#### 1. ensures its operational capability to send and receive SEPA payments by:

- a) adhering to the SEPA credit transfer rulebook and being a participant in the SEPA credit transfer scheme (only applicable if such business is conducted);<sup>1</sup>

YES  NO

Comments:

- b) adhering to the SEPA direct debit rulebook(s) and being a participant in the SEPA direct debit scheme (only applicable if such business is conducted);<sup>2</sup>

YES  NO

Comments:

\* Excerpt from the publication "Eurosystem's SEPA expectations".

1 This means that the Eurosystem expects a bank/payment institution that offers, for instance, a legacy credit transfer solution for euro payments to also offer SEPA credit transfers.

2 This means that the Eurosystem expects a bank/payment institution that offers, for instance, a legacy direct debit solution for euro payments to also offer SEPA direct debits (once available).

c) listing all operational BIC8 or BIC11<sup>3</sup> used for payment services in at least one CSM directory that provides full SEPA reachability;

YES  NO

Comments:

Comments:

d) aligning business processes and affected software with the provisions of the relevant EPC rulebooks, and successfully testing the solutions and introducing them into the live environment;

YES  NO

Comments:

f) not offering conversion services which result in a loss of data. Except for cases in which the payee explicitly asks that not all information be forwarded, full data are provided to the payee. After the SEPA migration end-date (once defined), the offering of any conversion service in the interbank space will cease;

YES  NO

Comments:

e) offering the use of SEPA standards in the customer-to-bank and bank-to-customer field<sup>4</sup> (as developed by the EPC, but currently only recommended for optional use), at least in addition to legacy standards and – if useful – liaising with the customers' software providers in order to contribute to customers' migration to SEPA payment instruments;

YES  NO

**2. offers SEPA instruments to users that correspond to instruments already offered in the form of legacy euro payment instruments.<sup>5</sup> The SEPA instruments are available for sending and receiving domestic and cross-border payments within SEPA.**

By fulfilling these expectations, we are operationally ready to process (relevant) SEPA

3 BIC11 is only necessary if payments addressed to the generic BIC8 plus any branch code – including “XXX” – cannot be processed.

4 It is assumed that the same standards will be recommended for communication by payment institutions.

5 The Eurosystem expects not only that a payment instrument offered in the legacy format will also be offered in the SEPA format, but also that the same service level will be guaranteed. If this is not possible with the core SEPA format, AOSs should be introduced in accordance with the EPC's guidelines.

instruments. We also make these instruments available for active use by our customers.

YES       NO

Comments:

Comments:

In addition, we observe the Eurosystem's recommendations that a bank/payment institution:

a) make the SEPA instruments attractive to customers by:

i) making SEPA payment instruments the default option for domestic and cross-border transactions within SEPA thereby replacing legacy euro payment instruments;

YES       NO

Comments:

ii) making services that are available for legacy payments (e.g. internet banking and the ability to register recurring or standing orders) available for the SEPA instruments as well;

YES       NO

iii) offering services which allow customers to effect payments containing only the IBAN (i.e. without the BIC);

YES       NO

Comments:

iv) working to improve the SEPA instruments in order to meet user requirements and demands by establishing AOSs, supporting the transformation of successful community AOSs into SEPA-wide AOSs and implementing products based on the e-SEPA initiative and future frameworks such as "SEPA online payments" and "SEPA mobile payments" (once available);

YES       NO

Comments:

b) actively inform customers about SEPA by: Comments;

- i) dedicating an area on the bank's/  
payment institution's website to SEPA  
and providing additional information for  
customers;

YES  NO

Comments:

c) observe the Eurosystem's SEPA policy by:

- i) using an infrastructure (if relevant) that  
has undergone a self-assessment against  
the relevant ToR for infrastructures,  
that has published the results and that  
observes the ToR in accordance with this  
self-assessment;

YES  NO

Comments:

- ii) clearly describing the benefits of SEPA  
for different types of user;

YES  NO

Comments:

- ii) offering clearing and settlement  
services (if relevant) based on the  
applicable principles from the ToR for  
infrastructures.

YES  NO

Comments:

- iii) making the BIC (for as long as it is a  
required identifier in SEPA) and the  
IBAN easily available to its customers  
(e.g. inserting it in an obvious place  
on the bank account statement, in the  
internet banking interface and on cards –  
provided there are no legal obstacles);

YES  NO

Details of the person to be contacted in case of questions:

#### ABBREVIATIONS

SEPA	Single Euro Payments Area
SCT	SEPA credit transfer
SDD	SEPA direct debit
CSM	clearing and settlement mechanism
IBAN	International Bank Account Number
BIC	Bank Identifier Code
AOS	additional optional service

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