

Rīga, 2010-06-22

Latvia's National SEPA working group supports main proposals of the working paper, inter alia –

- 1) Establishment of mandatory end-dates for both instruments by binding legislation, i.e., a Regulation of the European Parliament and the Council;
- 2) A general essential requirements approach joined with a common standards approach;

We would like to note that essential requirements have to be designed so that small payment services providers (PSPs), e.g., payment institutions like merchants, are able to ensure compliance with them.

Payment Services Directive 2007/64/EC creates pre-conditions to open payments market for small PSPs.

The Regulation's requirements shall be proportionate to these new market participants. If the requirements were drafted too strict, small PSPs are likely to stay outside the SEPA market. To clarify the issue we would like to ask if the intention of the Regulation is to set requirements for all PSPs to obtain the BIC and to adhere to the SEPA schemes, which so far accept only authorised payment institutions. Implementation of such requirements might be considered as an obstacle for small and unauthorised payment institutions to run payment services due to too strict SEPA compliance criteria.

- 3) End-to-end transaction domain coverage;
- 4) Transitional period (36 months) for niche products migration;
- 5) Different end-dates for credit transfers (12 months) and direct debits (24 months);
- 6) Separate deferred end-dates for non-euro area countries.