

Single Euro Payments Area (SEPA): Commission consultation shows general support for end-date for SEPA migration

Reference: IP/09/1372 Date: 29.09.2009.

IP/09/1372

Brussels, 29 September 2009

Single Euro Payments Area (SEPA): Commission consultation shows general support for end-date for SEPA migration

The European Commission has published the results of a public consultation launched in June 2009 (IP/09/884) on whether and how deadlines should be set for the migration of existing national credit transfers and direct debits to the new Single Euro Payments Area (SEPA) payment instruments. Respondents generally expressed support for fixing at EU level a deadline for the full migration to SEPA. The Commission will discuss this matter with Member States before taking a decision on how best to proceed.

Internal Market and Services Commissioner Charlie McCreevy said: "The SEPA (Single Euro Payments Area) project holds much promise in terms of improved efficiency, dynamism and competitiveness of the European economy. Offering both the legacy and the new SEPA products in parallel would prove a costly business for payment providers. In addition, setting clear deadlines for the migration to SEPA would send a strong signal that SEPA is an irreversible process. It would provide certainty and predictability and act as a strong incentive for both industry and users to speed up migration."

The results of the public consultation launched by the Commission showed that a large majority of respondents support the idea of setting some deadlines (end-dates) to stimulate migration to SEPA credit transfers and direct debits. Many, in particular users, underlined that some conditions should be met before such end-dates could be set. These conditions include the need to enhance the quality of the SEPA schemes to fully meet users' needs and to give users enough time to become acquainted with the new products.

A large majority of respondents also stressed the need for a migration covering not only payment transactions between banks, but also the retail side of the market and payment transactions between customers and banks.

A large majority of respondents considered that an end-date should be set separately for, respectively, SEPA credit transfer and SEPA direct debit, since both schemes were not launched at the same time and do not have the same level of maturity.

The end-date(s) should be set at European level, according to most of the respondents, but with some flexibility allowed at national level to set earlier end-dates in order to take into account the specificities and degree of readiness of each market.

A majority of respondents also indicated their preference for an EU regulation so as to provide a clear signal to market participants that SEPA migration was now irreversible. Some emphasised the need for greater involvement of all stakeholders in the decision-making process.

The Commission will discuss this matter with Member States before taking a decision on how best to proceed.

The feedback on the consultation is available at:

http://ec.europa.eu/internal_market/payments/sepa/ec_en.htm