

SEPA Latvia: Update on SEPA migration

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EU Forum of National
SEPA Coordination Committees
Brussels, 20.10.2009

Recent achievements

Launched the National SEPA Latvia
website – sepalatvija.lv !

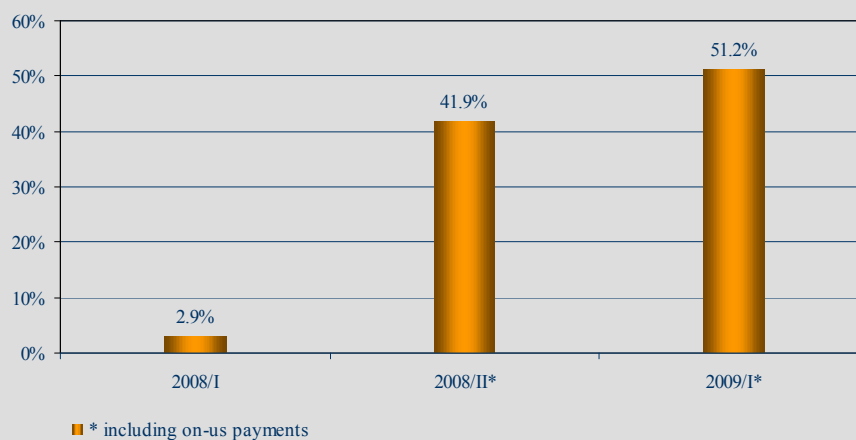
- Proper source about the SEPA
in Latvia and in Europe
- The ECB's self-assessment
questionnaires for any of SEPA
stakeholders available in Latvian

Topics

1. State of play on SEPA credit transfer migration
2. Preparation for SEPA direct debit migration
3. State of play on SEPA card migration

State of play on SCT: National SCT indicator

National SEPA credit transfers: bank-to-bank domain





State of play on SCT: banks and corporates

EPC SCT scheme adherence indicator:
91.7% or 22 out of 24 banks providing
credit transfers in Latvia

- SCT end-date for bank-to-bank domain is expected by end 2010
- For SCT at customer-to-bank/bank-to-customer domain businesses need 18 month after the decision on the update of the national standards according to the ISO 20022
- SEPA end-date for domestic payments in lats: €-day



State of play on SCT: public administration

- The Treasury and Latvijas Banka committed to align the SCT introduction date with the planned launch date of the SEPA functionality of the Electronic Clearing System (ACH) provided by Latvijas Banka – 12 November 2010
- By Latvian Law public administration hold their accounts with the Treasury
- SEPA end-date for public administration: €-day

State of play on SCT: challenges

- to agree upon the single standard at customer-to-bank and bank-to-customer domain

The Association of Latvian Commercial Banks has re-established working group to map current national standard (XML-based) to SEPA UNIFI (ISO20022) XML standards.

Topics

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Preparation for SDD migration: **adherence**

EPC SDD core scheme adherence indicator:
1 bank out of 11 banks providing direct debit payments in Latvia

For the first wave – no adherence to EPC SDD B2B scheme

Banks are planning gradual adherence to both EPC SDD schemes

Preparation for SDD migration: **legal continuity**

- Transitional rules of the Payment Service Law draft includes the articles ensuring continued legal validity of existing direct debit mandates
- According to the transitional rules all current mandates continue their validity also within the SEPA CMF requirements

Preparation for SDD migration: challenges

- To achieve the critical mass in the adherence process to the EPC SEPA direct debit schemes

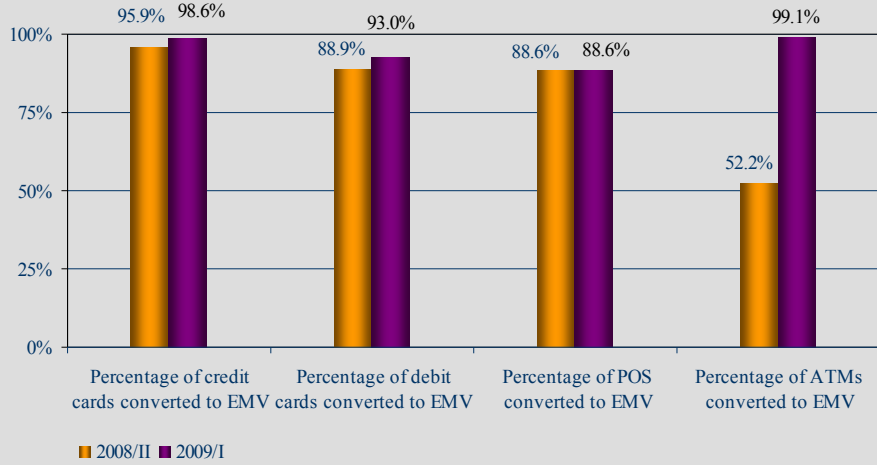
- To agree on the migration time-line

Topics

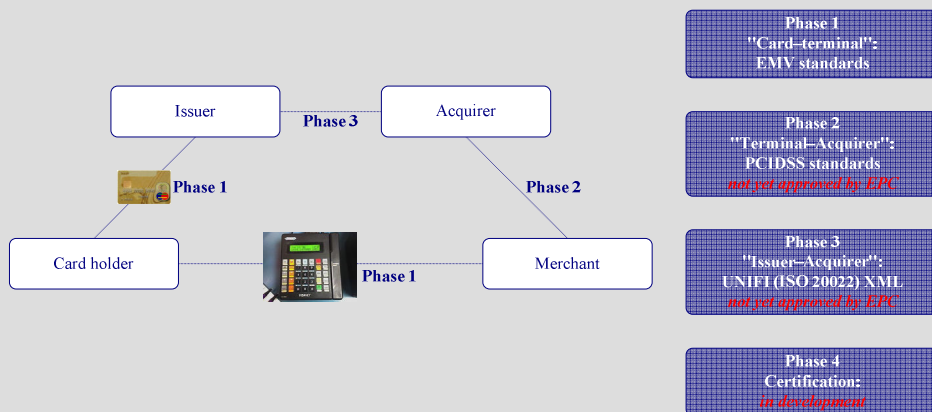
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State of play: SEPA cards

Conversion to EMV



State of play: SEPA cards



State of play: SEPA cards

- Phase 1: EMV migration – well on track
- Phase 2: subworking group is under the establishment to support migration to the SEPA Cards Framework – Payment Cards Committee of the ALCB, First Data Latvia and Latvian Merchant Association
- Phase 3: Card processing providers committed that SEPA Cards Framework will be implemented 12-18 month after the standards will be available at European level