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## PRESS RELEASE

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### **Press release on publication of the "Third progress report on the migration towards SEPA in Belgium"**

The Steering Committee on the future of means of payment, chaired by the Governor of the National Bank of Belgium, is today publishing the third report on the migration towards SEPA, the Single European Payments Area, in Belgium. This Steering Committee, comprising top level representatives of the public authorities, the banking sector, businesses and consumers' associations, aims to organise the public debate over SEPA and to facilitate the SEPA migration in Belgium. This third progress report describes the great strides which have been made here, and thus follows on from the first two reports, published in December 2007 and March 2009.

Latest innovation: since 2 November 2009, Belgian banks have been offering their customers the opportunity to arrange European direct debits. Since that date, for the first time in Belgium's history, Belgian citizens have been able to effect payments by direct debit throughout the SEPA zone under standardised conditions as regards charges, legal aspects and security. This concerns the implementation of the second harmonised payment instrument conforming to the SEPA European standards. In Belgium, the legal framework for this new payment instrument was established by the entry into force, on 1 April 2010, of the Belgian law transposing the European payment services directive. That law gives consumers the right to demand reimbursement under certain conditions and during an eight-week period, of a disputable debit of the consumer's account.

There are two variants of the European direct debit: the core scheme designed for individuals and corresponding in general to the Belgian direct debit, and a new "business to business" scheme designed for use between businesses. There is already growing interest in this "business to business" scheme, which clearly meets a market demand.

Belgium is one of the leading countries in the SEPA zone in terms of the European credit transfer, with an average penetration rate for SEPA payment instruments of 26 p.c., compared to an average of 9 p.c. in the Euro area. Thus, the European credit transfer, which became a reality in January 2008, is definitely a success in Belgium, since over a quarter of all national credit transfers are now effected using the new SEPA standard, and most consumers are now familiar with the use of the new IBAN (International Bank Account Number) and BIC (Bank Identifier Code) references. In 2009, in a few months' time, further rapid progress was achieved, partly thanks to the adoption of the European credit transfer by all public administrations, which thus performed their role in leading the way and promoting the migration, and partly thanks to the conversion to the SEPA standard in most undertakings issuing large volumes of invoices. It now remains for small firms to continue the process by effecting their migration.

In regard to cards, the Eurosystem put forward the idea some years ago that the SEPA process should give rise to a European card scheme. However, the actual development of the corresponding initiatives, currently three in number including the Belgian PayFair project, remains uncertain.

Finally, to provide an additional stimulus and facilitate the SEPA migration process in Europe, the European Commission is currently working on a regulation which should set the end-dates for the SEPA migration. That implies that, in the near future, all users of means of payment will have to use the new instruments and comply with the new European standards.

The "Third progress report on the SEPA migration in Belgium" is available on the website [www.nbb.be/sepa/en](http://www.nbb.be/sepa/en).