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PRESS RELEASE

The Single Euro Payments Area: SEPA

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The Single Euro Payments Area (SEPA) is a new step in the move towards financial integration in Europe. SEPA will harmonise the use of payment instruments (credit transfers, direct debits and card payments) throughout Europe (the 27 EU countries plus Iceland, Liechtenstein, Norway and Switzerland). All economic actors will be able to make cross-border euro payments in the same way as domestic payments in euro, and the same obligations and liabilities will apply.

The EU institutions have agreed a harmonised legal framework for payment services, through the Payment Services Directive, while the European Payments Council (EPC), which brings together banking sector interests, supports and directs the process under a self-regulating regime. The Eurosysteem monitors progress and developments in its catalyst role.

For each of the SEPA payment instruments, the EPC has developed common standards, in the form of "Rulebooks" for credit transfer and direct debit instruments and a more general framework for card payments and for clearing and settlement mechanisms. Ultimately, the same credit transfer and direct debit instruments will be available to all users and easily accessible throughout Europe. Any SEPA payment card will be accepted at any terminal in the Single Euro Payments Area. Infrastructure will have to be adapted to meet the new payment standards, and consolidation in the payments industry is likely.

SEPA is being established in phases. The design phase is now finished and, from January 2008 onwards, banks will be able to offer their customers the SEPA Credit Transfer alongside the existing national credit transfer. The SEPA Direct Debit will be launched in November 2009. By the end of 2010, the use of the national payment instruments should cease. For cards, banks will need up to the end of 2010 to streamline all standards. From 2011 onwards, only SEPA cards will be used.

In Belgium, the SEPA project is being organised on two different levels: from a purely banking perspective and on a more general level with all stakeholders in the economy. A migration plan has been published and is regularly updated. Thanks to its long tradition of interbank cooperation, the Belgian banking sector is one of the leading financial communities in the migration to SEPA in Europe.