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## PRESS RELEASE

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### **The Belgian migration towards the Single Euro Payments Area (SEPA)**

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Since 28 January 2008, it has been possible to effect payments in Europe using the new standardised European credit transfer. This is the first operational stage in the process of establishing SEPA, the Single Euro Payments Area. SEPA aims to create a single European payments market, and entails switching to a European legal framework and European standards to replace the national regulations and standards. To that end, the European Council and the European Parliament adopted a directive on payment services in the internal market, which has to be transposed into national law by 1 November 2009, while European instruments have been developed for credit transfers and direct debits, and a general framework has been defined for payment cards.

The SEPA migration is being organised mainly by the banking sector, and is taking place in stages. In Belgium, it is the Steering Committee on the future of means of payment, chaired by the Governor of the National Bank of Belgium, which is responsible for organising consultation with all sections of society concerned by this subject, namely the most senior representatives of the public authorities, the banking sector, businesses and consumer associations.

The operational implementation of SEPA in Belgium can be considered a success. With regard to European credit transfers, general government has been leading the way: since April 2008, the federal government has drawn the attention of citizens to the European credit transfer by sending out an explanatory leaflet in conjunction with their tax returns. Since September, certain taxes, such as the vehicle tax, have been collected by means of the new credit transfer form, and since the beginning of this year the European credit transfer has come into general use at the various levels of government, for both incoming and outgoing payments. For their part, the banks have provided their customers with the channels necessary for executing such transfers. Soon it will be the turn of large firms to use their first European credit transfers. Other firms will be sent a leaflet setting out the essential stages in that procedure, in order to help them in their migration process.

The introduction of the European direct debit is scheduled for 1 November this year, when the European directive will be transposed into national law. Although the major part of the Belgian draft law has now been drawn up, there are still some points for discussion at both Belgian and European level. The implementation of the European direct debit on 1 November therefore depends on the elimination of these doubts. Moreover, banks and businesses must be given the time they need to make the technical modifications and adapt their internal processes.

In regard to cards, there have been no fundamental changes so far, since the Bancontact/Mister Cash scheme is still in use for Belgian cards, alongside Maestro. The European authorities are expecting one or more European alternatives to the national and international schemes, but the actual development of those alternatives remains uncertain in the European payment services market.