



**First Progress report on the migration
towards SEPA in Belgium**

**Steering Committee on the future of means of
payment**

SEPA Working Group

December 2007

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0 INTRODUCTION

This report has been compiled on the basis of input from the various socio-economic actors in Belgium affected by the migration towards SEPA, the Single Euro Payments Area.

These various interests are represented on the "Steering Committee on the future of means of payment", chaired by the Governor of the National Bank of Belgium (NBB). This Steering Committee was set up in spring 2004 in reaction to the announcement, at the end of 2003, that fees would be charged for withdrawals of banknotes from automatic cash dispensers. At the time, a gentleman's agreement was concluded between the Belgian finance federation (Febelfin¹) and the federal Ministers for Economic Affairs and Consumer Protection. In the context of this agreement and in close consultation with the Minister of Finance, they asked the Governor of the NBB to take charge of the public consultation on the future of means of payment with all parties concerned by this issue. By December 2005, this consultation had already led to two reports.

- "Costs, advantages and drawbacks of the various means of payment"
- "Modernisation of payment circuits at government level"

This report is the third report of the Steering Committee on the future of means of payment. It has been drawn up by the SEPA Working Group that reports back to the Steering Committee. This report provides an initial overview of the state of play with the migration towards SEPA in Belgium. The Single Euro Payments Area will not be introduced at any one precise moment, nor according to a strict plan. Rather, SEPA will be gradually phased in, notably on the basis of self-regulation by the banking sector. The migration towards SEPA will therefore be largely governed by the actions of the banking sector, but also by other important players such as public authorities, enterprises, merchants and consumers. In order to assess the progress made in this market-driven process, it is useful to frequently compile a progress report.

The first chapter gives a general overview of SEPA and specifies who are the main actors at the European level. It describes the scheduled timetable as well as the features of the SEPA payment instruments, namely the SEPA Credit Transfer, the SEPA Direct Debit and the SEPA Card.

Chapter 2 deals with the migration towards SEPA in Belgium and highlights the broad lines of the plan drawn up by the Belgian banks for the practical changeover to SEPA. Two separate working structures – one banking and the other social - for preparations and support for migration towards SEPA in Belgium are also described in this chapter.

Chapters 3 to 6 focus on the state of play in the migration towards SEPA at the level of the main actors.

Chapter 7 takes a look at the communication work done so far on the migration towards SEPA.

The eighth and final chapter rounds up with some conclusions and proposals for follow-up work.

This first progress report is restricted to the technical and operational migration towards SEPA. In no way does it deal with the strategic upheavals that SEPA might possibly bring with it, like, for example, the decline in the number of bank accounts and the reorganisation of financial administration within international companies. Nor does this report consider any further modernisation that could result from SEPA, for instance, on the subject of electronic billing. In view

¹ Febelfin is the Belgian federation of the financial industry and in this capacity regroups approximately all credit institutions operating in Belgium.

of the importance of such strategic upheavals and modernisation, subsequent reports will deal with these issues as soon as these changes become evident.

1 SEPA: THE SINGLE EURO PAYMENTS AREA

1.1 Definition

SEPA is the Single Euro Payments Area in which consumers, companies and any other economic actor will be able to send and receive cashless payments in Euro, whether domestic or cross-border, with the same ease, security and efficiency and with the same conditions, rights and obligations as in their own country. It is the next logical step on from the introduction of the Euro, as it is also aimed at breaking down national borders where European payments are concerned.

Geographically speaking, the SEPA area comprises the 30 countries of the European Economic Area (EEA) and Switzerland which has signed up as a participating country on a voluntary basis. The EEA is made up of the member states of the European Union (EU), Iceland, Liechtenstein and Norway.

1.2 The European actors

The European Commission (EC) has for years invested its efforts into creating a single European payments area. All legal and practical obstacles must be removed in order to achieve a genuine European market for payment services, so that consumers can turn to the best payment service providers throughout the SEPA area. SEPA is also in keeping with the Lisbon Agenda which aims to make Europe a dynamic and more competitive knowledge-based economy. Indeed, the introduction of SEPA paves the way to a more efficient functioning of the European internal market.

A unique legal framework forms the basic condition for SEPA. Under the European Commission's impetus, a working framework was set up enabling the abolition of the legal barriers between different countries and the harmonisation of regulations on payment services within the EU (and the EEA). This is being done on the basis of the Directive of the European Parliament and of the Council on payment services in the internal market and amending Directives 97/7/EC, 2000/12/EC and 2002/65/EC, referred to elsewhere in this report as the Payment Services Directive. The EU Directive was approved on 24 April 2007 by the European Parliament (EP) and has to be transposed into each member state's national legislation by 1 November 2009 at the latest.

The Eurosystem, i.e. the European Central Bank (ECB) and the national central banks of the Eurozone countries, have an important role to play in the migration towards SEPA. One of the statutory tasks of the Eurosystem is effectively to make sure that payment systems operate smoothly and securely. Moreover, harmonisation of cashless payment instruments constitutes the final point in the changeover to the Euro as a single currency. The Eurosystem supports the banking sector at various levels and follows the migration towards SEPA very closely.

In 2002, the European banking sector unequivocally declared SEPA as a common goal to be attained by the year 2010. Since then, this deadline is being considered throughout the SEPA area as well as in the Belgian SEPA migration plan to be more of a target to reach critical mass in SEPA payments rather than reaching full SEPA. The sector is hoping to achieve this objective primarily by a process of self-regulation, i.e. by interbank agreements concluded at European level. To this end, in June 2002 it set up the European Payments Council (EPC), which has drawn up European standards for credit transfers and direct debits and outlined a European framework for card

payments. Alongside the legal framework by the Directive, the European standards for the three main payment instruments form the second basic condition for the introduction of SEPA.

1.3 The European payment instruments

The EPC has established new European standards for the three most widely used payment instruments in Europe, namely credit transfers, direct debits and card payment. At the highest level, these standards are just interbank agreements on rules and practices, which each bank is expected to respect.

1.3.1 SEPA Credit Transfer

The European transfer - entitled SEPA Credit Transfer in the European standard – is a payment instrument through which funds are transferred between two bank accounts in SEPA, no matter where they are domiciled. The sums will be transferred in full, with no commission being taken on the amount of the payment. The originating bank and the beneficiary bank will jointly bear the handling fees, each assuming the cost of their part in the payment processing chain (costs for sending or receiving). The maximum execution time for a payment will be three days, two of which for the originating bank and one day for the beneficiary bank. From 2012 onwards, the execution time will be one day. Banks will already be able to apply stricter time limits among themselves before 2010. Moreover, some states (including Belgium) are already applying a shorter processing period. A minimum of attributes, derived from existing international ISO standards, should be used. Thus, for instance, the European transfer must use an international identification for the bank account number (International Bank Account Number - IBAN) and for the payee's bank (Bank Identifier Code - BIC). Standards have also been defined for rejected and returned payments.

1.3.2 SEPA Direct Debit

So far, neither the creditor nor the client have had a cross-border direct debit system. Moreover, each country has its own specific model for automatic collection of invoices. The SEPA Direct Debit will replace the existing systems of direct debits and will enable invoices to be collected throughout the SEPA area. Before the automatic collections can start, certain procedures must be followed. The debtor signs (in paper form or electronically) an authorisation – the direct debit mandate – through which he authorises the creditor to send the order to his bank to debit his account. In this way, the debtor also gives his own bank a mandate to debit his account at the request of the creditor. Administration of the mandates (creating, managing and filing signed authorisations) is the responsibility of the creditor. Unless otherwise agreed, creditors send payment details to the debtor 14 calendar days before collection. Up to 8 weeks after collection through debiting the debtor's account, the debtor will have the right to ask his banker for a refund of the amount collected, on condition that it is not a fixed amount periodically and the sum debited is different from the normal amount. In the absence of a valid mandate, the debtor will be able to demand the refund within 13 months of the debit.

In addition, there will be two new types of direct debit. It will be possible for customers to authorise one single (one-off) direct debit per creditor, where the debtor signs a mandate for his account to be debited only once. Moreover, a direct debit scheme between businesses (Business-to-Business) will be introduced, specifically intended for enterprises. This type of direct debit will not allow for any refund and will therefore mainly be used by companies with close commercial ties. Agreements have also been concluded for SEPA Direct Debits, on the use and timing of unpaid direct debits and corrections.

1.3.3 The SEPA Card

With his European payment card – called the SEPA Card in the European standard - the consumer will have access to all bank terminals for banknote withdrawals (ATM²) and to retailers' terminals for payments (POS³), provided that these banks and merchants have indeed opted to offer these payment services.

The retailer will be free to choose his relevant terminal and financial contract supplier, referred to as "acquirer"⁴. Each terminal must effectively be able to process each type of European payment card. This freedom of choice should trigger competition between the various card payment system providers, and bring favourable consequences in terms of price and service.

Currently, most national card schemes operate as the sole system in their country. Some examples are Bancontact/Mister Cash in Belgium, Cartes Bancaires in France, EC-karte in Germany. SEPA requires card systems to be European.

The SEPA Card Framework describes three options for card schemes or banks that issue card schemes on payment cards to be compliant with the principles for SEPA Cards.:

- **option 1:**
Replace the national scheme by an international scheme which complies with the new European rules.
- **option 2:**
Move towards a European-wide system, either alone or through an alliance with other national-based card schemes.
- **option 3:**
Keep on the national card scheme and add an international card scheme to the card, so-called "co-branding". Both card schemes need to be SEPA compliant.

1.4 The European-level timetable

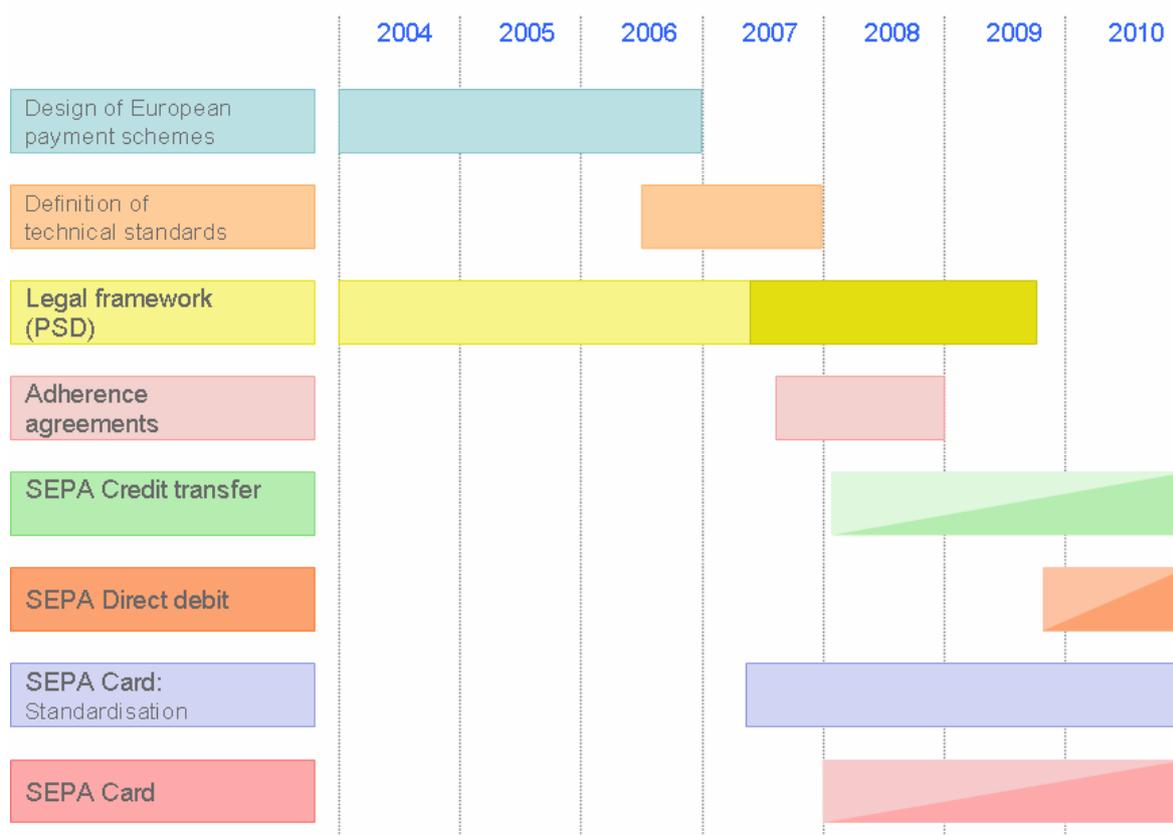
The run-up to SEPA is phased into several stages, generally set by the EPC. In 2002, the EPC presented a timetable to guide the migration towards SEPA. The development of the SEPA project can be summarised as follows at the moment:

² ATM: Automated Teller Machine, i.e. withdrawal of money from a cash dispenser.

³ POS: Point-Of-Sale, i.e. payment at the location where a transaction occurs.

⁴ Acquirer: the party concluding a contract with a retailer to authorise POS card payments on his terminal and pick them up.

ILLUSTRATION 1



During an initial design phase (2004-2006), the EPC defined the general standards laying down the rules and the main characteristics of the new payment instruments. Between mid-2006 and the end of 2007, more detailed standards were derived from these general standards, with concrete data formats set out into precise instructions for implementation, on both the operational and technical levels.

At the same time, the European Commission, the European Parliament and the Council were working on a new Directive for payment services in the internal market.

The next stage in the transition to SEPA will begin in September 2007. From then on, all banks are expected to officially undertake to use the new European operating and technical standards in their customers' payment transactions. In order to put these intentions into a firm setting, each bank is expected to sign the so-called adherence agreements with the EPC. These agreements are part of the self-regulatory nature of the EPC, and not binding from a strictly legal viewpoint. The EPC expects that most banks will sign the adherence agreements, so that the first step - the introduction of SEPA Credit Transfer - can start on time, namely from 28 January 2008. On 19 June 2007, the EPC decided that this later date would replace the originally planned start-up date of 1 January 2008, since 1 January is a difficult date for banks, governments and businesses to put new IT applications into production. On 28 January 2008, banks must be in a position to offer their customers the European credit transfer as a new payment instrument. The old national credit transfers will still be able to be presented alongside the European scheme during the transitional stage scheduled to run until the end of 2010. It should be noted that most countries have not yet fixed any specific plan for abandoning them, which suggests that the final phase-out stage will be extended beyond 2010.

In principle, the scenario for stopping national direct debits should be much shorter, since the launch of the SEPA Direct Debit is not likely to be before 1 November 2009, the date on which the EU Directive on payment services in the internal market should be transposed into national law, while the transitional period is set to run until 31 December 2010. Here too, today there are no plans yet in place for abandoning national direct debits. It is therefore even more likely than in the case of European credit transfers that they will not actually disappear in the majority of countries before the end of 2010.

In the case of card payments, there are still no specific and uniform standards. However, concrete rules have been laid down in an operational framework. The Eurosystem insists that the EPC sets these standards during the course of 2008 for SEPA payment cards. Each country has its own card payment infrastructure, along with technical aspects and specific solutions which, for SEPA Credit Transfers and SEPA Direct Debits alike, will mean a lengthy and difficult harmonisation process at European level. Banks that issue payment cards must be able to issue SEPA Cards from 2008 onwards. From 1 January 2011 onwards, only SEPA payment cards will be allowed in circulation and they will be able to be used indiscriminately in all the different countries of the SEPA area.

2 ORGANISATION OF THE MIGRATION TOWARDS SEPA IN BELGIUM

2.1 General remarks

The migration towards SEPA is largely based on self-regulation by the banking sector. This principle applies not only at the European level, but also at the national level. It is in this spirit that the Belgian banking sector has organised itself in the SEPA Forum (cf. 2.2). It had been agreed within the Eurosystem that the national central banks would actively support the migration towards SEPA. The NBB has taken this task very much to heart. It thus participates in the various sub-structures and different working groups of the SEPA Forum. The main task of the SEPA Forum is to draw up a banking-sector plan for migration towards SEPA.

Given the many socio-economic interests involved and the complexity of the changes, the migration towards SEPA needs to be coordinated at a broad community level as well. A SEPA Working Group, reporting to the Steering Committee on the future of means of payment, has been set up in the framework of this social dialogue. This working group brings together all interested parties with a view to introducing SEPA in Belgium under the best possible conditions.

The interbank consultation and the social dialogue are closely connected, thanks to the following factors:

- the Governor of the NBB chairs both the SEPA Forum and the Steering Committee on the future of means of payment;
- the NBB, which takes the lead in the community consultation, also has a presence in most of the sub-structures of the SEPA Forum;
- the banking sector and Belgian Post Office leaders, who manage the sub-structures of the SEPA Forum, are closely involved in the community consultation too;
- the activities of the social dialogue take the Belgian banking sector's migration plan as a starting point.

2.2 Interbank consultation: the SEPA Forum

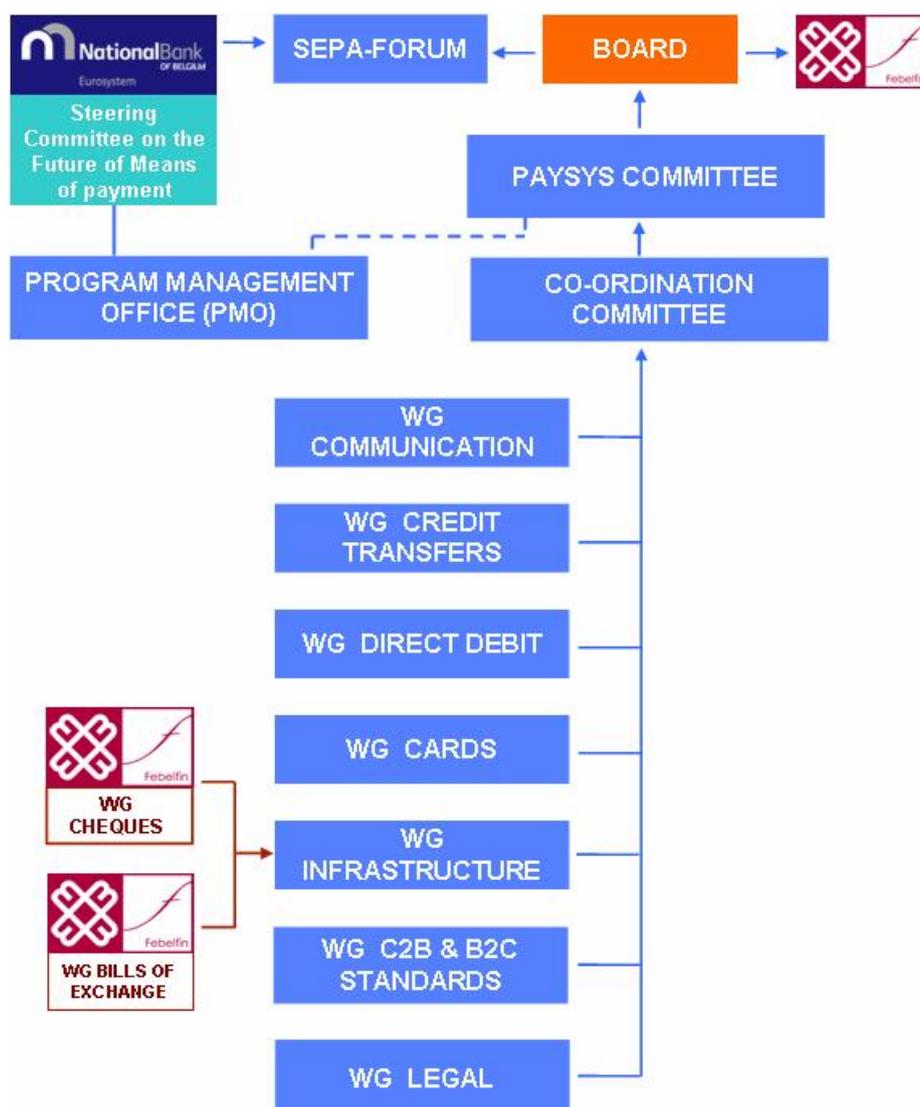
2.2.1 The structure

The SEPA Forum is the consultative body that approves decisions concerning the SEPA at the interbank level. Decisions are taken by the Board of Febelfin on the basis of the preparatory work carried out within a structure of committees and working groups (cf. Illustration 2). All decisions made within this structure are prepared by the highest body, the Payment Systems Committee (Paysys), on the basis of input from the different working groups, coordinated by the Coordination Committee (COCOM). This organisational structure largely reflects that of the EPC. To tighten the link with the European level, the chairmen of the Belgian working groups are also Belgium's representatives in the EPC working groups.

For each new European payment instrument, a working group puts the European payment schemes into a Belgian context and attempts to overcome any likely differences. Other working groups are concentrating on the payment infrastructure aspects, notably compensation and the issue of clearing and settlement, as well as on standards between banks and clients. In addition, two working groups are making preparations for the decline in the use and/or abolition of payment instruments that are not defined in SEPA, namely cheques and bills of exchange.

There is a functional link between this banking-sector working structure and the organisational structure of the Steering Committee on the future of means of payment within which there has been a broad community consultation. In the meantime, a Program Management Office has been set up - under the responsibility of Febelfin and the NBB - and carries out specific tasks to gauge the progress made with the programme and to ensure coherence in the migration towards SEPA. While the programme follow-up at the level of community interests remains in the hands of the Steering Committee on the future of means of payment, banking-sector follow-up lies with the SEPA Forum structure, at least from an organisational point of view.

ILLUSTRATION 2



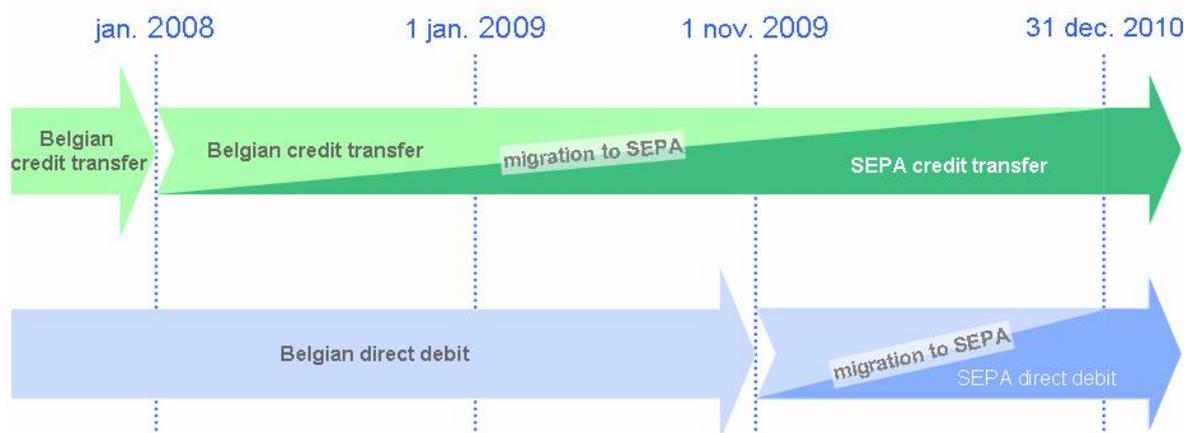
2.2.2 The Belgian banking community migration plan towards SEPA

The SEPA Forum has drawn up the Belgian migration plan towards SEPA (cf. Annex 4), in which the banking sector outlines the project, based on the development of the European standards. This migration plan is likely to be amended and more detailed.

In its migration plan, the Belgian banking sector points out that it would like to complete the migration towards SEPA rapidly and proactively, as long as certain conditions are respected, such as maintaining operational stability and the current high degree of efficiency.

As far as the three new European payment instruments are concerned, specific migration timetables have been drawn up. Illustration 3 shows the SEPA Credit Transfer and SEPA Direct Debit; the migration towards SEPA for payment cards is described in detail in paragraph 2.2.3.

ILLUSTRATION 3



From 28 January 2008 onwards, clients will be able to make a European credit transfer through various channels.

This means that there will no longer be any difference between a national transfer (say, from a resident of Antwerp to a resident of Liège) and a cross-border transfer (from a Belgian resident to someone living in one of the 30 other countries in the SEPA area). This also implies that, from 2008 onwards, an "international" transfer will be a transfer from a Belgian resident to an "extra-SEPA" resident (outside the 31 countries of the SEPA area). The banking sector expects that all clients will have adopted the European variant of payment instruments within three years from the start-up of SEPA, that is, before 31 December 2010.

The transitional phase will be shorter for direct debits as the SEPA Direct Debit will not be unveiled until 1 November 2009 at the earliest, the date by which the EU Payment Services Directive has to be transposed into Belgian law.

The Belgian standard for bank account identification will be replaced by an International Bank Account Number (IBAN) with a structure of 4 x 4 groups of characters, i.e. "BExx yyyy yyyy yyyy", in which "yyyy yyyy yyyy" is the existing account number (12 digits) and xx two numeric check digits for verifying the existing account number.

Moreover, a Bank Identifier Code (BIC) will be added, allowing one-to-one identification of the payee's banker at international level. For national payments in Belgium, the majority of banks will be finalising procedures for giving the BIC on the payment advice themselves, so that the BIC is available even in case the client has failed to provide the BIC himself.

Furthermore, the Belgian banking sector's migration plan towards SEPA describes how Belgian banks have aligned existing agreements, not envisaged at European level, with the SEPA format. In this context, the Belgian "structured communication" (for automatic reconciliation of invoices with entries in company accounts) has been able to be kept on and integrated into the SEPA standards. Another example is the new credit transfer paper form that Belgian banks have developed in the absence of any standard European paper form.

2.2.3 Payment cards in Belgium

Belgium has always played a pioneering role in the field of payment cards. There is currently only one system in Belgium, namely Bancontact/Mister Cash, that was run by Banksys. Banksys actually operates the whole card payment processing chain: from relations with the card-issuing bank, with the merchant ("acquiring"), the actual transaction processing, sales and maintenance of payment terminals, etc. Banksys always held a monopoly in several parts of this processing chain and at several occasions in the past was accused of abusing its position.

This situation is not regarded as being optimal and is no longer allowed by SEPA, given that this structure does not permit any competition in the various links in the payment chain. SEPA imposes the so-called unbundling, the separation between the scheme management and its operational functions.

The three major functions are the scheme itself (especially the intellectual property of Bancontact/Mister Cash), the processing and the acquiring (contracts and maintenance towards merchants).

In view of this SEPA requirement, the Belgian banks split up Banksys NV/SA. The functions of processing and acquiring were sold to ATOS Origin. Since 1 June 2007, Banksys has been called ATOS Worldline. The Belgian banks have nevertheless remained the owners of the Bancontact/Mister Cash system which has been incorporated into a new firm, Brand and Licence Company.

The Belgian banks did not want to take up the acquiring as this had always been done by Banksys. Nor did the processing of Belgian or SEPA operations fit into the banks' strategies. Finally, the banks felt that the Bancontact/Mister Cash scheme could not survive in an open SEPA market. The scheme is only a very small player in an European landscape.

Unbundling will lead to more competition in the various links of the card payment chain. Some argue that competition at the level of the scheme will rather be limited. It is not inconceivable that current national card schemes will be replaced by only one or two international card schemes, operated by Mastercard and Visa. Some argue that both schemes will be more costly to users and regret that their ownership is not or not clearly European. Lately there have been some initiatives from European banks and European card schemes that may lead to genuine European schemes - also in ownership - that could be able to enter into competition with both international schemes. It can neither be excluded that some current national schemes may develop into SEPA-wide card schemes.

In view of the above, the banks had already chosen (in May 2006) to replace the Bancontact/Mister Cash system by Maestro on 1 January 2008 in a big bang scenario. The Maestro function, already activated on 95% of all Belgian payment cards for payments made by Belgian residents abroad, would therefore then also be used for card payments by Belgian residents in Belgium. However, this original decision did not have the support of various market players in Belgium, especially among merchants, big retailers and consumer organisations. Moreover, there is no European reference framework since, with the exception of Finland, Belgium was the only country to take this step so quickly.

In practice, for merchants, big retailers and consumer organisations, Maestro migration means that Belgium must give up its position as a leader in the field of card payments, to join a European common denominator. The Bancontact/Mister Cash scheme is considered by most stakeholders to be efficient, secure, relatively cheap and user-friendly. Merchants and big retailers fear that a new system would not attain the same high level of quality. Lastly, all the terminals have to be upgraded and some older terminals will even have to be replaced.

The main criticism from merchants and the big retail chains, however, concerns the new pricing system brought about by the changeover to Maestro, as announced by Mastercard. The cost for the retailer (known in technical terms as the "merchant service fee", of which the "interchange fee" is a major part) in the Maestro system effectively depends on the amount due and will therefore no longer be set per transaction as under the Bancontact/Mister Cash system. Merchants and the big retailers see no logic in this because the payment is immediately debited from the cardholder's account – and there is thus no advance funding by the debit card scheme as is the case for credit cards – and because the cost for obtaining authorisation and for the debit are one and the same thing, whatever the amount of the purchase.

In March 2007, the Belgian market put off its earlier decision and opted for an even different scenario from the three options (vide sub 1.3.3). In practice, the Bancontact/Mister Cash system will be kept on temporarily in "co-branding" with Maestro, but, in parallel, international systems will be able to be marketed individually on the Belgian market without the payment card having to be equipped with the Bancontact/Mister Cash card scheme at all costs. In the short term, it seems to be mainly Maestro that intends to gear up and move into the market for payments made in Belgium by Belgian residents.

ILLUSTRATION 4



2.3 Social dialogue: Steering Committee on the future of means of payment

In the broad social dialogue, the NBB is taking on the chairmanship and playing a coordinating role. Alongside the banking sector, the Post Office and ATOS Worldline (ex-Banksys), this dialogue also concerns businesses, the various public authorities and consumer representatives.

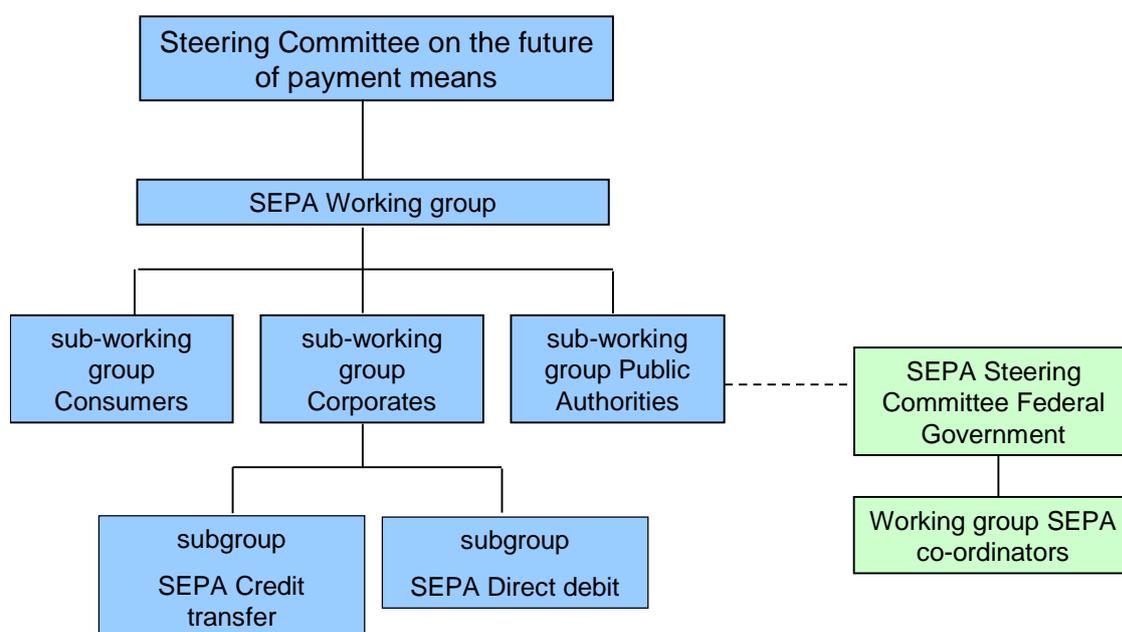
Illustration 5 summarises the organisational structure.

The SEPA Working Group was set up within the Steering Committee on the future of means of payment. The SEPA Working Group's mandate consists of organising consultation of all the parties concerned in order to make the migration towards SEPA a success for society as a whole.

Since the migration towards SEPA concerns society in general, the SEPA Working Group decided to split up the specific follow-up work according to the different economic actors. This is why sub-working groups have been set up, each one being tasked with supporting, guiding and assessing the progress with migration towards SEPA within its own sector.

The following chapters set out the working methods, structure and objectives of the various sub-groups of the SEPA Working Group, as well as the state of play in the banking sector, as stipulated by the SEPA Forum.

ILLUSTRATION 5



3 SUB-WORKING GROUP PUBLIC AUTHORITIES

3.1 Mandate and organisation

The mandate of the Sub-Working Group Public Authorities consists of supporting and guiding the migration towards SEPA among the various authorities and following the progress made.

The role of the public authorities is crucial for the credibility of the SEPA project. First of all, it is indispensable for a change for society on this scale to be able to count on the explicit support of the highest public authorities. Furthermore, as major end-users of payment services, the authorities can set an example for the rest of society. If the authorities' own transactions are rapidly converted into the European format, a significant volume of payments could be attained, making SEPA irreversible. This general community process can only succeed if SEPA is regarded as an attractive project for everyone. A commitment by public bodies is therefore an indispensable pre-condition for a successful migration towards SEPA.

The Belgian federal authorities are clearly in line with the expectations of the European Commission and the Eurosystem of them assuming a pioneering role in the SEPA project.

The same commitment to SEPA can be found at other levels of governance, too. Progress is not necessarily similar at the different levels of administration, given their political and management autonomy. There is clearly a need for greater concordance between their efforts.

The first meeting of the Sub-Working Group Public Authorities, which was attended by all government branches, was held on 22 September 2006:

- The Federal Authorities (Federal Public Service e.g. FPS Finance, FPS Economy) and their affiliated institutions (e.g. the Buildings Agency), and the Public Programming Services (SPP, e.g. Federal Science Policy Office, SPP Sustainable Development);
- the Autonomous Agencies (e.g. Safety of the Food Chain, Federal Medicines Agency);
- the Public Social Security Institutions (IPSS, such as National Pensions Office, National Social Security Office);
- the Regional Authorities:
 - the Flemish Community and the Flemish Region: In Flanders, the powers of the Region and the Community are exercised by a single parliament and a single government: the Flemish Parliament and the Flemish Government;
 - the French Community and the Walloon Region: In Wallonia, unlike Flanders, the French Community and the Walloon Region have kept their own institutions;
 - the Brussels-Capital Region;
 - the German-speaking Community
- the local authorities (Vereniging van Vlaamse Steden en Gemeenten and Union des Villes et Communes de Wallonie).

Following this kick-off meeting, the work has been carried out at each individual level of administration. All levels of administration are represented at the higher societal level in the Steering Committee on the future of means of payment.

The sub-WG Public Authorities will only discuss in plenary session subjects that are centralised and coordinated above the various levels of administration, but which are not likely to be dealt with by the Steering Committee on the future of means of payment.

Below is a brief overview of the way in which the different authorities have structured the migration towards SEPA so far:

- At the federal level, the sub-WG Public Authorities' kick-off meeting led to the creation of a SEPA Steering Committee made up of the FPS concerned the most by payment traffic. This SEPA Steering Committee, chaired by the FPS Budget and Controlling, assumes centralised management of SEPA implementation for the federal authorities (including the Autonomous Agencies and the IPSS). Each Federal Public Service, Autonomous Agency and Public Social Security Institution has its own SEPA project team, whose SEPA coordinator reports back to the SEPA Steering Committee through the "Working Group SEPA Coordinators", chaired by the FPS Budget and Controlling. An interdepartmental "Working Group Communication", which defines the joint communication needs of all the Federal Public Services, has also been established.
The NBB and the Post Office assume a technical and support role in this SEPA Steering Committee (and its working groups). Every other month, the SEPA Steering Committee assesses the progress made.
- The regional authorities have full autonomy to take initiatives concerning the migration towards SEPA. The number of parties concerned is much smaller than at federal level. This is why they have chosen to follow the progress towards SEPA made by these levels of administration bilaterally from within the NBB. Work can be coordinated in the plenary of the sub-WG Public Authorities.
 - Within the Flemish Community and the Flemish Region, the ground is being prepared for migration towards SEPA through a structure of SEPA coordinators in each Flemish administration. The Finance and Budget Department preside over it. The Flemish Community receives technical assistance from its two banks.

- The French Community and the Walloon Region are currently primarily analysing IT-changes that have to be made. When this initial analysis will be concluded, the SEPA co-ordinator can start to implement. This SEPA co-ordinator will be appointed in the last quarter of 2007.
- Work done by the Brussels-Capital Region and the German-speaking Community remains to be assessed.
- At the local level, two coordination bodies are also followed up bilaterally by the NBB and present at the community level of the Steering Committee on the future of means of payment and in the plenary sub-WG Public Authorities.
 - Vereniging van Vlaamse Steden en Gemeenten (VVSG, Flemish association of municipalities).
The VVSG considers SEPA not as an opportunity but more as a matter of compliance. The not-for-profit VVSG is strongly and positively involved and committed to activating the project at all administrations of the Flemish provinces, municipalities and the OCMW's (public welfare centres). The VVSG will provide support and monitoring but the actual implementation of SEPA is the responsibility of the local authorities themselves, in co-operation with their banker and/or their software supplier.
 - Union des Villes et Communes de Wallonie (Walloon association of municipalities).
The progress made at this local level is yet to be monitored.

3.2 Introduction of European payment instruments

3.2.1 General remarks

For the authorities, the migration towards SEPA relates first and foremost to the SEPA Credit Transfer since payments to or from the different authorities are made principally by bank transfer. Moreover, it is very often the case that they are transfers made by or addressed to Belgian residents.

On the other hand, use of card payments is very limited, for instance, at museum ticket offices. In this context, SEPA mainly involves a technical adaptation of payment terminals, which can be done either by an automatic download or through an intervention by a terminal supplier. This stage will not therefore pose any major problem.

At certain levels of government, use of the SEPA Direct Debit is envisaged, for example, for collecting taxes by a single direct debit.

Use of these two payment instruments - the SEPA Direct Debit and the SEPA Card – by the public authorities is only very marginal, even non-existent. Consequently, the changeover to the SEPA Direct Debit and payment card is not regarded as a priority by the authorities and will not be discussed further in this version of the progress report. Nevertheless, SEPA clearly offers an exquisite opportunity for public authorities to modernise their payment traffic and to consider the use of all SEPA payment instruments.

In line with the introduction of European payment instruments, the authorities are also keen to discourage local payment instruments, namely ordinary postal giro transfers, postal transfers payable at domicile, circular cheques and bank cheques. As mentioned in point 2.2.2., this step is perfectly in keeping with the Belgian banking community's plan for migration towards SEPA.

3.2.2 Migration towards the SEPA Credit Transfer

At all levels of administration, migration towards the SEPA Credit Transfer involves:

- Using the IBAN and BIC;
- Use of documents:
 - adapting the existing credit transfer paper form to the new SEPA credit transfer form;
 - adapting the relevant administration's own forms, e.g. tax return forms, study grant application forms, invoices, etc.;
 - adapting internal administrative and IT procedures and processes.
- bringing internal and external communication into line with other SEPA communicators;
- the timetable for migration.

3.2.3 Adoption of new identification codes (IBAN and BIC)

Most public authorities are asking their banks to convert the Belgian account numbers in their records to the IBAN format and to add the BIC of each bank concerned. Many banks offer a conversion programme that calculates the correct IBAN from the existing Belgian bank account number (BBAN) structure and identifies the BIC. Other banks ask government bodies to provide an electronic file which they send back after adding the IBAN's. In short, public authorities do not therefore have to apply to Belgian citizens, customers and suppliers to obtain the exact IBAN.

In the SEPA environment, the BIC of the payee's bank must also be given. Many banks will add the BIC in domestic Belgian traffic themselves when they issue a payment instruction to a Belgian IBAN.

The ISABEL multi-bank platform also offers a conversion programme to produce the IBAN and BIC via the Isabel 6.0 version starting from the BBAN account number..

Foreign IBAN's and BIC's can be found on the SWIFT Internet site. Belgian BIC's can be consulted on the websites of some Belgian banks and the NBB: www.nbb.be < Products and Services < Protocol Secretariat < bank identification codes.

3.2.4 Codified bank account statement standard (CODA)

Currently, the CODA 1 is used as an interface for credit transfer orders in the bank-to-customer (B2C) relationship. Since CODA 1 is not compatible with the European SEPA standards, each administration will have to switch over from CODA 1 to the SEPA compliant CODA v.2.1.c. One of the reasons for non-compatibility is the length of the structured communication for a credit transfer. The length provided for in the Belgian format is 106 characters, compared with 140 characters for SEPA. Conversion has been possible since 23 March 2007 and must be completed by 31 December 2007. Some government bodies have already made the conversion, while others are in the test or preparatory phase. The few federal authorities that still use CODA cassettes are taking advantage of this technological leap to replace the CODA cassettes by CODA via telecommunication using the IsaGate gateway.

3.2.5 Use of documents

The migration towards SEPA will have visible repercussions in various documents used by public authorities, the changeover will consequently have to be communicated. This will of course also be reflected in the public authorities' own document management.

On the one hand, it will be necessary to prepare and order new documents in good time; while on the other hand, there may well be a budgetary need to use up stocks of old documents. This applies just as much to forms with credit transfer instruction slips attached as to specific documents bearing a BBAN, for example. The likely impact of the use of new documents on processes and procedures is also being studied and taken into account.

The SEPA coordinators from the various authorities and levels of administration are taking this closely into consideration in their plans for the migration towards SEPA and are busy making inventories of adapting the documents in question.

3.2.6 Communication

In this preparatory phase of the migration towards SEPA, communication has been exclusively internal, both at inter- and intra-departmental level, but it was still restricted to the level of administration, whether federal or regional, at the time of writing this progress report. However, the different levels feel a need to coordinated and harmonise preparations for external communication to citizens. This need goes beyond the Sub-group Federal Authorities in view of the fact that other parties will be communicating about SEPA, notably banks, businesses and consumer organisations. The authorities fear that they will be bombarded with questions about SEPA because of their pioneering role in the process, while the more technical information is really the banks' responsibility instead.

Various levels of administration want the question of external communication to be dealt with at the higher community level of the Steering Committee on the future of means of payment. Ways to organise the communication in a more co-operative manner are being examined. A working group with exactly this mandate was set up and consists of representatives of the public authorities, the banks and the central bank.

3.2.7 The timetable for migration towards SEPA

The different levels of administration are looking to align with each other on the timetable for migration towards SEPA. It seems appropriate to co-ordinate the migration towards the SEPA instruments since they will replace national instruments that people have been accustomed to for already a long time.

At the federal level, the Steering Committee of the College of Presidents of the Federal Public Services' Steering Committees has set an objective of introducing the European credit transfer on the target date of 1 January 2009. That naturally implies prior communication on SEPA given that the public administrations often have to respect an operational timetable. In practice, the federal authorities will therefore not be able to use a "big bang" approach on 1 January 2009. The FPS Finance, for instance, will already be sending out nearly 6 million letters for the income tax form in April 2008. In this letter, FPS Finance will already be giving the IBAN (and the BIC) of the debit account for any possible future refunds. It will therefore be necessary to mention SEPA as soon as that. FPS Finance will be calling on the NBB, the Post Office and Febelfin for the technical content of this communication on SEPA.

For the Flemish Community, the launch date has been set for January 2008, as long as no major problems hold up the introduction of the SEPA Credit Transfer as of January 2008, of course. Presently, there is nothing to suggest any such hitch. Most of the Flemish public administrations, including the Flemish Ministries and their legal agencies like, for instance, the VDAB, VRT, etc.,

believe they will be able to respect the timetable. On the other hand, the Flemish Community sees the advantage of having a migration towards SEPA that coincides with that of the federal authorities, on 1 January 2009. Since the analysis of their migration towards SEPA still has to be carried out in almost half of the Flemish public administrations, cost is still an unknown quantity. Consequently, the Flemish Community is waiting a bit longer before taking a final decision on the launch date, on the one hand in order to specify how much time will be needed to get all the technical information via its banks, and on the other hand, because it would like to bring its own timetable and communication strategy into line with other parties.

At the level of the Walloon Region the necessary IT-developments are being listed where after they will take priority in budgeting and implementation. The migration towards SEPA is expected to take place during 2009.

At the local level of Flemish provinces, municipalities and OCMWs (public welfare centres) the VVSG (Vereniging van Vlaamse Steden en Gemeenten) is actively promoting SEPA, by means of its two-weekly magazine "Lokaal", through its website www.vvsg.be, in their budget guidelines, etc. The VVSG provides support and monitoring. The members are asked to work together with their bank and/or software provider to implement SEPA. They also need to tackle all issues of the impact of SEPA on documents, procedures, etc.

The other levels of administration - the French Community, the Brussels-Capital Region, the German-speaking Community and the Union des Villes et Communes de Wallonie – are currently being consulted about the state of play in their migration towards SEPA and, in particular, on communication policy and the timetable.

4 SUB-WORKING GROUP CORPORATES

4.1 Mandate and working structure

In the context of the mandate of the Steering Committee on the future of means of payment, the Sub-Working Group Corporates' remit is to provide support and coordination for enterprises in their migration towards SEPA, as well as following its progress.

Just like the public authorities, the EU authorities (EC and ECB) expect enterprises to play a precursor role. In fact, businesses stand to gain the most from SEPA, especially those with an international client base or those that have an international back-office administration for payment traffic. Currently, a company operating on an international scale is more or less obliged to have a bank in each country where it is present, since technical standards and regulation vary from one country to another. Following the arrival of the open and common SEPA standards and the uniform legal framework, the banks and other payment service providers will be able to work on a European scale. Enterprises will be able to benefit from a more competitive market, and shop around for the best service provider who will, in principle, be able to make all their payments in the Euro area through one single account.

The Sub-Working Group Corporates met for the first time on 8 September 2006 and is made up of several large companies and representatives of the ATEB⁵, FEDIS⁶, UNIZO⁷ NSZ⁸ and UCM⁹. Isabel¹⁰, Test-Achats¹¹ and Febelfin are following its work as observers.

In January 2007, two sub-groups were set up within the Sub-Working Group Corporates:

- The Sub-Working Group SEPA Credit Transfer has studied the interpretation of the SEPA standards which are at the heart of the technical standards used in the bank-to-customer relationship. Although the standards SEPA are inter-bank standards, they can also be used – subject to adaptation – in the bank-to-customer relationship. This sub-group has invited several federal public services too, as they also have a bank-to-customer relationship with their financial service provider.
- The Sub-Working Group SEPA Direct Debit brings together the 10 biggest issuers of direct debits, which together account for 50% of the total volume in Belgium. This sub-group is reinforced by Assuralia¹² and the Union des Secrétariats Sociaux/Unie van Sociale Secretariaten. Its goal is to work out the best way of carrying out the migration towards the SEPA Direct Debit.

As for the third European payment instrument - the SEPA Card -, it was not felt to be the right time to set up a Sub-Working Group Cards: the whole issue of European payment cards revolves around fees and is therefore important not only for businesses, but also for other parties. This is why the question of payment cards will be dealt with at the broader community level in the Steering Committee on the future of means of payment.

4.2 Introduction of the European payment instruments

4.2.1 Migration towards the SEPA Credit Transfer

The Sub-Working Group SEPA Credit Transfer met for the first time on 28 February 2007. Its objective was to make a list of the main changes brought about by the European credit transfer for enterprises:

- The replacement of the Belgian bank account number (BBAN) by the structured European account number (IBAN), supplemented by the Bank Identifier Code (BIC): Febelfin explained the arrangements for the conversion from BBAN to IBAN in its document entitled "SEPA – BBAN-IBAN-BIC-practical guidelines";
- The replacement of the current credit transfer instruction form to the SEPA Credit Transfer paper form: keeping on the structured communication is primordial for businesses, as it enables automatic reconciliation with companies' accounting systems;
- The EPC's document entitled "Implementation Guidelines - XML messages for Credit Transfer initiation" describes the electronic implementation of the SEPA Credit Transfer. Febelfin has published Belgian implementation guidelines;

⁵ ATEB: Association of Corporate Treasurers in Belgium

⁶ FEDIS: Belgian Federation of the Distribution industry

⁷ UNIZO: Organisation for the Self-Employed and SMEs

⁸ NSZ: het Neutraal Syndicaat voor Zelfstandigen (self-employed)

⁹ UCM: Union des Classes Moyennes (self-employed, SMEs)

¹⁰ Isabel: banking automation and electronic invoicing service provider

¹¹ Test-Achats/Test-Aankoop: consumer organisation

¹² Assuralia: Insurance companies' professional association

- The technical features of the codified bank account statement standard (the Belgian CODA standard) will be adapted to the European technical standard by switching from CODA 1 to CODA version 2.1.c. This new CODA release has been available since 23 March 2007. From 2 January 2008 onwards, CODA 1 will no longer be the official standard.

In the second half of 2007, the Sub-Working Group SEPA Credit Transfer will be organising a survey among businesses to find out what progress they have made in the switchover to the SEPA Credit Transfer. It will be targeted at:

- the main issuers and beneficiaries of credit transfers in Belgium on the one hand;
- the main issuers and beneficiaries of cross-border credit transfers on the other hand.

4.2.2 Migration towards the SEPA Direct Debit

The Sub-Working Group SEPA Direct Debit has already met on two occasions, on 6 March 2007 and 23 April 2007.

A survey it has carried out shows that the 10 biggest issuers of direct debits in Belgium together account for 50% of the total volume. This percentage rises to 60% if the 20 biggest users are taken into account. This explains why the Sub-WG SEPA Direct Debit is made up of the 10 biggest users ("big billers"), primarily telephone companies and public utility companies.

In addition, its composition includes two federations of other major users of direct debits, namely Assuralia and the Union des Secrétariats Sociaux/Unie van Sociale Secretariaten.

The first meeting of the Sub-WG SEPA Direct Debit was largely of an informative nature, so as to raise awareness among enterprises of the SEPA Direct Debit and the various possible scenarios for migration towards SEPA.

The scenarios range from an individual migration towards SEPA at each company's own rhythm to a big-bang at national level in Belgium for all enterprises concerned, via phased migration per banking relationship, sector or geographical region.

The chosen scenario should in any case take account of the following aspects:

- minimum impact for the client;
- minimum impact on companies' internal procedures;
- possible migration of a critical mass of direct debits;
- operational risk;
- timetable;
- internal and external communication.

Another important factor in the choice of scenario and its timetable is the co-existence of two systems of direct debit between the launch of the SEPA Direct Debit and the abolition of the current national direct debit system, known as DOM80. The Payment Services Directive presumably applies to DOM80 which will certainly have some influence on the scenario. Furthermore, the Belgian market is characterised by a low to average use of direct debits compared with neighbouring countries. The limited right of cancellation for the client (only during four days) has probably got something to do with this phenomenon. However, this right is much more extensively written into the Payment Services Directive. This factor and the basic characteristics of the SEPA Direct Debit could lead to a wider use of direct debits. However, users should try not to erode the Belgian consumer's level of confidence in direct debits. This calls for an as effective as possible migration scheme.

Enterprises are being asked to carry out internal inquiries into the impact of SEPA, using a checklist to measure their SEPA readiness. During the course of the third quarter of 2007, the Sub-WG SEPA Direct Debit will be inviting technical and commercial experts from the companies concerned to decide on one or several scenarios, on the basis of surveys already carried out.

Initial remarks seem to point towards a scenario where each company will migrate towards SEPA at its own speed. Companies point out that they often work with several banks whose migration plans differ from one another, and that that could cause problems.

Furthermore, the Sub-WG SEPA Direct Debit will be carrying out a survey during the second half of 2007 among enterprises to find out what progress they are making in the changeover to the SEPA Direct Debit.

5 SUB-WORKING GROUP CONSUMERS

5.1 Mandate and working structure

Consumers make up the third sub-group of the Steering Committee on the future of means of payment. On 27 September 2006, representatives of various consumer associations discussed the likely repercussions of SEPA for the final consumer. The members of the Sub-Working Group Consumers are FPS Economy, CRIOC¹³, GOC¹⁴ and Test-Achats.

The Sub-Working Group Consumers has appointed Test-Achats as observer at meetings of the Public Authorities and Corporates sub-groups. It is thus hoping to see that efficiency standards and the high degree of consumer protection are maintained in Belgium.

The Sub-WG Consumers acknowledges that it is crucial to get the consumer involved sufficiently early in the migration towards SEPA. That is why they urged for a specific subgroup.

There is clear demand for coherence as regards communication on SEPA, as far as both content and the timetable are concerned. The banking industry needs to deliver a consistent, clear, understandable and unique message explaining the changes SEPA brings about. Conflicting messages from the various banks in the Belgian market would seriously damage the clarity of the message and, consequently, the consumers' understanding of SEPA and its stakes.

The changeover to the European payment instruments must pass off smoothly and - if possible – be clear and straightforward for the consumer. Consumer representatives have already reiterated on several occasions their concern about a possible drop in the quality of service provided to the Belgian consumer, who is used to a high degree of efficiency and security where payments are concerned, and at a just price/quality ratio. In general, the consumer organisations do not see immediate advantages for the consumers at the start of the SEPA project.

5.2 The consumers' opinion

Up until now, work on the migration towards SEPA has been largely centred on banks, public authorities, enterprises and consumer organisations. From the end of 2007 or the beginning of 2008, consumers and citizens themselves will be involved in the communication and migration towards SEPA. This timing is in line with the Eurosystem's expectations.

5.2.1 The SEPA Credit Transfer

The consumer organisations are insisting on two changes for the Belgian consumer:

- the new credit transfer paper form: in the absence of a European initiative, the Belgian banking sector has developed its own paper transfer paper form. This form is quite different from the existing Euro credit transfer form given it no longer exists of two parts but just one;
- use of the IBAN and BIC instead of the Belgian bank account number (BBAN), which is also mandatory for cross-border payments. The user will have to submit both IBAN and BIC. The IBAN in particular, which has a different and longer structure (i.e. 2 letters

¹³ CRIOC: Centre de Recherche et d'Information des Organisations de Consommateurs (the consumer organisations' research and information centre)

¹⁴ GOC: Groupement des Organisations de Consommateurs (an informal coordination and concertation structure embracing all organisations at the Consumer Council)

followed by 14 numbers) than the BBAN (12 numbers), will require an open and above board information campaign. The additional BIC - 8 or 11 characters - leads to a total of minimum 24 digits where it is only 12 digits today.

Both versions will co-exist during the transitional period from 2008 to 2010. Most of the channels that the consumer uses for payments will be adapted. But adaptation of phone banking to the SEPA credit transfer is still uncertain.

5.2.2 The SEPA Direct Debit

Consumer organisations are insisting on two changes for the Belgian consumer:

- In the DOM80 environment, the debtor's bank administers the mandate. In the case of the SEPA Direct Debit, administration of the mandate will be retained by the creditor;
- use of the IBAN and BIC instead of the Belgian bank account number (BBAN). The IBAN in particular, which has a different and longer structure than the BBAN, will require an open and above board information campaign.

The data of the existing direct debit mandates will therefore have to be transferred from the debtor's bank to the creditor, via the latter's bank. To this end, the NBB has developed a temporary migration file to allow a smooth and efficient electronic transfer of the data of the 30 million existing mandates. However, each customer using direct debits will have to be informed of his/her new rights and obligations, as stipulated in the Payment Services Directive. It is above all the right to a refund in some very specific cases that constitutes a major change. Moreover, the new rights and obligations will apply to outstanding DOM80 mandates as well. This will become clear when the Payment Services Directive will be transposed into Belgian legislation.

In the migration towards the SEPA Direct Debit, it will also be necessary to take into account the period of coexistence of the two direct debit systems, during which a customer will be able to have a DOM80 direct debit with one creditor and a SEPA Direct Debit with another creditor.

It should also be noted that the SEPA Direct Debit provides for the possibility of a so-called one-off direct debit ¹⁵, something which does not exist under the current DOM80 direct debit system.

5.2.3 The SEPA Card

Consumer organisations reacted very strongly to the banks' plans to replace the Bancontact/Mister Cash system by the Maestro international system. They fear that the increase in fees brought about by this migration will be passed onto the customers, triggering a rise in inflation. The banks have meanwhile delayed this migration (cf. 2.2.3). The consumer organisations welcome the decision not to replace Bancontact/Mister Cash at the date which was initially foreseen, i.e. 1 January 2008. However, they note that a new date and new conditions for the migration is not known at this point in time.

¹⁵ One-off direct debit: a mandate is given to the creditor for a one-time debiting.

6 THE BANKS

6.1 Mandate and organisation

As explained in point 2.2., preparations at interbank level are being made within the SEPA Forum. For SEPA to be able to start up, payment instrument suppliers, i.e. the banks, must have completed their preparations. This concern has led Paysys to give the Program Management Office a mandate to carry out a survey on the Belgian banking sector's preparations, to find out whether all the banks will be in a position to start up SEPA as of 28 January 2008. For the banks, starting SEPA means that they must be able to handle SEPA transactions on the basis of the new European standards from the set dates. The Belgian banks' capacity to exchange SEPA Credit Transfers and SEPA Direct Debits for their domestic clients has been examined. The possibility of executing cross-border payments in SEPA format has not (yet) been studied.

Belgium has 104 banks authorised as credit institutions, 83 of which are active in the field of payments. 20 of these banks and the ATOS Worldline (ex-Banksys) card system participate directly in the Belgian automated interbank retail payments exchange system (Belgian Centre for Exchange and Clearing, CEC) while the 62 other institutions are involved in it indirectly through one of the direct members. The majority of payments in Belgium are processed by the 20 direct members. The rest of the payments – those of indirect participants – are also ultimately transferred through them. This is why the survey focused on the situation among direct participants. On the basis of interviews and a detailed inquiry, an overview of the state of play among Belgian banks was established. The following elements were examined in particular: the information available, the stage of preparation for the different European payment instruments, the SEPA participation strategy and the bank's communication strategy.

6.2 Current state of preparations

The results of the survey, carried out from the end of January until mid-March 2007, show that the Belgian financial sector is sticking to its timetable and that the vast majority of banks claim to be ready for the start-up of SEPA. In terms of market share of the volume handled, that means the banks which have said they are ready for SEPA currently handle 95% of domestic credit transfers and 93% of direct debits.

Both vision and strategy differ substantially within the Belgian banking sector depending on the type and the size of the institution.

With a market share of around 80%, the four big Belgian banks are playing a crucial role in the organisation of SEPA within the Belgian banking sector. In their view, SEPA can mean technical consolidation for them and they will be able to offer all their clients the SEPA Credit Transfer from 28 January 2008, and the SEPA Direct Debit as of 1 November 2009 in principle, via (almost) all possible channels. The four big banks are well advanced in their IT developments for SEPA, and are sure to be ready by the deadlines, from a technical point of view. For the SEPA Credit Transfer, two channels will be used for interbank payments: the CEC will be used as operator for Belgian domestic credit transfers, while an international retail payment system will be chosen for cross-border payments. The banks have effectively decided not to position the CEC as international retail payment system, which ultimately means the end of the CEC.

Foreign banks established in Belgium are following their head office's strategy. In most cases, this means that SEPA payments traffic processes are largely centralised. This is why these banks no longer want to use the CEC except for domestic payments in the old Belgian format. They would like to send all SEPA transfers (national and cross-border) to a European retail payment system via

their centralised platforms. These banks' SEPA developments are therefore mainly put into effect by their headquarters abroad, which prevents a clear picture of the situation from being obtained.

As far as the rest of the Belgian banks (other than the 4 biggest banks) are concerned, SEPA does not seem to be a priority either for their internal working mode or for their clients. They have nevertheless decided to follow the migration towards SEPA along with the big banks, and will be offering the SEPA payment instruments, although it is not certain whether the set dates will be respected. Generally speaking, IT-preparations are mostly being finalised and most banks are participating in testing. The new deadline for introducing the SEPA Direct Debit leaves them time to concentrate on the SEPA Credit Transfer.

All the banks questioned, which are directly affiliated with the Belgian CEC payment system, say they are taking the necessary measures for all banks participating indirectly, via them, to be able to have access to SEPA payment messages. These banks, with smaller transaction volumes, will probably not be in a position to offer their clients the SEPA Credit Transfer as of 28 January 2008, which, in view of the low volumes in question, will not pose any problem either for the start-up of SEPA, nor for obtaining a critical mass.

7 **COMMUNICATION**

So far, communication on SEPA has been largely run by the banking sector.

First and foremost, Febelfin and the NBB have organised regular interbank information sessions to which all banks were invited. These sessions were mainly focused on detailed information on the technical aspects of the migration towards SEPA, as well as the timetable and the deadlines which are the same for all banks in Belgium. Febelfin's extranet site is the communication channel on this subject *par excellence*. This extranet site contains full information on the migration towards SEPA and on the implementation of the SEPA payment instruments, both on the European scale and at the level of Belgian standards and agreements, and as much on the interbank front as on the level of the bank-to-customer relationship.

A second central communication channel is the website www.sepabelgium.be, also run by Febelfin and designed for public authorities, businesses and consumers. This Internet site offers clarifications on the SEPA payment instruments and the advantages of SEPA. The future abolition of non-SEPA payment instruments, such as cheques and bills of exchange, is also addressed.

On its website www.bnb.be, the NBB also has a SEPA section containing general information on the Single Euro Payments Area and links to other important Internet sites like the ECB's website, for instance: NBB < Products and services < payment systems < SEPA.

Moreover, most banks present detailed information on SEPA on their own websites, and are launching information campaigns targeted at their customers.

In addition, the financial sector organises regular information sessions for other parties concerned, some of which also have SEPA extranet sites intended for their own members' or working groups' migration towards SEPA, like the federal authorities and the Flemish Community, for instance.

From 2008 onwards, efforts to communicate information on the migration towards SEPA will be better coordinated between the various parties, among which also the public authorities and corporates, and communication will be more closely geared to the citizen and the consumer.

8 CONCLUSIONS AND ACTION PLAN

This report gives an overview on the status of the migration towards SEPA in Belgium. Belgium's migration towards SEPA is generally going well. All the stakeholders at least know about SEPA as well as the changes it will usher in, and are either in a preparatory or execution phase.

In their capacity as suppliers of new payment instruments, banks have largely contributed to the design of the European standards and will be ready for the deadlines by the Belgian migration plan. From 28 January 2008 onwards the banks will accept and process European credit transfers that were issued by their clients through at least one channel.

The authorities are taking their pioneer role very seriously, taking strategic decisions and generally getting ready for SEPA at the various levels.

Enterprises are already involved in the process and will be more closely involved in the next phase of preparations for the launch of the SEPA Credit Transfer. Primarily those companies with a large customer base, e.g. utilities companies, issue large quantities of credit transfers and direct debits and will have to implement fundamental changes.

Lastly, consumer organisations have been informed and consulted. The communication with the general public on the specific changes in store are a priority in the coming months.

We suggest the following as target areas for follow-up work, for each payment instrument:

8.1 The European credit transfer

The banks will from 28 January 2008 onwards, be ready to offer the European credit transfer to their private customers through at least one channel, and through electronic means towards their professional customers.

The federal authorities plan to start issuing the paper credit transfer form to the public from the last quarter of 2008 onwards. Public authorities will in particular issue invoices (advise to pay) with the new European credit transfer form attached. From 2009 onwards, no old national paper credit transfer form will be used anymore towards the citizen.

During the societal concertation the need for other levels of public authorities to align their migration towards the European paper credit transfer form with the federal authorities became apparent. Those public authorities will be consulted at short notice to turn this need into reality.

The societal concertation also showed it would be advisable for those corporates that issue large quantities of paper credit transfer forms towards the broad public (big billers) to explore migration scenarios that align with the migration plans by the public authorities. This would make a massive migration possible in an organised and co-ordinated manner and according to a well-known and published migration calendar. A jointly planned communication strategy would benefit from such a procedure. Consequently, the big billers are asked to start to shift from old to new paper credit transfer forms together with the public authorities, or shortly after. By end 2009 they should no longer use the old paper credit transfer form at all.

To summarise the migration calendar towards the European paper credit transfer form:

- ⇒ public authorities: 1 October 2008 to 31 December 2008;
- ⇒ big billers: 1 October 2008 to 31 December 2009, by preference during the last quarter of 2008.
- ⇒ public authorities and big billers: stop issuing old paper credit transfer forms by end 2009, in order to out-phase completely by end 2010.

Public authorities and corporates mostly use electronic channels in relation with their banks for outgoing payments -as debtors. For these payments banks, public authorities and corporates can freely decide on their migration scenarios towards the SEPA standards. This will probably happen through a soft take-off during 2008.

During the migration window, the SEPA Working Group will continuously monitor the migration of old Belgian standards towards the European ones (both paper based and electronic).

8.2 The European direct debit

In the case of the European direct debit, the Payment Services Directive for the internal market is important in view of the existing differences from one country to another as regards the time-limits for presentation, acceptance and refund. Since the transposition period will last until 1 November 2009, the Belgian banks (as well as some other European banking communities) have decided not to start marketing the European direct debit until 1 November 2009. It is therefore of utmost importance that the competent Belgian authorities complete the transposition into Belgian legislation within the fixed transcription period.

The SEPA Working Group will continue its efforts to further inform and prepare corporates in their migration towards the European direct debit. The focus will initially be on clearing uncertainties in order to preserve users' trust in this payment instrument.

A migration calendar for the big billers will be drawn up as is the case for credit transfers as well. A co-ordinated approach will facilitate the alignment of communication efforts by the various stakeholders.

8.3 The European payment card

As in the case of the other payment instruments, the stable and proper functioning of card payments is in everybody's interest. With cards, any potential disruption (however short it may be) is noticed much more than other payment instruments because, with it being POS payments in question, trade is disrupted, too, and the consumer is left in an awkward situation.

So, it is of utmost importance that the banks' decisions on the subject are followed very closely in order to be able to gauge the possible impact on other stakeholders.

This impact will then be studied together with other stakeholders, particularly traders and the retail sector as well as consumers and public authorities. These stakeholders ask a sufficient level of competition in the market for SEPA cards and a just price/quality ratio. The goal of SEPA is to reach an integrated market for electronic payment services that needs competition. The acceptance and usage of SEPA products can be obtained only if those products are launched at the right price/quality ratio.

Another point to be looked into is how to organise this general debate so that the voices of all interested parties are heard.

8.4 Communication

Communication will be crucial for the successful migration towards the new payment instruments. Communication needs to be co-ordinated with correct and clear messages, issued at the right moment targeted at the right audiences.

As a first and general action this report by the SEPA Working Group will be publicly made available in order to make SEPA and its implementation widely known.

Communication that was during the initial stages targeted at banks and big billers will be broadened towards other stakeholders as well. Although communication should cover all SEPA issues, its priority should lie with the introduction and acceptance of the new paper credit transfer form. The banks have drawn up a leaflet to help the public to correctly use the new form. The white-labelled leaflet can be personalised and used at will by public authorities and corporates alike.

Public authorities will likely be the first movers to exchange SEPA payments with the public and will therefore need to communicate at a broad level. The federal authorities directly contact the citizens on two occasions yearly: in April at the moment of sending out tax letters to be filled out, and a second time, from October, at the occasion of sending out the final tax calculations. In the tax letters of April the account number for tax retribution is already taken up. In 2008 this account number will be IBAN. From October citizens will either have to pay through the new European credit transfer form or receive a SEPA payment for tax retribution. In order to inform the citizens at the right times with one clear message the communication will need to be jointly organised between the federal authorities and the banks. Redundant or incoherent communication can thus be avoided.

Finally the SEPA implementation needs visibility at its official starting date. Therefore, the NBB, the banks and other parties will take joint action to bring the start of SEPA in the public's attention on 28 January 2008.

More specific communication campaigns towards individual target audiences are every stakeholder's competence. All stakeholders who take part in the societal dialogue are requested to start to inform and communicate on SEPA towards their members and interested parties.

- - - * * * - - -

9 ANNEXES

9.1 Annex 1

9.1.1 **Composition of the SEPA Working Group of the Steering Committee on the future of means of payment (*)**

ATOS Worldline (ex-Banksys)	Philippe Kempeners
ATOS Worldline (ex-Banksys)	Vincent Roland
BEKAERT / VBO	Ronny Dewulf
BNB - CSF	Dominique Gressens
BNB - CSF	Jean-Marc Van Espen
BNB - Oversight	Johan Pissens
BNB - Oversight	Kristiaan Roefs
BNB - Retail Payments	Jan Vermeulen
BNB (chair)	Alfons Vaes
Budget & Rights (Test-Achats)	Anne-Lise Evrard
CRIOC - OIVO	Aline van den Broeck
CRIOC - OIVO	Tineke Kyndt
DEXIA Bank Belgium	Erwin Ruymaekers
Febelfin	Jozef Van den Nieuwenhof
Fedis	Peter Haegeman
FORTIS Bank	Marc Parys
GOC	Jean-Philippe Ducart
ING Belgium	Koen Hermans
KBC Bank	Kristine De Lepeleire
KBC Bank / Paysys	Antoon Termote
La Poste	Nico Cools
NSZ	Filip Roland
SPF Budget et Protection de la Consommation	Pierre Dejemepe
SPF Classes moyennes et de l'Agriculture	Olivier Remacle
SPF Economie	Veronique Broekaert
SPF Economie	Mathias Cys
SPF Emploi	Remi De Brandt
SPF Finances	Emmanuel Colla
UCM	Pierre-François Rizzo
UNIZO	Gijs Kooken
VBO	Geert Vancronenburg

(*) This list recapitulates the names of participants in the first meeting of the SEPA Working Group on 12 May 2006. It may be adapted or enlarged in order to include other economic actors concerned by the social consultation and to take account of the internal structures set up by these stakeholders.

9.1.2 Parties concerned by the consultation on the progress report on the migration towards SEPA in Belgium

Acerta
ACV-CSC
AGC Europe
Association of the City and Municipalities of Brussels Capital
Assuralia
ATOS Worldline (ex-Banksys)
AXA Bank
Bank J. Van Breda
Base NV
Bekaert
Belgacom
Belgacom Group International Services NV
Belgacom Mobile NV
CRIOC - OIVO
La Poste
Delhaize Group
DEXIA Banque
Electrabel
Febelfin
Fedis
FOD-SPF Affaires étrangères, Commerce extérieur et Coopération au développement
FOD-SPF Begroting en Beheerscontrole
FOD-SPF Budget et Contrôle de la Gestion
FOD-SPF Defensie
FOD-SPF Economie
FOD-SPF Economie, KMO, Middenstand en Energie
FOD-SPF Economie, PME, Classes moyennes et Energie
FOD-SPF Emploi, Travail et Concertation sociale
FOD-SPF Finances
FOD-SPF Finances - Contributions Directes
FOD-SPF Finances - Trésorerie
FOD-SPF Financien
FOD-SPF Informatie- en Communicatietechnologie - FEDICT
FOD-SPF Intérieur
FOD-SPF Justice
FOD-SPF Kanselarij van de Eerste Minister
FOD-SPF Mobiliteit en Vervoer
FOD-SPF Personeel en Organisatie

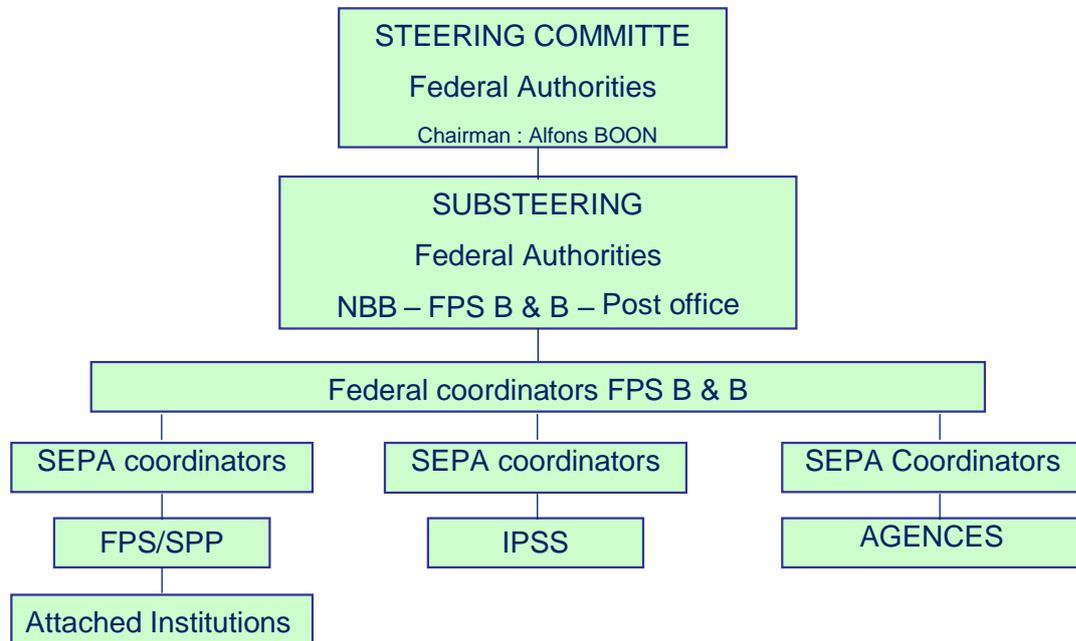
FOD-SPF Sociale zekerheid
FOD-SPF Volksgezondheid, veiligheid van de voedselketen en leefmilieu
FORTIS Bank
GOC
ING Belgium
Ingram Micro
Isabel
KBC Bank
Ministère de la Communauté française
Ministère de la Région wallonne
Ministerie van de Vlaamse Gemeenschap
Ministerium der Deutschsprachige Gemeinschaft
Mobistar
National Bank of Belgium
Nestlé SA
NSZ
National Pensions Office
RBS (RD Europe) B.V.
SPE nv
Telenet NV
Test-Achats
UCM
Union des villes et communes de Wallonie
UNIZO
VBO
Vereniging van Vlaamse Steden en Gemeenten
Volkswagen Group Services

9.2 Annex 2: The SEPA Credit Transfer form

This form and its technical features are given in the different national languages on the website of the Protocol Secretariat run by the NBB. The electronic files intended for printing works can be ordered via www.nbb.be (NBB < Products and Services < Protocol Secretariat < Transfers).

Signature(s)		CREDIT TRANSFER ORDER	
<input type="checkbox"/>			
<i>If completed by hand, one single UPPER CASE LETTER in black (or blue) per box</i>			
Requested execution date in the future		Amount	EUR CENT
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Originator account (IBAN)	<input type="checkbox"/>		
Name and address of the originator	<input type="checkbox"/>		
Beneficiary's account (IBAN)	<input type="checkbox"/>		
Beneficiary's BIC	<input type="checkbox"/>		
Name and address of beneficiary	<input type="checkbox"/>		
Remittance information	<input type="checkbox"/>		

9.3 Annex 3: The Steering Committee Federal Authorities



9.4 Annex 4: The Belgian migration plan towards SEPA



The Belgian SEPA Migration Plan

Belgium as part of the Single Euro Payments Area

Version 3.1

July 2007



Belgian Migration Plan to the Single Euro Payments Area (SEPA)

VERSION 3.1

July, 2007

The purpose of this document is to describe the Belgian banking community's migration path towards the Single Euro Payments Area (SEPA). Compared to the previous version, some basic decisions have been fine-tuned and adjusted. The main topics are highlighted in red and are related to:

- the decision of the EPC Plenary to fix the launch date of the SEPA Credit Transfer on January 28th, 2008
- the date by which the Payment Services Directive must be transposed into Belgian Law
- update of the former decision to migrate the Belgian Bancontact/MisterCash scheme to an international scheme

The Belgian financial community is represented by FEBELFIN and supported by the National Bank of Belgium (NBB).

The SEPA concept in this document is the SEPA concept as defined by the European Payments Council (EPC) in its Charter. The definition of SEPA is part of the EPC Roadmap as approved by the December 2004 EPC Plenary:

“SEPA will be the area where citizens, companies and other economic actors will be able to make and receive payments in Euro, within Europe (currently defined as consisting of the 25¹ European Union (“EU”) member states plus Iceland, Norway, Liechtenstein and Switzerland), whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location.”

¹ in the meantime, the number of EU member states has increased to 27.

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*Belgian SEPA
governance mirrors
European set-up*

*Banks and central
bank meet in SEPA
Forum*

ORGANISATIONAL STRUCTURE

The Belgian banking community decided to set up a specific governance framework for the conduct of the migration towards SEPA, which broadly **mirrors the European set-up** (see graph on page 6). At the highest level the NBB Governor meets board members, responsible for the payments area at the commercial banks in the **SEPA Forum**. This is the highest level in the Belgian SEPA organisational structure and comparable to the Contact Group on Euro Payment Systems (COGEPS) at the European level. It is presided over by the Governor of the NBB. The SEPA Forum is informed on the progress of the Belgian migration plan towards SEPA, and validates decisions as proposed by Febelfin's Payment Systems Committee (Paysys) and Febelfin's Board. Once these decisions have been approved they are considered to be irreversible for the whole of the Belgian banking community.

The **Payment Systems Committee (Paysys)** is the highest consultative body, responsible for the definition of the policy and strategy for all issues relating to payments for the Belgian banking community. This Committee already existed before the Belgian SEPA organizational structure was established, and deals not only with SEPA issues but with all other matters relating to the banks' payments activities. Before Paysys' proposals are discussed in the SEPA Forum, they are validated by the **Board of FEBELFIN**, the highest decision-making body for Belgian banks.

Proposals to be approved by Paysys are prepared by the **Co-ordination Committee**. All proposals made by the **Working Groups** are centralized and issued for approval by the Co-ordination Committee, which ensures their overall logic and conformity. In Belgium this committee has a role comparable to that of the European Payments Council's Co-ordination Committee namely, the co-ordination of the work of the different Working Groups, and it is responsible for the preparation of the Paysys Committee meetings.

The composition of the Co-ordination Committee is based on the chairmanship of the different Working Groups which were established to deliver the input for the elaboration of the migration plan. They are also the representatives of the Belgian banking sector in the different EPC Working Groups. This ensures coherence and direct communication from the European EPC level to the Belgian working structure.

Although the Belgian SEPA organizational structure was set up as a copy of the EPC structure, not all EPC bodies were copied in the Belgian context, either for efficiency reasons or because other procedures are being put in place. For example, the Belgian structure does not hold a Legal Supporting Group. Instead, the chairs of Working Groups rely on their own legal experts following the discussions as members of the specific Working Groups. On each issue considered by a legal expert, a second opinion is offered by a legal expert from another Belgian bank, and one from the NBB, when required.

central bank opens up implementation discussions to a broadly-based societal platform

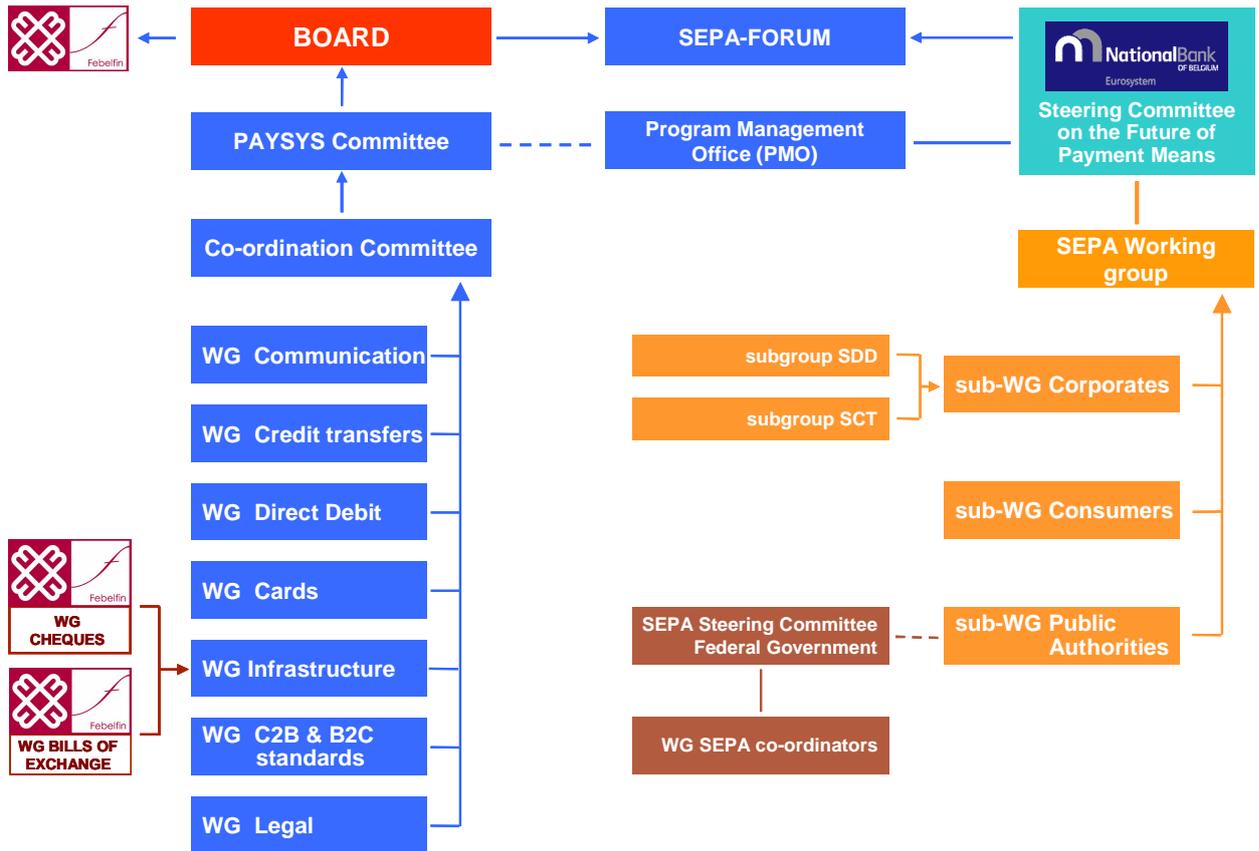
Another difference with the European set-up is the addition of other Working Groups and Task Forces for specific issues, such as the preparation of a communication plan, the delivery of website information and the organization of the migration of the existing Belgian C2B and B2C standards to European ones.

As the SEPA design phase has come to an end (publication by EPC of a final versions of the Rule Books and the Implementation Guidelines version 2.3) the end-to-end implementation phase is the current step in the migration process. This implementation phase also includes actors outside the banking sector, and has therefore to be conducted in a broadly-based societal platform. The "**Steering Committee on the Future of Payment Means**"² was considered to be the most convenient platform to plan the implementation and monitor the SEPA process in Belgium. Installed in 2003, this Steering Committee, chaired by the Governor of the National bank of Belgium, was mandated to promote the discussions between banks and all other stakeholders on the efficiency of payment means and instruments. A new Working Group was set up under this governance for the conduct and monitoring of the implementation of SEPA in Belgium. The work is currently being prepared by three separate subgroups composed on the basis of the type of stakeholder, corporates, public administrations and consumers. They are investigating all possible practical implementation actions and follow up on progress within their specific sectors. The deliverables and decisions presented in this interbank migration plan are communicated through the National Bank of Belgium, as SEPA Program Manager, to this broadly-based societal platform.

Program Management Office monitors implementation and progress

Linked to the above mentioned next step towards implementation, a **Program Management Office (PMO)** has been set up to safe-guard the process of implementation of SEPA. Specific tasks have been assigned to the PMO, such as setting up a global plan for all stakeholders, the elaboration of a risk analysis listing all dependencies for the SEPA implementation, definition and follow-up of testing strategies and watch over an efficient link between the interbank SEPA activities and those on the societal level with all stakeholders under the governance of the above mentioned Steering Committee on the Future of Payment Means.

² The "Steering Committee on the Future of Payment Means" was established in 2003 by the Minister for Economic Affairs and Consumer Protection and is chaired, at the request of the Minister of Finance, by the Governor of the Central Bank.



Belgian Banks fully endorse SEPA



... for the citizen



...and SEPA for Infrastructure

The whole end-to-end payment chain is covered...

1. INTRODUCTION

The Belgian banking community fully endorses the migration of Belgian payments processing towards SEPA.

Following the EPC Plenary decision on June 19th, 2007 the Belgian banking community should be able, **from January 28th, 2008 onwards**, to process incoming SEPA Credit Transfers (receiving side) and is committed to offer payment service users access to SEPA Credit Transfer (sending side) to be used both locally³ and within the SEPA area⁴ ("SEPA for the citizen").

The Direct Debit payment instrument will be supported as **from November 1st, 2009**. Both reachability (receiving side) and offering the Direct Debit instruments to creditors (sending side) will be guaranteed as from November 1st, 2009 (please refer to chapter 9. for more details on Direct Debits).

For Card payment instruments, the **former decision** to replace the Belgian Bancontact/MisterCash scheme by an international scheme on January 1st, 2008 **has been reviewed**.

Furthermore the Belgian banking community is planning to process and settle a vast majority of the payment messages resulting from the use of these SEPA payment instruments in a European infrastructure, by end 2010 ("SEPA for Infrastructure").

2. SCOPE

2.1. POSITIVE SCOPE

This migration plan covers the entire payment chain (end-to-end), including the three pan European payment instruments currently defined in the EPC Rulebooks and Framework:

- SEPA Credit Transfers,
- SEPA Direct Debits and
- SEPA Cards.

These three pan European payment instruments will replace the existing Belgian instruments, taking into account a certain transitional period in which non-SEPA payment instruments will exist next to the newly introduced SEPA payment instruments. By the end of 2010 the majority of the Belgian instruments will be replaced by SEPA instruments, based on standards that have been developed by the EPC.

³ "Local payments" meaning national payments between two Belgian accounts.

⁴ "Domestic payments" meaning payments between two accounts inside the SEPA area.

While the EPC defines rules on the inter-bank level in its Rule Books and Implementation Guidelines, the scope of this Belgian migration plan is intended to be end-to-end, from ordering customer to receiving customer (for more details, please refer to chapter 7.).

For Credit Transfers, the Belgian banks will implement the SEPA standards on the basis of the EPC Rule Books and Implementation Guidelines version 2.3. Please refer to chapter 8 for more information on Credit Transfers.

All possible efforts are made in order to keep the transition for customers as smoothly and seamlessly as possible.

2.2. NEGATIVE SCOPE

Cheques and bills of exchange are not SEPA payment instruments and are therefore considered out of scope of SEPA and of this migration plan. Their use will be discouraged as much as possible.

Cheques and bills of exchange are legal instruments regulated by international conventions and therefore cannot be abolished by a Belgian decision. None of these instruments are planned to be physically modified in order to make them SEPA-compliant (the IBAN for example will not be implemented).

Concerning cheques, the Belgian banking community decided:

- as a main objective, to investigate measures to discourage the use of cheques and explore alternatives to cheques;
- as a secondary goal, to investigate alternatives for exchanging and settling the remaining volume of cheques;
- to abolish the local payment instrument "invoice cheque" one year after the launch of the SDD payment instrument⁵;
- up till the end of the use of the cheque, the residual, marginal volume of high value cheques will no longer be exchanged physically within the Clearing House: full truncation is being studied.

Concerning bills of exchange, the Paysys committee decided to:

- investigate measures to discourage the use of bills of exchange;
- dismantle the local Centre for Bills of Exchange by the end of 2010;
- investigate an alternative settlement mechanism for bills of exchange with a due date later than 2010.
- investigate alternatives for a central registration system for protests.

The use of cheques and bills of exchange will be discouraged as much as possible...

... and alternatives for cheques are looked for

⁵ This period has been set because a transitional period is necessary during which this local payment instrument will be turned into/migrated towards the one-off SEPA direct debit instrument.

2.3. SCOPE: SUMMARY

The following table shows the existing Belgian, national payment instruments, their SEPA equivalents and some implementation issues:

<i>Belgian payment instrument</i>	<i>SEPA payment instruments</i>	<i>Implementation Comments</i>
Belgian CT	SEPA CT	- Belgian structured remittance information reference - CT paper form
Belgian standing order	SEPA CT	identical to a basic CT
Belgian money order	out of scope	
Belgian DD DOM70/80	SEPA DD	re-use of existing DOM80 mandates
Belgian Bancontact/MisterCash scheme for Cards	SEPA Cards Framework	Belgian scheme will be replaced by an international or any SEPA-compliant scheme
Cheques	out of scope of SEPA	use will be discouraged
Invoice Cheques	out of scope of SEPA	will be abolished one year after launch of SEPA Direct Debit Scheme
Circular Cheques	out of scope of SEPA	use will be discouraged
Bills of Exchange	out of scope of SEPA	use will be discouraged

3. INHIBITORS

Inhibitors exist on ...

Examination of the road to SEPA reveals a number of uncertainties and inhibitors, both at the European level and at the Belgian level. These uncertainties and inhibitors concern mainly the SEPA payment infrastructure and the uncertainty about the timing of the transposition into national law of the European legal framework. They currently hinder the full implementation of the Belgian SEPA migration plan.

*... the European level:
- PE-ACH offering*

An important inhibitor at present is the lack of a full service PE-ACH infrastructure that offers SEPA solutions for all SEPA payment instruments, which would also satisfy existing local functional needs, and which would offer these functionalities at a more favourable pricing level as the current Belgian ACH and at a comparable service and security level.

*- timing of
transposition of the
Payment Services
Directive*

The Payment Services Directive must be transposed into national law by November 1st, 2009, at the latest.

- SEPA deadlines

Still some uncertainty exists concerning the time lines supported by both the EPC and the Eurosystem and about the status of design and implementation, which do not seem to be interpreted in exactly the same way by all stakeholders. The EPC has not yet had the chance to prove its self-regulating power. If the EPC's ability to regulate itself is inadequate, this would endanger the efficient and swift implementation of SEPA. For example, if EPC would not succeed in convincing all Belgian banks to adhere to the EPC schemes, national Belgian payments could only be partially converted into SEPA payments. Even more, all European banks should subscribe to the adherence agreements of the EPC schemes in order to have a fully reachable, interconnected banking system for SEPA payments.

*- EPC's self-
regulating power*

*... and on the Belgian
level: limited impact
on EPC decisions*

Belgian banks do not have control over these inhibitors at the European level, as they have only moderate influence on the decision-making process within the EPC. Furthermore, at the Belgian level itself, individual commercial strategies exist which can be subject to internationally oriented banking group strategies.

*Acceptance by all
stakeholders*

The support of all stakeholders is of utmost importance.

Despite these inhibitors, the Belgian banking community has successfully and unanimously reached a number of formal decisions on the scope, the time lines, the non-SEPA payment instruments, infrastructure and communication. These decisions are listed in the following chapters.

4. MIGRATION WINDOWS

Different migration windows exist:

... for Credit Transfers

Credit Transfers will need the full migration period of three years, from the official launch date for SEPA Credit Transfers on **January 28th, 2008** onwards. Chapter 8 contains a detailed description of the migration processes.

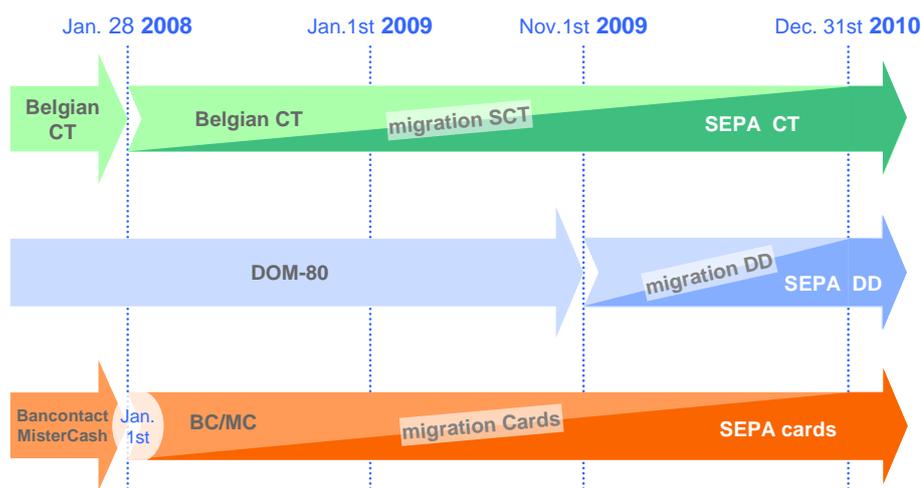
... for Direct Debits

Concerning SEPA **Direct Debits**, the Belgian banking community decided to postpone the launch date of the SDD product until **November 1st, 2009**.

... for Cards

Concerning **Debit Cards**, the Belgian banks will be able to offer a SEPA-compliant product as of **January 1st, 2008**. Acceptance in the market will be a crucial issue and the final fade-out is still uncertain.

Migration windows (*)



(*) The Belgian banking community is planning to migrate a vast majority of the Credit Transfers, without a full commitment to have achieved a 100 % migration by December 31st 2010.

5. ACH INFRASTRUCTURE

5.1. THE BELGIAN ACH (CENTRE FOR EXCHANGE AND CLEARING - CEC) WILL NOT BE POSITIONED AS A PE-ACH.

CEC ≠ PE-ACH

One of the basic decisions of the Belgian banking community is not to invest in the current Belgian ACH in order to become PE-ACH-compliant⁶. Belgian banks want to avoid parallel investments in retail payment systems in several SEPA countries. The processing of payment messages to or from a Belgian bank will consequently have to be transferred to a PE-ACH.

PE-ACHs are being assessed

Potential PE-ACH-providers have therefore been contacted and assessment is still ongoing. These contacts are based upon an inter-bank agreed scheme of functional needs and specific requests for prices, access rights and governance rules. The Co-ordination Committee collects and evaluates all information received through this PE-ACH Assessment Scheme, thus comparing the functional, financial and other needs of the Belgian banking community with the offerings of the various potential PE-ACH providers.

5.2. CEC TEMPORARILY SEPA COMPLIANT FOR LOCAL PAYMENTS

a fall-back scenario will be implemented: CEC temporarily SEPA compliant for local payments

The implementation of a fall-back scenario was decided upon at the end of June 2006.

The fall-back scenario will cover the SEPA payment instruments on the condition that both customer accounts are located in Belgium. The CEC will process the SEPA domestic formats of the payment messages as described in the EPC Rule Books and Implementation Guidelines version 2.3, in the UNIFI ISO 20022 XML format. SEPA formatted payments will be processed in parallel with the CEC domestic non-XML formats. By implementing this fall-back scenario, Belgian banks are ensured of the technical ability to exchange local Belgian Credit Transfer payments in SEPA format, as from the beginning of 2008.

⁶ PE-ACH-compliance would mean: SEPA-compliance + accessibility/reachability throughout the SEPA. SEPA-compliance would mean: being able to process pan-European payment instruments. A full definition of the PE-ACH concept, has been developed in the EPC document "*Framework for the evolution of the Clearing and Settlement of Payments in SEPA*".

As a general principle, SEPA compliance will mean the ability of the ACH to process, separately and in parallel with the existing local payments traffic, SEPA payment instruments. This new parallel circuit has to be designed in such a way to anticipate as much as possible to the expected technical and business requirements of future PE-ACH providers. Any change should be made in accordance with the following principles:

- 1) changes serve the whole Belgian banking community;
- 2) changes facilitate a seamless migration to a PE-ACH;
- 3) investments are made within a market reality, and the payback is situated within the migration window towards a PE-ACH provider.

The fall back scenario within the local CEC has been developed and delivered by the end of May 2007, and the testing environment has been opened to CEC members for SEPA testing by mid June 2007.

Participating banks in the CEC are not obliged to process their local SEPA payments through the CEC. Belgian banks are free to exchange local Belgian SEPA transactions among each other via a PE-ACH.

5.3. THE BELGIAN BANKING COMMUNITY WILL NOT BE THE FIRST MOVER IN THE MIGRATION PROCESS TO A PE-ACH

Belgian banks will not be first movers ...

Certain criteria have to be fulfilled before the Belgian local payments volume can be migrated, e.g. a critical mass at the level of the PE-ACH must have been reached, and a favourable pricing structure and service level is needed. Another important issue is the governance structure within the candidate PE-ACH. The detailed PE-ACH Assessment Scheme lists these criteria.

However, the ECB "SEPA Meetings for Infrastructures", and multiple other occasions learned that a number of national banking communities inside the SEPA area are reluctant to migrate all or part of their local payment traffic to a PE-ACH.

In case the Belgian banking community should not dispose of a favourable PE-ACH offer to cover the above mentioned issues by end 2010, it is preferable to extend the fall-back scenario beyond 2010.

5.4. MOVE TO THE SAME PE-ACH IN A FIRST STAGE

... and are recommended to move to the same PE-ACH in a first stage

Although Belgian banks are free to switch to their preferred PE-ACH, it is recommended that they migrate, at an early stage, to the same PE-ACH unless interoperability between PE-ACHs is guaranteed. One of the main issues which is still unclear is how messaging and liquidity flows will be managed between SEPA compliant interoperable infrastructures in scenarios in which Belgian banks migrate to different infrastructures. In order to stay informed on this crucial topic, the Belgian banking community, through its CEC ACH infrastructure, decided to become member of the European Automated Clearing House Association (EACHA). This European non-for-profit organisation of ACH's is currently developing several models for interoperability and is studying multiple settlement procedures for SEPA compliant PE-ACH's.

CEC member of EACHA

A gentleman's agreement for members of the Belgian ACH will be fixed

5.5. GENTLEMAN'S AGREEMENT ON CEC

The Belgian banking community agrees on the principle of having an exit agreement in a scenario whereby the CEC will gradually be dismantled. A gentlemen's agreement must compensate the higher costs for remaining CEC members in case other CEC members would leave the system. The study, which is currently being conducted by the Infrastructure Working Group, will include various scenarios (e.g. an exit from one or two major CEC members), the impact on CEC costs and the impact on CEC operational activity for the remaining CEC members.

5.6. OTHER FUTURE INVESTMENTS

Any other investment that may be needed for the CEC as a result of specific circumstances (settlement on TARGET2 for example) will be evaluated, on an ad hoc basis, by the Paysys Committee.

migration towards an international or any SEPA-compliant scheme



acceptance stakeholders... by

6. CARDS INFRASTRUCTURE

Belgian banks deem it economically not feasible to turn the Belgian Bancontact/MisterCash card scheme into a generally accepted card payment scheme on the European market. Consequently, the Belgian banks have decided to migrate, together, towards an international card scheme, convinced that such a move offers the best solution to all stakeholders. Hence, Belgium has opted to migrate its domestic Bancontact/MisterCash scheme into an international or any SEPA-compliant scheme, a solution which is already common practice in other European countries.

Within the SEPA area it is likely that only international/high volume brands will be processed. As a result, Banksys/BCC⁷ needed to enter into partnership. The take-over of Banksys/BCC by Atos Origin took place at the end of 2006, with the approval of the European Competition Authorities. This move gives Banksys/BCC a sound, strategic starting position in the SEPA environment. On 1st of June 2007, Banksys/BCC changed their name into Atos Worldline NV.

The initial plan was to let the switch from the Bancontact/MisterCash scheme to an international scheme coincide with the start of SEPA on January 1st, 2008. However, the introduction of a new payment scheme requires full acceptance from all stakeholders. In spite of the major efforts made by the Belgian banks, the unstable European context has resulted in a lack of sufficient support for the project. **It has been decided to maintain the Bancontact/MisterCash scheme after January 1st, 2008 for an indefinite time.**

The decision not to convert the Bancontact/MisterCash scheme into a SEPA compliant scheme, and to switch to an international scheme, remains unchanged. The banks welcome any initiative which can lead to enhanced competition, in the interest of all.

In the meantime, Europay has allowed Belgian banks to offer Belgian cardholders with the Maestro application on their cards, the use of the Maestro payment scheme for national Belgian card payments as of January 1st, 2008. Any issuing bank will become SEPA compliant by offering this scheme, while being free to offer other schemes to the cardholders among its customers. The acceptance of international schemes on Belgian payment terminals is a concern for the various acquirers and merchants.

As mentioned, the critical success factor still is the acceptance by all different stakeholders. The National Bank of Belgium will be asked to foster the debate between the main stakeholders.



⁷ BCC: Bank Card Company

7. STANDARDS AND INTERFACES

To support the new payment instruments, there is a need for pan-European payment channels within the banks to process both local and SEPA-domestic payments.

As from the beginning of 2008, customer-to-bank interfaces will be adapted

Not only the interbank part of a payment has been examined, but the whole payment chain starting from the initiation of a payment up to its reception by the customer. All existing standards have to be adapted in the three spaces: customer-to-bank (C2B), bank-to-bank (B2B) and bank-to-customer (B2C).

Banks will offer at least one C2B channel for SEPA payment instruments and they are free to choose which customer interface(s) will be adapted: the popular C2B-channel for professionals called ISABEL⁸, the proprietary professional e-banking tools, the amongst non professional customers, widely used web-banking channel, the self-banking channel, the SEPA paper credit transfer form, etc.

7.1. BANK-TO-BANK: USE OF SEPA SUBSET OF ISO20022 STANDARD

SEPA subset of ISO20022 standard

Belgian banks support the use of the ISO20022 standard and the subset for SEPA as presented in the Implementation Guidelines of the EPC.

Only "yellow shaded" data elements will be used

The Belgian banking community has decided to limit the set of XML elements in the B2B space to the "yellow shaded" data elements as published in the EPC Implementation Guidelines, version 2.3. In the case banks want to develop specific Additional Optional Services (AOS) or want to define specific usage rules, this will be organised by making agreements on the usage of these "yellow shaded" elements, without conflicting the rules of the Implementation Guidelines. Use of optional elements (shaded white in the IG) could hinder a smooth migration to a PE-ACH and could lead to specific, national interpretation of a SEPA payment creating a "lock-in" effect, endangering an easy switch to a PE-ACH.

Banks are free to request the BIC from customers, or to add the BIC on the basis of the IBAN received from the customer

The Belgian banking community supports the mandatory use of IBAN+BIC in the interbank space, as required in the EPC Rule Books. Banks are however not obliged to request the BIC from the ordering customer, and many banks are willing to offer the service of adding the BIC to the payment initiation in case the ordering customer would not provide the BIC in the payment initiation data set, on the condition that the IBAN of the counterparty starts with "BE".

⁸ Isabel is an integrated solution enabling banks' business customers to carry out all of their banking transactions in a secure way via a single interface. It also allows them to sign contracts, send and receive invoices and submit documents to government administrations.

7.2. CUSTOMER-TO-BANK & BANK-TO-CUSTOMER E-STANDARDS

7.2.1. C2B

Gradual migration of Belgian C2B and B2C standards to SEPA standards

The C2B standard will be based on the B2B ISO20022 XML standard and SEPA Implementation Guidelines. Belgian standard Implementation Guidelines have been published in June 2007 for SEPA and non-SEPA Credit Transfers and become operational as from January 28th, 2008.

A public working draft of the Belgian standard Implementation Guidelines for SEPA Direct Debits has been published in July 2007 (updated version will be available by the end of 2007) and become operational as from November 1st, 2009.

The Belgian CIRI e-standards for national and cross-border Credit Transfers and DOM80 transactions will no longer be the official standard beyond January 1st, 2011.

7.2.2. B2C

SEPA compliant CODA v2.1 is available

The Belgian bank account statement standard (CODA) has been turned SEPA compliant (the SEPA version is called version 2.1). Customers can start replacing the current CODA since March 23rd, 2007 onwards. CODA v1.0 will no longer be the official standard beyond January 1st, 2008.

Belgian standard Implementation Guidelines will be published for the ISO20022 XML standard for Statements in the second quarter of 2008 and become operational as from November 1st, 2009. CODA v2.1 will no longer be the official standard beyond January 1st, 2012.

8. CREDIT TRANSFERS



The implementation of the SEPA Credit Transfer system entails the migration of a massive amount of payment instructions. Any significant payment failure creates the risk that the users' confidence in the Belgian payment system would be impaired. This must be avoided at all cost.

8.1. REACHABILITY AND INITIATION

Being reachable on the receiving side...



and offering SEPA CT to ordering clients

In line with the EPC's recommendations, all Belgian banks will, from January 28th, 2008 onwards, be reachable for Belgian SEPA Credit Transfer transactions via the CEC or by connecting to a PE-ACH and other SEPA transactions via a PE-ACH. **Pending resolution of a number of challenges, it can not be guaranteed that all Belgian banks subscribe to the currently proposed versions of the EPC Adherence Agreements.**

Furthermore, each customer will have access to the initiation of SEPA CT through at least one customer-to-bank channel.

8.2. BBAN - IBAN CONVERSION

BBAN to IBAN conversion...

by banks...

and by non-banks

Belgian banks are granted the ability to convert the internally stored BBAN numbers of accounts not belonging to their own clients into an IBAN format. This mandate will lead to a smooth and possibly quick migration of registered standing orders into SEPA format. To keep control over this process, this conversion practice will be limited to the migration period and some other conditions will be introduced, such as mandatory check on correct BBAN before conversion. Customers are allowed to convert BBAN to IBAN for files or bulks, and banks are not expected to convert BBAN to IBAN on-the-fly for individual payment instructions.

FEBELFIN has published, on its website⁹, a full set of recommendations which will assist other stakeholders (like corporates) to come to a swift and faultless conversion of a BBAN into an IBAN. ISABEL, the Belgian banking services platform for an important number of multi-bank corporates, will offer a comparable service. It is to be expected that each bank will offer a comparable service in its proprietary e-banking tools.

⁹ www.sepabelgium.be/

8.3. SEPA CREDIT TRANSFER PAPER FORM

On top of the general idea of offering to the customer at least one channel for the initiation of SEPA payments at the beginning of 2008, the Belgian banks will support the launch of a SEPA Credit Transfer paper form.

A SEPA Credit Transfer paper form has been developed

Belgian banks have developed a Belgian SEPA Credit Transfer form due to a lack of an EPC initiative. The Belgian payment market recognises the need for a SEPA Credit Transfer form as corporates and public sector entities have the habit of sending a Credit Transfer form attached to their bills or invoices to their customers, as an "advice to pay".

The project has been finalised and SEPA Credit Transfer paper forms in several combinations of languages are published on the websites of FEBELFIN and the National Bank of Belgium. Belgian customers will be able to use Credit Transfer paper forms in Dutch, French, German and English.

The lay-out and personalisation-printing guidelines of the Credit Transfer paper form have been published in January 2007. Forms for testing purposes are circulated within the banking sector since November 2006.

The banking community is recommended to adapt the web-banking and self-banking screens in line with the new SEPA Credit Transfer paper form.

launch of the paper form will be organised

In practice, a SEPA Credit Transfer paper form is initiated on the initiative of a creditor who will send the paper form, often attached to an invoice, to its customers. This initiative will have a tangible impact on all Belgian banks, as the payers/customers are de facto invited by the presence of the SEPA credit transfer form (with IBAN and BIC) to initiate a SEPA Credit Transfer. The payer/customer may remit the paper form over the counter to his bank, or may initiate an electronic payment instruction through a self-banking or PC-banking channel. The bank servicing the payer/customer will therefore be confronted and impacted soon after the first use of the paper credit transfer form by one or more creditors.

initiative in Steering Committee



For the specific reason that creditors, be it corporates or government administrations, are in the driving seat, the Belgian banking sector decided to ask the Steering Committee on the Future of Payment Means to chart the expected payment flows (which in large part are driven by a limited number of "big billers"). It should carefully consider all operational issues inherent in the intended migration of credit transfers, and subsequently it should propose an appropriate plan for a successful and gradual migration of these flows.

"soft" roll-out



It is of utmost importance that the Credit Transfer Form is rolled out in a manageable way. The overall idea to be communicated in the Steering Committee on the future of payments means will be to stabilize normal payment activities during the first months after the start of the SEPA Credit Transfer, by monitoring all migration initiatives in the Steering Committee.

8.4. STRUCTURED REMITTANCE INFORMATION: BELGIAN STANDARD

Current Belgian structured remittance information in SEPA messages will be transported ...

A European standard for structured remittance information is still missing. It will however be possible to continue the use of the current Belgian structured remittance information.

The CAST initiative of the European Association of Corporate Treasurers (EACT) in co-operation with EPC should be leading, in a later stage, to the creation of a European equivalent of the Belgian structured remittance information.

9. DIRECT DEBITS

9.1. LAUNCH DATE OF SEPA DD PAYMENT INSTRUMENT



The successful introduction of the SEPA Direct Debit payment instrument requires further review of a number of operational challenges as well as market acceptance. These points should be timely considered, in particular by the Steering Committee on the Future of Payment Means.

By mid-2007, the assessment of the Belgian banking community concerning the launch of the Direct Debit payment instrument put in evidence the following issues:

1. the adoption period of the Payment Service Directive (PSD) by EU Parliament/Council has been set by means of a specific deadline: November 1st, 2009;
2. Belgian banks want to avoid to make the legacy direct debit product (DOM 80) PSD compliant because of the costs that would be related to a disappearing payment instrument;
3. the transition period from the national direct debit product to the SDD should be as short as possible;
4. uncertainty about the readiness of the market (both for the corporates in Belgium as for banks abroad).

Therefore, it has been decided that all Belgian banks should be reachable, from November 1st, 2009 onwards, as debtor bank for SEPA Direct Debit transactions, meaning that they should be capable of receiving and processing SEPA Direct Debit transactions in XML format. Belgian banks are aware of the fact that full SEPA reachability will only be achieved at the moment that all SEPA countries will have adopted and activated the DD scheme.

On the sending side, each creditor will dispose of a migration period ending at the end of 2010 to replace the existing DOM80¹⁰ Collections by SEPA DD Collections. At the end of the migration period, Belgian banks will process exclusively Collections in SEPA format.

Even though the SDD payment instrument might not be adopted and used before November 1st, 2009, Belgian banks are allowed to use other international non-SEPA Direct Debit schemes.



Assessment issues

Necessary reachability

Migration period until end 2010

¹⁰ The Belgian scheme for Direct Debits Collections is called DOM80, and is comparable to a DMF scheme in which the debtor bank stores the mandates.

9.2. MIGRATION OF EXISTING MANDATE INFORMATION

Information on existing Belgian direct debit mandates will be sent from debtor bank to creditor through a central databank...

The data of all currently existing Belgian DOM80-mandates (e.g. mandate reference number, client reference, creditor's identity, debtor's identity, debtor's bank account number) residing at present at the debtor's bank, will have to be migrated through the creditors' bank to the creditor. This migration is needed as the Belgian mandate handling deviates from the SEPA DD scheme, in which all mandates are to be stored by the creditor. Currently, the Belgian debtor banks manage and archive their clients' direct debit mandates. The migration of these paper form mandates would be very costly and, due to practical and commercial considerations, unfeasible taking into account the number of existing mandates.¹¹ Therefore, debtor banks will remain responsible for the manual mandate archivation as laid down by Belgian law, and only mandate related data will be transmitted from debtor banks to creditor banks. Creditors migrating from the existing national direct debit scheme to the SEPA DD will be requested to inform the debtor about the migration.

... set up by the central bank

Therefore the National Bank of Belgium will provide technical support for the set up of the centralised database and will provide the Belgian banking sector with a fully operational database by September 2008 for the migration of mandate related information from the debtors' banks to the creditors' banks. After the testing period, the centralised database will be available for downloading and uploading the data of the existing mandates (estimated at 30 million) by the debtor and creditor banks. All Belgian creditors should be able to access all necessary data so that current Belgian Direct Debits will be ready to be migrated, on the initiative of the creditor, to the SEPA standard. As sending and receiving of the mandate information will take place through the current CEC Gateway¹², all direct participants of the CEC will be requested to send and receive the necessary information of their indirect participants.

The legal impact of the migration of the Belgian DOM80 mandates to the SEPA DD scheme, as described in the Direct Debit migration plan, has been confirmed and supported by legal experts.

¹¹ The volume of current Belgian mandates is estimated at about 30 million paper forms.

¹² A front computer of the CEC central IT-platform.

9.3. USAGE RULE TO ENABLE FULL MIGRATION OF EXISTING MANDATES

Creditors will send the "domiciliëringsnummer - numéro de domiciliation" and creditor ID with first DD Collection

When launching the first collection the creditor will be obliged to add the Belgian mandate identification number ("*domiciliëringsnummer-numéro de domiciliation*") and the creditor identification number in the reference of the first DD collection, to allow the debtor bank to use this information to trace the paper mandate by joining this "old" information to the newly created Mandate Related Information (MRI) in the first Collection. This Belgian interbank agreement can be seen as the one and only Belgian usage rule to be applied for Direct Debits.

9.4. OUTPHASING OF BELGIAN DD SCHEME

The Belgian direct debit scheme disappears by the end of the migration period

Local Belgian direct debit (DOM80) Collections will not be IBAN compliant. Moreover, the Belgian banking community decided to limit the transition period, in which there will be co-existence of both instruments (Belgian DOM80 next to SEPA DD), until the end of 2010 (see graph in chapter 9.1.). By the end of the migration period, the Belgian Direct Debit instrument DOM80 should have disappeared.

9.5. BUSINESS-TO-BUSINESS



The B2B-scheme is an optional variant of the existing DD scheme and can be used by corporates. These corporates and other interested stakeholders will define the scope and timeframe for usage of the B2B scheme. The main features are:

- shorter timeframe
- no Refund
- explicit mandate checking by debtor bank

9.6. EXISTING CENTRALISED DATABASE ON CREDITOR IDENTIFIERS

Belgian banks will deactivate the Belgian centralised database on unique creditor information data, by the end of the migration period

The Belgian banking sector currently uses a centralised database¹³ on unique creditor information data, which is serviced by the central bank and serves mainly security measures. This database allows banks to check the authenticity of creditors, client at another bank, which will send Direct Debit Collections to their own clients. As this database contains information on Belgian creditors only, the Belgian banking sector decided not to continue the support of the central database on creditor information, meaning that this database will be deactivated at the end of the migration cycle towards SEPA DD.

¹³ The database on creditor information contains data on 15,000 creditors.

Communication within the banking community is an ongoing process

and general communication to all stakeholders has been organised mainly through www.sepabelgium.be and leaflets.

technical documentation

translation of key instruments

10. COMMUNICATION

A Communication Working Group has been set up to develop the communication strategy. The first communication workstream focused on the communication within the Belgian banking community. Workshops are organised on a regular basis, to which all Belgian banks are invited. The workshops aim at distributing detailed information on implementation issues, planning and deadlines of the SEPA project to be respected by all Belgian banks. The main, permanent tool for distributing information among the banking sector is the extranet organised by Febelfin. This site for interbank information collects specific SEPA information for Belgian implementation, such as the C2B and B2C and other specific Belgian standards and agreements, and functions as a distribution channel for all relevant EPC documentation.

A second workstream is the general communication organised by Febelfin and targeted to the public at large, meaning all the banks' clients. To this end Febelfin created and maintains the general SEPA information site (<http://www.sepabelgium.be>). This site explains SEPA, its benefits for all stakeholders, and explains the new European payment instruments. It also addresses the non-SEPA payment instruments and contains some of the new, general standards and a FAQ. Next to that, a leaflet was published to be distributed at the banks' customers. More detailed and technical documentation on both Credit Transfers and Direct Debits will soon be released, and a high level leaflet for the public is being prepared.

The banking community has opted for a specific translation of the SEPA payment instruments:

EPC	Translation		
	French	Dutch	German
SEPA Credit Transfer	le virement européen	de Europese overschrijving	die europäische Überweisung
SEPA Direct Debit	la domiciliation européenne	de Europese domiciliëring	die europäische Lastschrift

In parallel with the shared communication on the inter-bank level, banks, individually, are communicating about SEPA with their main clients.

Furthermore, other stakeholders have their own SEPA items posted on their websites, such as the National Bank of Belgium, the Flemish Community, etc. These websites contain SEPA information, each for its own goal and proper governance. Also, the Steering Committee on the Future of Payment Means represents a communication channel by which SEPA-related information will be distributed.

Finally, different events organised by the financial sector were dedicated to SEPA on which occasion SEPA issues were communicated to large audiences.