Single Euro Payments Area: technical requirements for credit transfers and direct debits

2010/0373(COD) - 23/11/2017 - Follow-up document

The Commission presented a report on the application of Regulation EU n°260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009, also known as the Single Euro Payments Area (SEPA) Regulation.

The Regulation imposed 1 February 2014 as an end-date for migration in the euro area. A 6-month report was sufficient to ensure a smooth transition from legacy credit transfers and direct debits in euro to SEPA credit transfers (SCT) and direct debits (SDD). Member States that do not belong to the euro area had until 31 October 2016 to migrate to SCT and SDD.

Main conclusions: the report concluded that **the SEPA Regulation has been correctly applied and implemented across the EU. There is currently no need for any follow-up legislative proposal**.

SEPA credit transfers and direct debits enable European citizens to make efficient transfers and withdrawals in euros within the European Union.

The very few and well identified issues (IBAN discrimination and competent authorities competences) that persist have been addressed by Member States and their resolution should be closely monitored.

The main issue to be closely observed is the **IBAN discrimination** by payees: consumers across the EU have reported and complained about firms and payments (e.g., tax payments, cross-border utility payments) that can only be done from or to a national payment account in euro. Such restrictions are not allowed under article 3 (reachability) and article 9 (payment accessibility) of the SEPA Regulation and constitute a real barrier to the smooth functioning of SEPA.

Cases of IBAN discrimination were particularly reported in Belgium, France, Italy, Germany, Spain or the Netherlands who welcome the possibility to use them also across borders, as offered by the SEPA Regulation. Some national authorities (e.g. the central bank of the Netherlands, Bundesbank and Banca d'Italia) have taken action on these issues.

Current developments: national SEPA committees and their European Forum set up by the Commission have played a key role in implementing the Single Euro Payments Area and in achieving the goal of allowing Europeans to do all their transactions in euro anywhere in the EU from a single account.

While the SEPA transition is now almost completed, **the transformation of payment systems is still on-going** at a fast pace. Most of the national SEPA committees have been transformed into national payments committees/councils to steer this transformation. These national payments committees/councils now focus on new challenges, such as the **transition to instant payments or mobile payments**.

New projects within SEPA, such as SEPA instant payments will be available as of November 2017. These developments are supported by the **Euro Retail Payments Board**, an ECB-chaired body where the European Commission sits as an observer.

Moreover, with the entry into force of the second payment services Directive (PSD2) in January 2018, the national committees will have to monitor other developments and notably the arrival of **new players** on the payments market, such as account information aggregators and payment initiation service providers.

In order to support these new developments in the field of payments, to coordinate national initiatives and exchange information and best practices, the Commission is examining, in close cooperation with the European Central Bank, how the **EU Forum of national SEPA committees can be transformed into a platform** for these reformed national payment committees/councils.