

Basic information	
2013/0449(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Migration to Union-wide credit transfers and direct debits Amending Regulation (EU) No 260/2012 2010/0373(COD) Subject 2.50.04.02 Electronic money and payments, cross-border credit transfers 5.20.02 Single currency, euro, euro area	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	ECON Economic and Monetary Affairs		BOWLES Sharon (ALDE)	14/01/2014
	Committee for opinion		Rapporteur for opinion	Appointed
	IMCO Internal Market and Consumer Protection		The committee decided not to give an opinion.	
	JURI Legal Affairs		The committee decided not to give an opinion.	
Council of the European Union	Council configuration		Meetings	Date
	Economic and Financial Affairs ECOFIN		3294	2014-02-18
European Commission	Commission DG		Commissioner	
	Financial Stability, Financial Services and Capital Markets Union		BARNIER Michel	
European Economic and Social Committee				

Key events			
Date	Event	Reference	Summary
09/01/2014	Legislative proposal published	COM(2013)0937 	Summary
16/01/2014	Committee referral announced in Parliament, 1st reading		

16/01/2014	Vote in committee, 1st reading		
21/01/2014	Committee report tabled for plenary, 1st reading	A7-0036/2014	Summary
04/02/2014	Decision by Parliament, 1st reading	T7-0049/2014	Summary
04/02/2014	Results of vote in Parliament		
18/02/2014	Act adopted by Council after Parliament's 1st reading		
26/02/2014	Final act signed		
26/02/2014	End of procedure in Parliament		
20/03/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/0449(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EU) No 260/2012 2010/0373(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 114
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	ECON/7/14972

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A7-0036/2014	21/01/2014	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0049/2014	04/02/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00009/2014/LEX	26/02/2014	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2013)0937 	09/01/2014	Summary

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2013)0937	07/03/2014	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0238/2014	21/01/2014	
ECB	European Central Bank: opinion, guideline, report	CON/2014/0003 OJ C 080 19.03.2014, p. 0001	22/01/2014	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2014/0248
OJ L 084 20.03.2014, p. 0001

Summary

Migration to Union-wide credit transfers and direct debits

2013/0449(COD) - 04/02/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 554 votes to 12, with 7 abstentions, legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) N° 260/2012 as regards the migration to Union-wide credit transfers and direct debits.

Parliament adopted its position at first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of an agreement reached between the European Parliament and the Council.

The changes made to the text are only minor modifications of a linguistic nature.

In a new recital, it has been stressed that, **in view of the urgency of the matter**, an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national parliaments in the European Union, should be provided.

For reasons of legal certainty and in order to avoid any discontinuity to the application of Regulation (EU) No 260/2012, it is necessary that this Regulation enter into force as a matter of urgency and that it apply, **with retroactive effect, from 31 January 2014**.

Migration to Union-wide credit transfers and direct debits

2013/0449(COD) - 09/01/2014 - Legislative proposal

PURPOSE: to amend Regulation (EU) N° 260/2012 as regards the migration to Union-wide credit transfers and direct debits.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Regulation (EU) No 260/2012 establishes common technical and business requirements for credit transfers and direct debits in euro and as such is an important building block in the realisation of a single euro payments area (SEPA).

That Regulation sets 1 February 2014 as the end-date in the Eurozone for the migration of domestic as well as intra-European credit transfers and direct debits in euros towards SEPA credit transfers (SCT) and SEPA direct debits (SDD).

Considering the low migration pace in some Member States for SCT and in most Member States for SDD, it appears **very unlikely that the SEPA migration will be fully completed on 1 February 2014**. However, in view of this legal end-date, banks and other payment service providers are likely to refuse from that date onwards to process legacy payments which are not SEPA compliant. In the absence of full migration to SCT/SDD, payment incidents leading to delays in payment or market disruptions cannot be excluded. These might affect all payment services users, and particularly SMEs and consumers.

IMPACT ASSESSMENT: this proposal is not accompanied by a separate impact assessment, as an impact assessment for Regulation (EU) No. 260 /2012 has already been undertaken.

CONTENT: this proposal seeks to amend Regulation (EU) No 260/2012 by introducing a **grandfathering clause** allowing banks and other payment service providers **to continue also after 1 February 2014, for a limited period of time of 6 months, the processing of non-compliant payments** through their legacy payments schemes alongside SCT and SDD.

A clear communication of such amendment will provide certainty to the payment service users that their payments will continue to be processed after 1 February 2014, and it will allow those that have not yet migrated to do so as rapidly as possible.

Under all circumstances, on-going information campaigns on the SEPA migration should continue. At the end of the grandfathering period, the Commission will not hesitate to take the necessary steps to ensure the full application of EU law by the Member States.

In view of the above and given the very short period of time left before 1 February 2014, this Regulation should be adopted by the European Parliament and the Council as a **matter of urgency and enter into force without delay**.

The proposal provides that the amendment applies as of 31 January 2014. This provision also allows for a retro-active application in case the proposal is not adopted by the European Parliament and the Council before 1 February but just after this date. This will avoid a legislative gap as of 1 February 2014 which would create legal uncertainty.

BUDGETARY IMPLICATIONS: the proposal does not have a budgetary impact for the Commission.

Migration to Union-wide credit transfers and direct debits

2013/0449(COD) - 21/01/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Sharon BOWLES (ALDE, UK) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) N° 260/2012 as regards the migration to Union-wide credit transfers and direct debits.

The committee recommended that Parliament's position adopted in first reading, following the ordinary legislative procedure, should amend the Commission proposal.

Only slight linguistic changes have been made to the text.

It is important to note that for **reasons of urgency** it is justified to proceed to the vote before the expiry of the deadline of eight weeks laid down in Article 6 of Protocol No 2 on the application of the principles of subsidiarity and proportionality.

Migration to Union-wide credit transfers and direct debits

2013/0449(COD) - 26/02/2014 - Final act

PURPOSE: to postpone the end-date in the euro area for the migration of domestic and intra-European credit transfers and direct debits in euros to the new SEPA-standard-based credit transfers and direct debits.

LEGISLATIVE ACT: Regulation (EU) No 248/2014 of the European Parliament and of the Council amending Regulation (EU) No 260/2012 as regards the migration to Union-wide credit transfers and direct debits.

CONTENT: the amending Regulation **postpones to 1 August 2014 the deadline for migration** from national credit transfer and direct debit schemes to harmonised SEPA (single euro payments area) standards.

The Regulation amends [Regulation \(EU\) 260/2012](#), which had set a migration deadline of 1 February 2014.

The Regulation also states that Member States may allow payment service providers (PSPs) to provide payment service users (PSUs), **until 1 February 2016**, with conversion services for national payment transactions enabling PSUs that are **consumers** to continue using BBAN on condition that interoperability is ensured.

Despite the considerable efforts made by the European Central Bank, Member States, their national public authorities and market participants during recent months, the latest migration statistics show that the overall migration rate in the euro area to harmonised SEPA credit transfer (SCT) has only increased from 40 % in June 2013 to around 64 % in November 2013, while the overall migration rate towards SEPA direct debit (SDD) has only reached 26 %. It was therefore very unlikely that all market participants will be SEPA compliant by 1 February 2014.

The postponement of the end-date will avoid unnecessary disruption of payments resulting from the fact that SEPA migration is not fully completed by 1 February 2014. Payment service providers should therefore be allowed, for a limited period of time, to continue the processing of payment transactions through their legacy schemes alongside their SCT and SDD schemes, as they are doing now.

ENTRY INTO FORCE: 21.03.2014. The Regulation applies with retroactive effect from 31.01.2014.

Migration to Union-wide credit transfers and direct debits

2013/0449(COD) - 22/01/2014 - European Central Bank: opinion, guideline, report

Opinion of the European Central Bank (ECB) on a proposal for a regulation on the postponement of SEPA migration date.

The European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a proposal for a regulation of the European Parliament and of the Council which would amend Regulation (EU) No 260/2012 by introducing an additional transitional period of six months. Under the proposed regulation, a 'grandfathering clause' would allow banks and other payment service providers to process payments that are non-compliant with Regulation (EU) No 260/2012 until 1 August 2014.

The proposed regulation has given rise to confusion in the markets on the deadline for migration and thus there is an **urgent need for clear guidance**. A further concern is the lack of legal certainty in the event that the proposed regulation is only adopted after the current deadline, i.e. 1 February 2014.

The ECB considered that it is of the utmost importance to **reinstate legal certainty**, reduce the confusion in the markets and provide them with clear guidance about the deadline. These objectives can best be ensured by a fast adoption of the proposed regulation by the Council and the Parliament, without any further alterations to its core elements.

To the extent that the fast track legislative procedure allows, the ECB proposed changes that aim to:

- **clarify the scope** of the proposed regulation (the introduction of an additional transitional period, by way of derogation) and its justification (SEPA migration is unlikely to be fully completed by 1 February 2014);
- **align the terminology** of the proposed regulation with that of Regulation (EU) No 260/2012;
- ensure that the effect of the transitional period on the **imposition of penalties** is made clear (in order to ensure legal certainty, it must be made clear that penalties for transactions processed during the additional transitional period are excluded).