



EUROPEAN COMMISSION

Internal Market and Services DG

FINANCIAL INSTITUTIONS

Retail issues, consumer policy and payment systems

Brussels, 8 June 2009

MARKT/H3/VM D(2009)

POSSIBLE END-DATE(S) FOR SEPA MIGRATION

CONSULTATION DOCUMENT

Commission européenne, BE-1049 Bruxelles / Europese Commissie, BE-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.
Office: SPA2 4/5. Telephone: direct line (32-2) 299 4901. Fax: (32-2) 295 0750.

http://ec.europa.eu/internal_market/market-sepa-consultation@ec.europa.eu

The objective of this consultation is to collect views on the need for (an) end-date(s) for SEPA migration and the modalities it should take. The Commission services would in particular welcome input on the impact of setting (a) deadline(s) for SEPA migration on the different stakeholders groups.

The scope of this consultation is limited to credit transfers and direct debits. It would be premature to launch a reflection on introducing an end-date to card payments migration since standards still need to be finalised for all the domains of card payments (card-to-terminal, terminal-to-acquirer, acquirer-to-issuer and certification framework).

Stakeholders are invited to send their responses to the questions raised in this document by 3 August 2009 to markt-sepa-consultation@ec.europa.eu (instructions on page http://ec.europa.eu/internal_market/consultations/2009/sepa_en.htm). A template for the answers is provided in Annex 1. It is also available in Excel format for easier use. Responses will be placed on the Commission's website unless explicitly indicated otherwise by the stakeholders in their response.

1. INTRODUCTION

Secure and efficient payment systems are crucial to modern economies and to the proper functioning of the single market. Even though the euro is the common currency in the euro area since 2002, retail payment markets are still fragmented. Building on the legal framework provided by the Payment Services Directive (2007/64/EC)¹, the Single Euro Payments Area (SEPA) project aims at creating an integrated market for payments in euro throughout the European Union, Iceland, Liechtenstein, Norway and Switzerland. Developed and implemented by the banking sector, the project is strongly supported by the Commission and the European Central Bank/Eurosystem.

Significant progress has been made on the road to SEPA since 2002. SEPA credit transfers (SCT) are available since 28 January 2008. Almost 4 500 banks, representing more than 95 % of the SEPA payment volume, now adhere to the SCT scheme. Banks will also be able to start delivering euro direct debit services using the SEPA direct debit (SDD) as of 2 November 2009. For card payments, the European Payments Council (EPC) has developed a SEPA Cards Framework (SCF), which has been in force already since 1 January 2008.

Migration to SEPA however remains slow. In 2005, the EPC expected that the new SEPA credit transfer and direct debit services would be available by January 2008 and that a critical mass of transactions would migrate to the SEPA format by the end of 2010². But, in March 2009, more than one year after its launch, SCT represented 2.9 % of the total of credit transfers in euro in the euro area³ and remained mainly focussed on cross-border payments.

¹ Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market, http://ec.europa.eu/internal_market/payments/framework/index_en.htm.

² European Payments Council (EPC), Crown Plaza declaration, 17 March 2005.

³ Source: Eurosystem. <http://www.ecb.europa.eu/paym/sepa/timeline/use/html/index.en.html>.

The need to speed up SEPA migration has recently been stressed by European institutions⁴. In its 10 February 2009 conclusions, the ECOFIN Council "note(d) that significant efforts (were) required to accelerate the current slow rate of SEPA migration, which seem(ed) to be focused mainly on cross-border payments and emphasise(d) that the full benefits of SEPA (could) only be obtained through the full migration of domestic euro payments traffic". In its resolution on SEPA implementation adopted on 9 March 2009, the European Parliament called on the Commission to set a "clear, appropriate and binding end-date, which should be no later than 31 December 2012, for migrating to SEPA instruments, after which all payments in euro must be made using the SEPA standards". The European Central Bank (ECB)/Eurosystème also stated in its 6th SEPA progress report that "setting a realistic, but ambitious end-date for the migration to SCT and SDD is a necessary step in order to reap the benefits of SEPA early".

On the supply side of the payments market⁵, the EPC adopted on 31 March 2009 a recommendation on one (or several) end-date(s) for migration to SEPA schemes so that "SEPA momentum (can) be maintained and (to) create clarity for all stakeholders". Ten clearing and settlement infrastructures also stated recently that they were "in favour of (a) defined migration end-date(s) after which the vast majority of all credit transfers and direct debits in euro (e.g. 90 per cent) will be processed with SEPA instruments only", in order to 'plan security'. For EBA clearing as well, "in order to ensure a timely completion of this process and to minimise cost stemming from uncertainty, (...) a migration end-date should be fixed in the very near future". On the demand side, the European Association of Corporate Treasurers (EACT) also favours setting a migration end-date for the SEPA Credit Transfer, once solutions to several pending issues are provided.

⁴ Economic and Financial Affairs Council, Conclusions (p. 17), 10 February 2009, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/106007.pdf.
European Parliament, Resolution on the implementation of the Single Euro Payments Area (SEPA), 9 March 2009, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2009-0139+0+DOC+XML+V0//EN>.
European Central Bank/Eurosystème, Sixth single euro payments area (SEPA) progress report, November 2008, <http://www.ecb.int/pub/pdf/other/singleeuropaymentsarea200811en.pdf>.

⁵ European Payments Council, Recommendation on an end-date for migration to SEPA schemes, 31 March 2009
Public Statement of Infrastructures promoting the SEPA Progress, 14 April 2009. The ten infrastructures are: ACHFinland, Banca d'Italia (as the operator of BICOMP), CEC, Deutsche Bundesbank (as the operator of RPS), Equens, Eurogiro, ICBPI, OeNB (as the operator of STEP.AT), SIA-SSB, and VocaLink.
EBA CLEARING, European banks prepare for SEPA Direct Debit Services, Press Release, 6 April 2009.
European Association of Corporate Treasurers, Single Euro Payments Area: EACT favours setting an end-date for SEPA credit transfers, Press release, 15 October 2008.

According to the information gathered by the Commission⁶, (a) migration end-date(s) has been set or indicated in half of the EU Member States until now (see Annex 2). This proportion is higher in the euro area than in the non-euro area where only five Member States have established/indicated (a) migration end-date(s). However, most of the Member States which have indicated such (a) date(s), link it(them) to the fulfilment of some conditions, such as the prior achievement of a 'critical mass'. The end-date(s) have mainly been set by national banking industries, often in cooperation with the central banks, but without involvement of the national legislators.

2. ASSESSMENT OF THE NEED FOR (A) SEPA MIGRATION END-DATE(S)

2.1. Possible justifications

SEPA (Single Euro Payments Area) is the largest payment initiative ever undertaken in Europe after the euro cash changeover. This project holds much promise in terms of improved efficiency, dynamism and competitiveness of the European economy. The full benefits of a common currency and an integrated internal market will only materialise if it is possible for businesses and individuals to make payments as rapidly, reliably and cheaply from one part of the community to another, as is now the case within Member States. For corporate business, SEPA will also open the door to end-to-end straight through processing. A unified market for payments will moreover mean larger economies of scale for stakeholders and increased competition among payment service providers.

SEPA migration should be as short as possible to fully reap the potential benefits of the SEPA project. The study undertaken on behalf of the Commission⁷ published last year estimates potential benefits for SEPA of up to EUR 123 billion over a six year period (2007–2012). On the other hand, if migration is slow, losses could amount to EUR 43 billion. The effects on stakeholders are also expected to vary sharply depending on the success of the SEPA uptake. For consumers, benefits may vary from EUR 12 per head in a period of six years up to EUR 129. The other stakeholders may incur benefits if SEPA is implemented quickly and comprehensively, but may lose money if this is not the case. A swift migration to the basic SEPA instruments is also essential for a successful mass adoption of innovative services (i.e. e-payments, m-payments and e-invoicing), which are based on these basic SEPA instruments.

⁶ Through the EU forum of national SEPA Coordination Committees, chaired by the European Commission and attended by representatives of national SEPA Coordination Committees, http://ec.europa.eu/internal_market/payments/sepa/ec_en.htm.

⁷ Capgemini consulting, SEPA: Potential benefits at stake, 2008, http://ec.europa.eu/internal_market/payments/docs/sepa/sepa-capgemini_study-final_report_en.pdf.

Maintaining both legacy and SEPA products for a long time would be very costly for stakeholders. The ECB estimates that the costs of running national and SEPA systems in parallel are 46 % higher than those of operating a single system⁸. Handling dual processing would be expensive both for the supply side and the demand side of the market. As migration will be gradual on the market, each user will indeed be confronted with the co-existence of these products in its relationships with its various clients and/or suppliers. Moreover, if banks incur high costs, they are likely to pass these costs to their clients, directly or indirectly.

Moreover, as long as legacy and SEPA products co-exist on the market, there is a risk that SEPA payments are only used for cross border transactions, while national payments continue to rely on legacy schemes. As pointed out by the ECB, this 'mini-SEPA' scenario would then not allow stakeholders to benefit from the economies of scale and the increased competition and innovation that SEPA brings.

Setting (a) clear deadline(s) for the migration of legacy products to SEPA products would also contribute to raising awareness on the SEPA project and drive the banking sector and users towards a more proactive use of SEPA instruments. It would send a strong signal to all stakeholders that SEPA migration is an irreversible process and would provide certainty so that stakeholders can adopt a SEPA strategy, an adequate migration planning and allocate the necessary budgets for SEPA in the next few years.

Concerns have however been expressed that more time might be needed to see how the market develops spontaneously before assessing whether there is a market failure or not, for what reason and whether it is necessary to support SEPA migration through the setting of (a) deadline(s).

Question 1: Do you think that under current circumstances there is a need to support SEPA migration by setting (a) deadline(s) for migration to SCT and SDD? Do you consider that certain preconditions should be met for setting such (a) deadline(s)?

2.2. Importance of the timing

Migration should be as short as possible, but as long as necessary to allow customers and banks to smoothly change of products. The timing for a full migration may depend on various factors.

- (1) SEPA migration should not lead to **product deterioration** in the national communities in terms of price/quality ratio as compared to existing 'legacy' products. SEPA products should be at least as attractive as existing national solutions. The fact that SEPA should not lead to higher prices has been emphasised by the European Parliament which called on the Commission "to ensure that the migration to SEPA instruments will not result in a more expensive payment system for citizens of the Union". In its February conclusions, the ECOFIN also "encourages industry to actively market competitive, high-quality SEPA products respecting the non-deterioration principle".

⁸ The economic impact of the Single Euro Payments Area, by Heiko Schmiedel, ECB occasional paper No 71, August 2007.

- (2) Time will also be needed to further **communicate** on SEPA and diffuse information even more effectively among all stakeholders concerned than is currently the case, e.g. banks, corporates, public authorities, retailers, SMEs and consumers.
- (3) **Investment cycles** may also have to be taken into account. The period of time needed to budget and implement technically SEPA migration will however vary depending on the stakeholders concerned. The large companies and public administrations consulted may need longer than SMEs. It is generally considered that the period needed to make the necessary internal adjustments may range from one to three years. For consumers, the migration period could even be shorter given that they have no investment cycles to take into account, only the efforts that they will have to make to migrate to IBAN/BIC and their level of awareness.

As a comparison, for the euro cash changeover, the first discussions on an end-date for legacy currencies occurred five years before the start of the transition period. The end-date was then set by regulation almost two years before the start of the transition period and became effective within four years after its establishment. The process for SEPA might however be shorter, since SEPA Credit Transfer has already been operational since January 2008 and SEPA Direct Debit will be offered from November 2009 on.

Question 2: How much time would be needed to budget and implement technically SEPA migration? What is the anticipated impact of SEPA migration on your organisation/business (e.g. on your IT systems, organisation, human resources, communication, or any other area)? Please provide quantitative and financial analysis if available.

Question 3: What deadline(s) would you see as feasible for the replacement of legacy euro credit transfers and direct debits by SCT and SDD?

3. WHAT WOULD AN 'END-DATE' FOR SEPA MIGRATION MEAN?

The SEPA migration end-date(s) can be understood as the deadline(s) by which legacy products should be phased out and replaced by corresponding SEPA products. Such a broad definition generates additional questions.

3.1. Standards vs. schemes

Migration to SEPA products may cover different aspects: first of all, the taking up of new standards, regarding the identifiers (IBAN and BIC for those Member States where they are not already the standard identifiers) or the messaging standards (ISO20022) in use; second, compliance with the set of rules in place for the new schemes (e.g. regarding payment initiation, execution, the treatment of errors). Several incremental steps may therefore be envisaged for a SEPA migration end-date as underlined in the 6th Progress Report published by the ECB/Eurosystem.

The first step could be to make the use of IBAN and/or BIC and the ISO20022 standard mandatory for euro payments, as already successfully done for example in Luxembourg or Italy, as well as in a number of non-euro area Member States. This would ensure a swift migration to SEPA standards. However, while the ISO20022 standards are flexible, some consider that imposing IBAN and/or BIC standards may entail a risk of blocking future evolutions on standards in the payments market, which may be detrimental to innovation.

A second step or alternative strategy could be to mandate the phasing out of the existing legacy products and the compulsory use of SEPA products, including standards and rules, in one big move. This would have the advantage of being clearer for the users (companies and public administrations) and would reduce the cost of dual payment systems to the greatest extent possible.

Question 4: Do you think (a) migration end-date(s) should cover only standards (i.e. the account identifiers and the payment format to be used) or the schemes' rules as well? Please explain why.

3.2. Interbank space vs. bank-to-customer space

The end-date concept may also refer either to the interbank space only (i.e. bank to bank and bank to infrastructure communication) or to the complete end-to-end payment chain (ie. the customer-to-bank C2B, interbank and bank-to-customer B2C spaces).

In the first scenario, SEPA standards and schemes would be mandatory only in the interbank space. This could have two types of consequences. This could encourage banks to phase out legacy systems instead of adapting them to SEPA standards. But banks may also provide for conversion services allowing their customers to keep legacy systems. This would have the advantage of minimising potential risks of errors regarding the new identifiers at least at the beginning of the migration. This would however delay migration to a harmonised European payments market.

In the second scenario, migration to SEPA products would also be made mandatory in the C2B and B2C space. This would allow for a 'deep' SEPA migration and for the full potential of SEPA to be attained. This would be in line with the aim of SEPA which is to enable European companies and consumers to make payments in the same way throughout Europe, subject to broadly the same conditions, using common payment instruments and from a single payment account.

Question 5: Do you think (a) migration end-date(s) should cover only interbank space (i.e. bank/bank and bank/infrastructure communication) or the complete end-to-end payment chain (including customer/bank communication)? Please explain why.

3.3. Full migration vs. exclusion of certain products

Fixing (an) end-date(s) also raises the issue of whether all legacy products should migrate to SEPA products or whether some products could remain – or be developed – and co-exist with SEPA products.

In a first possible scenario, all legacy products would migrate to SEPA products so as to fully reap the benefits of SEPA. However, it is likely that some specific legacy products may not be able to migrate to SEPA if the latter do not provide equivalent functionalities (e.g. urgent credit transfers or direct debits with specific authorisation processes or shorter execution time). It may moreover be considered important to leave some room for manoeuvre to the market for innovation and market evolution.

In an alternative option, these 'niche' products could remain – or be developed – on the market besides SEPA products. It should however not lead to new national fragmentations in the payments market. Discussions would in this case need to take place to determine what kind of 'niche' products could be maintained outside SEPA and on the basis of which criteria these products would be so maintained.

Question 6: Do you consider that setting (a) migration end-date(s) should imply that all legacy payments migrate to SEPA payments or could some products be maintained/developed on the market besides the SEPA products? Please explain why and specify the conditions which would have to be met by such products.

4. ONE END-DATE OR SEVERAL END-DATES?

4.1. One common end-date for SCT and SDD or separate end-dates?

Different options exist as to whether the same end-date should be set for both SCT (SEPA credit transfer) and SDD (SEPA direct debit) migration, or separate migration end-dates could be set for each product.

A common end-date for both products migration may present the advantages of being clearer and simpler to communicate to users, as there would be only one migration deadline. It would also meet the concerns of those who have indicated that they would only start the migration of their applications when SEPA products of both instruments are available as they involve common changes, such as migration to IBAN/BIC.

SCT and SDD are nevertheless at a different stage in their developments; and this may have an impact on the setting up of (a) migration end-date(s). First, each scheme has its own specificities (e.g. mandate migration for SDD). Second, some consider that it is difficult to set an end-date for a product (SDD) that has yet to be launched. Aligning the end-dates for SCT and SDD migration would then delay the end-date for SCT migration. The national communities which have already set/indicated (an) end-date(s) for their SEPA migration have in general chosen to set two different end-dates for SCT and SDD migration, according to the information gathered (see Annex 2).

Question 7: Do you think there should be a single end-date for SCT and SDD migration or two separate migration end-dates? Please explain why.

4.2. One European end-date and/or different national end-dates?

Many options are also possible with respect to the territorial scope of the end-date.

Migration end-dates could be set up at national level so as to better fit with the specificities of each national market and products. This may however go against the idea of level playing field within the SEPA area and the concept of SEPA as a single domestic area.

A migration end-date could be common to all SEPA countries. This would facilitate coordinated implementation of SEPA and allow for a common migration towards a unified single market for payments. A single migration end-date however entails a risk of alignment on the least advanced Member States in SEPA migration with the consequence that most advanced Member States may stop their migration efforts if they consider the deadline as too far.

Some variations are also possible. 1) An end-date could be set at European level, but with flexibility to set an earlier end-date at national level or within a specific banking community. This approach seems to be the favoured one among the private stakeholders consulted at European level so far. 2) A phased approach could also be followed with one end-date for a first wave of Member States and another for a second or even a third wave.

Differentiation could also be made between euro area countries and non-euro area countries. A longer implementation period for reachability obligations has for instance been permitted for non-euro area countries in the revision of the Regulation on cross-border payments in the community (2560/2001). On the one hand, the vast majority (more than 90 %) of euro payments are indeed made in the euro area countries. Moreover, euro payments only represent a very small share of national payments in non-euro area countries. Migration to SEPA in non-euro area countries could therefore imply higher costs for them, all the more so as they would also have to run another system in parallel for their own currency if they do not join the euro area rapidly. On the other hand, it may be easier to change of process when the volume of the payments concerned is lower.

Question 8: What do you think the best approach would be regarding the territorial scope of (a) migration end-date(s)? Please explain why.

Question 9: Do you think that the migration end-date(s) should be the same for euro payments in euro area countries and in non-euro area countries or that there should be different migration end-dates? Please explain why.

5. HOW TO SET (AN) END-DATE(S)?

5.1. Self-regulation vs. regulation

The decision to have a full migration to SEPA could be left to the market. Since payment instruments were collectively introduced by banks, the market participants could collectively decide to phase them out and to replace them by similar instruments throughout the SEPA area. The banking sector (similar to the 2005 Plaza declaration) and the other stakeholders could therefore commit to migrate before a certain date. This could be done at national level and/or at European level. The information gathered regarding the choices made by national communities on (an) end-date(s) show that self-regulation has been the approach followed until now (see Annex 2).

Self-regulation however raises the issue of the enforceability of such end-date. Some stakeholders are also concerned that self-regulation may raise competition issues, as the degree of involvement of stakeholders in taking such a far reaching decision might vary, depending on the type of stakeholders considered (e.g. banks versus other stakeholders), at European level or even amongst national communities if a 'national' approach as regards end-date(s) is favoured. Regulation could therefore be necessary. This could take the form of legislations at national level, but such approach could raise coordination problems. Another option would be to set (a) migration end-date(s) by regulation at European level. Two possibilities are available: a EU legislation or an ECB regulation. An ECB regulation would have the advantage of being more quickly adopted, but would be restricted to more technical areas, e.g. standard setting, and would only apply to the euro area. A EU legislation would on the contrary address all Member States and could deal with a broader scope, i.e. the customer/bank relationship too. It would however require more time. From the feedbacks received so far, it seems that a regulation at European level would be the approach favoured by most private stakeholders. Such regulation could be proposed after consultation with stakeholders in order to reach a common understanding in a cooperative manner.

An intermediate solution between self-regulation and regulation could be a decision by market participants endorsed by public authorities e.g. via a recommendation. Such a solution would require adequate coordination of the parties involved, at national and European level. Some stakeholders consider that making public the fact that there will be a migration end-date may actually be more important now than selecting the actual migration end-date. This would allow to raise awareness regarding SEPA and to make it easier for users to allocate budget to SEPA migration, without excluding possible further regulatory steps.

Question 10: If (a) migration end-date(s) was (were) to be established, should this be done by self-regulation or by regulation? Please explain why and elaborate on the modalities (e.g. if regulation is preferred, who would should be the regulating body?).

5.2. Methodology

Whether (an) end-date(s) is to be set by self-regulation or by regulation, migration should in any case be monitored so as to know when such (an) end-date(s) could most adequately be set given market evolutions. From a product management point of view, it could be normal to consider the end of a product when it is not widely used any longer. Most of the national communities which have indicated a migration end-date (Austria, Finland, France, Latvia, Lithuania, Malta, Portugal, Romania, Slovenia, Spain) thus propose to set (an) end-date(s) when a certain critical mass is reached. The definition of such a critical mass however varies (see Annex 2): it is defined as 95 % of transactions in Finland; 75 % of transactions and 50 % of order originators in France; 80 % of credit institutions adhering or 95 % of transactions in Spain; 80 % of banks and 90 % of euro transactions in Latvia; 80 % of banks and 75 % of euro transactions in Lithuania; 62 % of euro transactions in Romania. On the other hand, relying on indicators relating to critical mass may create a 'chicken and egg' situation if no migration end-date can be set as long as the migration does not occur, while migration may require some incentives to kick-start.

Question 11: Do you think that some criteria (such as critical mass) should first be followed before setting any migration end-date(s)? If yes, please explain why and elaborate on these criteria.

Annexes

Annex 1: Template to be used for the answers

Question no.	Questions	Possible answers	Stakeholder's short answer	Indications	Stakeholder's detailed answer
1	Do you think that under current circumstances there is a need to support SEPA migration by setting (a) deadline(s) for migration to SCT and SDD? Do you consider certain preconditions should be met for setting such (a) deadline(s)?	a) yes, there is a need to set (a) deadline(s) to SEPA migration b) yes, but under certain conditions c) no	eg. a)		
2	How much time would be needed to budget and implement technically SEPA migration? What is the anticipated impact of SEPA migration on your organisation/business (eg. on your IT systems, organisation, human resources, communication, or any other area)?			Please provide quantitative and financial analysis if available.	
3	What deadline(s) would you see as feasible for the replacement of legacy euro credit transfers and direct debits by SCT and SDD?				
4	Do you think (a) migration end-date(s) should cover only standards (ie. the account identifiers and the payment format to be used) or the schemes' rules as well?	a) only standards b) also the schemes rules c) other (please specify)		Please explain why.	
5	Do you think (a) migration end-date(s) should cover only interbank space (ie. bank/bank and bank/infrastructure communication) or the complete end-to-end payment chain (including customer/bank communication)?	a) the interbank space b) the complete end-to-end payment chain c) other (please specify)		Please explain why.	

6	Do you consider that setting (a) migration end-date(s) should imply that all legacy payments migrate to SEPA payments or could some products be maintained or developed on the market besides the SEPA products?	a) all payments should migrate to SEPA products b) 'niche' products could remain - or be developed - on the market c) other		Please explain why and specify the conditions which would have to be met by such products.	
7	Do you think there should be a single end-date for SCT and SDD migration or two separate migration end-dates?	a) a single end-date for SCT and SDD migration b) two separate end-dates for SCT and SDD migration		Please explain why.	
8	What do you think the best approach would be regarding the territorial scope of (a) migration end-date(s)?	a) different national end-dates b) a single EU end-date c) a single EU end-date but with flexibility to set an earlier end-date at national level d) a phased approach e) other		Please explain why and specify your answer for d), and e).	
9	Do you think that the migration end-date(s) should be the same for euro payments in euro area countries and in non-euro area countries or that there should be different migration end-dates?	a) same end-date(s) for euro area and non-euro area countries b) different end-date(s) for euro area and non-euro area countries		Please explain why.	
10	If (a) migration end-date(s) was (were) to be established, should this be done by self-regulation or by regulation?	a) pure self-regulation b) regulation c) intermediate solution (self-regulation with political endorsement)		Please explain why and elaborate on the modalities for each answer (eg. if b) who should be the regulating body).	
11	Do you think that some criteria (such as critical mass) should first be followed before setting any migration end-date(s)?			If yes, please explain why and elaborate on these criteria.	

	Name of the respondent				
	Geographical scope of action				
	Type of stakeholder	a) payment service provider b) technical provider c) public authority d) corporate e) merchant f) SME g) consumer h) national SEPA coordination committee i) other (please specify)			
	Volume of payments denominated in euro that you handle or represent: - number of transactions - value of transactions in euro				

Annex 2: End-date(s) – Current situation in Member States

Country	Overview	Detailed comments	Decision-making process	Legacy schemes that will not migrate
Euro area				
Austria	No	No end-date	The decision will be taken by all the stakeholders, once critical mass is reached.	Priority credit transfers, image transfers, MT 103 transfers.
Belgium	Yes	<ul style="list-style-type: none"> – Credit transfers: end 2010 for credit transfer paper form and target date for vast majority of electronic credit transfers. – Direct debits: end 2012 (3 years after SDD launch). 	The decision has been taken by the banking sector, the Post Office and the Central Bank, and has been discussed with the stakeholders (within the national SEPA coordination committee).	<ul style="list-style-type: none"> Cheques. Bills of exchange.
Cyprus	No	No end-date	The end-dates will depend on market evolution.	
Finland	Yes	<ul style="list-style-type: none"> – SCT: under discussion, but critical mass could be reached by 2010; estimated end-date: end 2011. – SDD: under discussion, but it could be Nov 2012 (3 years after SDD launch). 	The decision has been taken by the banking sector. The Central Bank has been consulted. The stakeholders have been informed. Critical mass is defined as 95% of transactions.	National priority credit transfers.
France	Yes	<ul style="list-style-type: none"> – SCT: end 2011, provided that critical mass is reached by end 2010. – SDD: initially end 2012, provided that critical mass is reached by end 2011; but that time frame could be postponed for one year considering the recent national decision to launch SDD on Nov 2010 only. Three years to migrate is a minimum. 	The decision will be taken by all the stakeholders (within the national SEPA coordination committee), based on a reporting tool that measures the use of the equivalent new SEPA instrument. Critical mass is defined as 75% of transactions and 50% of order originators.	<ul style="list-style-type: none"> Specific credit transfers. Ongoing discussions regarding teleregements, TIP. Ongoing discussions regarding truncated bills of exchange and promissory notes.
Germany	No	No end-date.	The end-dates will depend on market evolution.	Tbd - will depend on market evolution.
Greece	Partly	<ul style="list-style-type: none"> – SCT: No end-date. – SDD: Implicit end-date, the date of coming into force of the law transposing PSD into Greek legislation. 	<ul style="list-style-type: none"> – SCT: If a decision for an end-date were to be taken, this would depend on market developments. – SDD: All large and medium-sized banks operating in Greece decided to migrate to the new scheme as of the first day of its operation which will coincide with the day when the law transposing PSD into the Greek legislation will come into force. The legacy scheme will cease to operate from that date on. 	

Ireland	Yes	Originally end 2010, but it will be reviewed given the delays in the launch of the SDD. It could be 2011 or 2012.	We will involve all stakeholders (banks, government, corporates, SMEs, utilities, consumer bodies and chambers of commerce) in preparing a plan to ensure migration is completed before the agreed end-date.	None.
Italy	No	No end-date.	The end-dates will depend on market evolution. Self-regulatory instruments, even if agreed with non-bank stakeholders, could raise anticompetitive issues.	National urgent credit transfers and urgent credit transfers settled via TARGET2. Some national debit instruments (MAV, Bollettino bancario). Ongoing discussions regarding the national non-pre-authorized debit scheme.
Luxembourg	Partly	– SCT: already done. – SDD: no end-date. Discussions will take place in 2010 on this issue.	The decision has been taken by the banking sector, taking into account the other stakeholders.	None.
Malta	Yes	– SCT: 31 Dec 2010. – SDD: 1 November 2010. Since there is no national direct debit scheme, beginning and end dates are the same.	Discussions involved commercial banks and the Central Bank.	None.
Netherlands	No	Currently under discussion.	Discussions will involve the banking sector and all other stakeholders.	Urgent credit transfers (processed in TARGET2 and EBA Euro 1). Financial documents. International money transfers.
Portugal	Partly	– SCT: not fixed, but critical mass could be reached by end 2010. – SDD: not fixed, but not before end 2012.	The end-dates will depend on the market evolution. The decision will be taken by the banking sector, the Central Bank and the Ministry of Finance (within the national SEPA coordination committee). Corporates will be informed.	EBA STEP2 XCT, EBA priority credit transfers, TARGET2 high value credit transfers.
Slovakia	No	No end-date.		
Slovenia	Yes	- SCT: critical mass could be reached by end 2010. End-date 9 months after. - SDD: critical mass could be reached by end 2010. End-date 12 months after. But currently under discussion/revision. Decision is expected for the third quarter of 2009.	The decision has been made at EPC level and should be followed in all the SEPA countries. Slovenia has incorporated this decision in its national programme in February 2008.	Euro cross-border payments processed through TARGET2 payments and correspondent banking

Spain	Yes	<p>– SCT: not fixed, but estimated at end 2011.</p> <p>– SDD: not fixed, proposition end 2014 (5 years after SDD launch).</p>	<p>Once several criteria are met (80% of credit institutions have already adhered to the EPC Scheme or 95% of the transactions are SEPA; the credit institutions who have adhered to the Scheme are participants in a 'SEPA compliant' infrastructure), the decision will be taken by the banking sector, the Central Bank, in cooperation with the other stakeholders.</p>	<p>Request for transfer of pensions and investment funds.</p> <p>Non-resident credit transfers over the limit established for Balance of Payment information (between Spanish entities).</p> <p>Non STP payment orders, including those without BBAN or IBAN.</p> <p>Transfer orders issued /received by MT103 in euro (non-SEPA payments).</p> <p>Credit transfers in all currencies other than euro.</p>
Non-euro area		(for the payments in euros)		(apart from the non euro payments)
Bulgaria	No	No end-date.		
Czech Republic	No	No end-date (as no date has been fixed for euro introduction).	Migration should be based on the products and on the level of readiness of individuals.	
Denmark	No	No end-date.		National payments will remain unchanged for the time being.
Estonia	Partly	<p>– SCT: at the same time as the euro introduction (probably 2011-2012).</p> <p>– SDD: no end-date.</p>	The decision, if necessary, most probably could be taken by co-decision of the banking association and the Central Bank.	
Hungary	No	No end-date.	The decision, if necessary, could be taken by co-decision of the banking sector and the central bank, in coordination with the Hungarian SEPA Association.	
Latvia	Partly	<p>– SCT: at the same time as the euro introduction (probably 2012-2013).</p> <p>– SDD: under discussion.</p>	A SEPA migration end-date will be fixed when critical mass is reached (when 80% of banks and 90% of all executed euro payments are SEPA compliant).	
Lithuania	No	No end-date.	Critical mass will be reached when no less than 80% of banks offer SEPA payments service and no less than 75% of all payments in euro comply with SEPA schemes requirements	<p>Some specific national instruments:</p> <ul style="list-style-type: none"> - debit payment instructions for agricultural production; - debit payment instructions according to executive documents.
Poland	No	Currently under discussion.	The decision will be taken by the Ministry of Finance, the Central Bank and the banking sector (within the national SEPA coordination committee).	

Romania	Partly	<ul style="list-style-type: none"> - SCT: estimation end 2010. - SDD: no end-date. 	<p>Critical mass will be reached when 62% of payments in euro is SEPA.</p> <p>The decision will be taken by the banking sector, the central bank and the ministry of finance (within the national SEPA coordination committee).</p>	
Sweden	Partly	<ul style="list-style-type: none"> - SCT: already done for cross-border euro payments, but no end-date for domestic euro payments. - SDD: no national euro DD scheme to migrate. 	<ul style="list-style-type: none"> - SCT: for domestic euro payments, Sweden will accept an end-date decided by the EMU community. 	
UK	Yes	<ul style="list-style-type: none"> - SCT: Nov 2010 (or earlier if possible) for the domestic euro direct credit scheme operated by Bacs. - SDD: no national euro DD scheme to migrate. 	<ul style="list-style-type: none"> - SCT: The decision has been taken by Bacs Board. 	