

# Hearing

## “Towards full SEPA migration”

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Should a SEPA regulation  
mandate technical requirements  
or existing EPC schemes?

## **SEPA vision (1) - ECB/European Commission, May 2006**

“SEPA, an integrated market for payment services which is subject to effective competition and where there is no distinction between cross-border and national payments within the euro area.”

## **SEPA vision (2) - ECB/European Commission, May 2006**

“Consumers, business and governments are able to make cashless payments throughout the euro area from a single payment account anywhere in the euro area using a single set of payment instruments as easily, efficiently and safely as they can make payments today in the domestic content.”

## Regulatory approach – objectives

- ◆ promote integration and competition
- ◆ provide low-cost, user-friendly and reliable payment services
- ◆ encourage innovation

## Regulatory approach – options (1)

- ◆ Member State legislation
- ◆ ECB Regulation
- ◆ Commission Recommendation
- ◆ Commission Directive or Regulation

## Regulatory approach – options (2)

- ◆ technical standards
- ◆ EPC schemes
- ◆ essential requirements

# Approach proposed

## Combination of

- ◆ Common technical standards
  - ◆ IBAN (BIC)
  - ◆ ISO 20022
- ◆ Technical requirements
  - ◆ key characteristics of payment schemes
  - ◆ clear and unambiguous criteria
  - ◆ based on EPC rulebooks

# Coverage

- ◆ all PSPs
- ◆ end to end
- ◆ temporary exclusion for certain niche products
- ◆ reachability obligation

## Date

- ◆ same or different for CT/DD?
- ◆ **length:** balance between time for investment/preparation & need to keep momentum
- ◆ need for proper communication

## Concerns

- ◆ risk of mini-SEPA?
- ◆ multiple competing schemes?
- ◆ stifle innovation?

# Commission proposal

- ◆ evolutionary process
- ◆ under finalisation
- ◆ adoption December 2010