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## Press Release

### EUROPEAN PAYMENTS COUNCIL CHAMPIONS THE BENEFITS OF NEW EUROPEAN DIRECT DEBIT SCHEME FOR BUSINESSES

**30 October 2009 – Brussels: On November 2, the European Payments Council (EPC) launches the SEPA Core Direct Debit Scheme and the SEPA Business to Business Direct Debit Scheme. The SEPA Direct Debit (SDD) Schemes enable bank customers – for the first time ever - to make and receive direct debits within and across 32 European countries collectively known as the Single Euro Payments Area (SEPA).**

On the occasion of the launch, the EPC, which represents the European banking industry in relation to payments, has called on businesses and public administrations to assess their current payment architecture and consider taking full advantage of the new payment and collection method to achieve significant efficiency gains resulting in cost reductions.

Gerard Hartsink, Chair of the EPC, comments: “From today, banks across SEPA countries start to roll out SDD services to customers. By 1 November 2010 there will be full reach for the SEPA Core Direct Debit in the euro area as mandated by EU Regulation. **This presents European businesses with a prime opportunity to benefit from harmonised standards and streamlined processes when making and receiving payments across 32 countries** – consisting of the 27 EU member states, Iceland, Liechtenstein, Norway, Switzerland and Monaco.”

Building a payment scheme can be compared to designing a car model: it is important that the basic model meets key market requirements. At the same time, the model must be fit to add extras on demand. This concept provides **maximum choice to customers** and, in consequence, the SDD Schemes developed by the EPC in close dialogue with the customer community are based on this concept.

Gerard Hartsink states: “The **SDD Schemes offer businesses significant efficiency gains** through the automation of payment processing and the ability of businesses to optimise the cash management process. The latter can be achieved by businesses consolidating accounts currently maintained in different



European countries to handle local payments into one single account and subsequently centralising liquidity.”

As a key milestone in the creation of an integrated euro payments market across SEPA, the SDD Schemes will also facilitate the **expansion of businesses across national borders**, by introducing a standardised payment infrastructure. Innovative end-to-end SEPA solutions based on global ISO standards will also lead to **decreased IT costs, streamlined back office functions** and **simplified reconciliation**.

The EPC recently published recommendations on how to map SEPA transactions to payments reporting between banks and customers. As a result, **payment-related information can now be moved along the entire process chain** (customer to bank, bank to bank, bank to customer) in a manner compliant with the SEPA schemes and global ISO standards – enabling businesses to further automate payments processing.

Gerard Hartsink concludes: “Businesses operating within and across SEPA countries stand to gain a great deal from the introduction of the SDD Schemes, and an integrated euro payments market across SEPA generally. To realise these benefits, companies must become active – as a first step, the EPC would recommend the **formation of a dedicated SEPA team**. A subsequent impact assessment would reveal the true value that SEPA might have on the business. To engage further in supporting SEPA and to stay up to date on developments, companies are welcome to liaise with SEPA Stakeholder Forums on a national level.”

“The SEPA Schemes defined by EPC are instruction manuals for payment processing. In this context it is important to note that the development of payment services and products based on the SEPA schemes, including all product-related features such as pricing, is outside the scope of the EPC. The real deal for businesses is the competitive and custom-tailored SEPA service offered by individual banks. Companies are therefore encouraged to shop for the SEPA bank products that best fit their needs. It is expected that the roll-out of **SEPA will increase competition among payment service providers to the benefit of bank customers.**”

The bottom line is that while SEPA payment tools, such as the SEPA Direct Debit Schemes, offer businesses many tangible benefits, SEPA as a whole offers companies the opportunity to reassess the way they currently operate and ultimately to add value to their business.

– ENDS –



### Notes to Editors:

- The **SEPA Direct Debit provides for complete protection of customers due to a “no-questions-asked” refund right** during eight weeks after a customer’s account was debited. In the event of unauthorised direct debit collections, the customer’s right to claim a refund extends to thirteen months. These provisions are stipulated by the EU Payment Services Directive (PSD). The PSD and the SEPA Direct Debit Schemes give the customer full control over the payment.
- SEPA is a policy-maker-driven EU integration initiative designed to complete the internal market and the monetary union. The EPC understands that a **change program of this dimension requires adjustments by all market participants**. To ensure a smooth transition it is crucial to provide the public with accurate and fact-based information on the SEPA programme in general and the SEPA schemes in particular.
- The EPC ensures **stability for its Credit Transfer and Direct Debit Schemes by having deployed a robust release version management** for enhancements and SEPA-wide stakeholder consultation for 2010 and beyond.



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**Further information on the SEPA Direct Debit Schemes, SEPA and the EPC can be found in the media kit, which is on the EPC website\* (homepage / latest news).**

Do not miss the article **“Better Business with SEPA Direct Debit. Corporate customers confirm benefits of SEPA implementation”** published in the 30 October 2009 issue of the EPC Newsletter available on the EPC website\*!

**The EPC Newsletter is available on the EPC web site\***. The latest edition is out on 30 October 2009. Subscription is free.

### **About the European Payments Council**

The European Payments Council (EPC) is the decision-making and coordination body of the European banking industry in relation to payments. The EPC defines common positions for core payments services, provides strategic guidance for standardization, formulates best practices and supports and monitors implementation of decisions taken. The EPC consists of 74 members comprising banks and banking communities. More than 300 professionals from 32 countries are directly engaged in the work programme of the EPC, representing all sizes and sectors of the banking industry within Europe.

The EPC develops the payment schemes and frameworks necessary to realise the Single Euro Payments Area (SEPA). SEPA is an EU integration initiative in the area of payments designed to achieve the completion of the EU internal market and monetary union. SEPA is the area where citizens, companies and other economic participants can make and receive payments in euro, within Europe, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location. SEPA is currently defined as consisting of the EU 27 member states plus Iceland, Norway, Liechtenstein, Switzerland and Monaco.

For further information on the EPC please contact [secretariat@europeanpaymentscouncil.eu](mailto:secretariat@europeanpaymentscouncil.eu) or visit

\*[www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu).