



**COUNCIL OF  
THE EUROPEAN UNION**



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## **Single euro payments area: Council confirms agreement with Parliament**

The presidency received today the go-ahead to confirm an agreement with the European Parliament on a draft regulation on technical requirements for credit transfers and direct debit transactions in euros<sup>1</sup>.

The draft regulation constitutes a key element of SEPA, the single euro payments area, an EU-wide integrated market for credit transfers and direct debits with no distinction between national and cross-border payments. The agreement with the Parliament paves the way for adoption of the regulation in first reading.

The payments industry has committed itself to SEPA, creating the conditions for increased competition, economies of scale and a downward pressure on prices, whilst ensuring continued security and reliability for users.

SEPA was originally conceived as a market-driven project, but slow migration from national payment instruments to EU-wide instruments has led stakeholders to consider it necessary for a legally binding end-date to be established.

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<sup>1</sup> The decision was taken at a meeting of the Permanent Representatives Committee.

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The draft regulation accordingly sets a migration end-date for credit transfers and direct debits respectively, introducing a set of common standards and general technical requirements.

Since the regulation will reduce fragmentation and foster competition in the European payments market, it will contribute to the simplification of payment processes.

For consumers, who are becoming increasingly mobile in both professional and private terms, standardised cross-border payments will eliminate the need to maintain several payment accounts in different countries. For payment service providers and payment processors, economies of scale and common standards achieved under SEPA will make payments across the EU much more efficient.

The regulation sets 1 February 2014 as the migration deadline for credit transfers and (in respect of most requirements) for direct debits. It also provides for a phasing out of multilateral interchange fees (MIFs), which currently apply to direct debit transactions in certain member states, by 1 February 2017 for national payments and by 1 November 2012 for cross-border payments.

Provisional agreement was reached on 14 December between the presidency, representatives of the Parliament and the Commission. A letter was sent today to the Parliament to indicate that the Council can agree to the compromise text.

The regulation will then be adopted by the Parliament in plenary session and by the Council without further discussion, once the text has been finalised in all official languages.