



**COUNCIL OF
THE EUROPEAN UNION**



Council conclusions on SEPA

*2981st ECONOMIC and FINANCIAL AFFAIRS
Brussels, 2 December 2009*

The Council adopted the following conclusions:

"The Council:

1. REITERATES the importance of and its support for the full realisation of the Single Euro Payments Area (SEPA), which aims at achieving an integrated and competitive internal market for euro payments for the benefit of citizens and businesses and in this regard WELCOMES the Communication from the Commission: "Completing SEPA: a Roadmap for 2009-2012" and the second annual Progress Report on the state of SEPA Migration in 2009;
2. WELCOMES the substantial progress achieved by industry with the successful launch of the SEPA Direct Debit (SDD) following the earlier launch of the SEPA Credit Transfer (SCT);
3. ENCOURAGES banks and payment institutions to develop and actively market attractive SEPA Direct Debit products and services meeting customer needs, while offering customers at least comparable levels of current prices, services, security and guarantees, thereby facilitating migration from existing national direct debit products to the new SDD products;

P R E S S

4. RECOGNISES that extensive communication efforts by service providers, when marketing SEPA products, are urgently needed in order to raise SEPA awareness and INVITES Member States to encourage communication efforts made by industry and by public authorities in order to ensure that appropriate information campaigns are launched;
5. CALLS upon industry to complete its work in relation to the outstanding technical standards required in the cards market by mid 2010, which should be developed in an open and transparent way, allowing full interoperability, security and free access thereby facilitating the deployment of pan-European card scheme(s);
6. ACKNOWLEDGES the importance of equal treatment between electronic and paper invoices for value added tax purposes as well as the importance of developing innovative payment solutions underpinning an efficient and competitive European economy and therefore CALLS upon industry to deliver solutions for online electronic payments (e-payments) and for mobile payments (m-payments) and on banks and payment service providers to develop and actively market attractive e-payment and m-payment services thereby fostering alternative channels for the initiation and reception of payments;
7. RECOGNISES that SEPA can significantly contribute to the modernisation of public administration and the e-Government Action Plan as well as to the efficiency and growth of the wider European economy by developing value-added-services such as e-invoicing and INVITES the industry and the Commission to accelerate the work to realise an interoperable e-invoicing framework as a matter of urgency;
8. REGRETS that almost two years after the successful technical launch of the SCT, the percentage of credit transfers in the euro area processed using the new SCT format remains very low and is mostly limited to cross-border payments, and CONSIDERS it crucial to accelerate the take up of SCT, especially for national euro payments traffic;
9. EMPHASISES again that the full benefits of SEPA can only be obtained through the full migration of existing national euro payments transactions and STRESSES the important role that should be played by users with high payment volumes such as significant public authorities, corporates and other large entities in such migration, and CALLS upon public authorities in all Member States to significantly step up, unless already done, their migration efforts and lead SEPA migration by example;
10. INVITES therefore public authorities to demonstrate, unless already done, their willingness to drive forward the migration process by drawing up integrated and synchronised national migration plans for all public authorities, in order to achieve full migration of national public administrations to SEPA standards, products and services; and NOTES the good progress already achieved by some Member States in this respect;

11. CONSIDERS that establishing definitive end-dates for SDD and SCT migration would provide the clarity and the incentive needed by the market, ensuring that the substantial benefits of SEPA are rapidly achieved and that the high costs of running both legacy and SEPA products in parallel can be eliminated. In this regard, each SEPA product shall be assessed separately and specific preconditions of Member States have also to be taken into account (e.g. in Eurozone versus non-Eurozone Member States). Moreover, specific needs and interest of end consumers have to be considered. Finally, different possibilities for setting an end-date shall be demonstrated, each with its advantages and disadvantages (e. g. EU-regulation, ECB-regulation, national measures);
12. INVITES therefore the Commission, in collaboration with the ECB and in close cooperation with all actors concerned, to carry out a thorough assessment of whether legislation is needed to set binding end-dates for SDD and SCT and to come up with a legislative proposal should this assessment confirm the need for binding end dates;
13. STRESSES the need for further improving the governance of the SEPA project and ENCOURAGES the Commission and the ECB, in close cooperation with all actors concerned by the SEPA project, especially users with high payment volumes such as public authorities, corporates and other large entities, to establish, as soon as possible and before mid-2010, a SEPA governance and monitoring structure at EU level bringing together the supply and demand sides on an equal footing under a neutral Chair."
