



**COUNCIL OF
THE EUROPEAN UNION**



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Deadline for SEPA payments extended to 1 August

The Council today¹ adopted a regulation postponing to 1 August 2014 the end-date in the euro area for the migration of domestic and intra-European credit transfers and direct debits in euros to the new SEPA-standard-based credit transfers and direct debits ([PE-CONS 9/14](#) + 6255/1/14 REV 1 + REV 1 ADD 1).

The regulation amends regulation 260/2012, which had set a migration deadline of 1 February 2014.

Extension of the deadline will enable banks, payment service providers and users to exceptionally and temporarily continue using existing standards alongside the SEPA-standard-based schemes, given that the rate of migration needs to be raised significantly before the final end-date. This will minimise disruptions that could particularly affect SMEs and consumers.

SEPA – the single euro payments area – was originally conceived as a market-driven project, enabling credit transfers and direct debits with no distinction between national and cross-border transactions. Customers are provided with a single international bank account number (IBAN) that can be used for all SEPA credit transfers and direct debits.

However, slow migration from national payment instruments to EU-wide instruments led the EU in 2012 to impose technical requirements under regulation 260/2012.

¹ The decision was taken without discussion at a meeting of the Economic and Financial Affairs Council.

P R E S S

The Commission and the European Central bank have closely monitored progress with the migration. On the basis of data compiled by national central banks, reports show that a number of eurozone member states are well on track, with migration rates for credit transfers close to 100%. The large majority of payment service providers have reported that they are already SEPA-compliant. However, in several other member states migration rates are not yet at the required level, in particular for direct debits.

The postponement of the end-date was proposed by the Commission on 9 January for reasons of legal certainty, and in order to avoid any discontinuity to the application of regulation 260/2012. On 4 February, the European Parliament approved the proposal at first reading without proposing any amendments, as agreed meanwhile with the Council.

The regulation adopted by the Council contains no substantive amendments to the Commission's proposal. It will apply with retroactive effect from 31 January 2014.
