



Single Euro Payments Area (SEPA)

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The introduction of SEPA means that cross-border electronic payments in euro across the SEPA countries can be as quick, easy and inexpensive as payments at home.

There will be a number of benefits for both consumers and businesses alike, for example;

1. Consumers will be able to pay by direct debit from their Irish current account for services provided by companies throughout Europe such as telephone, insurance and other utilities without having to set up a separate overseas current account.
2. Businesses will be able to make all euro payment transactions in one standard format, within Ireland or cross-border from their Irish current account using SEPA payment instructions

There are three main SEPA products - SEPA Credit Transfer, SEPA Direct Debit and the SEPA Cards Framework.

SEPA Payment Product	Description	Current Status
SEPA Credit Transfer (SCT) Scheme	SEPA Credit Transfer facilitates cross-border payments in euro throughout the SEPA zone, quickly, securely and efficiently.	SEPA Credit Transfer was launched on 28th January 2008.
SEPA Direct Debit (SDD) Scheme	SEPA Direct Debits will make it possible to make cross-border direct debits in euro as securely and efficiently as direct debits at home.	SEPA Direct Debit product offering is due for launch by the European Banking Industry in November 2009.
SEPA Card Framework (SCF)	The SEPA Cards Framework (SCF) will ensure that card payments and cash withdrawals can be made easily, safely and efficiently throughout the SEPA zone.	The SEPA Card Framework was launched on 1st January 2008.

SEPA Products

The three main SEPA payment products are:

- (1) SEPA Credit Transfer (SCT) Scheme**
- (2) SEPA Direct Debit (SDD) Scheme**
- (3) SEPA Cards Framework (SCF)**

(1) SEPA Credit Transfer (SCT) Scheme

The SEPA Credit Transfer (SCT) scheme makes it possible to make cross-border payments in euro throughout the SEPA zone as securely and efficiently as making payments at home. Ultimately, it will be as simple and straight forward to make a payment transfer from Dublin to Paris as from Dublin to Cork.

The features of the SCT scheme are:

SEPA Credit Transfers are payments in euro to any of the SEPA countries.

The maximum SCT processing time is currently three business days for delivery to the beneficiary bank. This will



be reduced to one business day from 2012.

All bank charges are shared between payer and recipient.

The IBAN and BIC must be used as account-identifiers.

Narrative text of up to 140 characters can accompany the payment.

There is a comprehensive set of rules for handling rejected and returned payments.

Bank of Ireland customers can now make SEPA Credit Transfer payments through three channels:

The Bank of Ireland Retail Branch Network.

Bank of Ireland's business internet banking service. **Business On Line**

Bank of Ireland's personal internet and phone banking service **Banking 365**

(International payments on Banking 365 available in ROI only)

(2) SEPA Direct Debit (SDD) Scheme

SEPA Direct debit (SDD) will make cross-border direct debits possible and is due for launch by the European banking industry in November 2009. Consumers will then be able to pay for goods or services throughout Europe via direct debit as easily, securely and efficiently as they do at home.

The features of the SDD scheme are:

SEPA Direct Debits are direct debits in euro to any of the SEPA countries.

Terms and conditions for the consumer are standardised across the SEPA zone.

SEPA covers both recurrent and one-off direct debits.

The maximum settlement time is five business days for the first payment and two business days for recurrent ones.

The IBAN and BIC are used as account identifiers.

There will be an extensive set of rules for handling rejected and returned Direct Debits.

SEPA Direct Debit is backed by EU legislation - the Payment Services Directive - (PSD)

(3) SEPA Cards Framework (SCF)

The SEPA Cards Framework (SCF) allows card payments and cash withdrawals to be made as easily, safely and efficiently throughout the SEPA zone as at home. This will mean more flexible payment options for people living and travelling throughout the SEPA zone.

The main features of the SCF are:

Available for card payments in euro and throughout the SEPA zone only.

SEPA changes relate to both credit and debit cards.

Card holders can pay or withdraw cash with the same card at home and throughout the SEPA zone.

Standardised, improved security PIN code throughout the zone, reducing the risk of fraud.

Standardisation of point-of-sale terminals to ensure all SEPA cards can be accepted at a single terminal.

Bank of Ireland's credit and debit cards are all SEPA-compliant. Credit Cards are compliant through Visa and MasterCard, while Debit Cards are compliant with Laser through the international debit card service providers Maestro and Cirrus.

SEPA Benefits

SEPA aims to remove the technical, legal and commercial barriers to a single domestic payments market. SEPA provides numerous benefits for both consumers and businesses.

Consumer benefits

Business benefits

Consumer benefits

SEPA will offer consumers greater choice of service, competition and flexibility to perform euro banking transactions.

Here is just a sample of the many consumer benefits that SEPA will provide:



SEPA will see the gradual harmonisation of payment transfer processes across the SEPA zone leading to reliable and high-quality services.

Consumers can make all SEPA euro payments from one bank account. For example: Those working abroad will no longer need to hold one account at home and another in the country they work in. They will be able to complete all of their electronic transactions from their home account.

All electronic payments throughout the SEPA zone will be as easy and cost-effective as domestic payments are to day.

SEPA will make it possible to pay by direct debit for services provided by companies throughout Europe such as telephone, insurance and other utilities.

There will be guaranteed, standard timelines for payments and the return of unsuccessful payments.

A SEPA debit or credit cardholder can pay or withdraw cash with one card at home and throughout the SEPA zone.

Business benefits

SEPA will offer businesses greater choice of service, competition and flexibility to perform euro banking transactions.

Here is just a sample of the many benefits that SEPA will provide for businesses:

The harmonisation of payment services across the SEPA zone will result in more reliable and efficient payment transfer processes.

SEPA will allow businesses to reduce the number of bank accounts they hold and, in theory to, consolidate payments and liquidity management in one location.

Payment transfers will be simplified as all incoming and outgoing payments can use the same format.

Businesses will be able to credit salaries to accounts in other SEPA member states.

SEPA Direct Debit will make it possible for businesses to set up cross-border direct debits with customers throughout the SEPA zone.

Merchants will be able to accept a wider range of debit and credit cards with a single point-of-sale terminal.

SEPA Timelines

SEPA's Credit Transfer and Cards Framework have been in operation since 2008 and SEPA Direct Debit will follow in November 2009.

The table below shows a list of key dates for SEPA:

Date	Area	Details
1st January 2008	SEPA Cards Framework (SCF).	The SEPA Cards Framework launched.
28th January 2008	SEPA Credit Transfer (SCT) Scheme.	SEPA Credit Transfer scheme launched.
November 2009	The Payments Services Directive (PSD).	The PSD will come into law within each EU member state in November 2009.
November 2009	SEPA Direct Debit (SDD) Scheme.	SEPA Direct Debit is due for launch by the European Banking Industry in November 2009.
January 2008 - 2012+	National Migration.	National Migration is the period of time over which the new SEPA payment products will gradually replace the existing domestic products.



SEPA Members

There are 31 members of SEPA. It comprises the 27 EU member states, the three European Economic Area countries (Iceland, Liechtenstein and Norway) and Switzerland.

List of SEPA Members

Austria	Greece	Portugal
Belgium	Hungary	Romania
Bulgaria	Ireland	Slovak Republic
Cyprus	Italy	Slovenia
Czech Republic	Latvia	Spain
Denmark	Lithuania	Sweden
Estonia	Luxembourg	Switzerland
Finland	Malta	United Kingdom
France	Netherlands	Iceland
Germany	Poland	Liechtenstein
		Norway

