



## SEPA - Frequently Asked Questions

### What is SEPA?

SEPA (Single Euro Payments Area) is an initiative of the European banking industry. It aims to create one single, integrated, standardised payments market in Europe.

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.

The table below provides a brief overview of the new SEPA payment products.

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.

### What is the aim of SEPA?

SEPA aims to remove the technical and commercial barriers to a single domestic payments market for the SEPA zone.

### Where did SEPA come from?

The European banking industry established the European Payment Council (EPC) in 2002 to design and coordinate the implementation of SEPA. The aim of SEPA is to create a single, integrated, standardised payments market within Europe. Ultimately SEPA will encourage the trade of goods and services throughout Europe and will aid the continued development of the European Single market.

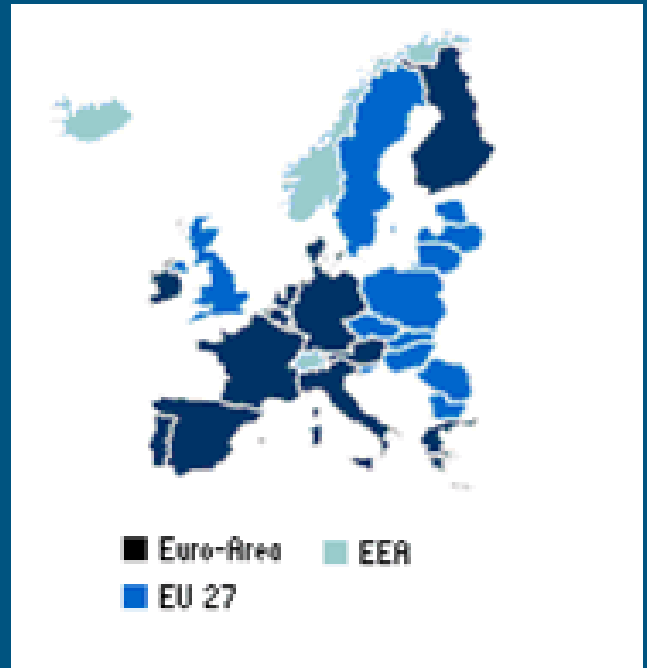
### What countries are included in SEPA?

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



## When will SEPA happen?

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.



## **What is the 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 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.

BOI 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)

## **What is the 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)

## **What is the 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.



## What are the benefits of SEPA?

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

### 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.

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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 today. 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.

## What is the Payment Services Directive (PSD)?

The Payment Service Directive (PSD) is new EU legislation which not only provides the legal platform for SEPA but also introduces new rules and standards for all payment service providers. All domestic and cross-border payments (euro and Member State currency, e.g., sterling) that are made to and from countries in the European Union will be governed by the PSD. The PSD will be introduced into the national law of each of the EU 27 member states by November 2009.

### Broadly, the PSD aims to:

Make cross-border payments as easy, efficient and secure as national payments within the euro zone.

Increase transparency through the mandatory provision of standard information.

Standardise the rights and obligations of customers, with a strong emphasis on consumer protection.

## What is meant by National Migration?

National Migration describes the period of time over which the new SEPA payment products will gradually replace the EU country's existing domestic products. During this transition period customers will have the choice of whether to use the new SEPA products or to continue to use the domestic products.

The process of National Migration began in January 2008 with the introduction of SEPA Credit Transfer and the SEPA Cards Framework. The process is expected to continue beyond 2012 and will accelerate from late 2009 when SEPA Direct Debits is launched and the full suite of SEPA products will be in place.

## What preparations should my business make for SEPA?

Whether your company deals purely within Ireland or throughout Europe you will need to migrate to SEPA at some point in the future. It is therefore prudent to begin thinking about what SEPA means for your company and if there are any preparatory



steps you can take.

Some steps that you should consider:

Identify somebody within your company who is responsible for keeping up to date with SEPA.

Highlight the importance of SEPA at senior management level and consider the strategic options and implications for your business.

SEPA requires the use of IBANS and BICS so ensure that they are included on all invoices and communications to suppliers and contacts.

Engage with your banks to understand the overall SEPA initiative and what your bank's plans are regarding SEPA.

### **As a consumer, how should I prepare for SEPA?**

Unlike the introduction of the euro on 1st January 2002 when we all migrated on one day to euro notes and coins, SEPA is voluntary and will evolve in the national and cross-border payments landscapes over a period of time from 2008 onwards. The changeover to SEPA will be gradual and should be seamless for the consumer. For most people, it will simply mean that the ability to make euro payments throughout Europe will significantly improve.

### **How do I make a SEPA Credit Transfer Payment using Bank of Ireland?**

Bank of Ireland customers can make a SEPA Credit Transfer payment via three BOI payment 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)

### **The Bank of Ireland Retail Branch Network**

A SEPA Credit Transfer can be made in any of Bank of Ireland's retail branches throughout the Republic of Ireland and Northern Ireland.

To make a SEPA payment in a Bank of Ireland branch in the Republic of Ireland and Northern Ireland:

Request a payment transfer form.

Indicate on the form, in the space provided, that a SEPA payment is required.

Provide the International Bank Account Number (IBAN) and the Bank Identifier Code (BIC) for the person you are making the payment to.

Charges must be shared between you (the sender) and the person that you are sending the money to (the beneficiary) so you need indicate this on the form in the area provided.

### **Business Online**

To make a SEPA Credit Transfer on Business on Line you need to;

Select Payments / Cross Border / Third Party Payment.

Select the Sundry (incl. SEPA) option in Destination country.

Provide the International Bank Account Number (IBAN) and the Bank Identifier Code (BIC) for the person you are making the payment to.

Charges must be shared between you (the sender) and the person that you are sending the money to (the beneficiary) so you will need to set the Foreign Bank charges to 'Beneficiary' and the BOI charges to 'Sender'.

For further information on how to make a SEPA payment on Business On Line please see the Business On-Line website [www.boi-bol.com](http://www.boi-bol.com) Alternatively you can call the BOL Helpdesk on:

1890 818 265 (ROI)

0845 309 8123 (NI)

0845 309 8124 (UK)

International Customers + 353 1 4606 445

### **Banking 365**

There is no specific action required by you to create a SEPA payment on Banking 365. An international euro payment made through Banking 365 to a SEPA ready bank, within a SEPA country will be sent from BOI as a SEPA payment.



## What SEPA Services can I currently avail of with Bank of Ireland?

### SEPA Credit Transfer

Bank of Ireland customers can make and receive SEPA Credit Transfer payments via the following three BOI payment 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)

### SEPA Direct Debit

The SEPA Direct Debit product offering is due for launch by the European banking industry in November 2009.

### SEPA Cards

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.

## What is meant by BIC and IBAN?

### BIC

BIC (Bank Identifier code) can also be referred to as a SWIFT address. A BIC is a unique identification code assigned for a particular bank. It is an industry recognised standard and should be used on all international payments.

### IBAN

IBAN stands for International Bank Account Number. An IBAN is not a new account number, but simply a new format for an existing bank account number that will be recognised internationally. It has been developed by the European Committee for Banking Standards to improve the efficiency of cross-border payments with regard to speed, quality and cost.

The IBAN has been introduced in Europe to facilitate the automatic processing of cross-border payments. IBANs include all the necessary details for a receiving bank to apply the payment directly to a beneficiary's bank account without any manual intervention. An IBAN contains information relating to the country, bank and branch of the beneficiary as well as the account number itself.

A comparison with a telephone number can help illustrate this. For local calls the basic phone number is sufficient, for international calls the country and area code are required. Similarly with payments, the basic account number can be used domestically, but the IBAN should be used for international payments.