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PRESS RELEASE

ECB PUBLISHES FIRST SEPA MIGRATION REPORT AND WARNS AGAINST RISKS OF LATE MIGRATION

The European Central Bank (ECB) has today published its first Report on the Migration towards the Single Euro Payments Area (SEPA), which describes the state of play of the migration process in euro area countries towards the creation of a single market for credit transfers and direct debits in euro across Europe, and provides guidance on the management of the transition process.

The SEPA Migration End-date Regulationⁱ established 1 February 2014 as the deadline for the euro area migration to SEPA credit transfers and SEPA direct debits. The project is therefore entering a critical stage. End-users such as public administrations and businesses, large and small, have less than 11 months to ensure that their payment orders are made according to the SEPA payment instruments so that they are not refused by payment service providers.ⁱⁱ

The report shows that most corporations have already completed the planning phase and know what SEPA will mean for them in practical terms. However, when it comes to the actual implementation, a number of companies have adopted very late internal deadlines, even as far as to the end of 2013. This is a source of concern in particular when it comes to the migration to the SEPA direct debit scheme. More worryingly, Small and Medium Enterprises' (SMEs) and local public administrations' awareness of SEPA is still fragmented and the level of preparedness is rather poor.

Late migration is highly undesirable in projects like SEPA, where many technical details need to be reflected in end-users' back-office systems and internal processes. In some cases, companies could even face the risk of some level of disruption in their handling of payment orders. Therefore, the Eurosystem strongly advocates that all stakeholders, including "big billers", public administrations and SMEs, migrate at the earliest stage possible, preferably by the third quarter of 2013 at the latest, in order to avoid risks which could impact the wider supply chain and would put the SEPA migration at risk. To avoid such risks, payment service providers

should make customer servicing channels ready for SEPA transactions as soon as possible (and no later than the second quarter of 2013), and should also devote sufficient resources to familiarise end-users with technical, business and contractual issues related to migration to the SEPA schemes.

While the process is technical in nature, it has a direct bearing on the successful integration of the payments market in euro, which will facilitate trade, increases competition and innovation, fosters financial integration and is a key element in the completion of the monetary union.

“Adapting to SEPA involves adjusting a lot of technical and business procedures over a limited period of time. Projects of this kind should not be left to the last moment,” said Benoît Cœuré, Member of the Executive Board of the ECB. “I hope that all stakeholders will take migration to SEPA Payment instruments as a top priority.”

The report is available on the ECB’s website at www.ecb.europa.eu.

ⁱ Regulation (EU) 260/2012 of the European Parliament and of the Council of 14 March 2012

ⁱⁱ In line with Regulation (EU) 260/2012 of the European Parliament and of the Council of 14 March 2012

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