

2013 Eurosystem reference criteria for SEPA compliance of infrastructures

The Eurosystem supports the creation of the Single Euro Payments Area (SEPA), which enables retail payments in euro to be made throughout the euro area under the same basic conditions from a single account, regardless of its location. Retail payment infrastructures play an important role in achieving the objectives of SEPA.

The Eurosystem has defined four criteria that retail payment infrastructures should fulfil in order to be considered SEPA-compliant in the view of the Eurosystem. The criteria represent the Eurosystem's long-term vision for

- a. the processing of payments,
- b. interoperability among infrastructures,
- c. reachability and
- d. choice for SEPA scheme participants.

The requirements refer to core clearing and settlement services.

The criteria take into account SEPA-relevant developments in the infrastructure market and in the regulatory environment. The Eurosystem will continue to monitor the development of the market towards full SEPA compliance.

Criterion 1 – Processing capabilities

Infrastructures – and intra-group and intra-bank clearing and settlement arrangements – are obliged to process SEPA credit transfers (SCTs) and/or SEPA direct debits (SDDs) in accordance with Regulation (EU) No 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro. To promote SEPA implementation, the Eurosystem expects infrastructures to fulfil the requirements of the relevant version of the European Payments Council's SCT Rulebook and/or SDD Rulebook and the accompanying Implementation Guidelines.

To enhance market transparency, the Eurosystem would welcome the publication of information by infrastructures on (a) any rulebook options and (b) any additional SCT and SDD-related services (e.g. Additional Optional Services) that they offer, and whether or not these additional services are registered with the European Payments Council.

Furthermore, the Eurosystem would welcome the provision of information by infrastructures on any conversion services that they offer, including IBAN/BIC conversion services and/or routing services in an IBAN-only environment.

Adequate testing facilities are expected to be provided to existing and new participants.

Criterion 2 – Interoperability

Infrastructures are obliged to comply with Article 4.2 (on interoperability) of Regulation (EU) No 260/2012. The Eurosystem understands interoperability to refer to a set of technical and business procedures that enables the clearing and/or settlement of SEPA payments between two SEPA scheme participants that participate in two different infrastructures. In SEPA, it should be sufficient for a SEPA scheme participant to be a participant in one SEPA-compliant infrastructure without also having to be a direct or indirect participant in another one.

It is acknowledged that interoperability can be established on the basis of direct and indirect links between infrastructures, provided that this does not entail double participation obligations for payment service providers.

A direct link between retail payment systems implies that no intermediary exists between them. In practice, the EACHA (European Automated Clearing House Association) interoperability model follows this set-up.

In an indirect link between two retail payment systems, a third entity (generally a commercial bank or a central bank) intermediates between the two retail payment systems. In practice, the EBA Clearing STEP2 model follows this set-up.

To promote SEPA implementation, the Eurosystem expects infrastructures to adopt mutually or multilaterally agreed interoperability rules (e.g. interface specifications and other relevant procedures for the clearing and/or settlement of SCTs and/or SDDs between infrastructures). No participation or registration obligations should be imposed on users of other infrastructures. To enhance market transparency, the Eurosystem would welcome the provision of information by infrastructures on their active links.

Criterion 3 – Reachability

To promote SEPA implementation, infrastructures are expected to provide full reachability for SEPA scheme participants, i.e. they should be able to send/receive euro payments to/from all SEPA scheme participants in the euro area. Reachability can be achieved either through direct or indirect participants or through interoperability (see criterion 2) among infrastructures. Infrastructures are expected to establish and maintain appropriate routing databases/tables.

Criterion 4 – Choice for SEPA scheme participants

To promote SEPA implementation, infrastructures are expected to enable SEPA scheme participants to make infrastructure choices based on service and price. Consequently, infrastructures should neither apply undue access restrictions, nor impose obligations on users to process certain types of payment in a specific infrastructure or via proprietary standards. Furthermore, the transparency of the pricing/fee structure of core services is desirable.