



**COUNCIL OF
THE EUROPEAN UNION**



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PRESSE 8

SEPA: Council adopts regulation on credit transfers and direct debits

The Council today¹ adopted a regulation setting technical and business requirements for credit transfers and direct debit transactions in euros ([6574/12](#) + [ADD 1](#) + [PECONS 76/11](#)).

The regulation constitutes a key element of SEPA – the single euro payments area – an EU-wide integrated market for credit transfers and direct debits with no distinction between national and cross-border payments. Adoption of the regulation follows agreement reached with the European Parliament in first reading on 14 December.

The payments industry has committed itself to SEPA, creating the conditions for increased competition, economies of scale and a downward pressure on prices, whilst ensuring continued security and reliability for users.

SEPA was originally conceived as a market-driven project, but slow migration from national payment instruments to EU-wide instruments has led stakeholders to consider it necessary for a legally binding end-date to be established.

The regulation accordingly sets a migration end-date for credit transfers and direct debits, introducing common standards and general technical requirements. It will also contribute to the simplification of payment processes.

For consumers, standardised cross-border payments will remove the need to maintain accounts in different countries. For payment service providers and payment processors, economies of scale and common standards will make payments more efficient.

¹ The decision was taken without discussion at a meeting of the General Affairs Council.

P R E S S

The regulation sets 1 February 2014 as the migration deadline for credit transfers and (in respect of most requirements) for direct debits. It phases out multilateral interchange fees (MIFs), which currently may apply to direct debit transactions in certain member states, by 1 February 2017 for national payments. It also phases out, at the latest by 1 February 2016, the requirement to provide the business identifier code (BIC), with only the IBAN remaining as the account identifier for cross-border and national payments.

Covering all credit transfer and direct debit transactions in euros within the EU, the regulation does not affect payment card transactions, money remittance and electronic payment transactions more generally. Common standards for card payments are still under development.

