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Banking industry on course for SEPA - External factors must not put implementation at risk

Berlin, 14 December 2006 - The leading associations of the German banking industry represented in the Zentraler Kreditausschuss (ZKA) support the creation of the "Single Euro Payments Area" (SEPA). The German banks and savings banks are currently racing to complete the required implementation measures in order to make the new European payment instruments available to their customers on time at the beginning of 2008.

In addition to the planned SEPA process in the card business and for electronic bank transfers, the new European direct debit scheme (SDD) will also be technically supported by German banks beginning in January 2008. However, the prerequisite for the introduction of the European direct debit instrument is the timely pan-European implementation of the planned EU directive on payment services in the internal market (Payment Service Directive – PSD). Without uniform regulations - such as those for authorisation, revocation and refund of direct debit transactions - the new direct debit scheme (SDD) cannot be used.

European legislators are therefore urgently requested not to endanger the process of creating the SEPA, upon which the legislators themselves insisted, by further delaying the consultations on the draft of the EU directive. Rather, they should ensure that the directive is passed quickly. The changes decided by the Committee on Economic and Monetary Affairs (ECON) of the European Parliament on September 12, 2006 should serve as the basis for further Council negotiations. From the point of view of the German banking industry, these changes considerably improve the quality of the planned regulations. In contrast, the suggested changes to the draft directive currently being discussed in the Council negotiations contravene the agreement made in the European Parliament and threaten to make direct debit transactions impossible to use.

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In the end, the success of the SEPA will depend on the extent to which the customers use the new European payment instruments. In order to achieve the widest possible use of the SEPA products, the support of the largest presenters of payment transactions, such as the public sector, is absolutely essential. The Zentraler Kreditausschuss has noted with concern the most recent public statements, according to which the public sector in Germany, but in other EU member states as well, does not intend to use the SEPA procedures itself in the early stages. From the point of view of the banking industry, it is incomprehensible that on the one hand political demands are made requiring the completion of the EU internal market with the SEPA, while on the other hand the public institutions are not making any preparations to use the SEPA procedures.

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