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Press Release

Single Euro Payments Area: EACT favours setting an end date for SEPA Credit Transfer

EACT strongly emphasizes that the completion of SEPA is a prerequisite to an efficient working capital management in corporates, opening the door to cross border end-to-end straight through processing.

Corporate treasurers, like other stakeholders, have been invited by the European Payments Council in a Customers Stakeholders Forum to review and enhance the SEPA rulebooks developed by the banks during the past years. SEPA Credit Transfer seems to be at the time the only mature instrument almost satisfying all stakeholders.

In order to achieve a more efficient and transparent payments landscape, EACT recognizes the need to agree with all market participants on a deadline by which the legacy systems will be deactivated. This will enable all stakeholders a proper, harmonized and meaningful migration planning. As there are only a few but none the less important enhancements needed to make the SCT an attractive payment instrument for the corporate treasurers (see the notes for Editors), the EACT proposes to commit to an end date linked to the solution of the issues indicated by EACT, their incorporation in a future SCT Rulebook, and the market availability of the SCT features requested.

To ensure sufficient time for controlling the risk and cost of the transition to SCT, a 24 month period after the rulebook availability and an 18 month period after market availability is necessary.



In order to make a smooth transition, EACT strongly recommends that the switch takes place anytime between March and September in order to avoid year-end complications.

Olivier Brissaud, the EACT board member in charge of European Affairs, has played an active part as co-chair of the European Payments Council's Customer Stakeholders Forum. Olivier Brissaud said: "It is vital that introduction of the SEPA Credit Transfer takes place at an agreed date and only after the EPC has completed its rulebook and the banking market has fully addressed the outstanding questions. Failure to resolve these remaining issues will create unacceptable risks and costs for the corporate community".

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Note for Editors

EACT has identified the following enhancements to the SCT Rulebooks:

1. "Same Day Value" payments and "Guaranteed value date to beneficiary"
2. "Optional" BIC codes
3. Standard Bank Reporting of SEPA data
4. ISO and non-ISO 140 chars EACT Remittance information
5. Check Unique Entity Identifier (UEI) of beneficiary *



6. Report “Requested Execution Date” and remove semantic confusion
7. SEPA Banks agree to an end-date to accept ISO 20022 Payment Initiation messages.

NOTES: all seven points are in EPC’s remit.

***Point N. 5 requires an additional explanation.**

A Unique Entity Identifier (UEI) is a long-standing request of the EACT. In SEPA, a code is needed to identify creditors of SDD and, we maintain, all account owners. This code should be an “international” one. ISO will soon examine a proposal in this sense.

EACT request to the EPC is an AOS allowing banks to credit an SCT to an account based on the IBAN **and** the UEI, if this item is present in the payment order. No change is required in the SCT format (the field is already provided in the message).