



EUROPEAN CENTRAL BANK  
EUROSYSTEM

# SEPA for cards

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# SEPA project – the ECB's role

- In SEPA, **euro payments are considered domestic** and made with one set of payment instruments.
- **ECB mandate:** smooth operation of payment systems.
- SEPA defined as the **area within Europe where customers can make and receive payments in euro** ⇒ also for the UK payments market the SEPA project is setting the scene.

# SEPA benefits

- Significant contribution to **the Lisbon agenda**.
- SEPA migration will be a **challenge, especially for banks: will significantly reduce their costs, but face increased competition**. Opportunity for new, value-added services.
- Significant **cost efficiency gains** if **payment processing** is consolidated across borders.

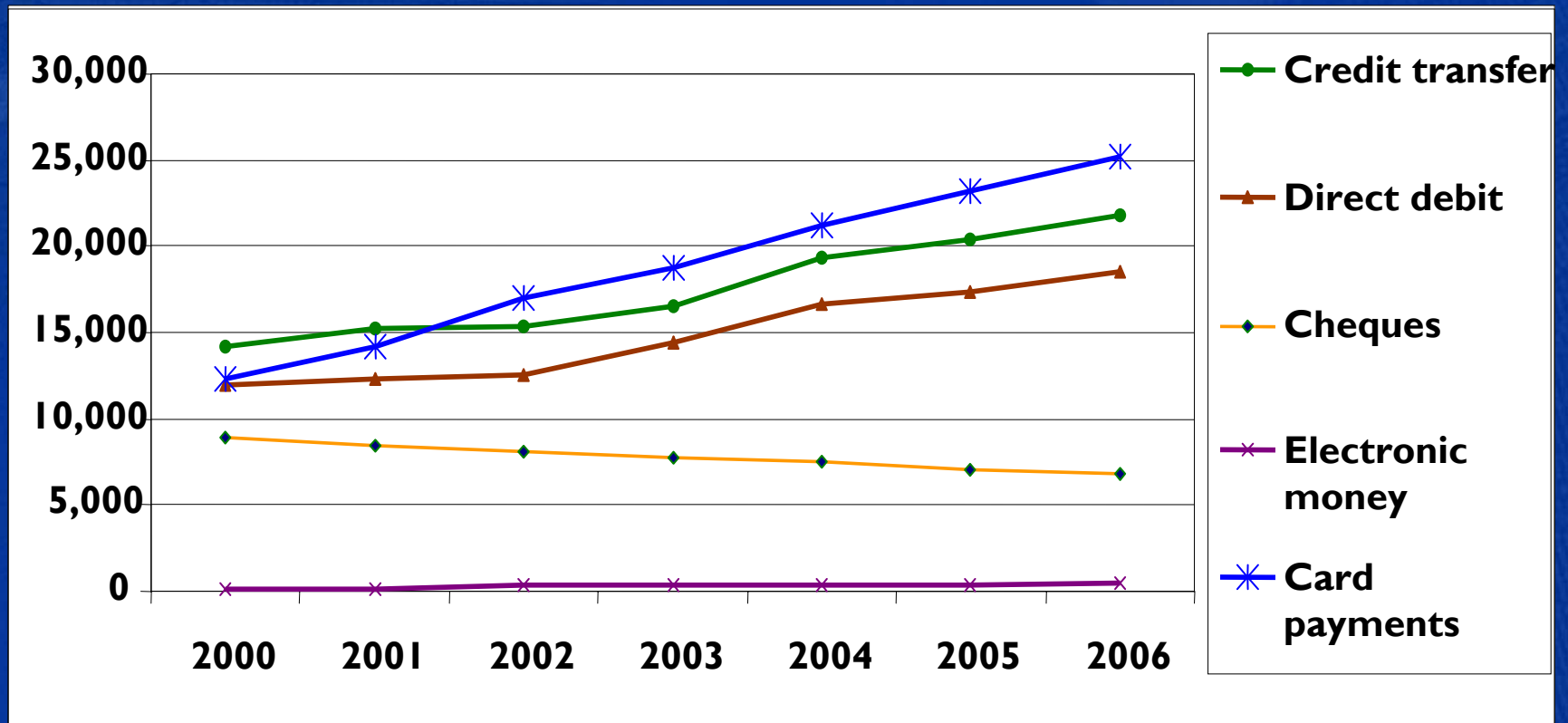


# SEPA – current status

- **SEPA launch is a reality.** The Eurosystem welcomes that the actual use of the SCT has started.
- **Big efforts** made by the European banking community in setting up and starting the scheme.

# Cards and SEPA

## Growth potential



Card payments experienced the highest growth and have become the most used payment instrument- over 25 billion payments per year.

# Benefits of SEPA for cards

- Standardisation, integration, competition. Increased choice for consumers, banks, retailers and infrastructures.
- Benefits to be fully reaped only if the card market is a competitive with some variety  $\Rightarrow$  need of constructive effort.
- International schemes have certainly a role to play in the market.

# Ongoing initiatives

- EAPS
- Payfair
- Monnet

Represent very diverse approaches, all supported by the ECB.



# Benefits of additional European scheme(s)

- Opportunity to substitute cash by cards, through wider acceptance.
- Additional European card scheme(s) needed to foster a competitive, cost-efficient cards market.



# Concluding remarks

- Challenges need to be tackled.
- ECB stands ready to support the process.
- Additional European scheme(s): a matter of commitment.