

Reply form for the Consultation on possible end-date(s) for SEPA migration

Response by Sveriges Riksbank to the Consultation on possible end-date(s) for SEPA migration, August 2009					
Question no.	Questions	Possible answers	Stakeholder's short answer	Indications	Stakeholder's detailed answer
1	Do you think that under current circumstances there is a need to support SEPA migration by setting (a) deadline(s) for migration to SCT and SDD? Do you consider certain preconditions should be met for setting such (a) deadline(s)?	a) yes, there is a need to set (a) deadline(s) to SEPA migration b) yes, but under certain conditions c) no	a) yes, there is a need to set deadlines for SEPA migration.		Given that relevant legislation is in place and that adequate time for implementation is given, a deadline for SEPA migration would be beneficial. There is a need of a deadline for SEPA migration to speed up the process and achieve a migration that brings the full benefits of SEPA. The amount of time allowed for implementation should be limited, three years after the relevant legislation has been completed should be feasible. In setting the deadline, it is necessary to consider that SCT started one and a half years ago unlike SDD that will start this autumn, therefore various deadlines should be applied.
2	How much time would be needed to budget and implement technically SEPA migration? What is the anticipated impact of SEPA migration on your organisation/business (eg. on your IT systems, organisation, human resources, communication, or any other area)?			Please provide quantitative and financial analysis if available.	The Riksbank would like to leave this question open for EMU countries to answer.
3	What deadline(s) would you see as feasible for the replacement of legacy euro credit transfers and direct debits by SCT and SDD?				One year for SCT and three years for SDD.

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4	Do you think (a) migration end-date(s) should cover only standards (ie. the account identifiers and the payment format to be used) or the schemes' rules as well?	a) only standards b) also the schemes rules c) other (please specify)	b) also the schemes rules.	Please explain why.	There are big advantages to ensuring that it covers both the standards and schemes' rules. There is a risk to hamper the process if only certain parts are covered.
5	Do you think (a) migration end-date(s) should cover only interbank space (ie. bank/bank and bank/infrastructure communication) or the complete end-to-end payment chain (including customer/bank communication)?	a) the interbank space b) the complete end-to-end payment chain c) other (please specify)	b) the complete end-to-end payment chain.	Please explain why.	The entire chain should be covered in order to gain the full benefits of SEPA. The major advantage of standardized payments is that the market benefits from a complete straight through process. However, it should always be possible to attach value added services to the scheme.
6	Do you consider that setting (a) migration end-date(s) should imply that all legacy payments migrate to SEPA payments or could some products be maintained or developed on the market besides the SEPA products?	a) all payments should migrate to SEPA products b) 'niche' products could remain - or be developed - on the market c) other	a) all payments should migrate to SEPA products.	Please explain why and specify the conditions which would have to be met by such products.	<p>Preferably there should be no products on the market besides the SEPA products. However, it should be possible to adapt on-us (intra-bank) transactions to the individual operator's needs so they should not be regulated. Value added services should also be allowed to be added to the scheme, through bilateral agreements and not necessarily as an AOS.</p> <p>It is important to leave room for innovative products, as for example E-invoices and M-payments, to facilitate market evolution. It will always be necessary to balance the benefits of regulation and the risk of hampering new innovative products.</p>

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7	Do you think there should be a single end-date for SCT and SDD migration or two separate migration end-dates?	a) a single end-date for SCT and SDD migration b) two separate end-dates for SCT and SDD migration	b) two separate end-dates for SCT and SDD migration.	Please explain why.	SCT has been in operation for one and a half years unlike SDD that will start this autumn, therefore various deadlines should be applied.
8	What do you think the best approach would be regarding the territorial scope of (a) migration end-date(s)?	a) different national end-dates b) a single EU end-date c) a single EU end-date but with flexibility to set an earlier end-date at national level d) a phased approach e) other	c) a single EU end-date but with flexibility to set an earlier end-date at national level.	Please explain why and specify your answer for d), and e).	There is a big advantage to making sure that every EU-country strives towards a single EU end-date. However, a country that already has a setup for payments according to SEPA should not be delayed by other countries that need more time.
9	Do you think that the migration end-date(s) should be the same for euro payments in euro area countries and in non-euro area countries or that there should be different migration end-dates?	a) same end-date(s) for euro area and non-euro area countries b) different end-date(s) for euro area and non-euro area countries	a) same end-dates for euro area and non-euro area countries.	Please explain why.	The basic aim is that every European country should apply the same end dates. However, SDD is a new product, which may not be developed in non-euro countries. Therefore, the migration end-date should be different or even not cover non-euro countries.

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10	If (a) migration end-date(s) was (were) to be established, should this be done by self-regulation or by regulation?	a) pure self-regulation b) regulation c) intermediate solution (self-regulation with political endorsement)	b) regulation.	Please explain why and elaborate on the modalities for each answer (eg. if b) who should be the regulating body).	Self regulation has been applied for SCT but the migration process has been slow. For that reason, there is a need to regulate an end-date to ensure a complete migration throughout Europe. The regulation should allow the banking sector and other stakeholders to migrate before the stated end-date. Therefore, EU-regulation should be applied as this type of regulation has the greatest impact and also includes non-euro countries.
11	Do you think that some criteria (such as critical mass) should first be followed before setting any migration end-date(s)?			If yes, please explain why and elaborate on these criteria.	No criteria, There is a risk that this becomes a way to postpone the process.

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	Name of the respondent				Sveriges Riksbank
	Geographical scope of action				National
	Type of stakeholder	a) payment service provider b) technical provider c) public authority d) corporate e) merchant f) SME g) consumer h) national SEPA coordination committee i) other (please specify)	c) public authority		National Central Bank
	Volume of payments that you handle or represent			Please provide an answer in euros.	
					Sveriges Riksbank Magnus Georgsson Acting Head of Financial Stability Department