



## Post 2010

Life in the The Single European Payments Area

## Common Wholesale & High Value Clearing - Target

National Payments System

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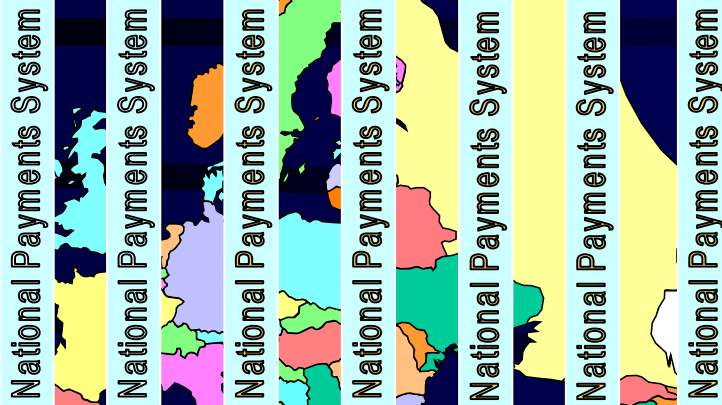
Common € Currency

### 2005 - Pre SEPA

- Common Currency across EU 15
- Common high value payments system
- However, retail payments systems remain in national 'silos':
  - The exchange of payments between national payment systems is 'manual' and 'costly'

# The Road to 2011

## Common Wholesale & High Value Clearing - Target



Common € Currency

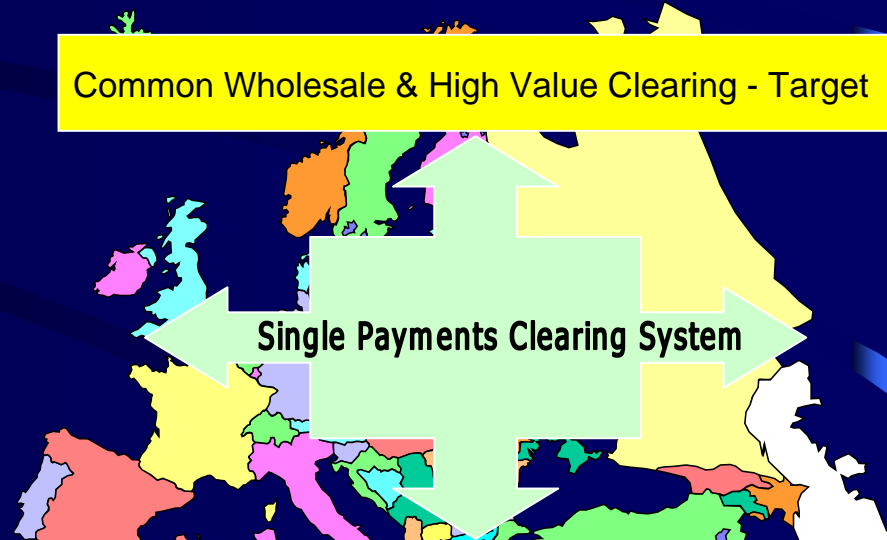
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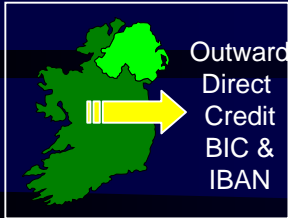
### 2011 - SEPA

- Common Currency across EU 15
- Common high value payments system
- Retail payments operate across a single European clearing structure:
  - Common standards
  - Multiple interoperable systems provided

## Common Wholesale & High Value Clearing - Target



Common € Currency

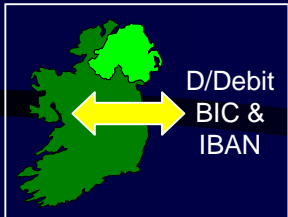


### Cross Border Credits

A non-national worker can have (Irish) salary credited directly to overseas bank account

- Banks must route payments direct to beneficiary account bank
- Employers can expect their Salary to post anywhere across Europe

**No additional cost, no additional effort**

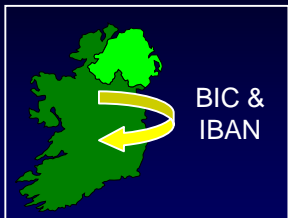


### Cross Border Direct Debits

EU utility may issue Direct Debits on Irish Bank a/c

- Irish Bank A/c holder with foreign property & maintenance contract
- Irish bank A/c holder may buy insurance direct from EU Insurer in Germany
- German insurer must be able to 'access' Irish A/c by Direct Debit

**No additional cost, no additional effort**



### Domestic Payments

Irish Bank A/c customers will use SEPA standard (BIC & IBAN) for domestic payments, enabled by the Irish Banking system

**No additional cost, no additional effort**

# SEPA - Inevitability or Myth?



European Parliament, Brussels, Belgium



**'Payments inside SEPA will be made as easily, safely, efficiently and inexpensively as (currently) within National borders'**

*Gertrude Tumpell Gugerell - ECB - December 2004*



# Aspects of Change

- Infrastructure integration
- Standards Uniformity
- Common schemes

# Are we there yet?

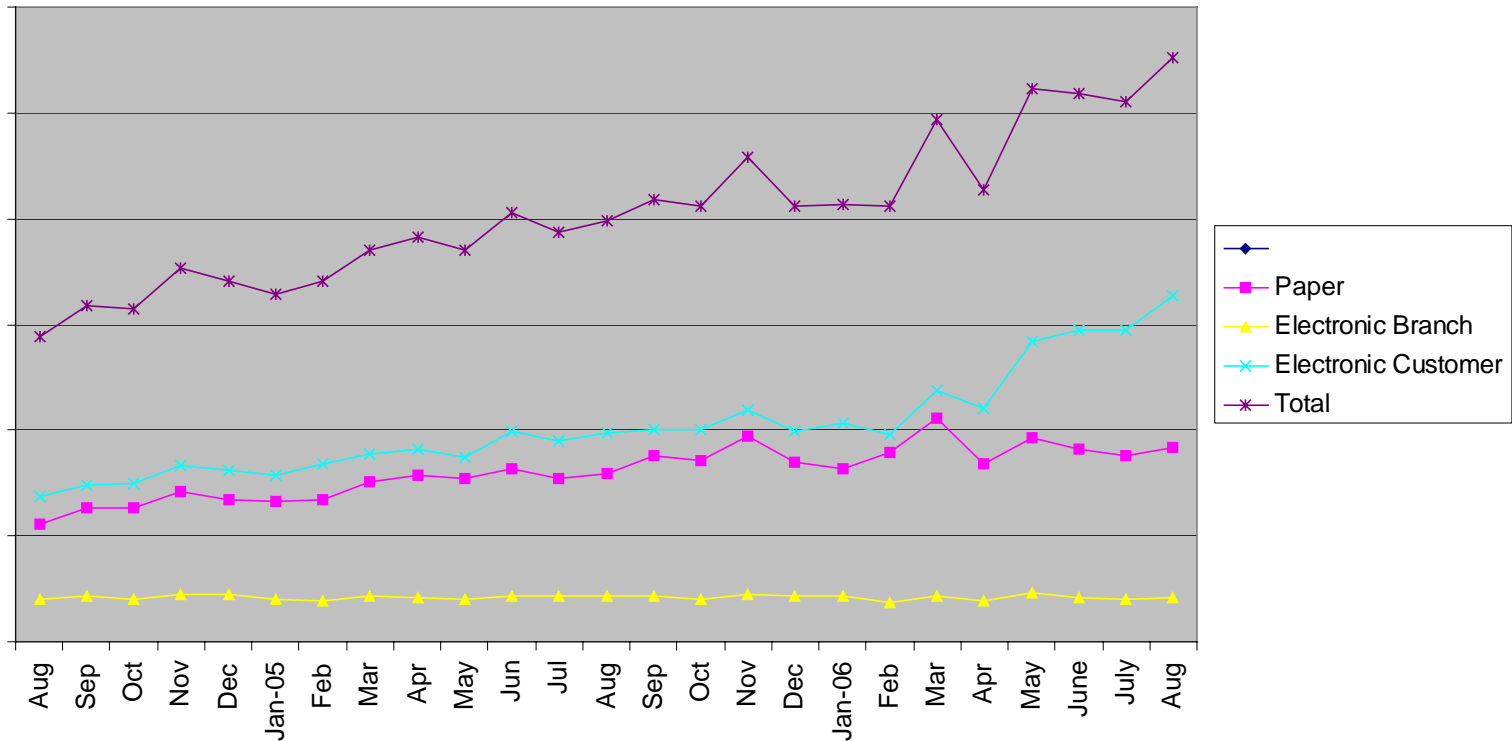


# Are we there yet?

Use of Cashless Payment Instruments (Number per inhabitant)						
	Credit Transfers	Credit & Debit Card	Direct Debits	Cheques	Card based e-Money	Total
<b>EU Average</b>	43	49	38	20.2	1.2	150
<b>Ireland</b>	10	38	10	18.7	n/a	76
<b>UK</b>	37	87	41	37.9	n/a	203
<b>Germany</b>	69	27	64	1.6	0.5	162
<b>Spain</b>	15	27	34	4.3	0.03	80
<b>France</b>	42	71	38	64	0.29	215
<b>Italy</b>	18	17	12	8.7	n/a	56
<b>Finland</b>	109	106	12	0.2	0.2	227

Source: ECB Blue Book – August 2005

# Positive Signs





# Collective Effort

- Financial Industry Players
- Organs of the State
- Retail Sector



Thank You