



EUROPEAN CENTRAL BANK

EUROSYSTEM

[ECB-Unrestricted]

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Access to basic accounts and payment services in the EU

Financial Inclusion Conference

3 – 4 June 2014

Istanbul

*Disclaimer

The views expressed in this presentation are those of the speaker and do not necessarily reflect those of the European Central Bank.

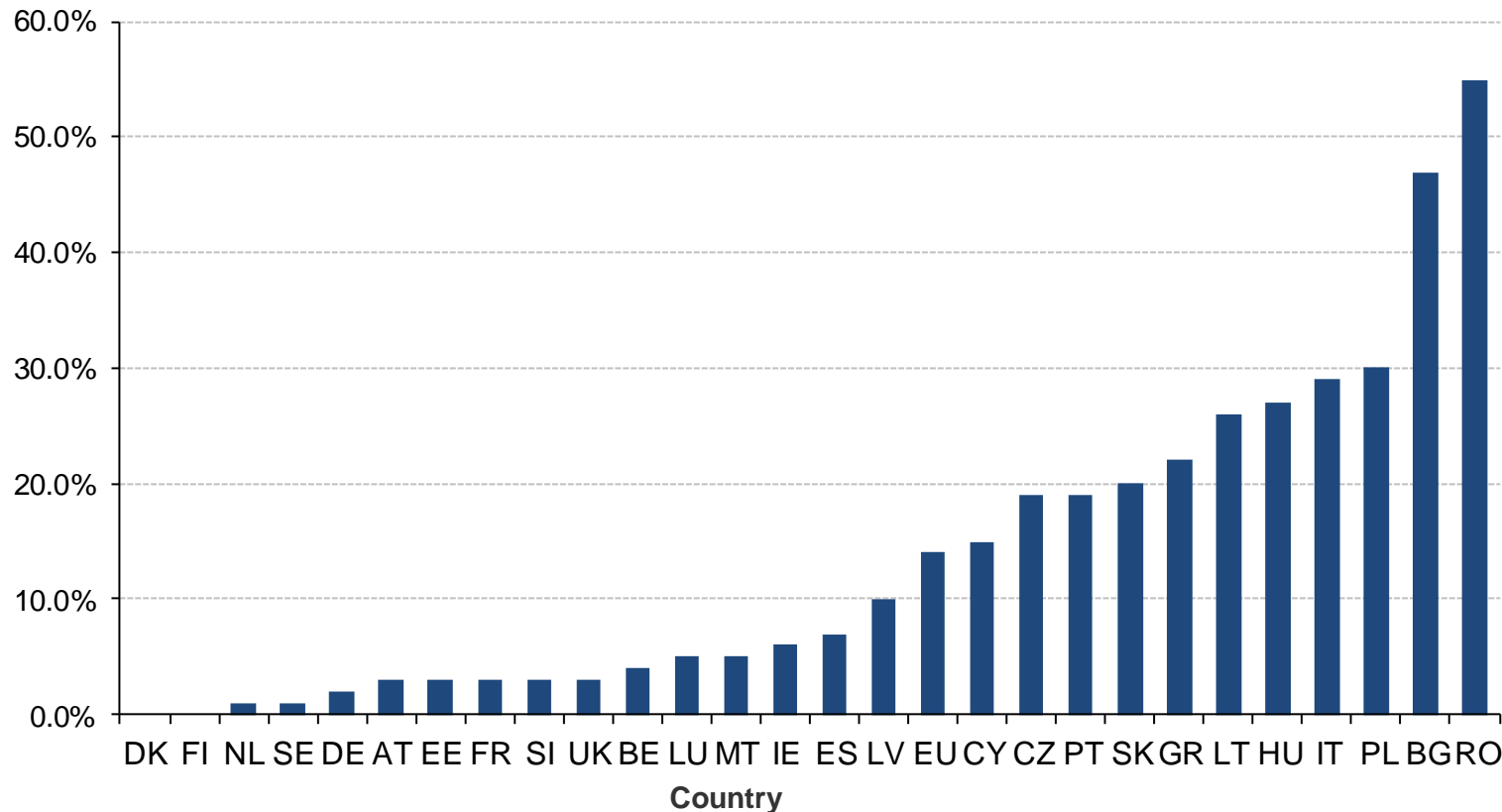
Overview

- Part 1: EU legislation on access to a basic payment account
- Part 2: Facilitating financial inclusion through
 - a) The support and provision of payments systems infrastructure;
 - b) Acting as a catalyst for integration and innovation of the European retail payments market.

Directive on Payment Accounts

- Access to payment accounts
- Comparability of account fees
- Payment account switching

Consumers without a payment account in the EU



Source: Measuring Financial Inclusion, The Global Findex Database, World Bank, April 2012.

Facilitating financial inclusion

- Support and provision of payments systems infrastructure;
- Acting as a catalyst for integration and innovation of the European retail payments market.

Single Euro Payments Area (SEPA)

- harmonises the way Europeans make euro payments in 34 countries.

To achieve this,

- a common set of **payment instruments** was developed,
- together with common **standards**,
- and a **legal basis** for making payments across Europe fast, efficient and safe.

Summary

- In the EU, the right to have access to a basic account has been legislated by the EC (Parliament approval in 2014, Directive to be transposed into national law)

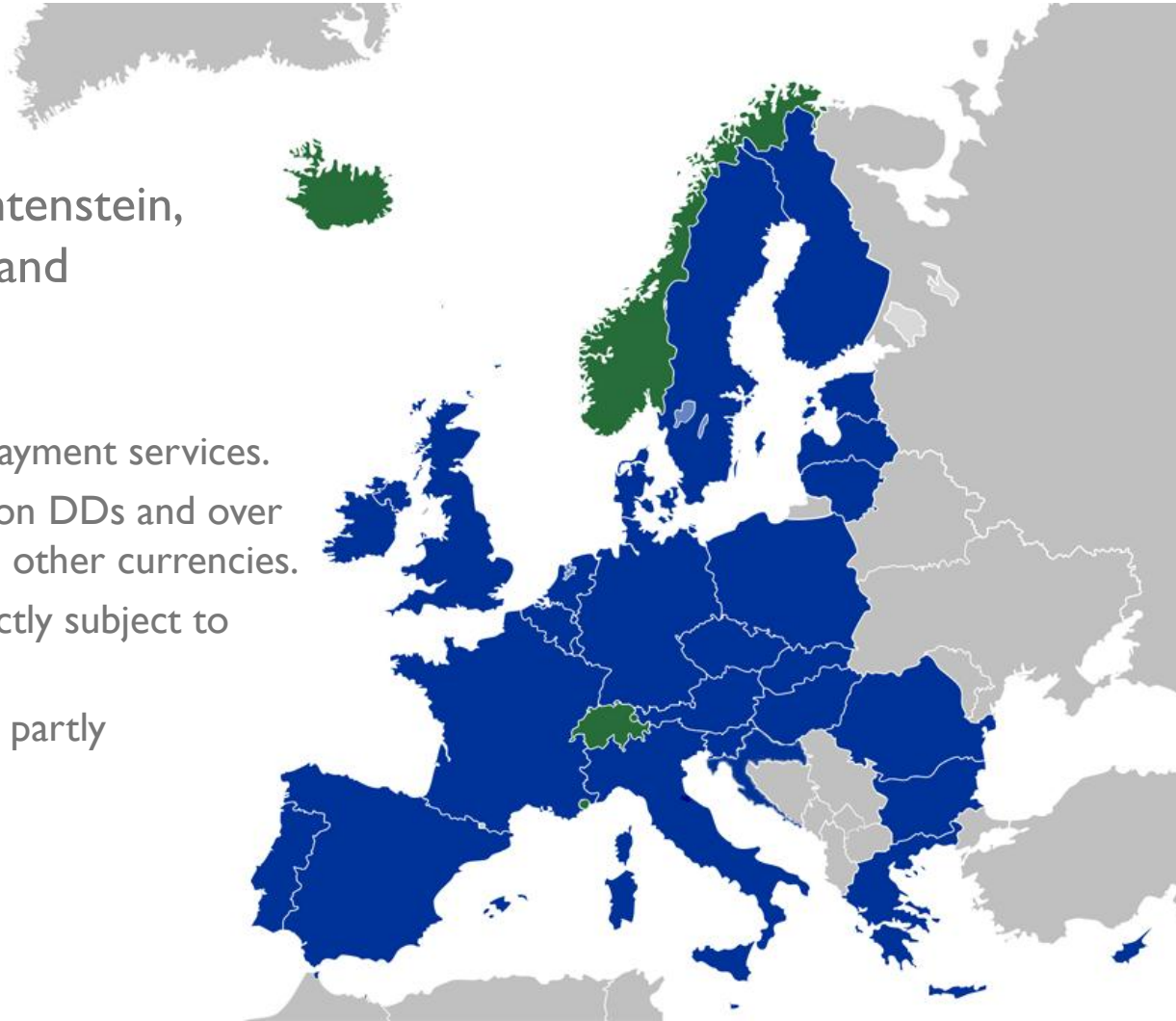
In the field of payments, the ECB contributes to financial inclusion through

- The support and provision of payments systems infrastructure (TARGET 2);
- Acting as a catalyst for integration and innovation of the European retail payments market.

34 SEPA Countries

SEPA = EU-28 + Iceland, Liechtenstein, Monaco, Norway, San Marino and Switzerland

- 523 million inhabitants.
- Around 9,300 institutions offer payment services.
- Over 26 billion CTs, over 22 billion DDs and over 39 billion card payments in € and other currencies.
- All EU payments in euro are directly subject to SEPA provisions.
- Payments in other currencies are partly affected.



SEPA PAYMENT INSTRUMENTS

SEPA credit transfer

provides customers with a single means of transferring funds, regardless of whether it's within a single country or involves a cross-border payment.

SEPA direct debit

makes it possible, for the first time, to charge directly an account in one European country for services provided by a company based in another country.

SEPA for cards

“any card at any terminal”

SEPA STANDARDS

- IBAN
- BIC: until 1 Feb. 2016 (cross-border SEPA payments)
- ISO20022 XML
- Payment cards: migration from magnetic stripe to EMV chip
- Standards for payment cards and terminals

IBAN – International Bank Account Number

- ISO standard
- maximum: **34 digits**
 - 2 digits country code
 - 2 digits check digit
 - maximum: 30 digits account identification
→ country specific

IBAN structure: example



BIC – Business Identifier Code

- ISO standard
- maximum: **11 digits**
 - 4 digits institution code
 - 2 digits country code
 - 2 digits location code
 - 3 digits branch code (optional)

Legal Provisions

- **Regulation 260/2012** establishing EU-wide requirements for credit transfers and direct debits in euro
 - Sets end dates for migrating credit transfers and direct debits in euro
 - Amendment proposal for euro area countries: transition phase ending on 1 August 2014
- **Regulation 924/2009** on euro-denominated cross-border payments and direct debits (replacing Regulation 2560/2001)
 - Eliminates the differences in charges for cross-border and national payments in euro
 - Applies to payments in euro, in all EU Member States
 - Principle: charges for payment transactions in euro have to be the same whether the payment is a national or cross-border payment
- **Payment Services Directive 2007/64** (under review)
 - Harmonised terms and conditions
 - Harmonised transparency and information requirements
 - New category of service providers: payment institutions