

Subject: Dutch SEPA Consultative Platform's response to public end date consultation EC

The Consultative Platform SEPA in the Netherlands (Afstemgroep SEPA Nederland) gives the following reaction to the public consultation on the Commission's Working paper on SEPA Migration end date of 2 June 2010. See Annex for the list of participants. Dutch community's reaction consists of a section with general core comments and suggestions and a section containing more specific comments on details and/or text.

1. General comments

Dutch community welcomes a regulated end date

The Consultative Platform SEPA in the Netherlands stresses the need for setting a legally binding end date for national credit transfer and direct debit products in Europe (EU-wide). Purely market driven migration turns out to be not an efficient way towards a fully integrated European payments market. A realistic end date will reduce migration cost and brings clearness to the market. We prefer a EU-regulation in stead of other legal instruments for reasons of speed and safeguarding full harmonisation.

A single end date will be the most efficient

The Dutch community wants to change-over to SEPA credit transfers and SEPA direct debits at the same time for reasons of efficiency and transparency. Separate end dates will be more costly (double adaptation and communication costs for both banks and businesses) and will not give the needed clarity for end users. Moreover a coordinated national communication campaign, essential to promote a smooth migration, will be both most effective and efficient if just one end date has to be communicated. A split between the phasing out of credit transfers and direct debits makes communication complex and more expensive.

No sooner than 2014

The Platform advises to set the end date for SEPA credit transfers and SEPA direct debits no sooner than 2014, in order to give all Dutch end users ample time to prepare a smooth migration. Mandatory change over in shorter notice will be less efficient as Dutch payment providers as well as Dutch businesses will not be able to combine the changes with the regular IT-investment cycles (3-5 years). In any case any end-date must provide at least 3 years for market participants to migrate to SEPA credit transfers. Although preliminary preparations are already made, a 3-year time cycle is needed to convert all businesses and consumers to use the new standards. We expect that the Commission underpins its proposed time period between the entry into force of a binding instrument and the actual end date cost/benefit analysis.

Essential requirements

Setting a legally binding end date is aimed at speeding up a user-friendly migration and establishes a competitive and innovative integrated European market for retail payments.

The mandatory standards and essential requirements should facilitate banks and payment institutions to develop and actively market attractive SEPA products and services meeting end-user needs, while offering users at least comparable levels of current prices, services, security and guarantees. The essential requirements should be defined in such a way that they allow for the application of the existing EPC schemes but without restricting flexibility and innovation. The essential requirements of the pan-European products should be defined in a neutral way. Maybe we can make a reference to the EPC rulebooks as a starting point in the Preamble of a draft regulation.

Communication on SEPA

The Dutch SEPA Consultative Platform's response to public end date consultation recommends adding a paragraph on SEPA-communication to stimulate market parties to speed up the communication on SEPA for the end users. End users feel the need for concrete and neutral information.

2. More specific comment

Reactions on specific elements (where applicable)

Scope (page 3)

- We agree that definitions should be in alignment with the PSD as much as possible.
- The definition ad c) is unclear and confusing. Try to avoid double negation and add some examples if possible.

Reachability, interoperability and facilitating measures (page 4)

- Where it is stated that payment systems should be interoperable it is assumed that this reflects the requirement that payment transactions in euro initiated by an account holder in one of the member states must be executed within the provisions of the PSD. Payment service providers offering payment services (i.e. participate in a payment system) can only be those parties which meet the requirements of the PSD.
- *Under Facilitating measures, first bullet*
Replace 'every time a credit transfer is requested' by 'to enable them to initiate the credit transfers'

End-dates, essential requirements, standards credit transfers, direct debits (page 5/6)

- *Delete:*
(e.g. one year after entry into force of a possible binding instrument).
(e.g. two years after entry into force of a possible binding instrument).
[e.g. 12 months after the date of the entry of the force of a possible binding instrument]
[e.g. 12 months after the date of the entry of the force of a possible binding instrument]

We assume that a concrete date (or dates) will be used in the final text for the Regulation. As stated earlier we would welcome a transition period of 3-5 years. This means that the binding end date could be in 2014 at the earliest.

Waiver for niche products (page 7)

- *Delete:*

[e.g. 36 months after the entry into force of the possible binding instrument]

We prefer that concrete dates are mentioned throughout the Regulation

- *Add as last sentence:*

A transition period for those legacy payment instruments which follow the essential requirements of a common scheme will be considered.

Payment account opening (page 8)

In the Netherlands provisions are already in place to offer a payment account to all.

Competent authorities and penalties (page 9)

As long as there is a level playing field across the whole of Europe, both in setting and enforcing, the rules are welcomed.

Annex: essential requirements (page 11-13)

- At the start of the regulation the essential requirements must be in line with the EPC Rulebooks. At present there are some differences which need to be aligned. For example remittance information, direct debit provisions, need to be aligned.

Glossary (page 12)

- Definitions should be in alignment with the PSD as much as possible.

Annex: Participants Consultative Platform SEPA in the Netherlands

The Consultative Platform SEPA in the Netherlands (Afstemgroep SEPA Nederland) has been established by the National Forum on the Payment System to promote a smooth migration to SEPA. The Platform monitors continuity, quality and cost efficiency of the Dutch SEPA migration project. Participants are:

- Association of Dutch Water Companies (Vewin)
- Association of Energy Producers, Traders and Retailers in the Netherlands (Energiened)
- Confederation of Netherlands Industry and Employers (VNO-NCW)
- Dutch Association of Catering Establishments (Koninklijke Horeca Nederland)
- Dutch Association of Corporate Treasurers (DACT)
- Dutch Association of Insurers (Verbond van Verzekeraars)
- Dutch Banking Association (Nederlandse Vereniging van Banken)
- Dutch Consumers' Association (Consumentenbond)
- Dutch Council of the chronically ill and the Disabled
(Chronisch zieken en Gehandicapten Raad Nederland)
- Dutch Home Shopping Organisation (Nederlandse Thuiswinkel Organisatie)
- Dutch Senior Citizens' Association (ANBO voor 50-plussers)
- Federation for the Visually Impaired (Viziris)
- Confederation of Netherlands Industry and Employers (VNO-NCW)
- User Platform for the Payment System (Gebruikers Platform Betalingsverkeer)
- Netherlands Petroleum Industry Association (VNPI)
- Netherlands Providers of Payment terminals (NLB)
- Royal Dutch Organization for Small- and Medium enterprises (MKB-Nederland)
- Organization of Dutch retailers (Detailhandel Nederland).
- SEPA Platform for the Public Sector