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## **PRESS RELEASE**

### **ECB AND OENB CALL FOR A FASTER IMPLEMENTATION OF THE SINGLE EURO PAYMENTS AREA**

During their joint conference, “The future of retail payments – opportunities and challenges”, representatives of the European Central Bank (ECB) and the Oesterreichische Nationalbank (OeNB) called on the financial services sector to speed up the implementation of the Single Euro Payments Area (SEPA). Gertrude Tumpel-Gugerell, Member of the Executive Board of the ECB, and Wolfgang Duchatczek, Vice Governor of the OeNB, both emphasised that the SEPA project is the logical consequence of the creation of the euro, and that only a prompt implementation of SEPA will help to achieve an integrated and competitive European market for cashless payments in euro.

Ms Tumpel-Gugerell stressed that given the slower than expected migration towards the new pan-European payment instruments – the SEPA credit transfer (SCT) and the SEPA direct debit (SDD) – joint action and increased effort is needed to finalise the transition. Therefore, the Eurosystem, comprising the ECB and all national central banks of the euro area, calls for concrete deadlines for this migration, i.e. the end of January 2013 for credit transfers and the end of January 2014 for direct debits.

Ms Tumpel-Gugerell indicated that retail payment solutions offered throughout SEPA must be easy to use and efficient, but also secure. Responsibility for the security of retail payments is shared by regulators, payment service providers, retailers and consumers. To reduce the possibility of fraud, the Eurosystem recommends that, within SEPA, payment cards are issued with only a chip and not with a magnetic stripe, since the latter is an easy target for fraudsters.

Ms Tumpel-Gugerell recalled the need for at least one additional European card scheme, which offers its service in competition with already existing international cards schemes. She also stressed the importance of innovative payment solutions, and called for the emergence of European online

e-payment services based on online banking, secure card payments on the internet and mobile payment solutions, all meeting consumers' and merchants' requirements.

Mr Duchatczek emphasised that for the implementation of an integrated payments market, joint and coordinated action by all stakeholders at the European level as well as in the individual SEPA communities is required. He confirmed that the implementation of SEPA is progressing well in Austria and that nearly all Austrian banks are able to initiate SEPA credit transfers and direct debits. In addition, owing to the decision of large companies to migrate early to SEPA direct debits, Austria is currently the country with the highest share of such transactions executed in the new SEPA format.

Mr Duchatczek supported the proposed EU regulation on SEPA migration end dates and highlighted the crucial role of communication. In this regard, he drew attention to an ongoing OeNB information campaign, as part of which experts from the OeNB visit all major cities in Austria to explain the implications of SEPA to the people there.

In view of the request to migrate to chip-only cards, Mr Duchatczek stressed that almost all point-of-sale terminals and automated teller machines in Austria are already capable of using "chip and PIN" for the authorisation of card transactions.

Lastly, Mr Duchatczek confirmed the establishment of a clearing house with final settlement in central bank money in Austria, which not only should facilitate full migration to SEPA, but also aims to increase security, quality and efficiency in the Austrian interbank payments market by considerably reducing banks' liquidity needs and costs. The new clearing service will become operational in November 2011 and will be operated by Geldservice Austria, a private-public partnership between the OeNB and commercial banks. The vast majority of Austrian retail payments will then be processed via this clearing infrastructure. With the combined effort in the customer-to-bank as well as the bank-to-bank domain, the OeNB together with the Austrian banks are confident of being able to successfully meet the SEPA challenges ahead.

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