

Gertrude Tumpel-Gugerell: SEPA goes live

Speech by Ms Gertrude Tumpel-Gugerell, Member of the Executive Board of the European Central Bank, at the Launch event organised by the European Commission, the European Central Bank and the European Payments Council, Brussels, 28 January 2008.

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The countdown is over! Today, 28 January 2008, SEPA goes live!

I am pleased to welcome you all to the launch of SEPA. First and foremost, I would like to take this opportunity to thank the European Commission for hosting today's event and for its cooperation over the last few years, the fruit of which can be seen today as SEPA comes to life.

Those who have made SEPA a reality, the banks and the service providers are here tonight and I would like to congratulate them all. Let me also mention the work of the Council and the European Parliament that has contributed to making SEPA a reality.

Nine years ago we introduced the single currency. Today, we launch SEPA – another important step in European integration. But let me assure you: today is only just the beginning!

SEPA is all about integration, harmonisation and modernisation. It is a natural consequence of the single currency and a major step in the creation of the Single Market. That is why the ECB has supported the project closely over the past six years. Today's launch is the first visible result.

A single currency – with a single set of payment instruments – in a single euro payments area. With SEPA, this becomes a reality. And we, as euro area citizens, will be able to make euro payments as cheaply, as easily and as safely as we do national payments. All euro payments will be “domestic”; finally, there will be no difference between sending a payment from Rome to Dublin or from Brussels to Antwerp. We can now make payments not only with euro notes and coins, but harmonised electronic payments by European credit transfer, direct debit and payment card as well.

An important milestone has been reached today with the launch of “SEPA Credit Transfer”. We are now able to send euro payments quickly, and in the same way, to any beneficiary in Europe.

This will be followed by “SEPA Direct Debit” before the end of 2009. As a result, we will be able to make direct debit payments across Europe, as if no borders existed.

With the “SEPA Cards Framework”, extensive changes await the European cards market. The ECB expects a new European card scheme to emerge, harmonising card payments across Europe. That said, efficient national card schemes should not vanish, leaving the cards market entirely to international card schemes. Let's work together and use the experience of the national schemes to devise a new European card scheme.

Together, these three payment instruments make up SEPA, our key to a door behind which many opportunities lie. Once the door is open we will still have a mountain to climb. But if we are willing to take up the challenge and use SEPA with innovative thinking, we can reap the full benefit.

Let me stress: we do not envision opening the door only to sit back and admire the great many opportunities on the other side. Let's climb the mountain, discover the opportunities and progress onwards and upwards. Let's complement the SEPA instruments with innovative services, such as online and mobile payment initiation, e-invoicing and e-reconciliation. By combining these services with SEPA instruments, we eliminate paper and the payment

process becomes fully electronic. End-users will spend less time on payments – and, as we all know, time means money.

But how will you benefit from SEPA?

Corporates – make fast European transactions, simplify your payment handling and consolidate your liquidity management.

SEPA's harmonised services can optimise your payment process. So, request these services from your banks and service providers.

Public administrations – you will experience the same benefits as corporates. But that's not all. SEPA can help drive e-Government and e-procurement, thereby promoting efficient public services. By adopting SEPA at an early stage, you will extend its benefits to society at large.

Consumers – one bank account and one set of payment instruments is all you need. As with euro notes and coins, there will finally be no difference between payments across Europe – all euro payments will be "domestic".

And banks – you have developed and will form the basis of SEPA. And SEPA can help you expand your business, as integration and harmonisation will encourage competition. It is now up to you to use the opportunities SEPA brings.

The launch of SEPA today is a major step in creating the Single Market and represents a significant contribution to the Lisbon agenda and a more competitive Europe. It has not been easy to arrive at where we are today – SEPA has been a formidable challenge, but formidable challenges make us stronger. It is not time to sit back in admiration; it is time to use SEPA.

So, let's rise to the challenge; let's use SEPA, our key; and let's discover the great many opportunities that lie on the other side of that door.