08 European Union

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Summary Frame

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Country summary: **European Union**

Country group	Euro Area
% adults with a financial account (Findex, 2017)	95%

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STATUS

ACCOUNT TO ACCOUNT R/T:	
Name of scheme/s	Single Euro Payments Area (SEPA) Instant Credit Transfer - SCT Inst
Date of launch	November 2016, went live November 2017
Scheme manager	European Payments Council (EPC) not-for-profit regional association that manages the SEPA scheme
Membership	Banks, payment institutions and payment service providers (PSPs) in 36 Euro member states and territories are eligible to join
% financial accounts included in scheme	48.6%* (based on comments from EPC chart)

HIGHLIGHTS

Highlights from country:

- Although the original impetus for SEPA was industry response to EU cross-border pricing regulation and for SCT Inst was a report from Euro Retail Payments Board (ERPB), the European Commission has worked closely with the industry by laying out the vision, applying consistent pressure to deliver through progress reports and public statements, as well as mandatory action where required. The industry is given an opportunity to input through stakeholder convening ex. allowing the EPC to develop the rules and through the ERPB, a multi stakeholder consultative body that combines demand and supply-side perspectives.
- The outcome includes standardized rules, practices and standards, but it is a market led arrangement with no fixed fees (cost based), where individual participants can select their preferred clearing and settlement, there is currently no fixed clearing and settlement mechanisms, and both the payer and payee are charged whatever amount is set by the respective PSP. Participation in SCT Inst is currently voluntary.

INTEROPERABILITY JOURNEY:

- It was envisioned that Member States could only truly benefit from the common market / economic integration once a harmonised / common payments system was achieved. A single currency (the Euro) was the first step in 1999, followed by the harmonization of cross-border and domestic payment prices in 2001, which resulted in the formation of the Single Euro Payments Area (SEPA).
- The EU regulators expected and called upon the banking industry to create market-led solutions to make SEPA a reality. In 2001, it pushed the industry into action through a regulation requiring that institutions apply the same charges for cross-border and domestic payments and ATM withdrawals in Euro within EU.
- In order to achieve this consistent pricing, the industry formed the European Payments Council (EPC) in 2002 and implemented the various scheme arrangements to make the SEPA vision a reality.
- In 2013 the ECB launched the ERPB, a multi-stakeholder group with representatives from the demand side (e.g. consumers, retailers and corporations) and supply side (banks and payment and e-money institutions), with EPC serving as an observer. This board called for an instant payments scheme in the EU in 2015; the SCT Inst scheme becomes a reality in 2017.

Calibrating the role of **public sector in IO**

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Funding & implementation role

Policy role

In setup and beyond	0: None	1: Participate/ co-fund	2. Incubate only	3: Sole fund
0: Endorse				
1: Catalyze 1--Encouragea				At this level, regulator applies moral suasion but takes no direct action
2: Catalyze 2 -Actively convene & participate				Regulator also takes direct steps, such as studies, convening or threats
3: Mandate				Mandate could include 1 or more of: • Required connection to central switch • Required participation in a scheme • Method and/or level of interparty fees set
Oversee				Typical role may be oversight, but this may not apply to non-prominent non-prominent Retail Payment Systems

Catalyze 2:

- Working papers and regulation kicked off industry collaboration, but called upon the banking industry to independently set up SEPA schemes. SCT Inst, which builds on earlier SEPA schemes, was an initiative of the ECB's ERPB. Targets have been set for EPC to recruit the majority of PSPs, but PSPs are not mandated to join as of yet. Threat to mandate SCT Inst adherence by end of the year if targets are not met- see timeline for more details

Co-Fund:

- The Eurosystem (the ECB and the 19 national central banks of the eurozone member states) developed and funded TIPS (TARGET Instant Payment Settlement), the settlement infrastructure for pan-European instant payments that will become the designated instant payments settlement infrastructure by 2021 and an optional clearing infrastructure.

NOTES: The project was funded by the banks, with technical assistance from FSD Kenya

Country Interoperability **summary frame**

Industry led scheme with strong regulatory backing is almost attaining the outlined targets

A2A or CICO		PUBLIC POLICY ROLE IN INCEPTION					PUBLIC ROLE IN IMPLEMENTATION			
		0. Endorse	1. Catalyze 1	2. Catalyze 2	3. Mandate	None	0. None	1. Co-fund	2. Incubate	3. Fund and own
OUTCOME	0. Uncertain /too early									
	1. Below expectations									
	2. In line with expectations									
	3. Above expectations									

SEPA Regulation stipulates that euro-denominated payment schemes must ensure that the PSPs being a participant to such scheme must a) constitute a majority of PSPs within the European Union and b) represent a majority of PSPs within a majority of EU Member States. This should be achieved by 21 Nov 2020. As of mid- November 2020, only the first condition of the SEPA Regulation is fully met. Only five currently meet the second condition but this number is expected to grow in the coming months. Only twelve euro area countries had a substantial majority of payment accounts being reachable for SCT Inst by Nov 2020 and SCT inst payments made up 6.47% all total SEPA Credit transfers in Q2 of 2020.

Setup and Ownership

Summary frame: **A2A interoperability objectives**

Stipulated objectives

1. **Regulator wanted to:**
   - Take interoperability to the next level by keeping up with the instant payments wave.
   - Prevent fragmentation along national lines in the EU (8 countries had them already introduced instant payments, including Faster Payments in UK in 2008, Poland and Sweden in 2012).
2. **Industry stakeholders wanted to:**
   - Ensure they keep up to date with latest industry trends (ERPB proposed SCT Inst in 2015 as it was a hot topic at the time).
   - Reap the benefits of instant payments in an environment with high interest rates (especially merchants, who would have prefered to have access to funds as as quick as possible in order to benefit from these interest rates).
3. **Some Member States wanted to:**
   - Fuel their growing digital economies.

Source: BFA interviews (2020)

A2A interoperability: **SCT Inst Interview Highlights**

BACKGROUND: European payments interoperability was instigated by the regulator but the process allowed for stakeholder engagement and industry to lead the implementation; interoperability of instant payments was pursued to prevent fragmentation of the common payments area

- The story of Single Euro Payments Area (SEPA) Instant Credit Transfer (SCT Inst) cannot be divorced from the story of Single Euro Payments Area (SEPA), as SCT Inst builds on the SEPA schemes for electronic euro payments. The EU Commission was key in triggering harmonisation of SEPA electronic payments through EU cross-border pricing regulation. The banking industry reacted to by creating European Payments Council (EPC) in 2002, which resulted in realisation of the SEPA schemes for credit, debit and ultimately instant credit transfers.
- The EPC has morphed from an association of banks, which was required to create SEPA, to an association of PSPs that also includes payment institutions and e-money institutions. This was due to PSD1 & PSD2, which introduced PSPs and thus EPC was required to include them as members and scheme participants.
- The multi stakeholder group Euro Retail Payments Board (ERPB), which was initially launched by the ECB, was instrumental in pushing for instant payments (mainly due to the impetus of merchant stakeholders who saw the value in instant payments). It has continued to address usage issues such as usability requirements at Point of Interaction (POI).
- In addition to the influence of ERPB, european instant payments were implemented to avoid fragmentation of the european payments landscape (which had taken effort to harmonise) due to the rise of domestic instant payment schemes.

Source: BFA interviews (2020)

A2A interoperability: **SCT Inst Interview Highlights**

GOVERNANCE: Although open to all PSPs, banks continue to have majority representation on the board of the scheme operator, but non-bank PSPS do not perceive this as problematic

- On governance of EPC - despite diverse membership, banks still have a majority of seats on the EPC Board; this reflects the reality of payments, which are 95% still handled by banks.
- Some smaller PSPs do not think it is problematic that banks have majority representation - 'banks have a right to have the big seat on the table as they paid for the infrastructure and smaller PSPs do not have the resources to fully engage in "these boards"'; also many smaller PSPs seem best represented by an association as it allows them to group resources/ create communities.

BUSINESS MODEL: Very competitive, each FSP decides how to route transfers and what to charge

- No interchange fees for debit or credit transfers, each side must recoup its own costs from its customers. Each bank/ PSP can determine its own consumer pricing, as long as its cross-border and domestic pricing is the same. Some banks categorise instant payments as a premium product, others as new normal, and that affects the pricing.
- In the framework of its retail payment strategy, the Commission has committed to closely monitor fees charged to end-users for instant payment services to ensure instant payments become the new normal. If fees in the market are inconsistent, the Commission could take regulatory action at a later date.
- Instant payments are more complex to handle (need quicker AML, instant settlement, prefunding of TIPs affects bank liquidity), so it increases costs per unit vs batch payments. Therefore it could be justified to charge more.

Source: BFA interviews (2020)

A2A interoperability: **SCT Inst Interview Highlights**

PERFORMANCE: Above expectations operationally, in line with expectations in terms of number of transactions, but below expectations in terms of infrastructure interoperability and adherence; EC Commission & ECB are implementing reforms to address these issues

- SCT Inst has performed above expectations in terms of operational performance and in line with expectations in terms of transactions (especially in comparison to SEPA), but below expectations in terms of infrastructure interoperability and adherence (number of participants and in terms of geographic diversity)
- Key barriers to full effective interoperability relate to: (ii) lack of interoperability of clearing and settlements for instant payment, (ii) lack of complete adherence to scheme by all eligible (scheme is voluntary; big banks have adhered so far, smaller PSPs and several Member states are not represented) and (iii) inability to use instant payments at points of interaction (POI - including POS and online).
- EU Commission has identified these issues and is working with the ECB on solving all three by the following actions, as per its recent retail payments strategy;
  - The Commission is committed to assessing adherence in November, and may consider if necessary to render mandatory.
  - To deal with fragmentation at the clearing and settlement layer, the Eurosystem Governing Council announced in July 2020 changes in TIPS that should ensure pan-European reach of euro instant payments infrastructure to be implemented by end 2021. Will make it cost effective for smaller FSPs to join SCT Inst as then can use one equity pool.
  - The ERPB Working group on POI has been mandated to deliver principles for a dedicated interoperability framework for instant payments at the POI to the ERPB at its end of November meeting.
- There is need for massive consumer education to drive interest and adoption in instant payments. People do not care about payments, they just care that it works.

Source: BFA interviews (2020)

A2A interoperability: **SCT Inst Interview Highlights**

COMPETITION & INNOVATION: The setup supports innovative business models, especially EMIs and Bigtech. Competition is also key on clearing infrastructure level

- Instant payments interoperability further supports innovative business models such as open banking/ PISPs and request to pay (RTP).

- Big winners in terms of use cases for instant payments are EMIs and Bigtech, especially for the funding stage of their wallets, but their current traction is minimal in EU (mainly restaurant vouchers, gift cards, gambling).

- Some small players (ex. Currency Cloud) have just joined SCT Inst due to 60% acceptance - 'it was not worth it before since not a lot of banks were receiving SCT Inst payments'.

- There is effective balance achieved through fostering competition at the clearing infrastructure level (achieving cheaper pricing, value added services (innovation) and superior speeds), versus the need for regulator's (ECB) intervention in delivering instant settlement (as backed by CB money) through TIPs, which also serves as an optional clearing infrastructure.

Answers to Research Questions

Research question 1:

Why interoperability? Is interoperability necessary for full financial inclusion?

Financial inclusion was not the motivation, however, there is overwhelming promise that instant payment interoperability will deepen DFS use cases resulting in real benefits to consumers, but it is too early to measure.

1 **Interoperability in the EU is linked to the creation of a common market,** as a way to remove one barrier to EU trade and integration.
- This was the impetus to SEPA schemes, which set the stage for SCT Inst.
- Also the main motivation for SCT Inst (ie prevent fragmentation of EU payments landscape due to rise of domestic instant payment schemes within the EU).
- Financial inclusion in the EU is not high on the policy agenda, and was not the motivation for SCT Inst (or even SEPA).

2 However SCT Inst increases the value of DFS use cases in the EU:
- Supports new business models such as PISPs, open banking, request to pay, and push payments at POI.
- These business models allow for better and more diverse financial products and potentially lower costs for consumers, both SMEs and individual consumers.

3 We are just at the beginning of this wave of innovation and do not have enough data to see what concrete effect these new business models have had on consumers.

Source: BFA interviews (2020)

Research question 2:

What are the effective policy levers for achieving interoperability success?

We see a dance between regulators and industry, where the regulators are the lead dancers but industry players have the ability to choose their steps as followers

1. **For SEPA:**
   - Regulators (Commission) put the first markers in the ground, with the passage of a cross-border regulation that required same pricing for domestic and cross border payments.
   - Industry did most of the heavy lifting: they created the EPC, which created SEPA.
   - The Commission only stepped in to require mandatory adherence after a 3 year deadline for adherence had not been met.

2. **For SCT Inst:**
   - Initiated by the ERPB, an ECB launched stakeholder working group.
   - Backed by the Commission who wanted to avoid fragmentation that was arising from new domestic instant payment schemes.
   - Although voluntary, there is a 3 year deadline for 65% adherence (applicable to all SEPA schemes) which the Commission is monitoring and may intervene.
   - The Commission and ECB are fixing the issues that are dissuading adherence and effective interoperability - ie remedying lack of settlement interoperability and issues at POI - and are willing to put in public money ex. fix the settlement infrastructure issue while maintaining a competitive marketplace for clearing.

It is viewed that although this process takes longer to achieve full effective interoperability, the industry has given buy-in and ultimately gets a better deal.

Source: BFA interviews (2020)

Research question 3: When should the foundation/ policy makers advocate for interoperability - from the beginning or let it evolve over time?

The success of the EU journey lies in the fact that regulators advocated for interoperability from the start through policy, but were patient and measured in how they used their regulatory instruments to exert pressure on the industry to interoperate.

- First the vision set the expectations and pace.
- Then the regulators used their instruments (regulations, mandate, public investment) intermittently to nudge players towards adherence, rather than mandating adherence.
- Regulators also supported institutions such as the EPC and the EPRB that allowed stakeholder voices to be heard throughout the process, which permitted the regulators to better fine-tune the use of their instruments in light of these voices.

This process allowed stakeholders to shape the scheme themselves, thereby creating buy-in and ensuring a better deal for all stakeholders.

European Commission

EUROPEAN CENTRAL BANK

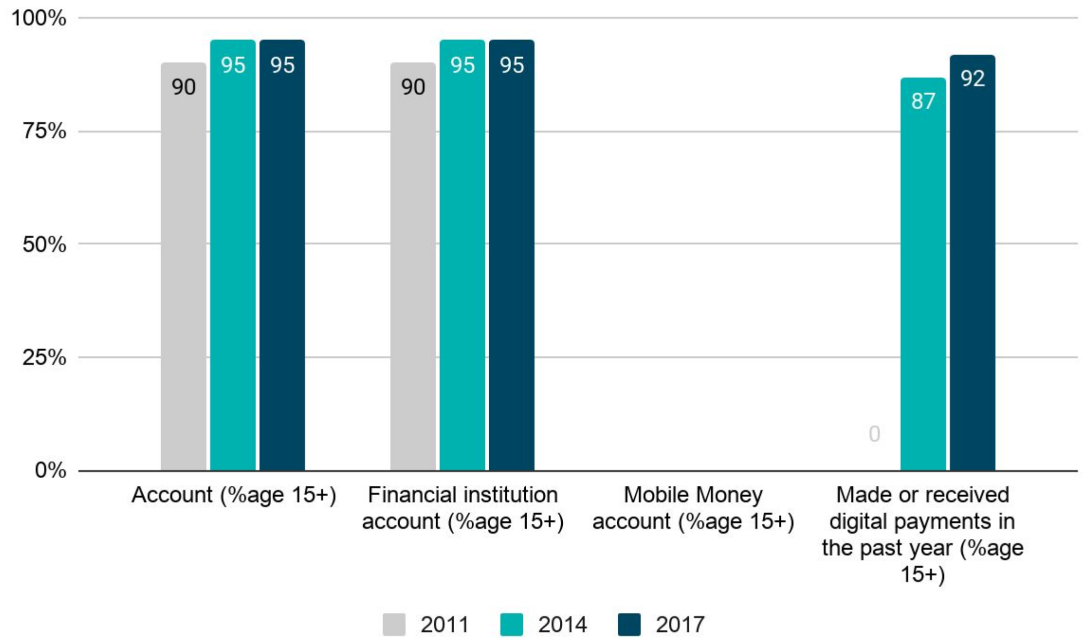
EUROSYSTEM

Recommendation: advocate for interoperability from a policy perspective early on, but support the use of concrete policy instruments, such as mandates, only later in the process if there are blockages; concurrently fix the issues that create these blockages. Set up a process that engages stakeholders and creates institutions that allow them to be heard, so those voices can guide the regulators as they push and pull on different policy levers.

Source: BFA interviews (2020)

Additional Context

Euro area: Financial inclusion and instant payment infrastructure maturity



Source: FINDEX 2017

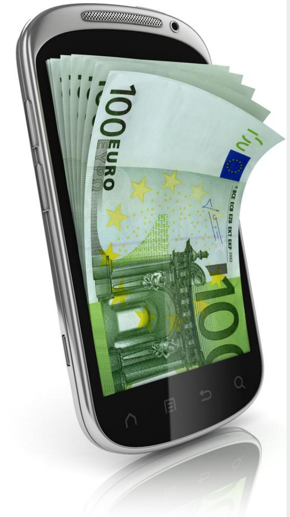
Faster Payments Innovation Index (FPII) - 2020	
Score: 5 and improvement from 4 in 2019	**5 Meets most features maximizing customer value** 4 Meets some features maximizing customer value 3 Meets most features enhancing customer value 2 Meets some features enhancing customer value 1 Meets base required features only
Open Access API interface:	Planned option
Payment applications and overlay services:	P2P, P2B, B2P, B2B & B2G with mobile and internet including pull-payments and POS payments capability. Overlay services include account aliases (mobile number), request to pay (launching November 2020), retail POS, NFC initiation, and QR code payments,
Commentary growth, additions, changes, etc.:	Each bank, payment institution and payment service provider (PSP) chooses if and when they participate, but currently, 56% of European PSPs from 20 countries are live. Multiple clearing and settlement options for increased flexibility and competition including RT1, STET, TIPS (Target2) and Equens. In July 2020 the ECB took steps to harmonize the SCT Inst landscape by mandating that TIPS be reachable, and other CSMs must offer interoperability.

Source: FIS 2020

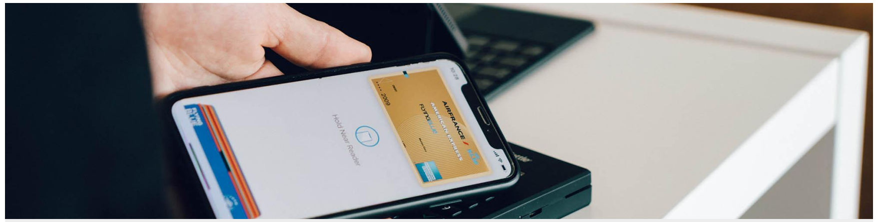
A2A interoperability **timeline**

Industry-led effort initiated, supported, and overseen by the regulator to establish a common payments system and provide market solutions

1999: All Member States formed part of the Economic and Monetary Union (EMU), which can be described as an advanced stage of economic integration based on a single market. The Euro is introduced as a common currency in 11 EU countries. In Sept, European Central Bank (ECB) issued a statement that Member States can only fully benefit from the single market from unification of the payment systems as glaring disparities existed which impacted service levels.



2000 - 2002: SEPA vision was set out by EU Commision to make the EU more dynamic and competitive. The ECB and European Commission put out reports, statements and proposed legal frameworks for review, and defined various industry objectives to launch the discussion and give a clear signal to the banking and payment systems industry to take action. In 2001 the European lawmakers laid the foundations of the SEPA policy through regulation, stating that institutions are not permitted to impose higher charges for cross-border payments or automated teller machine (ATM) withdrawals in Euro within the EU. The regulation was clearly intended to catalyze the banking sector into action. A working paper on a possible legal framework for the Single Payment Area followed. This was later published as a directive in in December 2005 and adopted in 2007 as the Payment Services Directive (PSD)(this has since been replaced in 2016 by the Second Payment Services Directive (PSD2).



2002: In order to comply with the cross-border pricing regulation, the industry formed the European Payments Council (EPC) in 2002. At the request of the EU authorities the EPC committed to develop, in close dialogue with all stakeholders, the harmonised electronic Euro payment schemes, which help to realise the political SEPA vision. In close dialogue with the stakeholder community, the EPC developed the framework for, among other things, the SEPA Credit Transfer (SCT) (launched Jan 2008), SEPA Direct Debit (SDD) (launched Nov 2009, and SEPA Instant Credit Transfer (Inst SCT) (launched 2017)schemes.

2004: EPC agreed on a roadmap setting out the deliverables it would contribute between 2004 and 2010 towards realizing SEPA.

2006: The Commission published its 'Consultative paper on incentives', laying out the gains and potential savings for society and benefits for all stakeholders of payment integration, and stating that "..whilst the preference is for market-led solutions, regulatory action is not ruled out where there is a risk of market failure that could put the economy wide benefits of the project at risk." The ECB and Commission also reiterated later in that year that the success of SEPA relied on a unified payments system. The EPC provided a response urging policy makers to give it room to undertake the required preparation based on the principles of a competitive market economy and made recommendations on how policy makers can better support the initiative.

2008: EPC launched the SEPA Credit Transfer (SCT) Scheme.

2009 - 2010: In September, European Parliament called on the Commission "to set a clear, appropriate and binding end-date (...) for migrating to SEPA instruments, after which all payments in Euro must be made using the SEPA standards".

2009: EPC launched SEPA Direct Debit (SDD) Core and SDD Business-to-Business (B2B) schemes.

A2A Jurisdiction timeline

Industry-led effort initiated, supported, and overseen by the regulator

2013. On December 19th, 2013, the ECB announced the launch of the Euro Retail Payments Board (ERPB). This new entity replaced the SEPA Council. SEPA Council had been set up in Jun 2010 by the ECB and EU Commission to bring together representatives from both the demand and supply sides of the payments market, including the EPC as an observer to foster consensus in the realization of an integrated euro retail payments market.a

2017: SEPA Credit Transfer (SCT) Inst scheme entered in effect on Nov 21st, 2017.

2018: The ad-hoc multi-stakeholder group for mobile initiated SEPA credit transfers (including SCT Inst) established by the EPC in May 2018, finalised in November 2019 the development of the Mobile Initiated SEPA (Instant) Credit Transfer Interoperability Guidance document, following a 3-month public consultation.

2019: The SEPA Proxy Lookup (SPL) service launched at the beginning of 2019. The voluntary scheme, which covers (mobile) payments, allows a mobile telephone number or optionally an email address to be used as a proxy to an IBAN. It was envisaged that the scheme would evolve further over time to support additional proxy types, account identifiers and use cases.

2019: ERPB Working Group on Instant Payments at the Point of Interaction (IPs at POI) was established in February 2019 to analyse the requirements for the pan-European reach and usability of solutions for IPs at the POI (EPRB 2019). The EPRB working group committed to the following by Nov 2020: (i) develop a dedicated interoperability framework with common rules and procedures; (ii) develop security requirements for payment service user onboarding processes by instant payment services providers and merchants, and a framework for these; and (iii) develop requirements for consumer choice of payment instrument at the POI. (EPC 2020)

2010: The European Parliament reiterated its call in March 2010. The Commission published the proposal for an EU Regulation to effectively mandate deadlines for migration to SEPA. The European Parliament and the Council of the EU reached agreement on Dec 2011 on the February 1st, 2014 deadline for migration to SEPA, subject to certain limited exemptions mentioned in the Regulation. The deadline in non-Euro countries was October 31st, 2016. Effectively, this meant that as of this date existing national Euro credit transfer and direct debit schemes were to be replaced by SEPA Credit Transfer and SEPA Direct Debit.

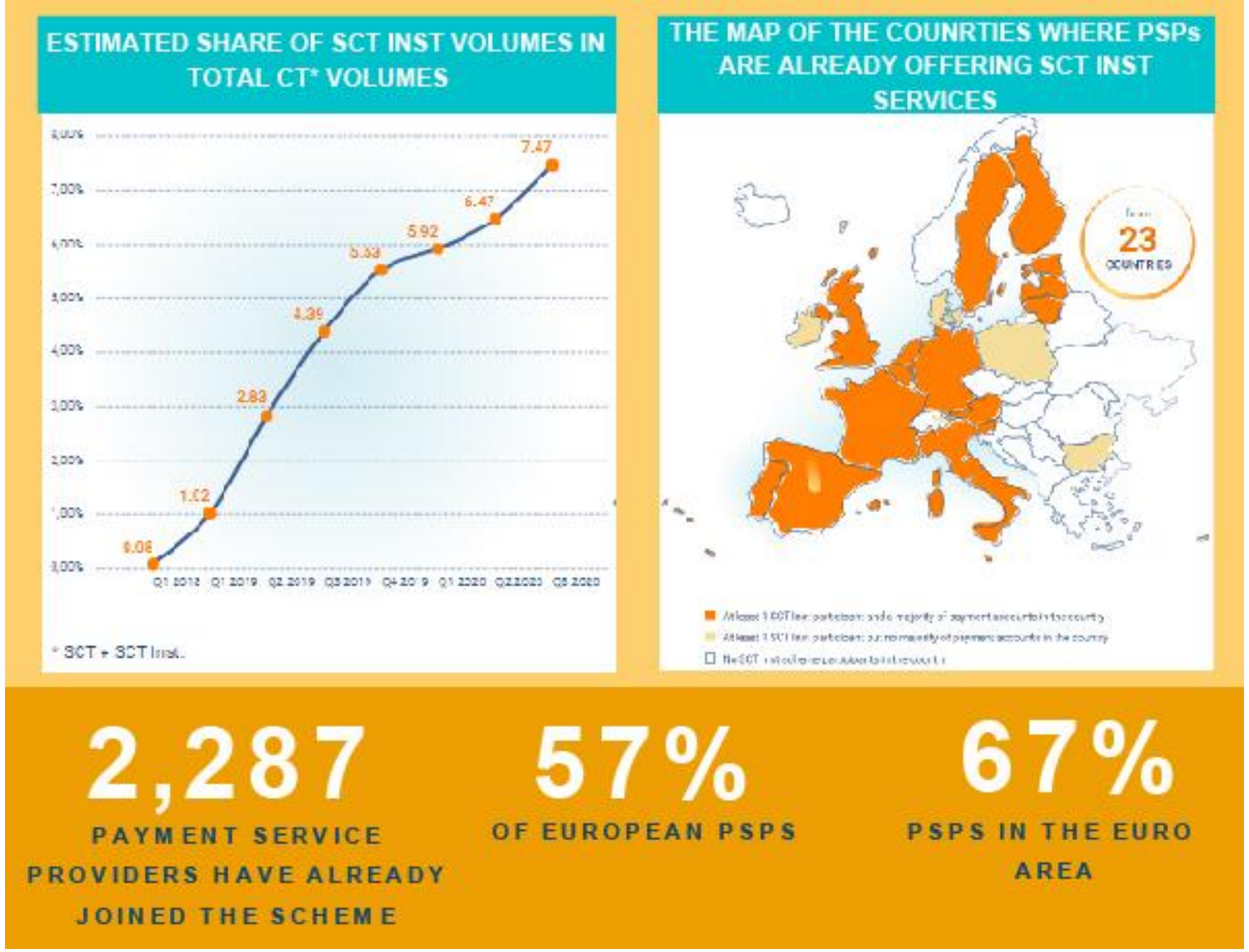
Jan 2012. Commission published its Green Paper Towards an Integrated European Market for Card, Internet and Mobile Payments, and EPC responded.

June 2015. The ERPB called for an instant credit transfer scheme in Euro. Instant payments were becoming a hot topic, and at its June 2015 meeting, the ERPB invited the EPC to present "by November 2015 a proposal for the design of an instant SEPA credit transfer scheme in Euro, which could be adhered to by EU payment service providers on a voluntary basis." The EPC's proposal for the design of a new SEPA Instant Credit Transfer (SCT Inst) scheme was presented to the ERPB at its November 2015 meeting, during which the ERPB invited the EPC to create an SCT Inst Rulebook by November 2016.

Jul 2020. The ECB welcomed the decision by 16 European banks to launch the European Payments Initiative. This initiative aimed to create a unified payment solution for consumers and merchants across Europe, encompassing a payment card and a digital wallet, and covering in-store, online and person-to-person payments as well as cash withdrawals (ECB 2020b)

A2A Jurisdiction timeline

Industry-led effort initiated, supported, and overseen by the regulator



July 2020: The Eurosystem Governing Council announced changes in TIPS that should ensure pan-European reach of euro instant payments infrastructure to be implemented by end 2021. These changes will fix the lack of full settlement interoperability between clearing and settlement mechanisms. As a consequence, all payment service providers which have adhered to the SCT Inst. Scheme and are reachable in TARGET2 should also become reachable in a TARGET Instant Payment System (TIPS) central bank money liquidity account, either as a participant or as reachable party (i.e. through the account of another payment service providers which is a participant).

Sept 2020 Commission published its Retail Payments Strategy, in which it aims for the full uptake of instant payments in the EU by end-2021. It identifies several challenges, including adherence, end-user solutions and settlement infrastructure. It states that it will assess adherence (in terms of number of PSPs who have adhered as well as number of accounts that can send and receive instant credit transfers) at the end of November and, on that basis, decide whether it is appropriate to propose legislation requiring payment service providers' adherence to the SCT Inst by the end of 2021.

Nov 2020. SEPA Regulation stipulated that Euro-denominated payment schemes must ensure that the PSPs participating in such scheme must a) constitute a majority of PSPs within the European Union and b) represent a majority of PSPs within a majority of EU Member States by 21 Nov 2020. With the expiry of the three year deadline, the Commission is due to decide whether to render SCT Inst mandatory, and if so, which PSPs should be subject to obligatory participation. As of October, only the first condition of the SEPA Regulation was fully met. Just five countries currently meet the second condition, but when measured in terms of reachable payment accounts, the current SCT Inst scheme penetration is much broader, with twelve Euro area countries that have a substantial majority of payment accounts being reachable for SCT Inst.

After the submission by the ERPB of principles for a dedicated interoperability framework for instant payments at the point of interaction (POI) in its end of November meeting, the Commission will assess whether it would be appropriate to require adherence by relevant stakeholders to all, or a subset of, the additional functionalities of SEPA Instant Credit Transfer (SCT Inst.), which could also include any future standards for QR-codes.

Request to pay is expected to be launched by end of November.

A scheme that allows for market competition on price and use of clearing infrastructure

Infrastructure: SCT Inst is based on a single set of rules, practices and standards is operated on a fully consistent basis by clearing and settlement mechanisms (CSMs) chosen by individual Participants as the most appropriate for their needs (EPS 2018). Currently, there are several CSMs available for banks wishing to offer SCT Inst to customers, including EBA CLEARING (RT1), the Systèmes Technologiques d'Echange et de Traitement (STET), Equens and TARGET2 Real-time Payment System (TIPS) from the European Central Bank and the 19 Member State national banks (together referred to as the Eurosystem). (FIS, 2020)

The Eurosystem Governing Council announced in July 2020 that all PSPs and Automated Clearing Houses (ACHs) under the scheme should become reachable in the TIPS central bank money liquidity account, which offers round the clock instant settlement in Central Bank money. All instant payment settlement for SCT Inst will take place within TIPS thus ending proliferation of settlement options, but clearing will remain competitive

Availability: In real time (under 10 seconds), 24/7 (ACI n.d.)

Average fees paid by customers on:
Charges to customers will are based on the shared principle such that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers are entirely a matter for individual Participants and their Customers (EPC 2019).

Depending on the bank and its marketing position (premium vs new normal), charges to the customer range from zero to 10 euros, where retail customers are likely to be charged nothing or much lower fees than commercial customers. Any charge is usually a flat fee (not based on value transmitted). The fees are not not based on the amount transacted.
On average 90% of the number of transactions are below € 1,000

Interparty fees if any and how they are set: Interparty fees are not applied in SEPA, switch fee varies on switch operator (CGAP 2020). There is currently a flat unit scheme participation fee of 215 EUR per scheme.(EPC n.d.(b)). The payment scheme participation fee is calculated for each institution and may evolve every year because they depend on the number of SEPA payment schemes, the number of scheme participants and the costs borne by the EPC in relation to the management of the payment schemes (EPC n.d.(b)).

Maximum amounts which can be sent this way: The maximum amount per SCT Inst instruction is € 100,000 effective as of 1 July 2020. (Originally € 15,000).However, implementation differs across country lines e.g some groups of FSPs in specific geographies allow for higher limits e.g Euro 1.5 million and attain higher settlement speeds of less than 5 seconds.

Overseer/Regulator: ECB

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SEPA
Single Euro Payments Area

SCT INST
INSTANT PAYMENTS

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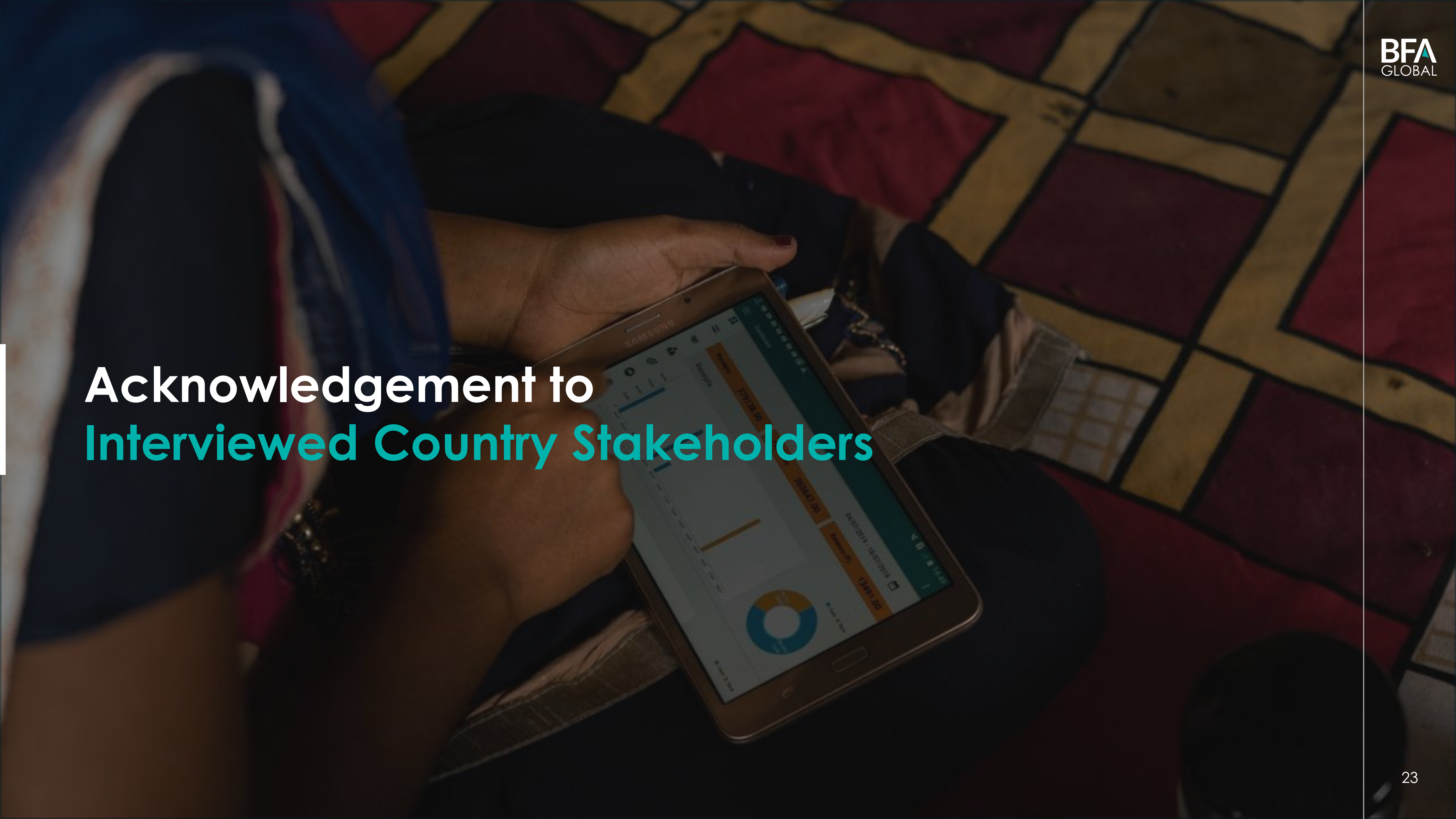
Acknowledgement to Interviewed Country Stakeholders



Acknowledgements to European Union Stakeholders:

Name	Position	Organization
Regulators		
Karine Themejian	Deputy Head of the ECB's Market Integration and Innovation	European Central Bank (ECB)
Céu Pereira	Team leader, Retail payments	EU Commission
Scheme Managers/ Operators		
Etienne Goose	Director General	European Payments Council (EPC)
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Sandra Peute	Manager	ABN - AMRO Bank
Todd Latham	Chief Growth Officer	CurrencyCloud
Juan Jimenez Zaballeos	Head of Financial Industry Transformation	Santander Bank
Diederik Bruggink	Senior Advisor Innovation and Payments	The World Savings and Retail Banking Institute (WSBI) & The European Savings and Retail Banking Group (ESBG)
Payment Experts / Other Ecosystem Players		
Paul Makin	Digital Finance and Identity Consultant	Digital Financial Consultancy