

SEPA UP AND RUNNING

Taking stock after the first one hundred days: The first milestone on the way to the Single Euro Payments Area (SEPA) has been reached. According to first assessments by the Swiss financial institutions, the credit transfer scheme is running surprisingly smoothly. So far, no news is good news for the Swiss Bankers Association, the banks' umbrella organization.

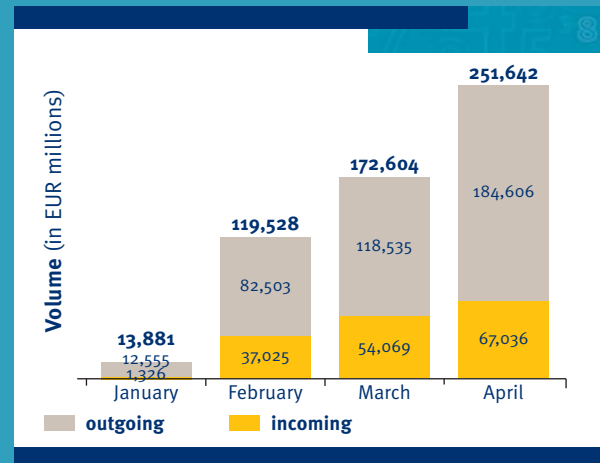
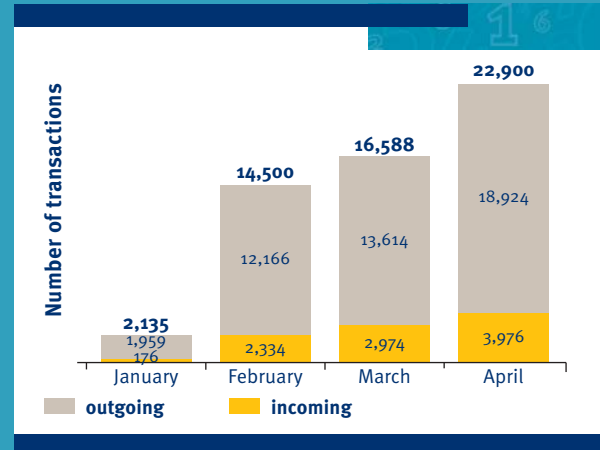
The banks are reporting positive customer reactions, especially from corporate customers. According to Post-Finance, complaints are very few and in general concern customers who have submitted payments themselves. All the good news notwithstanding, the financial institutions were expecting more transactions.

ACCELERATED TRANSACTIONS GROWTH

There is no comprehensive summary of the SEPA euro payment traffic between the Swiss franc zone (Switzerland and Liechtenstein) and the other 29 SEPA countries. That is primarily because there are several SEPA transaction payment paths available. Many Swiss branches of foreign banks process their SEPA payments via their head offices, while others use correspondent banks for the processing or are directly linked to the Euro Banking Association's pan-European STEP2 system. However, the statistical evaluations of the transactions settled through the Swiss financial center's joint venture (euroSIC/SECB) are a reliable indicator. Currently, 46 of the 77 SEPA-participating institutions based in Switzerland and Lichtenstein are processing their euro payments via this payment path. And during the first three months, these financial institutions recorded growth rates in the double digits. It remains to be seen during the course of this year just how sustained this promising development will be. ■

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HUNDRED DAYS OF SEPA CREDIT TRANSFER SCHEME VIA euroSIC (2008)



WORKING OUT THE BUGS

The SEPA area outside of Switzerland got off to a surprisingly good start with the credit transfer scheme, in spite of some initial bugs causing isolated rejections. Besides some routing problems due to the use of BICs of varying lengths, there is some confusion about character sets. Since the Latin typeface isn't used throughout the entire SEPA area, the Greek and the Cyrillic typefaces must be taken into account too. A European Payments Council working group is currently developing a solution to further optimize the continuous processing of SEPA payments.

SEPA NEWSLETTER The online SEPA Newsletter has been published 13 times since last year. The free service provides its more than 600 subscribers with first-hand information about current news on the topic of «SEPA and Switzerland». It may be subscribed at www.sepa.ch.