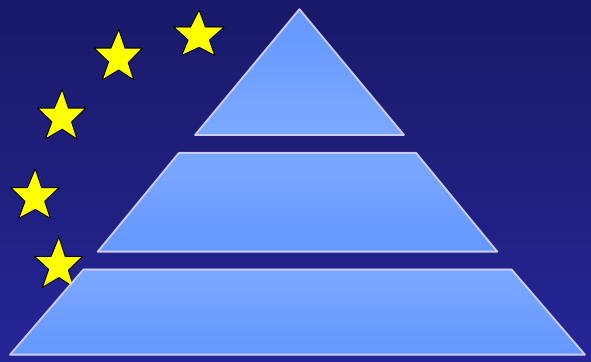


EBA CLEARING

STEP2: A PE-ACH for SEPA

By Gilbert Lichter
CEO, EBA CLEARING

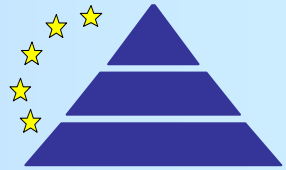
Magyar Nemzeti Bank, 21st October 2005

What infrastructure approach ?

What infrastructure approach ?

… a truly pan-European platform !

STEP2: A PE-ACH for SEPA



Key objectives:

- A pan-European ACH connecting directly or indirectly the banks from all EU countries
- Distribution of payment instructions to any bank operating in the EU
- Processing new pan-E. instruments, based on new standards and latest technology, integrated and automated settlement
- Achieving full compliance with overseer requirements
- Progressively integrating domestic traffic

STEP2: A PE-ACH for SEPA

A very successful ramp-up with CREDEURO

STEP2: A PE-ACH for SEPA

A very successful ramp-up with CREDEURO

Direct Participants: 89

Indirect Participants: + 1,500

34 from Hungary

Full Receiver Capability

- in EMU12 : 11 countries

- in EU25 : 21 countries

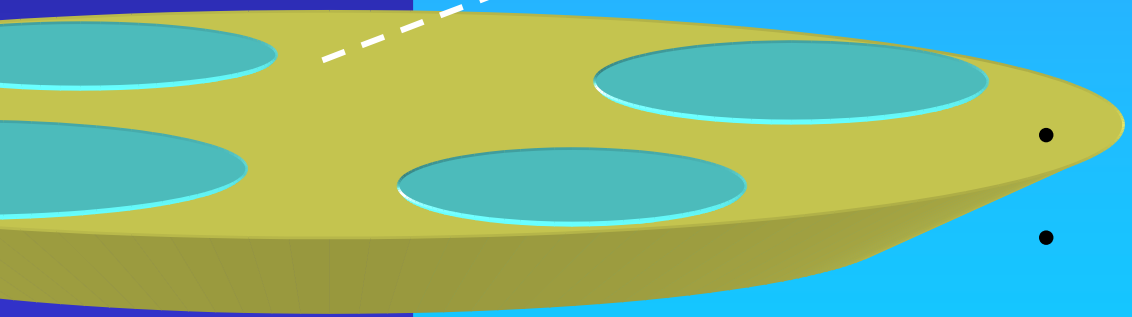
A single channel
for sending retail payments
to all banks in EU and EEA

The STEP2 Shared Service Platform

The basis for migrating domestic traffic

Flexibility to cope with transition requirements,

adapting to the existing situation …



- **new functionalities**
- **«concentric » enhancements to facilitate migration**
- **multi-purpose DD**
- **governance of shared platform**
- **settlement options**

Overview of STEP2 Domestic Service Functionalities for CT

New features of S2-DOM

- Warehousing
- Web-based file/payment cancellation
- Returns (based on MT103/XML equiv)
- Same day processing cycle
- Re-sending settlement messages
- Late files adjustment for next cycle
- Sending 24/5

Existing S2-CREDEURO features

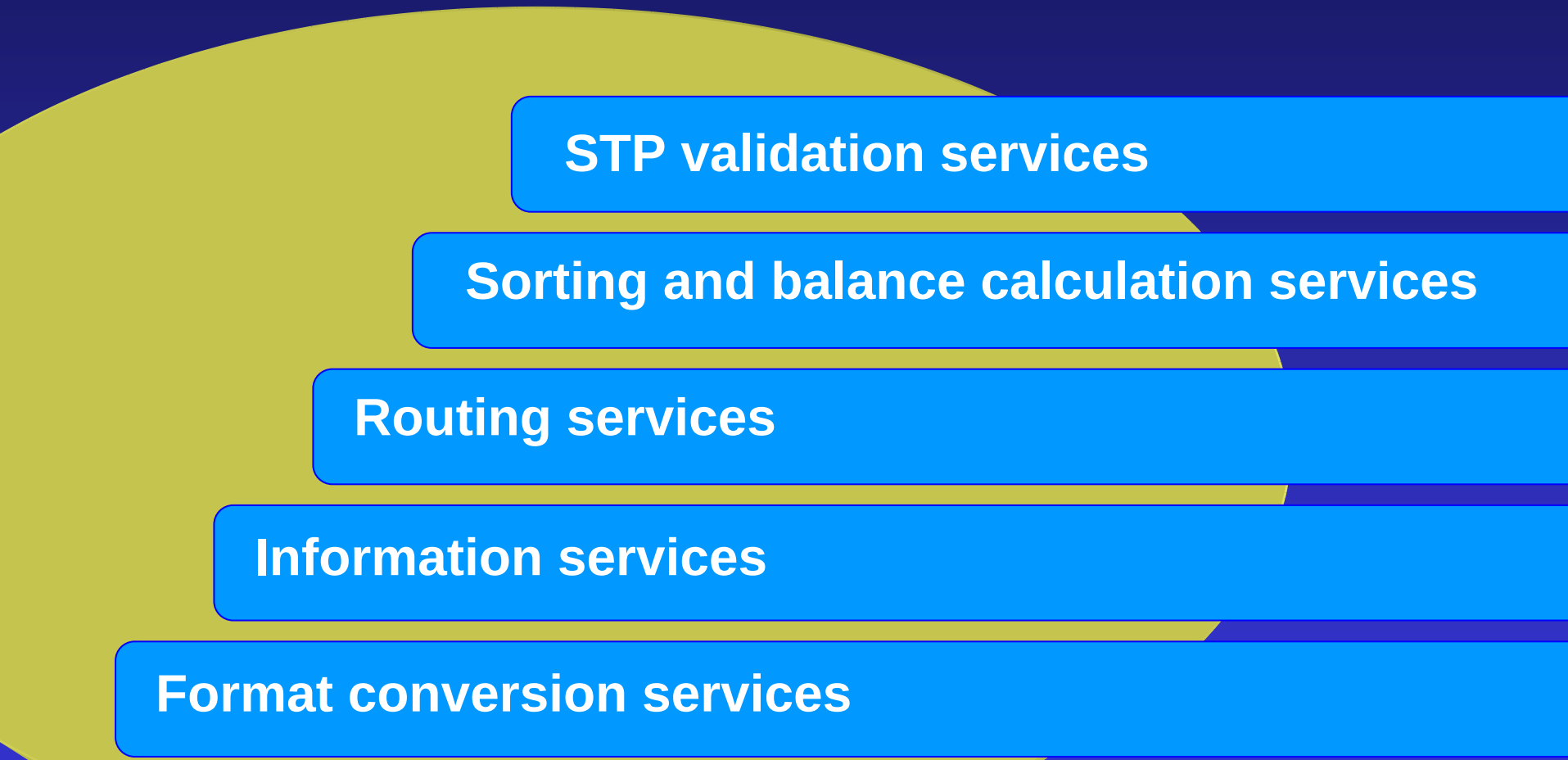
- SWIFT Standards (FIN MT103+/XML)
- BIC & IBAN
- Maximum € 12,500
- File validation (XCT rules)
- Payment validation (XCT rules)
- Settlement in EURO1/STEP1
- Single Cycle (Sending D-1 for D)
- Operational on TARGET days

Concentric features of S2-DOM

- MT103+ & MT103 / XML equivalent
- BIC & IBAN or BBAN
- Maximum € 500,000
- File validation (DOM rules)
- Payment validation (DOM rules)
- Number of days duplicate checking

The STEP2 Shared Service Platform

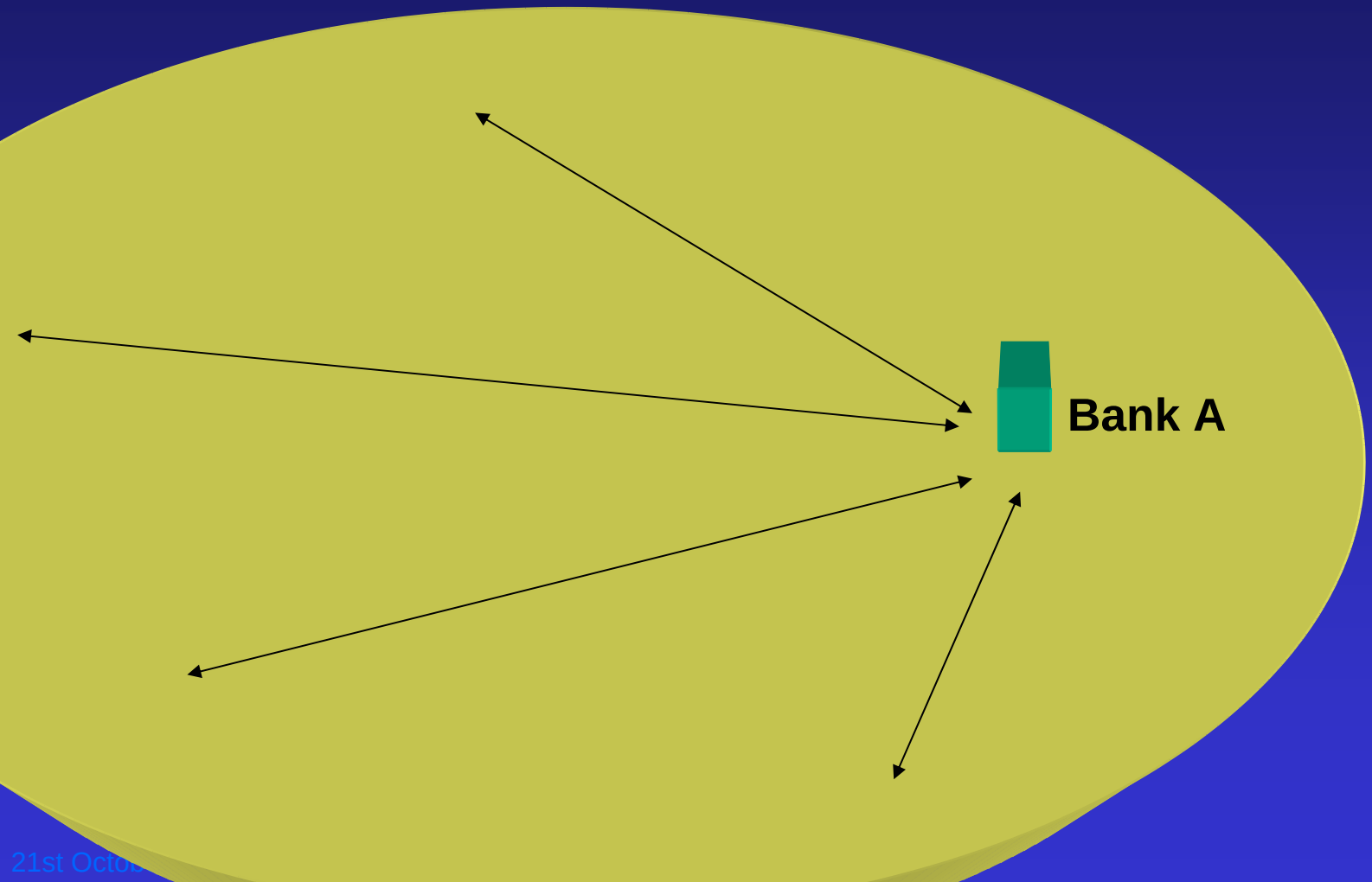
Offering multiple services, usable in a modular manner for processing payment orders between banks



The STEP2 Shared Service Platform

Supporting different schemes and grouping horizons :

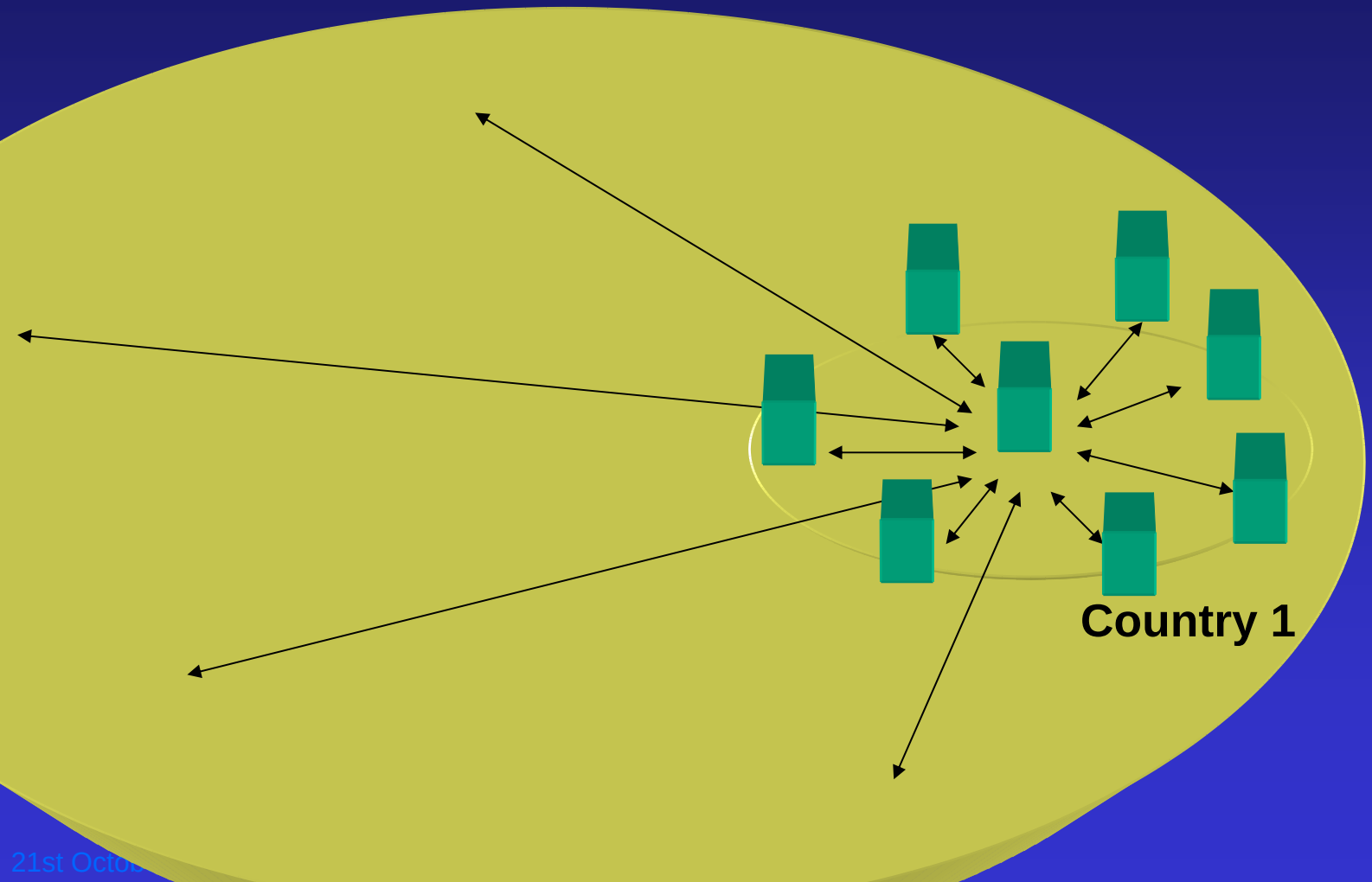
1. using the SSP EU-wide for new SEPA schemes



The STEP2 Shared Service Platform

Supporting different schemes and grouping horizons :

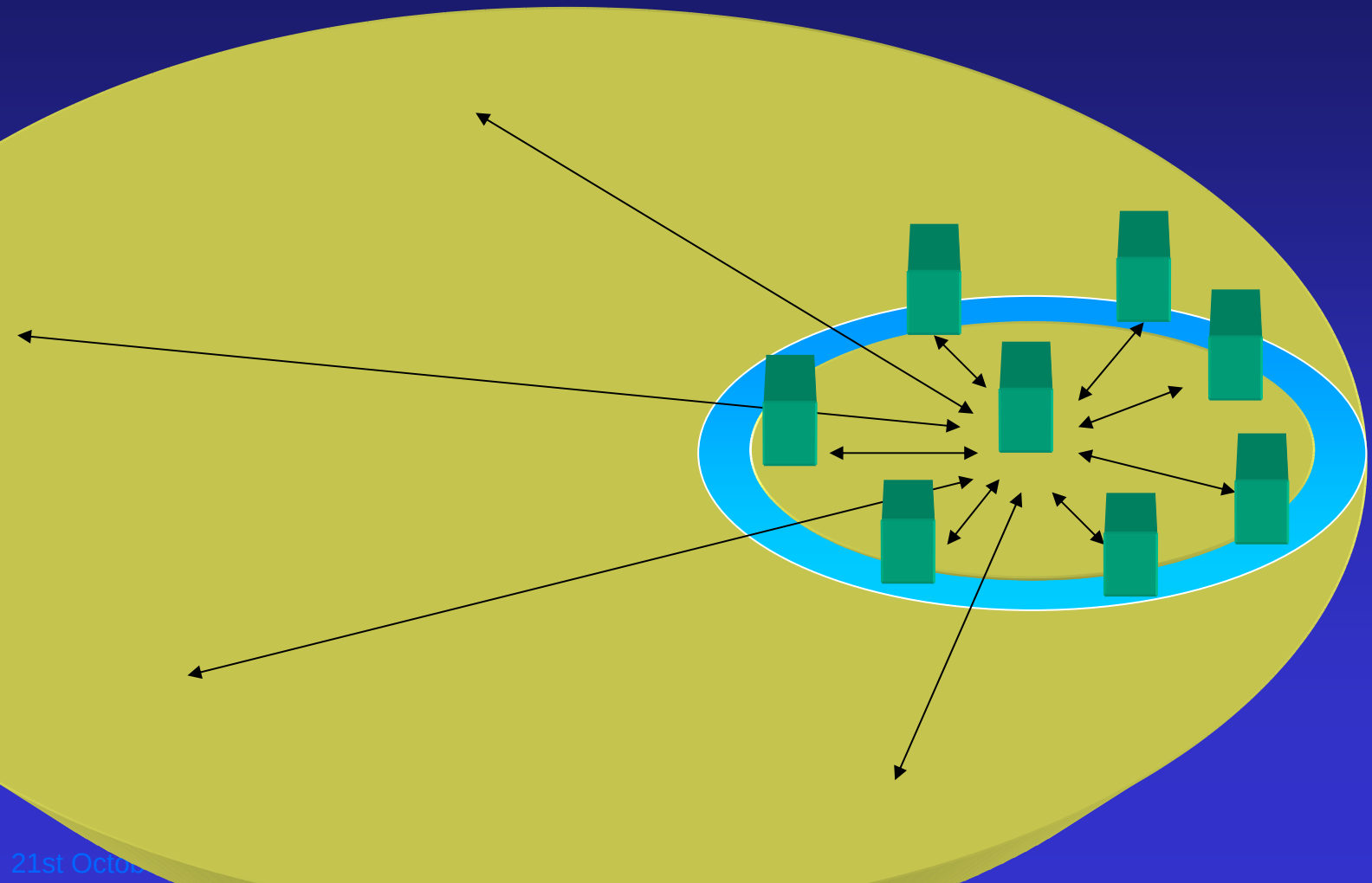
2. using the SSP locally for SEPA schemes



The STEP2 Shared Service Platform

Supporting different schemes and grouping horizons :

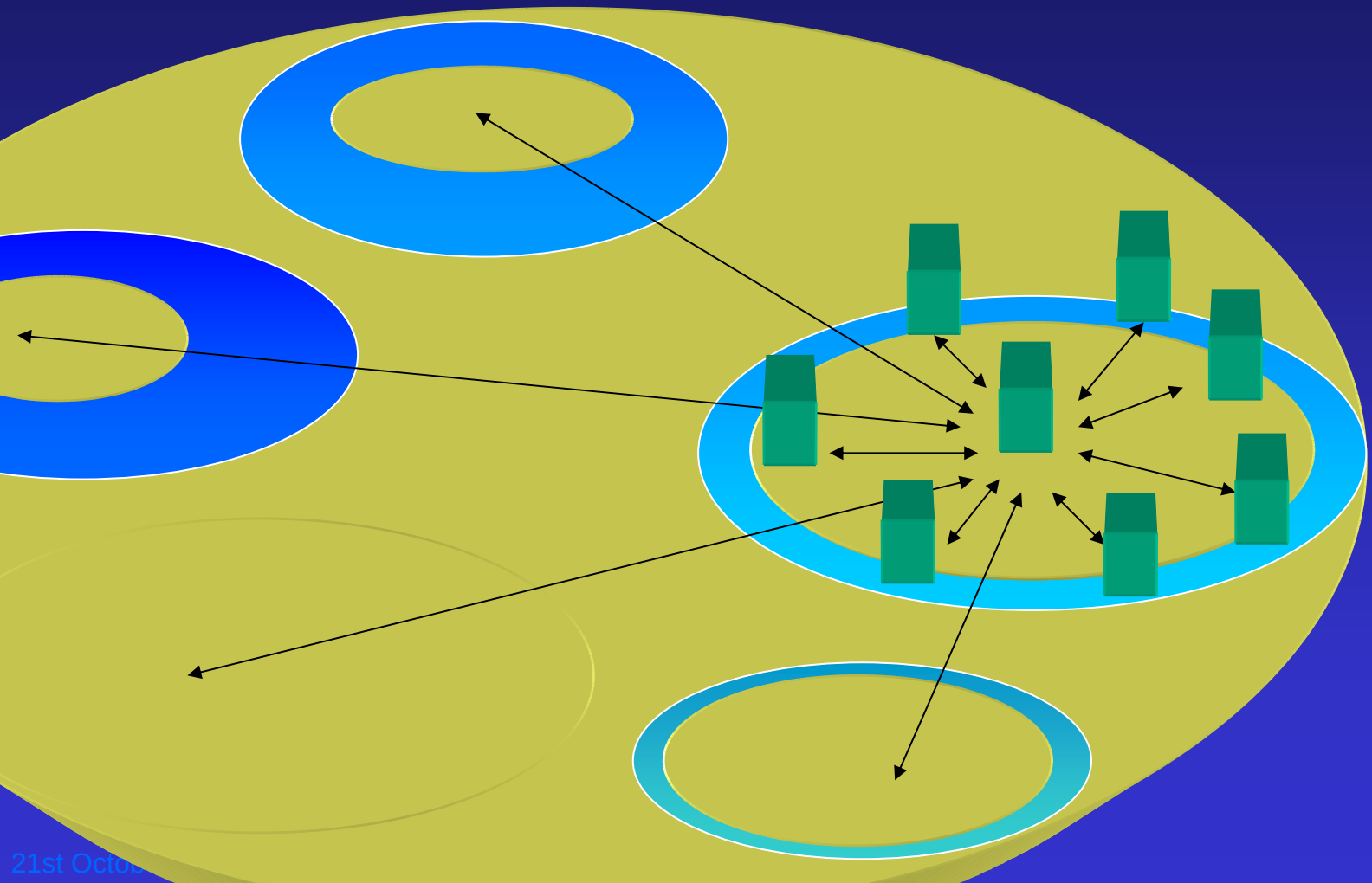
3. using the SSP locally for local schemes



The STEP2 Shared Service Platform

Overall, different groupings of banks use the SSP for SEPA schemes …

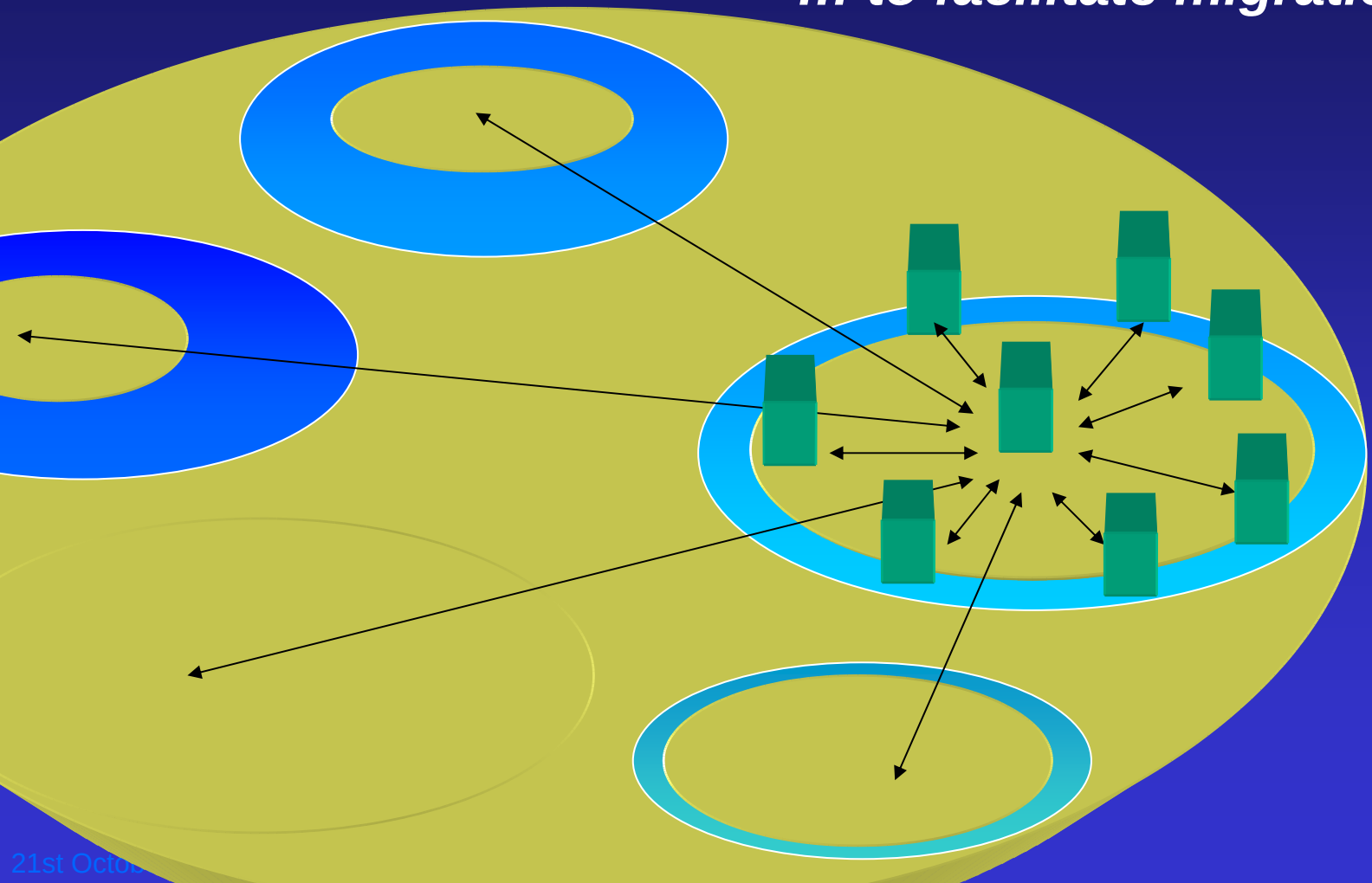
and, - temporarily, - for local schemes



The STEP2 Shared Service Platform

Overall, different groupings of banks use the SSP for SEPA schemes …

… to facilitate migration to SEPA

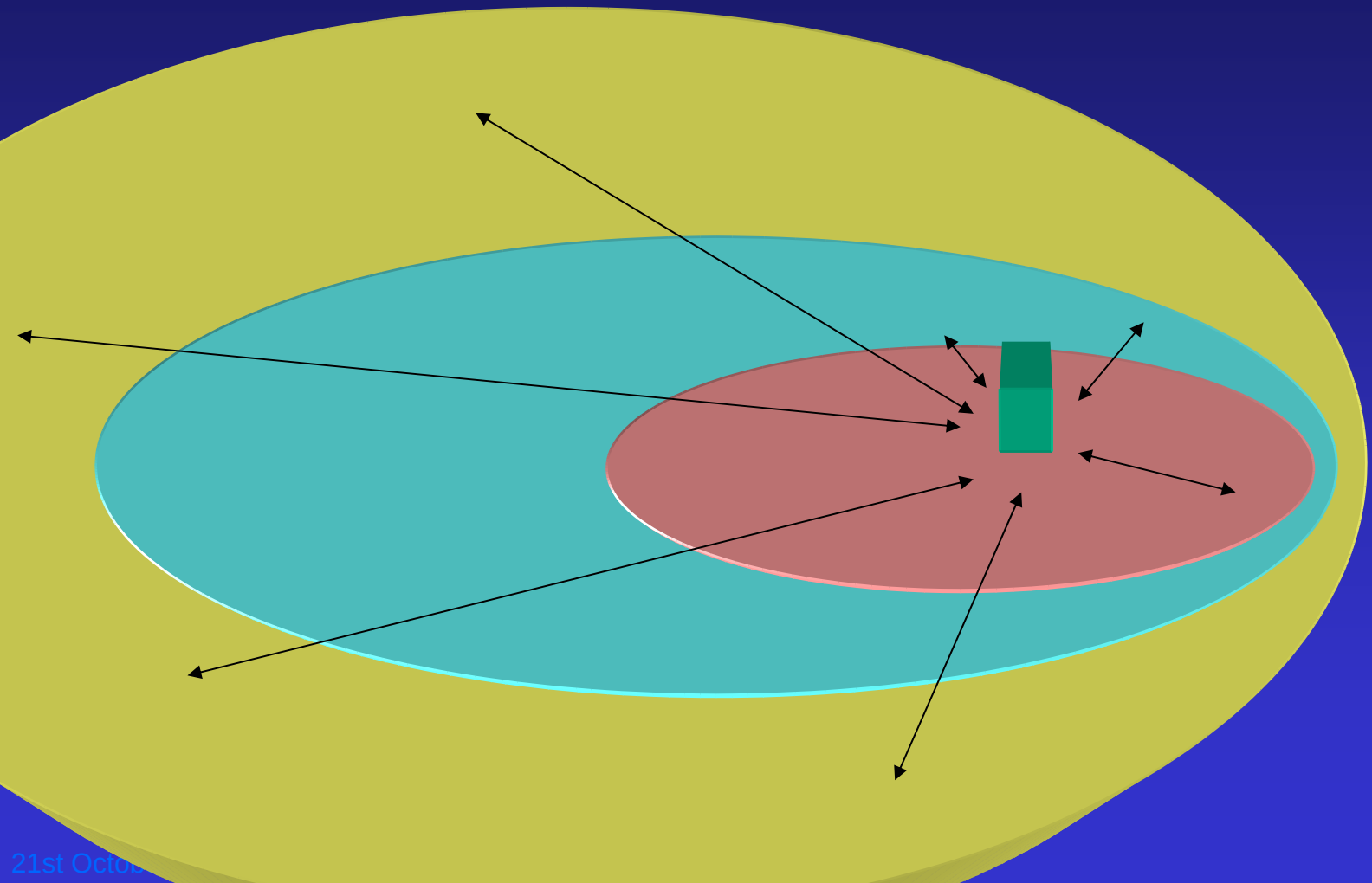


The STEP2 Shared Service Platform

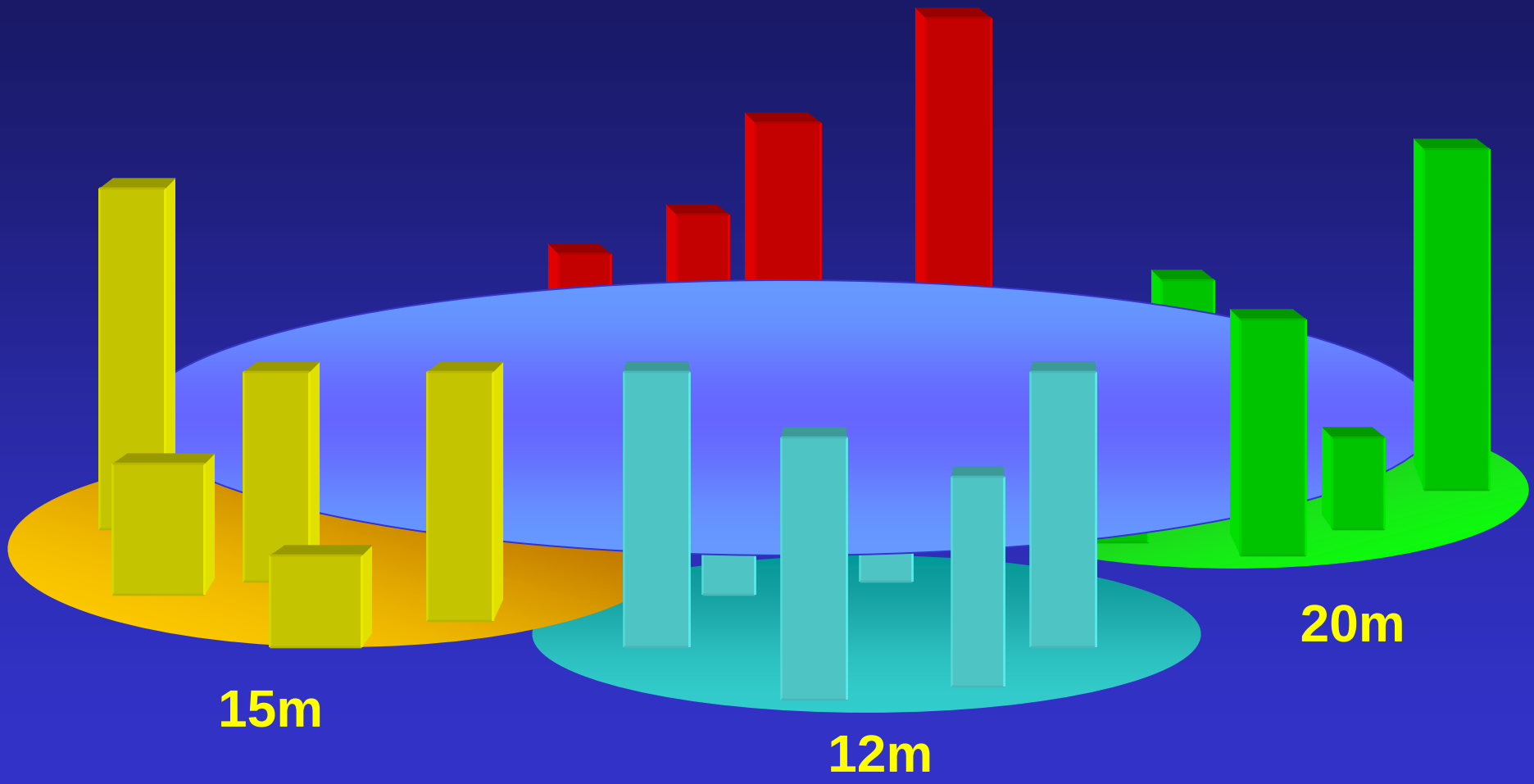
A pan-European retail payments processing platform

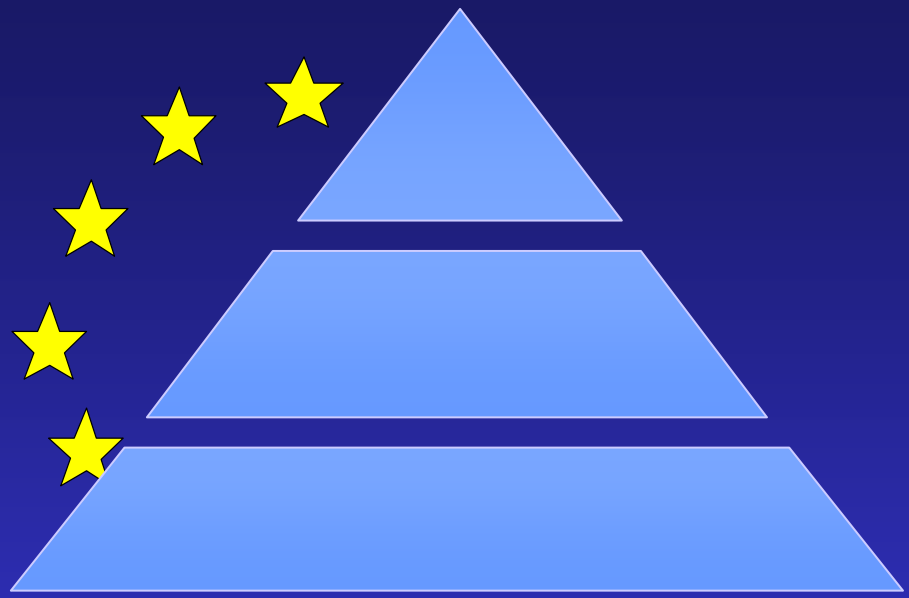
- for SEPA Scheme instruments

- for new schemes and services



What infrastructure approach ?





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