

## Migration to Union-wide credit transfers and direct debits

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Opinion of the European Central Bank (ECB) on a proposal for a regulation on the postponement of SEPA migration date.

The European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a proposal for a regulation of the European Parliament and of the Council which would amend Regulation (EU) No 260/2012 by introducing an additional transitional period of six months. Under the proposed regulation, a grandfathering clause would allow banks and other payment service providers to process payments that are non-compliant with Regulation (EU) No 260/2012 until 1 August 2014.

The proposed regulation has given rise to confusion in the markets on the deadline for migration and thus there is an urgent need for clear guidance. A further concern is the lack of legal certainty in the event that the proposed regulation is only adopted after the current deadline, i.e. 1 February 2014.

The ECB considered that it is of the utmost importance to reinstate legal certainty, reduce the confusion in the markets and provide them with clear guidance about the deadline. These objectives can best be ensured by a fast adoption of the proposed regulation by the Council and the Parliament, without any further alterations to its core elements.

To the extent that the fast track legislative procedure allows, the ECB proposed changes that aim to:

- clarify the scope of the proposed regulation (the introduction of an additional transitional period, by way of derogation) and its justification (SEPA migration is unlikely to be fully completed by 1 February 2014);
- align the terminology of the proposed regulation with that of Regulation (EU) No 260/2012;
- ensure that the effect of the transitional period on the imposition of penalties is made clear (in order to ensure legal certainty, it must be made clear that penalties for transactions processed during the additional transitional period are excluded).