



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

SEPA not yet mature enough to be used by SMEs

Brussels, 28 January 2008. The Single Euro Payments Area (SEPA) is a positive step forward but it is not yet mature enough to be used in practice by small and medium-sized businesses, according to UEAPME, the European craft and SME employers’ organisation. Ahead of the official launch ceremony for SEPA, which will take place in Brussels later today (Monday), UEAPME warned that several flaws exist in the bank-to-customer interface foreseen by the new system. For instance, UEAPME stressed the absence of rules concerning remittance information, which is crucial for tools such as e-invoicing and e-accounting, as well as on the practicalities surrounding debit transfers. Moreover, UEAPME criticised the lack of adequate information to end users, and insisted on the need to ensure competition both on SEPA-related services and on hardware/software infrastructures.

“Today’s launch is indeed an important step, but we believe that it is definitely too early to celebrate”, said **Gerhard Huemer**, Director for Economic and Fiscal Policy at UEAPME. *“As it stands today, SEPA is simply not suitable for everyday use, all the less so for SMEs that typically process only a few cross-border payments per year and will find the new system rather unclear, too burdensome and possibly more expensive than what they are used to”,* he continued.

Mr Huemer then went on to give details on the key SME concerns. First of all, SEPA rules do not foresee at the moment the possibility to send information along with payment proofs, the so-called “remittance information”. A structured and standard remittance note is essential to compare information and to feed data into automated processing tools for invoicing and accounting, explained Mr Huemer, who stressed that the lack of this feature will make SEPA less attractive than the existing systems.

Secondly, the clauses on direct debit will not enter into force until November 2009 – and even then, they might lead to negative consequences for SMEs. For instance, the current proposals dictate a too strict and unworkable same-day limit for rejecting business-to-business direct debit transfer operations. Small enterprises must be allowed several days since they cannot process this kind of information in real time, said UEAPME. Moreover, the decision on whether to automatically migrate existing direct debit mandates to the new system must be regulated at national level, otherwise SMEs run the risk of incurring into extra costs in order to get their customers’ mandates renewed.

Thirdly, banks have not provided their customers with enough information on the SEPA changeover, criticised Mr Huemer. Finally, and perhaps most importantly, competition must be ensured in order to make SEPA as cost-efficient as possible. This must be true at all levels, i.e. for payment service operators, but also for terminal providers and for technical assistance services. UEAPME therefore called on competition authorities at EU and national level to keep a close eye on the market developments to avoid all forms of cartels and monopolistic behaviours in the coming months.

“Although small businesses remain in favour of SEPA in principle, it must be made more attractive in order to ensure a smooth changeover. We will not recommend to our clients a quick migration to the new system until its current shortcomings are redressed”, concluded Mr Huemer.

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EDITORS’ NOTES: UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 84 member organisations, which represent crafts and SMEs across Europe, covering over 12 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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