



# SEPA National Programme for Slovenia

The purpose of this document	The programme for implementing SEPA at banks and savings banks, members of the Bank Association of Slovenia, payment systems and payment service users
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# 1 INTRODUCTION

This document is a presentation of the programme of payment service providers, i.e. banks and savings banks, members of the Bank Association of Slovenia (*hereinafter: ZBS*) and the Public Payments Administration of the Republic of Slovenia (*hereinafter: UJP*). It is intended for all stakeholders (payment service users, public administrations, the Bank of Slovenia, various interest groups such as trade associations and payment infrastructure operators. These stakeholders expect payment service providers (programme implementers) to offer euro payment services throughout the European Union under the same terms and conditions, using advanced, highly automated payment instruments.

With this document, banks and savings banks, members of the ZBS, and the UJP undertake to implement the SEPA National Programme defined herein. Any other additional adherents to this document shall, in a special declaration, commit to follow and implement it into their business activities. A list of adherents will be published on the ZBS website.

## 1.1 Purpose and Structure of this Document

The core purpose of the SEPA National Programme for Slovenia (*hereinafter: the National Programme*) is to prepare the framework for implementing the Single Euro Payments Area (*hereinafter: SEPA*) at payment service providers, payment systems and payment service users in Slovenia. In other words, payment service providers and users will be able to send and receive payments in line with SEPA rules. The distinction between euro payments within a country and across borders will cease to exist, and national payment service provider communities will gain a cutting edge over the competitive market by offering value added services.

This is the third version of the National Programme (the first version was adopted on 15 February 2007 and the second on 21 February 2008). Some of the objectives set in the previous versions have already been achieved while some need to be updated in accordance with new information and SEPA objectives at the European Payments Council (*hereinafter: EPC*) level. Representing the current status in Slovenia, the updated document primarily defines the objectives and terms for implementing the National Programme. The document was prepared in collaboration between expert associates provided by payment service providers, the ZBS and the Bank of Slovenia, under the aegis of SEPA Working and Support groups at the ZBS.

The National Programme contains essential information on:

- the organisation for achieving SEPA objectives,
- payment schemes and frameworks,
- SEPA standards,
- additional optional services (AOS),
- payment infrastructure,
- communicating with stakeholders,
- the plan for migration of national legacy payment schemes to SEPA schemes.

Furthermore, the National Programme comprises general information on SEPA deemed necessary for the proper understanding of its purpose and scope, especially by payment service users not familiar with SEPA.

## 1.2 General Overview of SEPA

SEPA has been designed as an environment where consumers, economic actors and other payment service users are able to make and receive euro payments whether between or within national boundaries, under the same basic terms and conditions, rights and obligations, regardless of the location of the payer and the payee within SEPA. It is expected that the existing national legacy payment schemes throughout Europe will eventually be completely replaced by SEPA payment schemes and frameworks.

The SEPA area encompasses:

- 16 euro area member states: Austria, Belgium, Cyprus, Finland, France, Greece, Ireland, Italy, Luxembourg, Malta, Germany, the Netherlands, Portugal, Slovakia, Slovenia and Spain;
- 11 other EU member states: Bulgaria, the Czech Republic, Denmark, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Sweden and the United Kingdom (including Gibraltar);
- 3 European Economic Area countries: Iceland, Norway and Liechtenstein;
- 4 other countries, which have been admitted to SEPA having met the EPC's criteria for adherence to and participation in SEPA: Monaco, Switzerland, Mayotte and Saint-Pierre-et-Miquelon (French overseas collectivities);
- 9 other territories, autonomous regions and colonies: Martinique, Guadeloupe, French Guiana, Reunion (French overseas departments), Gibraltar (British overseas territory), the Azores, Madeira (Portuguese autonomous regions), the Canary Islands, Ceuta and Melilla (Spanish autonomous cities) and the Aland Islands (Finnish autonomous region).

The SEPA project enjoys strong political support from the European Commission and the European Central Bank (*hereinafter: ECB*) and has been designed to answer market needs. Self-regulatory in nature, the project has been organised under the aegis of the EPC, members of which are representatives of the European payment service providers sector. The SEPA regulatory frameworks are defined by the legal acts of the European Union.

The EPC is the decision-making and co-ordinating body of the European sector of payment service providers in the area of payments. The EPC designs payment schemes and frameworks needed to implement SEPA.

The full-scope implementation of SEPA payment schemes and frameworks shall mean the alignment of national and cross-border payments to common basis, standards and payment execution procedures, irrespective of the payment infrastructure used to process payments and regardless of the location of payment account holders and their payment service providers within SEPA. At the same time, SEPA will pave the way for increasing efficiency and competitiveness among payment service and infrastructure providers, adding to the competitiveness of the whole EU market in global terms.

### **1.3 Regulatory System Defining the SEPA Frameworks**

The European Parliament and the European Council adopted the directive governing the provision of payment services in the internal market – Directive 2007/64/EC of 13 November 2007 (*hereinafter: PSD*), which establishes a coherent legal framework for payment services, abolishes the legal differences between individual national environments and thus contributes to the establishment of a single internal market. The EU member states had to transpose the PSD into their national legislations by 1 November 2009 at the latest. In line with the PSD, the National Assembly of the Republic of Slovenia adopted the Payment Services and Systems Act on 15 July 2009 (*hereinafter: ZPlaSS*, published in the Official Gazette of the Republic of Slovenia, No 58/27 July 2009), replacing the Payment Transactions Act. The ZPlaSS entered into force on 1 November 2009.

Under Regulation (EC) No 1781/2006 of the European Parliament and of the European Council of 15 November 2006 on information on the payer accompanying the transfers of funds (*hereinafter: Regulation 1781*), payment service providers are required to accompany all transfers of funds with complete information on the payer to facilitate the tracking of the payer due to activities related to preventing, investigating and detecting money laundering and terrorist financing. Regulation 1781 is essential for the Slovenian national community as it permits member states to not apply the aforementioned provisions to transfers of funds provided that the transaction amount is €1,000 or less and the payee's payment service provider is able to trace the transfer of funds back to the debtor reference party via the payee's reference number, unless in conflict with the objective of an effective fight against money laundering and terrorist financing.

Of equal importance is Regulation (EC) No 924/2009 of the European Parliament and of the European Council of 16 September 2009 on cross-border payments in the EU and repealing Regulation (EC)

No 2560/2001 (*hereinafter*: Regulation 924). Regulation 924 summarises the provisions of the repealed Regulation No 2560/2001 on needing to indicate the payment account holder's IBAN and the BIC of the respective payment service provider, and with effect from 1 January 2010 removes settlement-based national reporting obligations on payment service providers for balance-of-payments statistics related to payment transactions up to €50,000. By 1 November 2010, in line with Regulation 924, the payers' payment service providers must ensure reachability for cross-border direct debit transactions in euro on the payers' payment accounts.

## **1.4 Objectives and Time Line for Implementing SEPA**

The ultimate objective of SEPA is to ensure that consumers, businesses and public administrations will be using payment services tailored to meet their needs, across the European Union in a uniform way, blurring the distinction between euro payments within a country and across borders. Payment account holders will be able to make non-cash payments within the euro area using a single payment account and a single set of payment instruments as easily, efficiently and safely as though payments were made within national borders. Payment service users will be able to choose their payment service provider, regardless of the country where the latter is located, by comparing their products and services.

SEPA Credit Transfers are available to users as of 28 January 2008. As of 2 November 2009, payment service providers operating within SEPA have begun adhering to the two SEPA direct debit schemes. The adherence of individual payment service providers (within national communities), to the two SEPA direct debit schemes is a gradual process and must be completed by 1 November 2010 at the latest.

The end date (at the European level), by which the migration of national legacy payment schemes to SEPA payment schemes will have to be completed has not been determined yet.

## **1.5 National Objectives and Time Line for Implementing SEPA**

In the area of credit transfers, the migration of national legacy payment schemes, known as "New Payment Instruments" Schemes to the SEPA Credit Transfer Scheme began in 2008. The migration of standing orders is in the final phase while the gradual migration of special payment orders and direct credits shall be carried out in 2010 and 2011, in line with the prepared business models for credit transfer migration. The introduction of the new universal payment order (*the UPN form*) shall begin in the second half of 2010, to gradually replace the existing legacy paper forms (*PP02, BN02 and RP01*). These activities are described in detail in the following chapters.

In 2010, activities will be oriented toward ensuring the reachability of payment service providers for SEPA Direct Debits from the payers' (debtors') payment accounts according to the mandatory SEPA Core Direct Debit Scheme and the optional SEPA Business-to-Business (B2B) Direct Debit Scheme. This includes testing the payment infrastructure, drawing up SEPA Direct Debit contractual terms and conditions for payees (creditors) and payers (debtors) and launching activities for introducing the e-Mandate. According to the SEPA Rulebooks, in order to sign up for implementing SEPA direct debits, the payment service providers must organise their documentation and ensure their adherence to the two schemes pursuant to the agreed EPC adherence procedure. Individual payment service providers will adhere to the optional B2B Scheme in line with their commercial interests.

2011 will see the commencement of the migration of direct debits performed in line with the national legacy New Payment Instruments Scheme to the two SEPA direct debit schemes.

As for payment cards, the harmonisation of debit and credit cards, ATMs and Points-of-Sale with the EMV technology shall continue. This process must be completed by 1 January 2011.

In cash operations, there will be a continuation of efforts to harmonise cash transactions throughout the euro area (transportation, safekeeping, insurance, quality standards, etc.).

2010 will see the launch of activities designed to help adjust to the rapid changes in payment habits

that have been appearing over the last decade; the main focus will be on the so-called electronic payments (*e-payments*) and mobile phone payments (*m-payments*).

The final dates for the migration of the national legacy payment schemes to the SEPA schemes within the national environment are defined in the chapters on payment schemes and frameworks.

## **1.6 Role of Actors in Implementing SEPA**

The speed that SEPA is put in place depends on the active involvement of all actors, i.e. stakeholders in a given national community. Each and every participant has a role to play and thus contributes to the success of this project. To that end, the understanding and adoption of the principal objectives of the SEPA project by the public also remains especially important, since it is the only way to achieve the expected advantages brought about by SEPA. Engaging in communication with stakeholders is also of key importance. The text below presents the economic and other actors in Slovenia and elaborates on their tasks during the preparation and implementation of the SEPA project.

### **1.6.1 Responsibilities of the Payment Service Providers**

- communication and spreading knowledge about SEPA (education, i.e. training of employees and users)
- design and implementation of SEPA products based on the SEPA schemes
- the alignment of in-house technology, testing the payment infrastructure and deployment to production
- providing a testing environment for users as needed
- the designation and the development of Additional Optional Services (AOS) and Value Added Services (VAS)
- the alignment of internal acts
- a harmonised approach to common vendors, i.e. the providers of software (the alignment of technical and technological requirements)
- a coordinated approach to the deployment of a common data standard for users
- a coordinated approach to the migration of payments to the SEPA schemes, both in terms of credit transfers (*e.g. special payment orders, direct credits and standing orders*) and of direct debits, including a co-ordinated approach to implementing the universal payment order (*the UPN form*)
- promoting the migration of the current payment schemes to the SEPA payment schemes
- monitoring implementing activities and progress in the area of cash and payment cards
- participation in EPC working body meetings
- the provision of financial and HR resources for the operations involved in a centralised project under the auspices of the ZBS and the provision of moral/peer pressure for the project

### **1.6.2 Responsibilities of the Bank Association of Slovenia – ZBS**

- the establishment and management of the SEPA implementation project in Slovenia (*the organisation of operations and the provision of support to the working and support groups of SEPA*)
- co-ordination and provision of information to banks and savings banks, members of the ZBS, the Bank of Slovenia and the UJP
- the preparation of a plan for a unified approach to implementing SEPA
- the adoption of a common policy with regard to implementing SEPA
- the preparation of the plan for the migration of existing payments performed using national schemes to the SEPA schemes
- a constructive collaboration with all stakeholders (users, the Bank of Slovenia, the UJP, the Ministry of Finance, the government and interest groups/trade associations)
- the definition of Additional Optional Services (AOS) and Value Added Services (VAS)
- monitoring the progress in testing the payment infrastructure in banks and savings banks
- collaboration with the EPC and the European Commission
- reporting to the EPC in line with the requirements and guidelines with regard to the progress of activities and any associated risks

- arranging for the translation of the most important approved EPC documents related to SEPA
- promoting the migration of legacy payment schemes to the SEPA payment schemes
- the preparation and implementation of the national communication plan (*marketing, leaflets, brochures, website, public relations – PR, answers to questions posed by the media, special events and training sessions, etc.*)
- training sessions on new features and products related to the SEPA project

### **1.6.3 Responsibilities of the Bank of Slovenia**

- monitoring and channelling the payment service providers' activities in line with the policy endorsed by the Eurosystem
- liaising with the payment service providers through monitors operating within working and support groups of the ZBS and through collaboration with other working bodies (the Payment Services Committee and the National SEPA Forum)
- monitoring the degree of progress made in the migration of payments performed in line with national legacy schemes to the SEPA schemes

### **1.6.4 Responsibilities of the Payment Service Users**

- collaboration with payment service providers in the introduction of SEPA products
- collaboration with payment service providers in the field of testing
- alignment of their own payment infrastructure (*adjustment to the new standards, B2B, e-Mandate, etc.*)
- the consistent use of requested data for automated payment processing (*obtaining data from suppliers – IBAN, BIC, etc.*)
- the adoption of any new standards for electronic operations between users and payment service providers
- close collaboration through interest groups/trade associations (*the Chamber of Commerce and Industry of Slovenia, the Chamber of Craft and Small Business of Slovenia, the Slovenian Consumers' Association, the Slovenian Insurance Association, the Slovenian Chamber of Commerce, etc.*) with the Bank Association of Slovenia

### **1.6.5 Responsibilities of the Public Administration**

- close collaboration between the Ministry of Finance, the Public Payments Administration, the Bank Association of Slovenia and the Bank of Slovenia
- encouraging the endorsement of the programme and implementing SEPA within the public administration framework
- providing assistance for budgetary users in implementing SEPA and encouraging them to become "early adopters" of the SEPA payment instruments
- assuming the function of "early adopters" in the introduction of SEPA direct debit schemes

### **1.6.6 Responsibilities of the Infrastructure Operators**

- the adoption of the decision to retain, abolish or develop the existing payment infrastructure (*e.g. clearing cards, processing payments in line with the national New Payment Instruments Schemes, the SEPA infrastructure for Small Value Payments - SIMP*)
- alignment of the infrastructure to provide interoperability with SEPA-compliant European payment systems
- the customisation of technology and standards and the provision of the necessary resources for their introduction
- the provision of the test environment and the co-ordination of payment infrastructure testing with participants
- collaboration with other stakeholders

### 1.6.7 Responsibilities of the Interest Groups/Trade Associations<sup>1</sup>

- spreading awareness of the SEPA programme – educating users (*consumers and enterprises*)
- collaboration with the Bank Association of Slovenia

## 2 ORGANISATION FOR ACHIEVING THE OBJECTIVES SET UNDER SEPA

### 2.1 Organisation for Achieving the Objectives Set Under SEPA Within the European Union

The EPC was established in June 2002 by 42 European banks, three European Credit Sector Associations (ECSAs) and the Euro Banking Association (EBA). Having finalised its organisational structure in 2004, the EPC is able to support and promote the SEPA project. With the adoption of the *Crowne Plaza Declaration by the EPC* in March 2005, the EPC committed itself to implementing the SEPA project, as evidenced by the publication of the *EPC Roadmap 2004-2010*<sup>2</sup> designed to put SEPA fully in place.

The EPC currently consists of 74 members – European banks and related associations. There are over 300 experts from 31 countries directly involved in the EPC work programmes, representing all fields and the payment service providers sector.

In order for the objectives of the SEPA programme to be achieved, the following groups were established under the aegis of the EPC: the Cards Working Group, the Cash Working Group, the E-Payments Working Group, the M-Payments Working Group, the Standards Support Group, the Legal Support Group, the Information Security Support Group and a special Testing Group.

The Roll-Out Committee (ROC) was established separately within the framework of the EPC. The tasks to be discharged by the ROC will be passed on as of March 2008 to a newly established body called the Programme Management Forum (PMF). In the autumn of 2007, the Scheme Management Committee (SMC) was launched for the purpose of dispute resolution and scheme management.

The focus of the paper *Roadmap 2004-2010* is also on the role played by the ECB and national central banks (NCBs). The latter should play the part of promoters which would significantly contribute to putting SEPA in place. Nevertheless, the principal responsibility for implementing SEPA rests with the EPC and the European banking sector.

As a regulator, the European Commission monitors the progress of the activities involved in implementing the SEPA project and – should the banking sector prove incapable of self-regulation – is ready to step in with a new regulation system to speed up the implementation of SEPA.

In the continued development of activities within the SEPA project, the EPC shall also establish collaboration with users participating in the EPC Customer Stakeholders Forum.

So far, the EPC has reached a number of significant milestones related to the SEPA project:

- the first milestone was achieved on 28 January 2008, which marks the date when the SEPA Credit Transfer Scheme for euro payments was launched. Over 4,300 payment service providers from 31 countries have joined the scheme, representing 95 percent of the payment volumes in Europe (source: [http://www.europeanpaymentscouncil.eu/content.cfm?page=what\\_is\\_epc](http://www.europeanpaymentscouncil.eu/content.cfm?page=what_is_epc));
- on 2 November 2009, over 2,600 European payment service providers began using the two SEPA

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<sup>1</sup> This covers the following interest groups/trade associations: Slovenian Consumers' Association, Chamber of Commerce and Industry of Slovenia, Chamber of Craft and Small Business of Slovenia, Slovenian Chamber of Commerce, Slovenian Insurance Association, etc.

<sup>2</sup> The EPC Roadmap 2004-2010 is available on the EPC website: <http://www.europeanpaymentscouncil.eu/documents/Roadmap%20public%20version%204th%20April%20amended%20March%2008.pdf>.



- direct debit schemes (source: [http://epc.cbnet.info/content/adherence\\_database](http://epc.cbnet.info/content/adherence_database));
- within the framework of the SEPA project, the European payment service providers were the first to deploy a new global standard – ISO 20022 XML for mass payment transactions;
- the adoption of the Agreement on the use of a single account identifier based on global ISO standards (*International Bank Account Number (IBAN)*) and a single bank identifier based on the *Bank Identifier Code (BIC)*;
- the design and approval of the SEPA Cards Framework document for making euro payments with a general purpose card including operating principles for payment service providers, for card schemes, for card service providers and for other stakeholders;
- the design and approval of the *PE-ACH Framework* document, containing a presentation of the principles and proposals for a single European clearing infrastructure;
- the design and approval of the *SEPA Cash Framework* document, designed to support the shift to electronic payment methods aimed at reducing the costs associated with cash handling;
- the design of the documents *SEPA e-Payment Framework*, *e-Operating Model* and the *EPC White Paper on mobile payments*, which were submitted for public consultation in January 2010.

## **2.2 Organisation for Achieving SEPA Objectives in Slovenia**

In the wake of Slovenia's full-fledged accession to the European Union on 1 May 2004, the Slovenian banking sector became eligible for membership of the EPC. The ZBS has enabled the Slovenian payment service providers to become members of the EPC. The representatives of the Bank Association of Slovenia are now members of the following bodies of the EPC: the EPC Plenary, the SEPA Payments Scheme Working Group, the Cards Working Group, the Cash Working Group, the working groups for electronic and mobile payments, the Legal Support Group, the Standards Support Group, the Information Security Support Group and the Programme Management Forum (PMF).

Leading the preparations for implementing the SEPA Direct Debits and the migration of payments to the SEPA payment schemes and a SEPA-compliant infrastructure is ensured in line with the principles of project organisation established within the framework of the ZBS during the first half of 2007. An external project manager was selected, while the members of the ZBS made a commitment to support the project by assigning human resources, providing funding and moral peer pressure. The project manager's tasks were performed until March 2008, when the professional project management was put on hold. The professional management of the SEPA project resumed in March 2009 and is limited to ensuring that the payment service providers are ready to adhere to the two SEPA direct debit schemes, to migrate credit transfers to the SEPA Credit Transfer Scheme and to introduce the universal payment order.

Most Slovenian banks and savings banks, Bank Association of Slovenia members, the Bank of Slovenia, the Public Payments Administration and the selected provider of the national SEPA infrastructure for Small Value Payments participate in the SEPA project, running under the auspices of the Bank Association of Slovenia and organised similarly to the EPC's SEPA project. At present, there are 10 groups within the framework of the project, i.e. five working groups (a sixth is being established) and five support groups, meaning that all aspects of the SEPA project are covered. The groups are co-ordinated by the SEPA Project Co-ordination with operational assistance provided by the SEPA Project Office. The latter is a special project and organisational unit and a special cost centre within the ZBS that co-ordinates all the working bodies and working groups that are not a constituent part of the professional project management, and also informs the payment service providers and other stakeholders about SEPA and the EPC about the SEPA-related activities of the Slovenian community.

Acting as the national organisation for implementing the SEPA project, the Payment Services Committee is the operating decision-making body. The ZBS Supervisory Board is the supreme decision-making body while the Steering Committee functions as an overseer of the project. In addition to these, the National SEPA Stakeholders Forum, as an advising body, encompasses the representatives of all the stakeholders in the SEPA project. Specifically, the National SEPA Stakeholders Forum includes representatives of the ZBS, the Bank of Slovenia, the Ministry of Finance, the Public Payments Administration, chambers (*of commerce, commerce and industry, craft and small business*), consumer and insurance organisations, etc.

							ZBS Supervisory Board					
							Steering Committee (decisions & monitoring)					
National SEPA Stakeholders Forum			Payment Services Committee				National Organisation for implementing SEPA – creates and decides upon operational proposals)					
							SEPA Project Co-ordination			SEPA Project Office		
SEPA Working Groups						SEPA Support Groups						
Direct Debit WG	Credit Transfers WG	UPN WG	Cards WG	Cash WG	e-SEPA WG	Standards SG	AOS SG	Testing SG	Communications SG	Legal SG		
Banks and savings banks, ZBS members: members, the Bank of Slovenia and the Ministry of Finance: observers												

Figure 1 – The organisation chart of the SEPA project at the ZBS

### 2.3 Payment Service Providers who have Adhered to the SEPA Credit Transfer Scheme

In Slovenia, 21 payment service providers and the Bank of Slovenia have adhered to the SEPA Credit Transfer Scheme. They are all participating in the SEPA project at the ZBS. A list of adherents is published on [www.sepa.si](http://www.sepa.si).

### 2.4 Payment Service Providers who will Adhere to the Two SEPA Direct Debit Schemes

Payment service providers will adhere to the two SEPA direct debit schemes in 2010.

## 3 PAYMENT SCHEMES AND FRAMEWORKS

### 3.1 General Information on the SEPA Schemes and Frameworks

The SEPA schemes/frameworks cover the rules and practices aimed at ensuring that payments are made, received and processed in line with SEPA, as agreed between the payment service providers in a competitive environment.

The schemes and frameworks therefore include:

- the purpose, objectives and scheme/framework definition,
- the operating model of activities,
- business and operating rules that cover the entire process of making payments,
- market practices as needed, including user processes,
- interbank relationships concerning the principles and practices of charging, obligations and risk management,
- the legal structure and documentation involved in contracts and agreements,

- ownership and agreements on governance (*only applies to schemes*).

To prepare the SEPA Credit Transfer Scheme and the SEPA Direct Debit Scheme, the '*replacement*' strategy was selected, meaning that new schemes with unified rules for these payment services were created for the entire SEPA environment. Individual payment service providers must formally adhere to these schemes, which are managed within the framework of the EPC.

For card operations, the selected strategy is about the '*alignment*' of the existing schemes and their processors to a new string/set of commercial and technical standards and processes, covered within the SEPA framework. In cash operations, the existing procedures will be harmonised and rationalised in terms of cash transportation, quality standards, safekeeping, etc. Even the relatively new area of e-payments is regulated with a framework that is currently in the public consultation stage, envisaged to be approved by the EPC Plenary in March 2010. The payment service providers do not need to formally adhere to the SEPA frameworks, but they do have to adopt a clear commitment to follow the rules prescribed by the frameworks within a certain timeframe.

These are the key EPC documents defining the method of implementing SEPA Credit Transfers and SEPA Direct Debits:

- *SEPA Credit Transfer Scheme Rulebook*
- *SEPA Core Direct Debit Scheme Rulebook*
- *SEPA B2B Direct Debit Scheme Rulebook*
- *Interbank Credit Transfer Implementation Guidelines*
- *Interbank Core Direct Debit Implementation Guidelines*
- *Interbank B2B Direct Debit Implementation Guidelines*
- *Customer-to-Bank Credit Transfer Implementation Guidelines*
- *C2B Core Direct Debit Implementation Guidelines*
- *Customer-to-Bank B2B Direct Debit Implementation Guidelines*

together with a set of accompanying documents published on the EPC's public website ([www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)).

To address the SEPA payment cards, the SEPA Cards Framework (*SCF*) was prepared for the implementation for the payment service providers, card schemes and card processors. In relation to the SEPA card operations, the maximum effect will be achieved through the use of open standards that will be accessible to all the participants within the card payments chain. This is why the EPC, in collaboration with other stakeholders, produced the paper *SEPA Cards Standardisation Volume*, which aims to eliminate all the technical hurdles preventing the uniform use of cards. The paper defines the requirements regarding functionality and security, as well as the requirements for evaluation and certification in line with the EPC's recommendation for all actors in the value chain of card payments, designed to ensure interoperability within SEPA.

The plans for establishing the Single Euro Cash Area (*SECA*) have been designed by working closely with the Eurosystem, since cash shall remain in the domain of the Eurosystem national central banks. The EPC designed the Single Euro Cash Area Framework (*SECA Framework*) that will encompass the principles of harmonisation and processing for the safekeeping, distribution and recycling of cash and the strategy for encouraging consumers and merchants to embrace the migration to payment cards and electronic payments at a significant cost-reduction for the entire society.

### **3.2 Definition of the Areas Covered in the National SEPA Programme in Slovenia**

The areas covered by the national SEPA Programme are subject to migration to the SEPA environment or must align with this environment. This covers the following areas:

- *credit transfers*
- *direct debits*
- *payment cards*
- *cash*

- e- and m-payments

### 3.2.1 Credit Transfers

A credit transfer is a payment service where a payer (originator) directs his payment service provider to make a payment transaction with the purpose of transferring funds to a user.

#### 3.2.1.1 Credit Transfers in Use in Slovenia

In Slovenia, the following types of credit transfers are in use:

- SEPA Credit Transfers made within the national borders – processed through SEPA Internal Credit Transfers (the Giro Clearing system was used until 31 July 2009)
- cross-border SEPA Credit Transfers – processed through Euro Banking Association STEP2 SEPA Credit Transfers (SEPA External Credit Transfers)
- cross-border credit transfers – processed through Euro Banking Association STEP2 XCT, TARGET2 and correspondent banking
- credit transfers in line with the New Payment Instruments Schemes – processed through the Bankart d.o.o. Collection Center (*hereinafter: Collection Center*)
  - o special payment order,
  - o direct credit,
  - o standing order.
- internal credit transfers (*transfers made between the payment accounts of a payment service provider*), executed in line with the individual payment service provider's rules and terms and conditions

Credit transfers in euro are executed:

- according to rules, procedures and standards prescribed by the SEPA Credit Transfer Scheme (*national credit transfers and cross-border credit transfers*)
- according to the rules of the real-time gross settlement system – TARGET2 (*national credit transfers and cross-border credit transfers*)
- through the correspondent accounts of payment service providers within the EU (*cross-border credit transfers*)
- according to the rules, procedures and standards of the New Payment Instruments Schemes and through the Collection Center (*national credit transfers*)
- according to the rules, procedures and standards of individual payment service providers (*national internal credit transfers*)

The timeframe for executing payment transactions at the payment service providers in Slovenia is as follows:

- national SEPA Credit Transfers are executed at five cut-offs per business day (D+0)
- credit transfers made using the special payment order through the Collection Center are credited into the payment account of the payee (beneficiary) on the following business day (D+1)

#### 3.2.1.2 Credit Transfers Made in Line with the National New Payment Instruments Schemes

A credit transfer made using the special payment order is a payment transaction executed according to the rules of the national New Payment Instruments Scheme for special payment orders.

Direct credit is a credit transfer executed according to the rules of the national New Payment Instruments Scheme for direct credit.

A standing order is a credit transfer executed according to the rules of the national New Payment Instruments Scheme for standing orders.

The national New Payment Instruments Scheme specifies the relationships and procedures, i.e. processes and standards for operations involved in the execution of the above-mentioned credit transfers in euro.

All of the above-mentioned payments are processed based on the Agreement on Payment Instrument Use (special payment order, direct debit, direct credit and standing order), to which the banks and savings banks (members of the ZBS) have adhered. They are processed through the Collection Center.

### **3.2.1.3 Credit Transfers Made in Line with the SEPA Credit Transfer Scheme**

SEPA Credit Transfer is a payment instrument executed in line with the SEPA Credit Transfer Scheme Rulebook. SEPA Credit Transfers are euro-denominated transactions effected between payment service users possessing payment accounts opened with payment service providers in the SEPA area. The SEPA Credit Transfer Scheme (*hereinafter: the SCT Scheme*) does not limit the payment amount, but it does allow the payer's payment service provider to do so.

SEPA Credit Transfers may be single or bulk:

- a single credit transfer is a payment executed in the determined amount, by debiting the payer's payment account and crediting the payee's payment account
- a bulk credit transfer is a payment executed by debiting the payer's payment account for the total amount; for each individually determined amount, more than one payment account of the payee(s) is approved

The payment amount for the payee is always approved in full. The costs borne by the payer and the payee are based on the sharing principle (*the 'Shared Cost' Option*). Users agree the basis and the amount of costs with their payment service providers. The payer and payee each settle the costs and fees of their payment service providers individually and separately from the payment transaction.

SEPA Credit Transfer comprises data supplied by the payer for the transfer of information regarding the transaction. The information/data on the transfer shall be transferred in a structured or an unstructured form. Information/data concerning payments sent by the payer to his payment service provider should be transferred to the payee in full and unmodified.

In line with the SEPA Credit Transfer Scheme Rulebook, a payer's payment service provider must ensure that the payment transaction amount is credited to the payee's account held with his payment service provider within two banking business days after receiving the payment order; after 1 January 2012, this will have to be done within one banking business day.

The arrangement for making national credit transfers in line with the Payment Services and Systems Act is stricter and requires payment transaction amounts to be credited to the payee's account held with his payment service provider on the day that the payer's payment service provider receives the payment order. However, in order to enable the flawless migration of special payment orders to the SCT Scheme, the Payment Services and Systems Act also prescribes a transitional period lasting until the end of 2011. Concerning orders made by payers using special payment orders during that period, it will be possible to credit payment transaction amounts to the payee's payment service provider not later than the business day following the day when the payer's payment service provider receives the payment order.

### **3.2.1.4 The Migration / Changeover to the SEPA Scheme and the Definition of the Critical Mass**

The following types of payments are subject to migration to the SCT Scheme:

- national SEPA Credit Transfers – SEPA Internal Credit Transfers (migration from the Giro Clearing system already completed)
- cross-border SEPA Credit Transfers – SEPA External Credit Transfers
- cross-border payments – processed through Euro Banking Association STEP2 XCT and correspondent banking
- credit transfers in line with the New Payment Instruments Schemes – processed through the Collection Center:
  - o special payment order,
  - o direct credit,
  - o standing order.

**TABLE 1 – AN OVERVIEW OF EURO-DENOMINATED CREDIT TRANSFERS EFFECTED NATIONALLY AND CROSS-BORDER CREDIT TRANSFERS IN 2009**

Type of Credit Transfer in Euro	Number of Transactions	Value in 000 €	Data Source	Critical Mass by the Number of Transactions
SEPA Internal Credit Transfers*	55,131,097	44,874,690	Bulletin of the Bank of Slovenia	
SEPA External Credit Transfers	471,897	2,773,116	Bankart d.o.o	
Cross-border transfers executed through correspondent banking**	1,250,000**	30,000,000**	Banks and savings banks	
Standing orders in line with the New Payment Instruments Scheme	467,084	39,290	Bankart - Collection Center	60% (Critical mass achieved in December 2009.)
Special payment orders in line with the New Payment Instruments Scheme	57,692,224	2,554,692	Bankart - Collection Center	60% or by end of 2011 at the latest***
Direct credit in line with the New Payment Instruments Scheme	11,371,273	4,944,644	Bankart - Collection Center	When the number of transactions drops below 500,000 at a monthly level (last quarter average) or by June 2011 at the latest

\* The figure includes credit transfers made using the Giro Clearing system by 31 July 2009.

\*\* The figure is an estimate of cross-border payments in euro through correspondent banking for most banks (incoming and outgoing payments) in 2009. Not subject to migration monitoring.

\*\*\* In the case of special payment orders, 60% represents 2.9 million transactions. Critical mass will be achieved when the number of transactions drops below 2.9 million at a monthly level for two months in a row. The deadline for the migration of special payment orders to the SEPA Credit Transfer Scheme is by the end of 2011.

Once the critical mass has been achieved (in terms of the number of SEPA transactions as a portion of all transactions), the payment scheme provider for an individual type of credit transfer should adopt the decision to specify the final date for abolishing the existing payment scheme.

The migration of credit transfers on the payment service provider / payment system level was launched in 2008. The mass migration of credit transfers on the user / payment service provider level will commence in 2010 and is envisaged to be completed by the end of 2011. The level at which individual types of credit transfers achieve critical mass is determined in Table 1.

The migration of credit transfers at the interbank level using the Giro Clearing system to the SEPA Internal Credit Transfers Scheme of the SCT Scheme was completed on 31 July 2009.

#### **The Foreseen Deadlines for the Migration:**

In the Slovenian environment, the migration of cross-border payments in euro to the SCT Scheme is proceeding gradually and co-existing with the existing rules for effecting cross-border credit transfers as of 28 January 2008.

In 2009, a detailed analysis of special payment orders, standing orders and direct credit was produced, based on which a plan for migrating to the SCT Scheme was prepared and adopted. The latter defines the migration procedure and method, the critical mass for abolishing data processing through the Collection Center and the deadline for concluding the migration process:

- The special payment order shall be replaced by the universal payment order, whose phase-in is set to launch in the second half of 2010. The special payment order migration must be completed by no later than the end of 2011, which is the statutory deadline (pursuant to the Payment Services and Systems Act). When the critical mass is achieved, the date for abolishing the processing of special payment orders at the Collection Center shall be set (by December 2011 at the latest).
- The migration of standing orders to the SCT Scheme is proceeding gradually from 28 January 2008. This migration is not related to activities on the users' side and it is envisaged that the banks shall complete the migration of standing orders to the SCT Scheme in 2010.
- The migration of direct credit to the SCT Scheme is set to launch in 2010 and will be a gradual process. When critical mass is achieved, the date for abolishing the processing of direct credits at the Collection Center shall be set (by June 2011 at the latest).

### **3.2.1.5 Monitoring the Migration of Credit Transfers to the SCT Scheme**

As agreed between the banking community and the Bank of Slovenia, the degree of progress made in the migration will be statistically monitored by the Bank of Slovenia. The relevant data will be published.

### **3.2.1.6 The AOS and the VAS in the Execution of Credit Transfers**

No additional optional services (AOS) or value added services (VAS) have been introduced within the framework of the Slovenian banking community, which performs SEPA Credit Transfers in Slovenia.

Should the need for any AOS or VAS services arise, the decision to introduce them at the national level may be adopted at a later time.

## **3.2.2 Direct Debits**

A direct debit is a payment service where the payee orders a payment transaction that debits the payer's payment account with the payer's mandate.

### **3.2.2.1 Direct Debits in Use in Slovenia**

In Slovenia, direct debits are performed in line with the rules of the National Direct Debit Scheme. The payment scheme specifies the relationships and procedures, i.e. processes and standards for operations with direct debits in euro. The scheme is implemented based on the Agreement on Payment Instrument Use (special payment order, direct debit, direct credit and standing order), to which all Slovenian payment service providers have adhered. Direct debits are processed through the Collection Center while a portion of direct debits in the Slovenian environment is processed internally by payment service providers, outside the New Payment Instruments Scheme.

In Slovenia, the following types of direct debits are in use:

- *direct debits in line with the New Payment Instruments Scheme – processed through the Collection Center*
- *direct debits outside the New Payment Instruments Scheme – processed internally by the payment service providers*

**TABLE 2 – AN OVERVIEW OF EURO-DENOMINATED DIRECT DEBITS EFFECTED NATIONALLY IN 2009**

<b>Type of Debit Payment</b>	<b>Number of Transactions</b>	<b>Value in 000 €</b>	<b>Data Source</b>	<b>Critical Mass by the Number of Transactions</b>

Direct debits in line with the New Payment Instruments Scheme	20,511,354	801,906	Bankart - Collection Center	60%
Direct debits outside the New Payment Instruments Scheme	25,792,646	1,417,094	Bulletin of the Bank of Slovenia	60%
Total direct debits	46,304,000	2,219,000	Bulletin of the Bank of Slovenia	60%

### 3.2.2.2 Direct Debits in line with the SEPA Direct Debit Schemes

SEPA Direct Debits are executed between participants holding payment accounts with the payment service providers who are adherents to the SEPA direct debit scheme(s) (*hereinafter: the SDD Scheme(s)*). A SEPA Direct Debit is a payment service performed according to the Rulebook governing one of the two SEPA schemes for direct debits – the Core Scheme or the B2B Scheme defined by the SEPA Core Direct Debit Scheme Rulebook and the SEPA Direct Debit B2B Scheme Rulebook (*hereinafter: the Rulebooks*). The Core Scheme is primarily intended for directly debiting consumers' payment accounts while the B2B Scheme is intended solely for direct debits between economic actors. In addition, the Rulebooks define the e-Mandate and risks associated with effecting SEPA Direct Debits.

The SEPA Direct Debit Scheme has been designed for both one-off payments and for payers with (periodic) recurrent obligations in euro. The SDD Scheme(s) do not limit either the amount of individual direct debits or the purpose of payments and, unlike the legacy national scheme, enable the execution of direct debit every banking business day. Irrespective of the aforementioned, national communities may agree to limit the amount of individual direct debits within SEPA.

Based on a mandate submitted in paper or electronic format by the payer to the payee, the payee sends an instruction for a direct debit collection through his payment service provider to the payer's payment service provider. The payer's payment service provider receives the payment order for debiting the payment account, including information/data on the mandate given by the payer (*the data on the payer's mandate shall be supplied with every debit collection instruction sent*). The payer and payee must each have a payment account held with a payment service provider that adheres to the scheme (i.e. the SDD Scheme(s)), requiring them to perform national and cross-border direct debits in line with the SEPA requirements.

The uniform rules, processes and standards for the execution of the SEPA Direct Debits will bring benefits to all the participants involved. Payment service providers and clearing houses will execute direct debits uniformly for all users in line with the known rules.

### 3.2.2.3 The Migration / Changeover to the SDD Scheme(s) and the Definition of the Critical Mass

The main findings of the analysis of the differences between the national New Payment Instruments Scheme and the SDD Scheme(s):

- the National Direct Debit Scheme comprises all the processes included in the SDD Scheme(s) (*the issue, change and cancellation of mandates, and direct debiting*): after 1 November 2009, it shall also include the procedure for returning already performed direct debits by the payee (based on the Payment Services and Systems Act)
- there are major differences between the individual processes

The differences between the legacy national scheme and the Core and B2B SDD Scheme(s) were taken into account when designing the positions to be used in drawing up the plan for migrating direct debits in line with the national New Payment Instruments Scheme to the SDD Scheme(s).

The main features of the SDD Core Scheme that are not included in the national New Payment



Instruments Schemes for direct debits:

- the payee and the payer arrange the direct debit mandate without the payment service providers
- the mandates are kept and managed by the payee
- a part of the data/information from the mandate is a constituent part of every transaction
- the scheme is intended for performing periodic and one-off payments
- the scheme does not limit the maximum amount of individual direct debits, though such limits are possible within individual national environments
- direct debits may be performed every banking business day
- there are no restrictions regarding the purpose of payment (*direct debits may be used to settle loans*)
- the deadlines in direct debit performance procedures and for when the payee has to inform the payer are different
- the procedures related to the rejection of direct debits are defined in the Rulebooks
- the procedures for the return of effected direct debits are determined in the Rulebooks; within 13 months after the direct debit has been effected, the payer may request the return of an unauthorised and incorrectly performed direct debit payment transaction

The main features of the SDD B2B Scheme that are not included in the national New Payment Instruments Schemes for direct debits:

- the payee and the payer arrange the direct debit mandate without the payment service providers
- the mandates are kept and managed by the payee
- unlike the SDD Core Scheme, the SDD B2B Scheme requires the payer to inform his payment service provider of any direct debit mandates given, and the payment service provider is obliged to verify the data/information on the mandate given – each time before the performance of a direct debit on the payer's payment account; if the payer's payment service provider does not possess the information on the mandate given, it must reject the performance of the direct debit
- a part of the data/information from the mandate is a constituent part of every transaction
- it is possible to perform both recurrent and one-off direct debits
- there are no restrictions on the purpose of the payment (*direct debits may be used to settle loans*)
- the individual direct debit amounts are not limited, i.e. the maximum amount is not prescribed (*the Rulebooks do not explicitly prohibit such limitations in individual national environments*)
- direct debits may be performed every banking business day
- the deadlines in direct debit performance procedures and for when the payee has to inform the payer are different
- the procedures related to the rejection of direct debits are defined in the Rulebooks
- payment service providers must possess information on the mandate given before the performance of the direct debit in line with the B2B Scheme; the return of effected direct debits is not possible under this scheme

Within the framework of the SEPA project, the ZBS collaborated in the discussion of proposals for supplementing the proposed SEPA direct debit schemes and standards that took place in 2008 and 2009.

The payment service providers in Slovenia shall adhere to the SDD Scheme(s) throughout 2010. The migration of direct debits in line with the New Payment Instruments Schemes to the SDD Scheme(s) shall run gradually and is foreseen to launch in 2011. It is envisaged that the critical mass of migrated payments will be achieved by the end of 2012.

Under the existing national New Payment Instruments Scheme, the basis for direct debits is the mandate kept at the payer's payment service provider, whereas in compliance with the SDD Scheme(s), the existing mandates shall be transferred to the payee. When executing direct debits under the national scheme during the migration to the SDD Scheme(s), the EPC recommends that the continuity of the existing mandates be ensured. A detailed migration plan for direct debits under the existing national scheme to the SDD Scheme(s) shall be prepared in 2010/2011.

### **3.2.2.4 The AOS and the VAS in the Execution of the SDD Scheme(s)**

Within the framework of the Slovenian banking community, it was agreed that during the establishment phase for performing SEPA Direct Debits in Slovenia, no additional optional services (AOS) shall be launched. Moreover, no value added services (VAS) shall be launched in this phase at the national level.

Should the need for any AOS or VAS services arise, the decision to introduce them at the national level may be adopted at a later time.

In its review and consideration of the two SDD schemes (the Core Scheme and the B2B Scheme), the Slovenian banking community found several specific features of importance, mainly for the national community, and it would be preferential for them to continue to be applied as a national peculiarity in the performance of the SEPA Direct Debits. The identified proposals do not deviate from the SEPA Schemes, making it unnecessary for them to be defined as AOS; instead, payment service providers may offer them as value added services (VAS).

Below are the identified value added services that individual payment service providers in the Slovenian national community will be able to offer within the Core and the B2B schemes:

- maintaining a register of mandates at the payee's payment service provider
- verification of the amount, performed by the payer's bank
- before the first execution of payment (*D-5*), the payer's payment service provider may submit mandate-related data/information to the payer (*for review/approval*)
- verification of the amount of individual transactions, performed by the payee's bank

## **3.2.3 Card Payments**

### **3.2.3.1 Card Schemes in Slovenia**

In the area of card operations, there are three *national card schemes*:

- Activa; the cards are issued by payment service providers who are members of the Activa card system and managed by Banka Koper,
- Karanta; the cards are issued by payment service providers who are members of the Karanta card system and managed by Nova Ljubljanska banka,
- BA scheme; the cards are issued and managed by all the payment service providers included in that national debit scheme.

The national card schemes may provide for partner programmes (*'co-brand'*) by virtue of framework licence agreements in collaboration with international card schemes (MasterCard, Maestro and Visa), and specifically:

- debit cards:
  - o Activa cards – co-branded with MasterCard and Visa-Electron card schemes
  - o BA cards – co-branded with the Maestro card scheme
- credit cards:
  - o Activa cards – co-branded with MasterCard and Visa card schemes

The peculiarity of the Slovenian card area are ATM transactions with debit cards processed in Slovenia, even though the cards are co-branded with the international Maestro card scheme. Within the framework of individual Slovenian card schemes, there are also locally processed co-branded cards connected with other international schemes.

### **3.2.3.2 SEPA Requirements and Obligations of Slovenian Payment Service Providers Arising from Card Operations**

The SEPA requirements defined in the SEPA Cards Framework (hereinafter: SCF) refer to introducing the EMV technology and to new relationships applicable to card operations, and namely:

- the EMV technology (*chip technology*) must be fully established by 1 January 2011 (the data from 31 December 2009 shows that EMV technology in Slovenia covers 96.2 percent of debit

cards and 67.7 percent of credit cards, 85.3 percent of ATMs and 79.6 percent of POS terminals)

- cardholders may choose among competitive card schemes
- merchants with Points-of-Sale should have freedom of choice in selecting a card scheme
- after 1 January 2011, only cards compliant with the valid SCF version (*hereinafter: SCF-compliant*) will be used

The national card schemes will become SCF-compliant when possible. The national BA scheme already co-brands Maestro. The Activa card scheme also co-brands Maestro, Visa-Electron, MasterCard and VISA for a vast majority of its cards.

Based on SCF provisions, Slovenian payment service providers preparing for the changeover to the SEPA environment have different obligations with regard to their respective role in the scheme:

1) payment service providers who are card issuers:

- as of 1 January 2008, they also issue SCF-compliant cards,
- after 1 January 2011, they will only issue SCF-compliant cards,
- cardholders will get complete information on the advantages of SCF-compliant card products,

2) payment service providers who are acquirers:

- have enabled merchants to start accepting SCF-compliant cards from 1 January 2008,
- provide merchants with full information on the advantages of SCF-compliant cards and present the advantages of SCF-compliant POS terminals,
- ensure the acceptance of SCF-compliant cards at SCF-compliant ATMs,

3) payment service providers who are card scheme owners must:

- ensure compliance with the SCF,
- ensure separation between management and processing,
- put in place uniform terms for membership in the card scheme,
- enable its members a single licence for operations across the SEPA environment,
- prevent card fraud and support fraud prevention activities in accordance with the EPC resolutions on preventing card fraud.

Slovenian payment service providers undertake to observe all the principles and rules that are being introduced by the SCF.

### **3.2.3.3 Principal Tasks of the SEPA Project in the Area of Payment Cards as a Consequence of Comparison Between the National Card Schemes and the SCF**

At the national level, Guidelines have been prepared for further activities aimed at aligning card operations with the SCF requirements (*indicated in the section on payment infrastructure*), also on the basis of the findings concerning the existing situation in Slovenia, which is described in the document entitled *SEPA Project in Slovenia – First Progress Report* drawn up by the Bank of Slovenia (*December 2009*). Currently, payment service providers focus their efforts on deploying the EMV technology as a prerequisite for operations involving SCF-compliant cards.

The principal tasks in the area of SEPA cards are as follows:

- the introduction of EMV technology in line with the *Roadmap 2004-2010*,
- the harmonisation of the national card schemes with the SCF,
- the separation between the processing function and the card scheme management function,
- processors and other participants in the card schemes will fully adapt to the new standard of card operations, once they are designed by the EPC,
- transactions at ATMs in both the national language and at least in the English language.

Slovenian payment service providers will also be adapting their card offer to the needs and requirements of cardholders by packaging additional values to encourage the use of payment cards over cash. It is worth noting that individual payment service providers will select added values for card operations in response to the needs of their users and business strategy.

## 3.2.4 Cash Payments

### 3.2.4.1 Activities Concerning SEPA Cash at the EPC and ECB Level

After Europe successfully introduced euro banknotes and coins in 2002 (*Slovenia: 2007*), the attention given to cash-related changes in the euro area has been shifted to the best method for cash distribution, recycling and cross-border transportation and on harmonising cash operations from the viewpoint of costs, safekeeping, transportation, insurance, etc.

The Single Euro Cash Area does not only stand for the existence of euro banknotes and coins in circulation, it also stands for their being genuine, available and suitable; therefore, the level of quality and availability of euro banknotes and coins should be something in common across the euro area.

Users should find cash simple and safe to use. They should be able to withdraw cash 24/7 and to deposit cash with almost the same ease as its withdrawal. Users have to be sure that cash withdrawn at a teller's window or from an ATM has not been counterfeited. For a higher degree of security of operations involving cash, payment service providers recommend that their users familiarise themselves with the security elements of euro banknotes.

Users across the euro area should be able to benefit from a harmonised practice for using ATMs to obtain cash that has been tested using cash processing devices that confirm whether the cash is genuine.

Activities for establishing the Single Euro Cash Area (SECA) have been running as a collaboration between the EPC and the Eurosystem Banknote Committee (BANCO), the ECB, the Bank of Slovenia and other key players. The objective of SECA is to design, together with the Eurosystem, a zone where the core cash function carried out by every national central bank shall become comparable and exchangeable across the euro area. This means that there will be a common level of services on the basis of uniform procedures carried out by national central banks within the euro area.

In addition, it is anticipated that aligned procedures for the distribution of cash in euro within the SEPA area will be introduced across the SECA. The predicted effect will be a harmonised infrastructure for cash (banknotes and coins) throughout the euro area.

### 3.2.4.2 Main Principles in Establishing the Single Euro Cash Area

The SEPA Cash Framework contains the following principles for establishing the Single Euro Cash Area resulting in increased efficiency of all the phases of cash operations:

- cutting back cash in circulation (core principle)
- the development of new rules, i.e. best practice criteria in operations, cash distribution and processing (wholesale and retail)
- the convergence of cash services
- the harmonisation of different infrastructures for the distribution of cash in national environments within SEPA (various procedures and consequently the different costs of cash distribution)
- the issuance of genuine cash and cash fit for circulation (only good banknotes and coins),
- fighting counterfeits
- standardisation in the area of cash packing and recycling, and security during the transportation of cash and the devices used to handle cash
- determining the cash sorting criteria
- cutting the costs of cash operations, which account for 0.6 percent of GDP in the EU (*approximately 360 billion cash transactions and 70 billion non-cash transactions take place within the EU per year*)
- the distribution of euro cash to payment service providers should be based on similar fees across the euro area
- payment service providers may obtain cash from central banks throughout the euro area, which will require the gradual elimination of legal hurdles

- shorten the cash processing chain (in the area of transport, sorting and safekeeping) with as few intermediaries as possible

### **3.2.4.3 Impact of SEPA on Cash Operations in Slovenia**

Slovenia boasts both a cash supply system through depositary payment service providers and a cash processing model. The ZBS's SEPA Cash Working Group has prepared the National plan for SEPA Cash as a comparative analysis between the existing situation and the SECA requirements.

For a detailed description of the existing situation in the area of national cash operations and the activities necessary to set up the SECA target model and to harmonise cash services, refer to the National Plan – SEPA Cash (<http://www.sepa.si/slo/Sepa/uvod.htm>).

By carrying out the activities presented in the national plan, the majority of the principles indicated in Item 3.2.4.1 will have been implemented, for example:

- the standard for recycling euro banknotes (*implemented in Slovenia on 1 January 2009*),
- the standard for packaging euro banknotes and euro coins - implemented in Slovenia in August 2008,
- the standard security requirements for transport – implemented in Slovenia with the Rules on the transport and protection of money and other valuable deliveries (Official Gazette of the RS, No 96/2005),
- regular training sessions for employees and obtaining certificates on successfully completed training sessions (*in force as of 1 January 2009*),
- remote access to central bank services – regulated with the introduction of depositary banks in 1999; entering the Eurosystem has given commercial banks the possibility of supply at other national central banks,
- the acceptance of deposited coins at central bank teller windows,
- electronic data exchange with depositary banks set up in 1999,
- the elimination of the requirement for euro banknote orientation – the EPC's proposals were feasible in Slovenia, but it would decrease the quality of the services; therefore, euro banknote orientation remains unchanged for now,
- the extension of the working hours of the Bank of Slovenia's depot – after discussion with the depositary banks and within the framework of rationalisation, it was shown that an extension of the working hours would not be reasonable at the present time.

The legal basis for implementing principles for the establishment of the SECA is the regulation passed by the Bank of Slovenia on recycling euro banknotes, published on 20 November 2007 in the Official Gazette of the RS, No 108/07. Being implemented as of 1 January 2009, the regulation stipulates the rules and procedures for recycling euro banknotes in order to set up the operational framework for the detection of counterfeits and for processing euro banknotes in banks with regard to the suitability of euro banknotes for circulation.

### **3.2.5 Electronic Payments and Mobile Phone Payments (E-Payments and M-Payments)**

In the first half of 2010, the implementation of SEPA in Slovenia will expand to include electronic payments and mobile phone payments (e-payments and m-payments).

## **4 STANDARDS**

The SEPA rules and standards stand for a higher degree of efficiency and standardising the implementation of both domestic and cross-border payment transactions. Uniform standards enable the execution of payments independently from the infrastructure, lower costs and facilitate data exchange between payment service providers.

### **4.1 Use of IBAN/BIC**

In Slovenia, payment service providers started to introduce the bank account number with the

International Bank Account Number (IBAN) structure in 2000, primarily for cross-border payments, while indicating the bank account number with the IBAN structure became widespread for domestic payments in 2004. In domestic payment services, banks determine the Bank Identifier Code (BIC) based on the IBAN number. Both numbers are familiar to the economic actors in Slovenia, while consumers know IBAN from executing domestic payments. The BIC on the other hand is less known as it is only used for cross-border payments.

## **4.2 Structured Reference**

In the national environment, the structured reference (*Sklic*) between the payer and payee has been in use for two decades; the same is used in the interbank SEPA payment exchange in line with the ISO 20022 XML standard. The Rules for designing and using standardised references in the performance of payment services (*hereinafter: Rules for Standardised References*) will be available on the ZBS website.

At the interbank level, it is already possible to use the SEPA structured reference for payees designated RF, in line with the ISO 11649:2009(E) standard. The distinction between the SEPA structured reference for the payee and the national structured reference will be possible through the RF and SI designations, while the Rules for Standardised References will prescribe the method of formation and use of standardised references in the performance of payment services.

The rules for making payments to the sub-accounts of public revenues have been addressed in the Rules of Procedure on sub-accounts and on the manner of paying mandatory levies and other public revenues, and have been published in the Official Gazette of the Republic of Slovenia.

## **4.3 Guidelines for Standards at the Customer-Bank and Bank-Customer (C2B/B2C) Levels**

### **4.3.1 The SEPA Credit Transfer Standard**

The use of the existing TKDIS data standard for exchanging data/information on payments between users and payment service providers, which the latter took over from the Agency for Payment Services, has significantly contributed to the high share of electronic payments among payment services in Slovenia.

The standard of the Collection Center is used for exchanging data between payment service providers, i.e. on credit transfers in line with the New Payment Instruments Schemes (*special payment order, direct credit and standing order*); it may also be used between the user and the payment service provider.

The users and the banking community established constraints on the use of the existing standards even before the announcement of the SEPA project and, with the aim of improving efficiency, 2006 saw the publication of the new ZBSxml standard, version 1.0, which was agreed on among the banks.

The SEPA project has introduced new dimensions in the design and use of the standards with the basic objectives of ensuring the interoperability of the payment services in the area composed of EU members. The mandatory use of the SEPA ISO 20022 XML standard in the interbank environment and the recommended use of the same standard in the environment shared by a user and his payment service provider have forced the Slovenian banking community to question the use of the ZBSxml standard, version 1.0. Having completed a thorough comparison of the possibilities of using ZBSxml and SEPA ISO 20022 XML, the decision was taken to embark on the harmonisation of the ZBSxml standard with the SEPA requirements. Version 2.0 of the ZBSxml was available on the ZBS website in May 2008, while the latest valid version, the ZBSxml 2.1, was published in December 2008.

The ZBSxml standard, version 2.1, aligned with the SEPA requirements, ensures the end-to-end interoperability of payment transactions at the data level from the payer to the payee, and enables additional functions such as the XML statement, international payment transactions, enquiries about

services and balances, effecting payments irrespective of the payment channel, etc. The ZBSxml 2.1 standard can be deployed in associated banking solutions (*in electronic banks for instance*) and in solutions independent from applications through the direct exchange of data/information on payment transactions between the information systems of users and payment service providers.

To cater for the needs of the users, the Manual for the Deployment of the ZBSxml Data Standard and an Adequate XML Scheme has been prepared; the entire documentation (versions 2.0 and 2.1) has been published and is available free-of-charge on the website of the Bank Association of Slovenia (<http://www.zbs-giz.si/zdruzenje-bank.asp?StructureId=885>). These Rules for Standardised References will be a constituent part of the ZBSxml standard documentation. At this time, the above-mentioned website offers valid Guidance for designing and using models for referencing the number of debits and credits in payment services.

The objective is to phase in the SEPA ZBSxml 2.1 data standard, or possibly newer versions of the standard, and to phase out the existing standards (*TKDIS, SWIFT derivatives, etc.*). According to the announcement on the ZBS website, the existing standard (TKDIS) will no longer be in use after March 2011.

### **4.3.2 The SEPA Direct Debit Standard**

There are various methods in use for exchanging data on existing direct debits between users and payment service providers within the national environment (*paper or various data structures*). The most widespread method is data exchange in line with the Collection Center standard, which is even used at the interbank level.

The data exchange for SEPA Direct Debits at the interbank and the user-payment service provider levels will run according to the SEPA ISO 20022 XML standard. The existing Collection Center standard for national direct debits does not allow all SEPA functions and does not meet all the SEPA requirements.

To facilitate the migration of existing direct debits to the SEPA environment, the banking community will prepare the Manual for the Deployment of the ISO 20022 XML standard for users of SEPA Direct Debits. The Manual will cover the rules, instructions and other activities for exchanging data between users and payment service providers and vice versa, without having to use any additional SEPA documentation. The purpose of the Manual is to provide a simplified method for including users in SEPA Direct Debits. Two separate manuals will be prepared, i.e. for the SDD Core Scheme and for the SDD B2B Scheme. The manuals are scheduled for publication in the first half of 2010.

The SEPA rules and standards stand for a higher degree of efficiency and for the standardisation of both cross-border payment transactions and euro-denominated payment transactions within national borders. Uniform standards enable the performance of payments and data exchange on payments independently from the infrastructure, reducing costs.

## **5 PAYMENT INFRASTRUCTURE**

### **5.1 Payment Infrastructure Outside the SEPA**

#### **5.1.1 Credit Transfers**

Credit transfers are effected through:

- the TARGET2-Slovenija payment system operating on the uniform common platform of the TARGET2 system, which is legally supervised and managed by the Bank of Slovenia; TARGET2 is mainly intended for settling large-value payments and urgent payment in euro; TARGET2 is also used for settling the net claims and liabilities of participants of the SEPA Internal Credit Transfers Scheme (see 5.2.1);
- STEP2 XCT, managed by the Interbank Clearing House for Euro Payments (EBA Clearing), enables the completely automated processing of cross-border payments with values up to €50,000; as of autumn 2004, Slovenian banks and savings banks are indirect participants in

the STEP2 XCT system through the Single entry point (SVT) provided by the Bank of Slovenia, a direct participant in the system;

- correspondent banking, i.e. transfers between payment service providers for cross-border and domestic payments in foreign currencies;
- the Collection Center – domestic payments via direct credits, special payment orders and standing orders (*the national New Payment Instruments Scheme*).

### 5.1.2 Direct Debits

In the national New Payment Instruments Scheme, direct debits are performed either through the Collection Center system or bilaterally between the payment service provider and the user (*corporate entity*). In the Collection Center, the information/data referring to payments is gathered, sorted out and passed on to the payment service providers or directly to the payees. Payment service providers perform the settlement of payments through payment systems. The Collection Center includes the banks and savings banks – signatories to the agreement to execute direct debit entries – and their business partners and the Public Payments Administration by signing the implementation agreement.

### 5.1.3 Payment Cards

In the area of payment cards, there are three processors:

- Bankart engages in the processing of the national brand BA, Karanta and the international MasterCard and Visa card schemes, as well as processing the ATM services in Slovenia;
- ISP-Card d.o.o. processes the Activa brand and the international MasterCard and Visa card schemes;
- Fidelity National Information Services, Ljubljana Branch, processes MasterCard and Visa cards in Slovenia.

## 5.2 Payment Infrastructure Under the SEPA Requirements

### 5.2.1 SEPA Credit Transfers

In line with the SEPA requirements, EBA Clearing has established a new service within the STEP2 system on 28 January 2008, namely the SCT service. Since its establishment, the Bank of Slovenia has been a direct participant in the STEP2 SCT system, while Slovenian banks are indirect participants. For this reason, the processing of cross-border credit transfers according to the SEPA Scheme in Slovenia was conducted through the Single entry point (SEPA SVT-SCT) provided by the Bank of Slovenia as of 28 January 2008. There were certain Slovenian banks that ensured their reachability through foreign banks.

All the while, the Slovenian banks and savings banks were preparing for the establishment of a local payment infrastructure as there were no European payment systems that could ensure the existing high quality level of payment services for small-value credit transfers within the country. Bankart d.o.o. assumed the financing, establishment and management of the SEPA Infrastructure for Small Value Payments (*SIMP*). In order to supervise and direct work on the SIMP project, the SIMP Project Council was established, consisting of representatives of Bankart d.o.o., the Bank of Slovenia, the banks and an outsourcer.

The establishment of the SEPA External Credit Transfers system (*SEPA EKP*) on 9 February 2009 represents the first phase in establishing the SIMP. As a direct participant in the STEP2 SCT system, the Bank of Slovenia (acting as an agent bank) ensured the reachability of the participants in the SEPA EKP system. External transfers are transfers between the SEPA EKP participants and other SCT Scheme participants that are reachable through the pan-European STEP2 SCT payment system without any restrictions on the amount of payment. Generally, this means cross-border payments, but the system does not exclude domestic payments.

In terms of how fast payments are executed, the STEP2 SCT system does not meet the expectations of Slovenian users, which is why it was essential to establish a domestic payment system for clearing



and settling SEPA Credit Transfers in the second phase of establishing the SIMP. The payment system for SEPA Internal Credit Transfers (*SEPA IKP*) was launched on 4 March 2009. The SEPA IKP is an electronic payment system that allows its participants to execute small-value credit transfers (up to €50,000) in line with SEPA. The system processes payment orders by calculating the mutual net liabilities and the net claims between the participants in accordance with the principle of multilateral netting. Within the processes on individual business days, Bankart d.o.o. (as the clearing agent) performs five settlement cut-offs during the period from 8:00 to 16:30. The settlement of the net liabilities and net claims of SEPA IKP participants is performed using central bank money through the participants' settlement accounts at the Bank of Slovenia (*TARGET2*).

The migration of payments from the then Giro Clearing system, which was managed by the Bank of Slovenia, to the SEPA IKP system was performed gradually, starting from 4 March 2009 and finishing on 31 July 2009, when the Giro Clearing system was abandoned. It is anticipated that the migration to SEPA payment schemes will proceed by phasing in the migration of payments via direct credit, standing orders and special payment orders from the Collection Center to the SEPA IKP payment system.

## **5.2.2 SEPA Direct Debits**

In the continuation of the project of the SEPA Infrastructure for Small Value Payments (SIMP), Bankart d.o.o. is expected to ensure reachability for cross-border SEPA Direct Debits by 1 November 2010, considering that the Slovenian banks and savings banks that are reachable in accordance with the national New Payment Instruments Scheme (NPI) will also need to be reachable for cross-border SEPA Direct Debits for consumers as of 1 November 2010, in line with the requirements of Regulation 924. As a direct participant in the pan-European STEP2 MPEDD payment system managed by EBA Clearing, the Bank of Slovenia (acting as an agent bank) will ensure the cross-border reachability of SIMP participants within both SDD schemes, while the direct debits that are now processed by the Collection Center will be processed separately – internally – using the system planned to be established in 2011 (*the SEPA IDD system*).

## **5.2.3 SEPA Payment Cards**

The compliance of card schemes with the SEPA Cards Framework will be ensured when the entire ATM and POS network:

- has implemented the EMV technology in the '*payment card – terminal*' domain; its introduction is already in progress,
- achieves the interoperability of all domains in the following areas: '*terminal – acquiring payment service provider*', '*acquiring payment service provider – issuing payment service provider*' and the domain earmarked for ensuring uniform security requirements, certification and device attestation.

Slovenian payment service providers have adopted a pro-active stance to introducing the EMV technology in the area of debit and credit cards and the card infrastructure. All Slovenian payment service providers will ensure EMV compliance for cards and the card infrastructure by 1 January 2011.

At present, all the processors ensure the processing of EMV-compliant cards.

# **6 COMMUNICATING WITH STAKEHOLDERS**

## **6.1 Communication Plan for the SEPA Project in Slovenia**

Within the framework of the SEPA project, the Communications Support Group has drafted a communication plan, which stipulates the communication framework for implementing SEPA for payment service providers, payment systems, payment service users, and for communicating with experts and the general public in Slovenia.

The principal objective of communication is to disseminate information to selected target groups in accordance with the Communication Plan for the SEPA project during the phase before and during the

deployment of SEPA.

Communications on the implementation of SEPA should reach the following target groups:

- expert publics (interest groups/trade associations),
- the users of payment services offered by payment service providers – business customers (groups in terms of business activity, legal form, etc.),
- the users of services offered by payment service providers – consumers (residents, non-residents, students, seniors, youths, etc.),
- budgetary recipients (users of the payment services offered by the Public Payments Administration (UJP)),
- the media,
- payment service providers' employees and UJP employees.

All framework communication messages regarding the implementation of SEPA in Slovenia will be based on information on SEPA and on building a positive opinion about SEPA; these communication messages will be designed at the national level within the framework of the SEPA project at the ZBS.

The strategy of communicating with employees, users and the media on the level of individual payment service providers or the Public Payments Administration is in the domain of each individual payment service provider or the Public Payments Administration and is designed in accordance with the Communication Plan for the SEPA Project with regard to individual commercial and market strategies and standard communication tools.

## **6.2 Strategy and Communication Methods**

### **6.2.1 Cornerstone Messages to Target Groups**

The cornerstone messages to be communicated to target groups are as follows:

- to the employees of payment service providers: SEPA is the future, SEPA brings advantages,
- to business customers/expert publics: SEPA increases the competition between payment service providers, simplifies operations and makes it easier to select the most favourable payment service provider for the entire SEPA area,
- to consumers: SEPA increases the competition between payment service providers, simplifies operations and expands the possibility for selecting the most favourable payment service provider for the entire SEPA area; SEPA payment instruments are easier to use;
- to the media: SEPA stands for equal possibilities for all within the framework of the SEPA area, SEPA payment instruments are easier to use.

### **6.2.2 Communication on Changes During the SEPA Phase-In**

Informing people about the co-existence of the existing national payment instruments and the new SEPA payment instruments and about the gradual abolition of the existing ones (from 2008 until the scheduled completion of exchange):

- informing the target public of the introduction of the universal payment order (the UPN form); its introduction is scheduled to start in the second half of 2010;
- informing people about the planned changes and deadlines for migrating the existing payment instruments in line with the New Payment Instruments Schemes;
- informing the target public about the SEPA Direct Debits;
- concurrently informing the target public of the introduction of any other new payment instruments and of any other changes.

### **6.2.3 Communication Tools and Materials**

At the national level, the SEPA project is expected to use the following communication tools:

- the public website of the Bank Association of Slovenia ([www.zbs-qiz.si](http://www.zbs-qiz.si)),
- the public website of the SEPA project in Slovenia ([www.sepa.si](http://www.sepa.si)),

- FAQs ([www.sepa.si](http://www.sepa.si)),
- leaflets in collaboration with expert groups,
- as an advisory body, the National SEPA Stakeholders Forum encompasses the representatives of all the stakeholders and is designed for communicating information on SEPA to stakeholders and for receiving feedback (remarks, inquiries, etc.) through discussion with the stakeholders,
- general press releases,
- roundtable discussions,
- workshops,
- answering journalist questions in collaboration with expert departments/services (preparing forms and advising as needed), and
- press conferences (advice and recommendations).

Communicating with the media is centralised through the SEPA project management.

A consultation paper on SEPA in Slovenia at the national level containing detailed information about SEPA has been prepared within the framework of the Bank Association of Slovenia. A specialised website has also been established: [www.sepa.si](http://www.sepa.si). On 28 January 2008, the SCT Scheme was officially launched in Slovenia. The official launch of the SDD schemes is scheduled for sometime by 1 November 2010 at the latest.

Communication with the payment service users of individual payment service providers lies in the domain of each payment service provider separately. They inform their users using standard communication channels, i.e. websites, monthly statements, e-notices, training sessions, etc. Information obtained in the national environment (the Bank of Slovenia, the Ministry of Finance or the Bank Association of Slovenia) and the European environment (ECB, ECP, EC,...) may come in handy.

## 6.2.4 Information for Users

The payment service users can find information about SEPA on the following public websites:

- ZBS – [www.zbs-giz.si](http://www.zbs-giz.si)
- SEPA Slovenia – [www.sepa.si](http://www.sepa.si)
- the respective banks and savings banks
- UJP – [www.ujp.gov.si](http://www.ujp.gov.si)
- EPC – [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)

## 7 SUMMARY OF THE MIGRATION PLAN

The migration plan contains a list of the existing credit transfers and direct debits and the activities connected to payment cards and terms and conditions that must be met in order to start and complete the migration to SEPA.

### Credit Transfers and Direct Debits Migration Plan:

Type of Payment	Conditions for Kick-Starting the Migration	Kick-Starting the Migration	Critical Mass by the Number of Transactions (the average from the last quarter in comparison with the last quarter of 2008)	Completion of the Migration	Remarks
Domestic credit transfers, executed through the Giro Clearing system	Kick-starting the SEPA IKP	March 2009	60%	July 2009	The Giro Clearing system was discontinued on 31 July 2009

Type of Payment	Conditions for Kick-Starting the Migration	Kick-Starting the Migration	Critical Mass by the Number of Transactions (the average from the last quarter in comparison with the last quarter of 2008)	Completion of the Migration	Remarks
Cross-border payments in euro	SEPA CSM operation	28 January 2008	60%	9 months after achieving critical mass	The decision to discontinue SVT and SEPA SVT-SCT was made by the payment service providers
Standing orders	SEPA IKP operation	March 2009	60%	9 months after achieving critical mass	Critical mass achieved in December 2009
Special payment orders	SEPA IKP operation	July 2010	60 percent of the monthly average in 2008 (i.e. when the number of transactions is 2.9m two months in a row)	By 31 Dec 2011 at the latest (ZPlaSS)	The adoption of a decision – 10 June 2009
Direct credit	SEPA IKP operation	First half of 2010	When the number of transactions drops below €500,000 at a monthly level (last quarter average)	June 2011 at the latest	
Direct debits	The operation of the existing SEPA infrastructure for direct debits (2010). The adherence of payment service providers to the SDD Scheme (2010). Payment service providers offer direct debits in line with SDD schemes. Users ready to use XML standards. Uniform rules and procedures for the transfer of existing mandates to the SDD Core Scheme established.	Scheduled for 2011	60%	12 months after achieving critical mass	The final date for migration at the EPC has not been set

#### Card Operations Alignment Plan

Activities	Conditions for Kick-Starting the Migration	Kick-Starting the Migration	Criteria for Kick-Starting the Migration	Completion of the Migration	Remarks
The issuance of cards	EMV technology	In progress	100%	1 January 2011	

Activities	Conditions for Kick-Starting the Migration	Kick-Starting the Migration	Criteria for Kick-Starting the Migration	Completion of the Migration	Remarks
The adjustment of POS terminals	EMV technology	In progress	100%	1 January 2011	
The adjustment of ATMs	EMV technology	In progress	100%	1 January 2011	
The adjustment of the national card schemes	Selecting option for national card scheme	In progress	100%	1 January 2011	

## 8 CONCLUSION

SEPA will only become a reality when all payments in the SEPA area are treated as domestic, i.e. national payments and once the existing differentiation between payments made within national borders and cross-border payments has been eliminated. This requires considerable effort, since the changes will have to be ironed out and the existing banking practice will have to be aligned. There will also be changes in the habits of all the economic actors across the EU area. In its scale and importance, the SEPA project can be compared with the project for implementing the euro as the national currency and epitomises the support for the euro as a common, i.e. single currency with the promotion of a higher degree of confidence and in-depth economic relations throughout the area.

A single set of rules, standards and commercial procedures, which are laid out in the SEPA scheme rulebooks and frameworks, enable different payment service providers to provide basic services across the euro area under the same terms and conditions and are no longer limited to the area within national borders. Uniform technical standards enable seamless connections between systems and the transfer of payment messages. With the implementation of the Payment Services Directive (PSD) in the national communities and with the harmonisation of the national legal provisions concerning payment services, legal hurdles standing in the way of a full-scope implementation of the SEPA payments will be removed; hence the euro area will actually become a vast integrated and competitive national market.

The effort to achieve the requirements of the SEPA environment produces multi-layering effects, but most of all it is important that all the stakeholders understand:

- the aspect of improving the competitive edge of the payment service providers,
- stepping up the efficiency of the systems and processes for provision, management of services and risk management,
- the optimisation of the SEPA payment services offering and products, designed and provided by payment service providers for the benefit of their users.

The payment service providers are aware that the aforementioned aspects of operations should be regarded as key leverage of the long-term provision of their own market position as they embark on the extensive and demanding harmonisation project. They will continue to pursue a pro-active and constructive participation at both the Slovenian level and within the framework of the EU bodies with the aim of making changes in favour of users and to favour the commercial aspect of the operations of payment service providers.

The standardisation of payment services is just one aspect, although an important one, through which the EU will improve efficiency in the area of payments and consequently bring positive effects to the entire region.

The adequate organisation of communication and dissemination of information on the benefits and opportunities brought by SEPA is also necessary and important. All stakeholders should adopt a proactive stance and get involved in communication – from regulatory European and national bodies to professional associations and the payment service providers. This is of the utmost importance if we wish to achieve an effect for the EU residents as well. The SEPA Programme will only be as successful in the domestic national environment as it is in co-dependence with other national environments at the level of the entire SEPA area.

The responsibility for running and co-ordinating the project for implementing SEPA at the national level rests with the Bank Association of Slovenia, while the payment service providers remain responsible for implementing the SEPA products on the basis of common standards; hence a firm commitment from the Slovenian banks is of the utmost importance. Furthermore, for the realisation of the SEPA vision as a platform providing equal opportunities for providing payment services across the euro area, all payment service providers have to commit themselves to providing payment services in a new way within the scheduled time and by offering their users payment services that are clearly recognised by them as being to their advantage.

By providing human resources and financing, the payment service providers enable the professional management of the project for deploying the SEPA schemes/frameworks under the aegis of the Bank Association of Slovenia and, in collaboration with the Bank of Slovenia, the Ministry of Finance of the Republic of Slovenia, the Public Payments Administration and other stakeholders, help put in place the SEPA vision with the objective of designing a single area for euro-denominated payments.