



EUROPEAN CENTRAL BANK

EUROSYSTEM

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Developments in the context of instant payments

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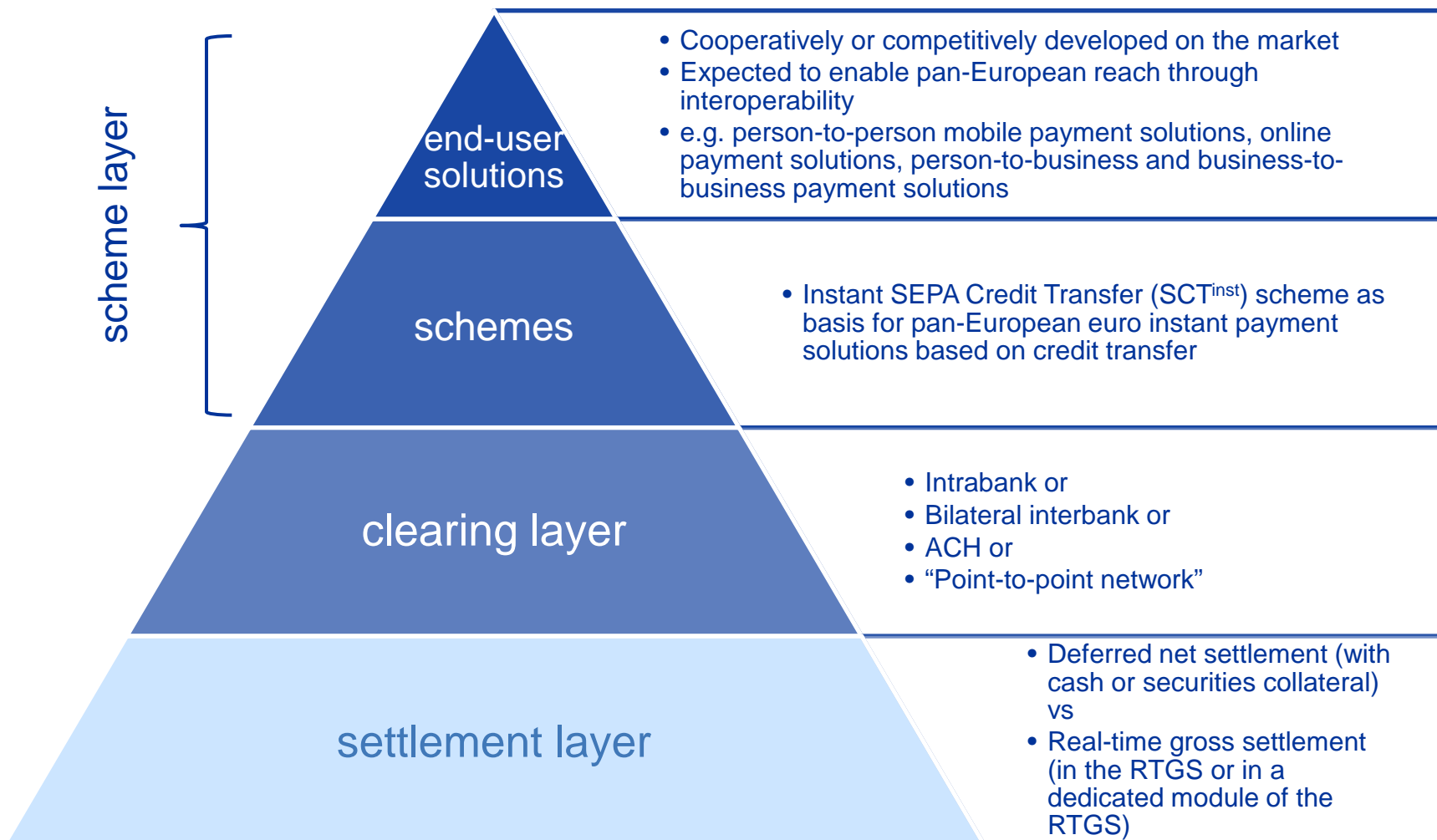
- **The ERPB agreed on (1 December 2014):**

- the need for **at least one pan-European instant payment solution for euro** open to any payment service provider (PSP) in the EU
- the main features:
 - electronic **retail** payments with **24/7/365** availability
 - **(close to) immediate clearing between Payment Service Providers (PSPs)**
 - **(close to) immediate availability of funds to the payee**
 - **confirmation to the payer (within seconds** of payment initiation)
 - **neutral to underlying payment instrument** (credit transfer, direct debit or payment card)
 - **neutral to underlying arrangements for clearing and settlement**

- **The ERPB agreed (29 June 2015):**

- that instant payment solutions should be **developed at the pan-European level or, at least be interoperable** with those solutions based on the same payment instrument
- to invite the **EPC to present** to the ERPB **by November 2015 a proposal for the design of an instant SEPA Credit Transfer scheme (SCT^{inst})**
 - **The ERPB expects that pan-European instant payment solutions based on credit transfers in euro will be based on SCT^{inst}**
 - **The ERPB endorsed (26 November 2015) the scheme design proposal prepared by the EPC and welcomed (28 November 2016) the finalisation of the rulebook**
 - **The ERPB expects instant payments in euro to become available to end users at a pan-European level from the end of 2017**

The “layers” of instant payments



- Following agreement within the ERPB, the European Payments Council (EPC) has published a scheme rulebook for instant credit transfers with SEPA-wide reachability in November 2016
- The commercial launch of the scheme will take place on 21 November 2017



The money will be available on the account of the payee within ten seconds.



It will apply to credit transfers made in euro, up to an initial maximum amount of 15,000 euro.



SCT Inst transactions will be available 24/7/365.



Transactions will be possible in the 34 countries which are within the scope of the current SEPA schemes.

ECB dialogue with the stakeholders involved from the clearing industry to facilitate instant clearing arrangements

Eurosystem and ACHs agreed on:

- i. a **single procedure for settlement** of pan-European instant payments via TARGET2
- ii. a **single model for risk management** based on **full pre-funding** in cash of clearing members' positions
- iii. a way forward for a **common access policy**

With the objective to achieve *interoperability* and *pan-European reach*

Eurosystem **expects** ACHs to use **post-funding** for **inter-ACH settlement**

Eurosystem to **enhance** its **current TARGET2 settlement module** (AS16 real-time) to cater for the needs of the clearing industry

Clearing industry provided in November 2016 a **technical interoperability framework** for pan-European instant payments in euro. **Implementation** thereof to ensure pan-European reachability **remains an open issue** in practice.