



## Irish Association of Corporate Treasurers

### SEPA Business Service Scheme Cessation

Some members will have been made aware by their banks that the SEPA Business Service scheme for Direct Debits will cease in Ireland from 1<sup>st</sup> February 2016. Over the last few months the IACT has been actively engaged in dialogue with a number of the main Irish clearing banks and also relevant industry bodies (such as IBEC and BFPI) to voice our members concerns over the potential impact the cessation of this scheme could have their businesses.

#### Background

The European Payments Council (EPC) launched two new SEPA Direct Debit Schemes in November 2009, namely:

- (1) the mandatory Core Scheme; and
- (2) the optional Business to Business (B2B) Scheme.

While the Core scheme included an automatic right of refund (within 8 weeks), this was not a feature of the B2B Scheme. During 2013 it became apparent that not all clearing banks in Ireland would in a position to facilitate the new B2B scheme, and following a period of negotiation between all impacted parties (including the IACT) the SEPA Business Service was launched in December 2013.

The SEPA Business Service was advised to the EPC on the understanding that the service would cease from the 1<sup>st</sup> February 2016 in line with the cessation of any other similar schemes in other EU countries.

#### Current Position

While a number of Irish banks are now ready to participate in the B2B scheme, and others are advising they will be ready later in 2016, it remains the case that not all Irish banks have made the necessary investment to allow their participation in the B2B scheme. We understand that this position is unlikely to change over the course of 2016, or indeed in the medium term thereafter. Unfortunately, without full member bank participation the scheme is effectively unworkable.

We are aware that the banking industry has engaged with EPC on the potential continuation of the SEPA Business Service post February 2016. However, the EPC has advised that the solution is not compatible with the rules of the SEPA Core Direct Debit Scheme Rule Book and as such they cannot support its continuation. **Accordingly, from the 1<sup>st</sup> February 2016 the SEPA Business Service scheme will cease.**

#### Recommendation

If you believe you are impacted by this change we advise that you contact your bank to discuss potential options, if you have not already done so. Indeed we would encourage you ascertain their current position on the issue, if they are able to participate in the B2B scheme at this stage, and if not when do they intend to be ready.