



EPC overview and strategic direction

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Agenda

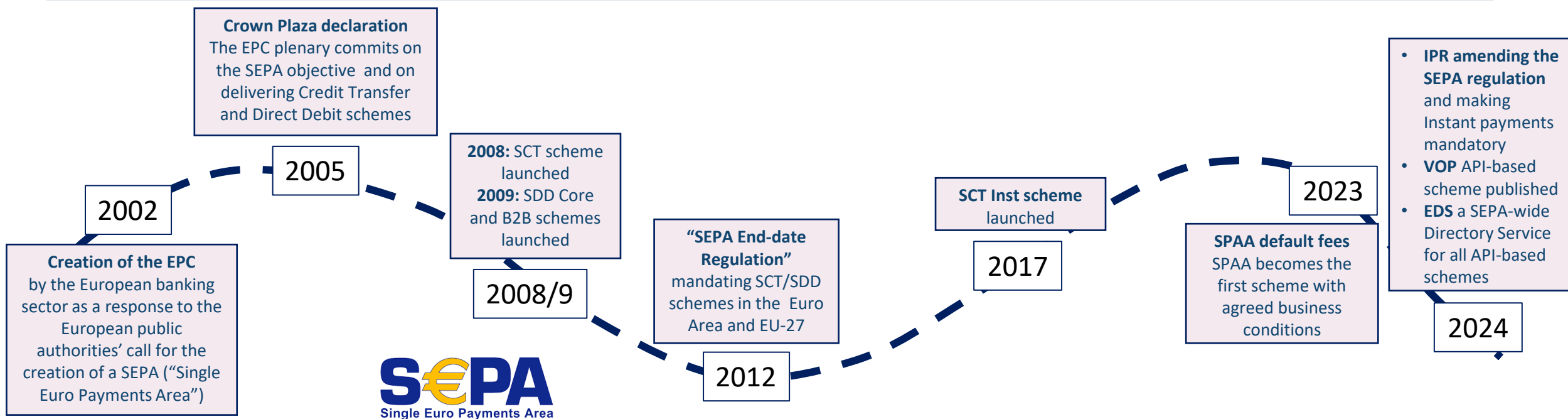


- 1 EPC overview and past achievements
- 2 EPC present challenges
- 3 EPC direction of flight



1 EPC overview and past achievements

- **The EPC: a private, non-for-profit association (INPA¹)**
- **MISSION**
 - **Harmonisation, integration and development** of European payments through the **SEPA** (“Single Euro Payments Area”)
- **ROLE**
 - **Design and management** of all EPC and SEPA schemes
 - **Standardisation** of EPC schemes’ technical specifications (ISO20022, API)



1. INPA = International No-Profit Association

1 EPC overview and past achievements



■ EPC NUMBERS

- 3,900 SEPA scheme participants
- 81 EPC Members (PSPs² and EU/National PSP associations)
- 50+ Bln of SEPA transactions per year (2023, ECB data)
- 36 SEPA countries EU-27+3 EEA+6 non-EEA (incl. UK and CH)
 - Western Balkans and other Eastern Europe countries expected to join

■ EPC PRODUCTS

- 5 payment schemes: SCT, SCT Inst, SDD Core and B2B, OCT Inst
- 3 payment-related schemes: SRTP, SPAA, VOP
- 2 community IT services:
 - MISP (Fraud info sharing), EDS (Directory Service)



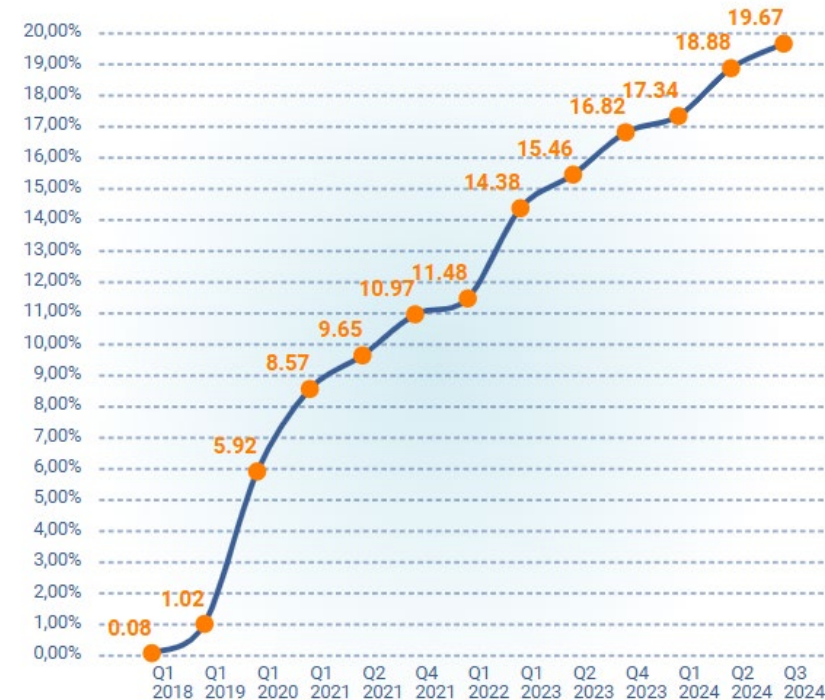
Present challenges: Instant Payments (SCT Inst scheme) in Europe



Key numbers¹

		SEPA	Euro Area	
Penetration	% (number) of SCT Inst vs. SCT PSPs	70% (2,510)	81% (2,450)	Q3-2024
	Countries with SCT Inst PSPs	32 out of 36	20 out of 20	Q3-2024
Usage	% of SCT Inst on total SEPA Credit Transfers volumes ³	16.8% ⁽³⁾	22.1% ⁽²⁾	Q4-2023
	% of Instant Payments on total non-cash transactions	N/A	4.9% ⁽²⁾	Q4-2023

% of SCT Inst on total Credit Transfers (SCT + SCT Inst), SEPA area, Q3-2024

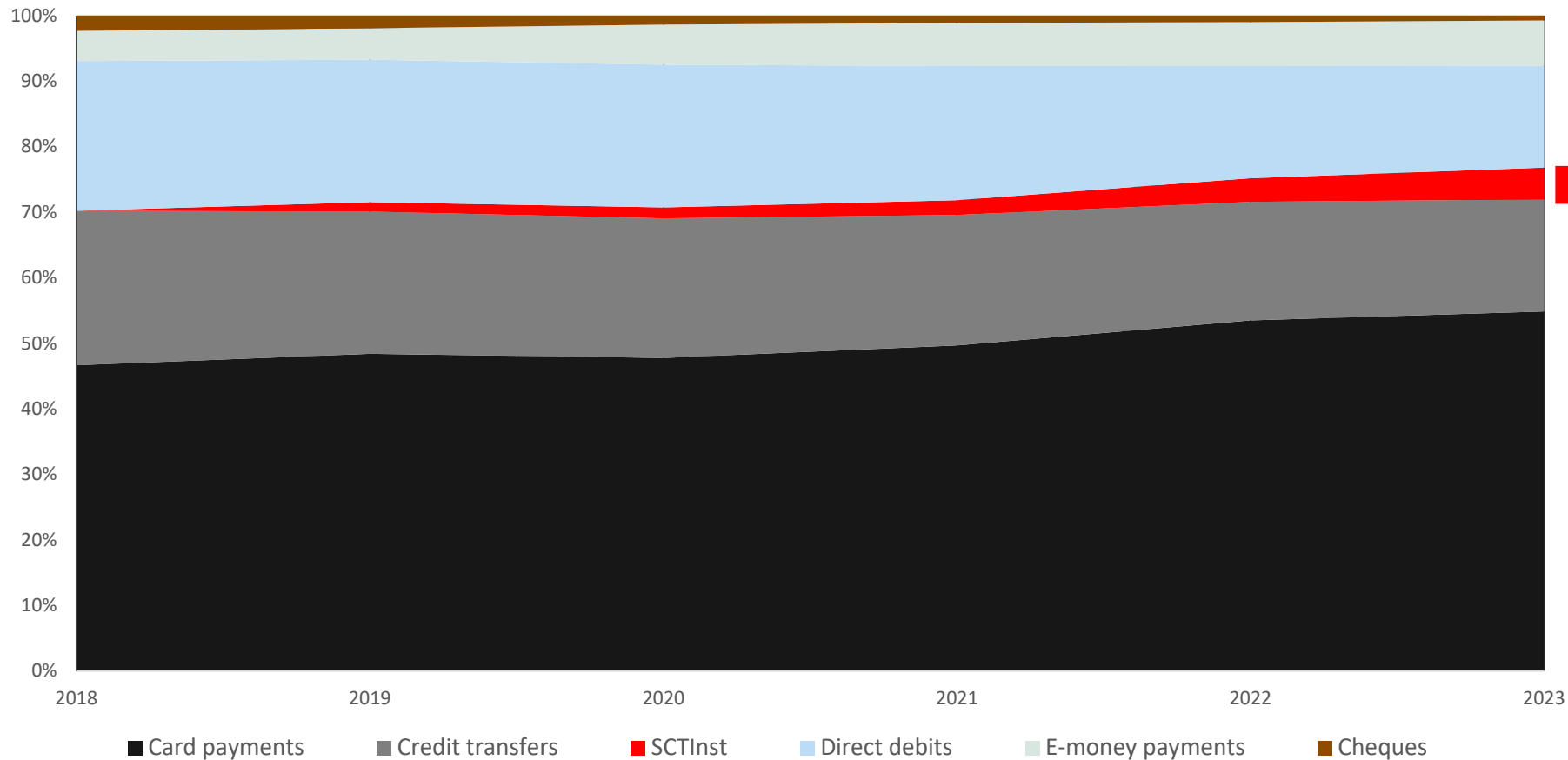


1. Source: EPC data updated to Q3-2024 unless otherwise specified
2. Source: EPC elaboration based on EPC and ECB data, May 2024
3. Calculation does not include (Instant) Credit Transfers in non-Euro currencies

Present challenges: Instant Payments (SCT Inst scheme) in Europe



2023 Total payment transactions by payment service¹, Euro Area.
(Source: EPC elaboration based on EPC and ECB data, May 2024)



SCT Inst volumes in 2023:

- **22%** of all (SEPA) Credit Transfers
- **5%** of all non-cash payment transactions¹

Forecast:

- **ca. 600 additional PSPs** expected to **adhere to SCT Inst** by **early 2025**
- **IPR** provisions expected to further **increase usage and volumes**

Present challenges: main changes in SCT Inst Scheme Rulebook v2025



- **Regulatory changes**
 - New sub-timelines of **5/7/9 seconds** instead of the current **10/20/25 secs** (Art. 5a (4) (c))
 - **Obligation to restore Originator's account** in case of no positive ack within 10 secs (Art. 5a (5))
 - **Removal of the Maximum Amount** (100,000 Euro) at Scheme level (Art. 5a (6))
- **Business-related changes**
 - **Hybrid addresses:** structured, unstructured and hybrid addresses to coexist until Nov 2026
- **All five Rulebooks** to enter into force on **5th October 2025**

Present challenges:

2 Verification of Payee (VOP) scheme and EPC Directory Service (EDS)



- VOP is expected to be the **first massive usage API-based scheme** in European A2A payments
 - **3,000 PSPs** (2025), up to **3,700–3,800** (2027 and beyond)
 - **Indirect** (through RVMs) and **direct** participation models
 - **300-400 reachable API end-points** (expected scenario)
 - Potentially, several **Billions transaction / year**
- To secure **pan-EEA reachability**, VOP scheme will make use of a **centralized directory service (EDS)**
- However, achieving **pan-EEA interoperability** at VOP go-live will be a **challenge**, potentially requiring a combination of **self-certification processes** and **tools** (API sandbox, test catalogue)

