



Adhering to the EPC schemes

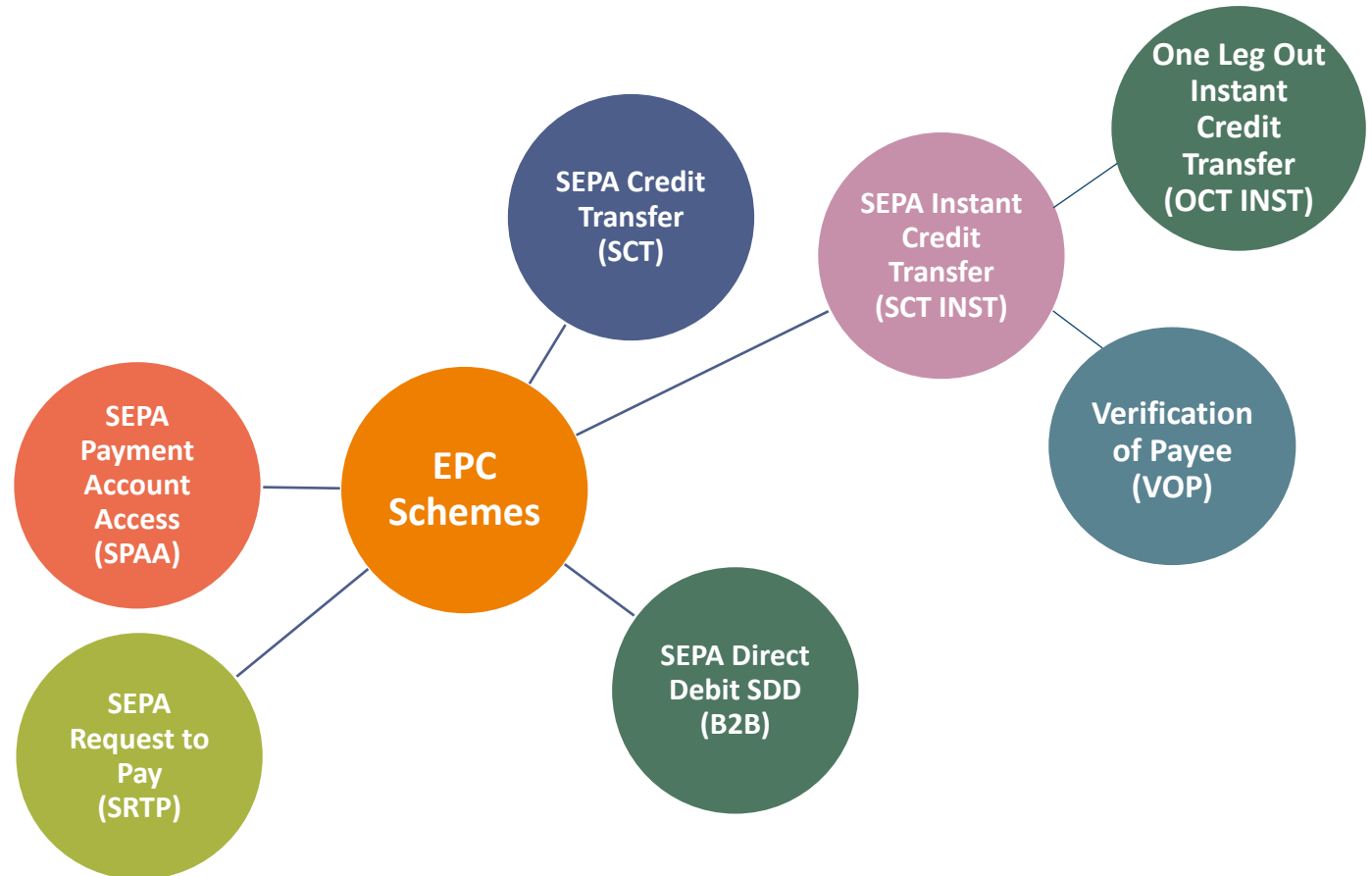
Legal and Operational Requirements

5 December 2024



Adhering to the SEPA schemes

- Once a community of PSPs has adhered to the SEPA Geographical Scope, its Payment Service Providers (PSPs) can start **adhering to the EPC schemes**.
- Currently, non-EEA PSPs are generally allowed to participate to the **EPC payment schemes (SCT, SCT Inst, SDD (B2B), OCT Inst)** with discussions ongoing for the VOP scheme.
- For other (payment-related) schemes (e.g. SPAA) the implementation of additional regulations would be required. E.g., in the case of SPAA, an Open Banking Framework. Currently no interest from non-EEA SEPA communities on other schemes.





Adherence of Albanian PSPs

- On the 21 November 2024, the EPC Board approved the inclusion of Albania into the SEPA Geographical Scope.
- Following the inclusion of Albania into the SEPA Geographical Scope, in 2025 the PSPs from Albania will be allowed to join the EPC payment schemes.
- The first possible Operational Readiness Date (ORD) for the Albanian PSPs will be formally communicated by the EPC to all existing scheme participants and Albanian community in the next months, as follows:
 - PSPs from Albania will be allowed to join the SEPA schemes as of **April 2025**, with an earliest possible ORD of the **5 October 2025** (i.e., as of the entry into force of the 2025 EPC payment schemes Rulebooks)
 - As a rule, scheme Applicants can send their applications and be included in the EPC Register of Scheme Participants (RoP) up to 6 months before the foreseen ORD.
 - The exact ORD will have to be determined by each PSP with the chosen Clearing and Settlement Mechanism (CSM) and/or the intermediary scheme participant connecting them to the Euro clearing and settlement system.
 - **NB: as of the ORD a PSP is assumed to be fully reachable under a certain scheme and assumes all the rights and obligations of the related scheme Rulebook (see next slides)**
- The adherence schedule envisaged by the EPC will ensure proper onboarding of Albanian PSPs, streamlined end-user contracts management and system updates on the side of the already existing scheme participants (on top of the changes already planned by EU/EEA PSPs to implement the amended SEPA Regulation requirements)



Preparatory Phase



Familiarising with scheme adherence



- Guide to the EPC payment schemes adherence process ([‘Adherence Guide’ - link](#)) and related FAQs ([link](#))
- Current version of the Rulebook and Implementation Guidelines object of scheme adherence (all available on the EPC’s website - [link](#))
- Any other resource at national level that could facilitate adherence (e.g., NASO)



- Proper authorisation/licensing and safeguarding requirements must be in place
- Reachability arrangements: how does a PSP plan to become SEPA-wide reachable under the scheme for which is adhering?
 - NB: reachability must be ensured by all scheme participant PSPs across all SEPA (i.e., vis-à-vis all SEPA PSPs) in line with the rules of the Rulebooks.
- Plan for resources and IT deployment



- Planning ahead: the EPC each year publishes a list of adherence windows ([link](#))
- PSPs should plan for their readiness to adhere taking into account the EPC adherence windows, on which the Clearing and Settlement (CSM) providers windows are based.



Eligibility Criteria





Overview: minimum Eligibility Criteria



- **Section 5.4** of the SCT, SCT Inst, SDD, SDD B2B, OCT Inst schemes Rulebooks list the **“Eligibility for Participation” requirements (‘Eligibility Criteria’)** that must be met by all scheme applicants, to be able to adhere to the schemes
- The Eligibility Criteria are specific to each scheme (available on the EPC website) but at core all require at the minimum:
 - adequate license/authorisation framework
 - provision of payment services and payment accounts
 - ability and capacity to cope with AML/CFT requirements
 - liquidity and capital requirements
 - appropriate risk control measures
 - solvency requirements
- Specific derogations/exceptions to the Eligibility Criteria might be agreed upon by the EPC on a case-by-case basis. These are addressed under Table 2 of the Adherence Guide.

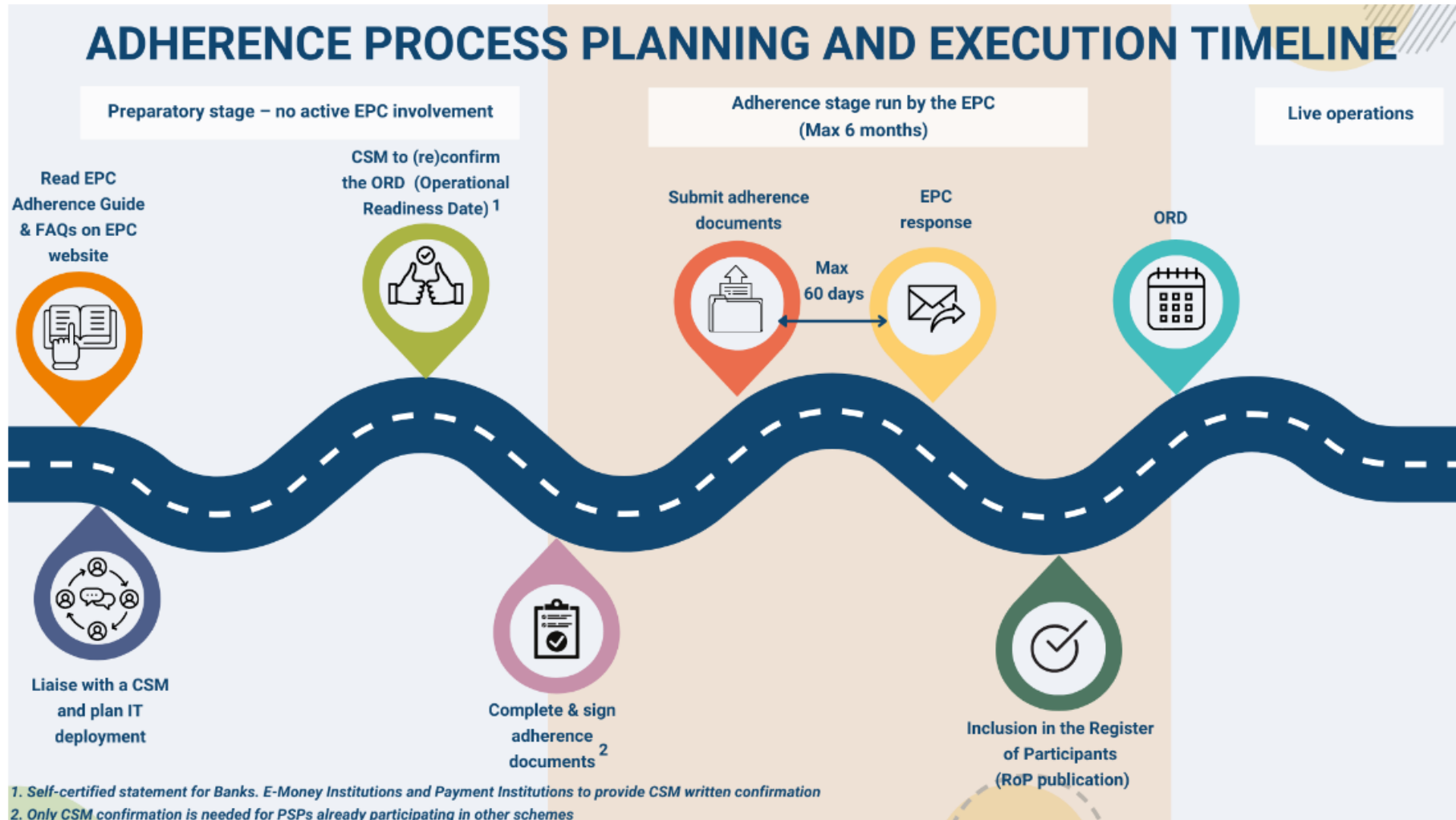


Scheme Adherence Process





Overview: adherence process





The adherence process

- The EPC forms an evaluation against the Eligibility Criteria under **section 5.4** of the Rulebooks.
- An applicant demonstrates that it can fulfil the schemes Eligibility Criteria mainly through the **Adherence Documents** ([link](#))
- The Adherence Package is made of:
 - an **Adherence Agreement**
 - a **Schedule** to convey information on the applicant
 - a **Legal Opinion** to be signed by the applicant (internal or external legal counsel)
- The Agreement and the Opinion are the documents on which the EPC builds its eligibility assessment.
- Additional documents required:
 - description of **CSM arrangements**
 - **solvency statement**
- Optional document that can be also submitted to the EPC:
 - Copy of the license/authorisation
 - Other information deemed relevant by the applicant to explain how it meets section 5.4 Criteria



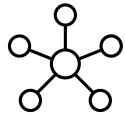


Important EPC assessment points



- **License/authorisation framework**

- Addressed as part of the enlargement of the SEPA Geographical Scope
- The EPC Secretariat might check the licensing/authorisation status directly with the Authorities



- **CSM/operational arrangements in place to ensure reachability**

- Precondition to ensure that an applicant can comply with the rules of the Rulebooks
- The applicant is required to provide a description of such arrangements. The EPC Secretariat might ask for additional information, if need be.

➤ **How can applicants foster a more expedite EPC review and assessment?**

- In the experience of the EPC, streamlining scheme adherence through **National Adherence Support Organisations (NASOs)** has proven to be effective
- Individual applications are always allowed, but they typically take more time to assess (increased bilateral exchanges)
- National contact points (including banking associations) facilitate the resolution of eligibility and adherence doubts/unclearities
- Sectorial/intra-group informative sessions are also recommended



When does an Applicant become Participant

- As part of its preparations, an Applicant is asked to determine by when it will be ready (i.e., reachable) for providing scheme-based services.
- The moment in which an Applicant is ready to offer scheme-based services is called **Operational Readiness Date (ORD)**.
- The EPC expectation is that this date is **determined in coordination with the CSMs/direct participants** who will connect the applicant to the operational layer.
- **An Applicant becomes a scheme participant as of the ORD.** As of that date, all Rulebook provisions become enforceable on that scheme participant.
- To signal to the market and to other scheme participants that an applicant is soon to become a scheme participant, the EPC will list its entry into its **Register of Scheme Participants (RoP)**.
- The RoP is published on a monthly basis and is downloadable from the EPC's website ([link](#) - NB: is not a routing table)
- Each RoP publication date has a 'default' ORD associated to it. However, applicant PSPs may choose an ORD that is subsequent to the 'default' one.
- As a rule, a subsequent ORD cannot be further than 6 months from the date on which the applicant is published as (future) scheme participant in the RoP.
- A change of ORD for justified reasons (e.g., operational readiness changes) can be communicated to the EPC after inclusion in the Register, provided that communication is provided well in advance to the EPC.



@EPC_SEPA