

Shaping up for SEPA

A guide to the Single Euro Payments Area (SEPA)

SEPA Credit Transfer

SEPA will bring more transparency, noticeable time savings and potential cost reductions in payments, liquidity and cash management. RBS is determined to provide you with the advantages that SEPA brings with minimum impact to your organisation.

Where are the benefits?

SEPA creates an environment whereby customers can make euro payments from accounts anywhere in the euro area as easily as within their own country, without undergoing additional delays or costs. There are a number of significant advantages that SEPA can bring:

- The maximum time for a payment to reach a beneficiary is now three days.
- Companies will be able to prepare all payment instructions in a single format, instead of one per country.
- The harmonisation of payment formats and processes allows companies to reduce the number of banking relationships necessary to support business across Europe.
- Each company may only now need one euro account for all its payments and collections, improving cash visibility and management.
- The standardisation of payment information promotes business efficiency and makes Straight Through Processing a reality.

RBS and the SEPA Credit Transfer

If your payment instructions are SEPA compliant then RBS will send your payment through the SEPA payment system automatically.

How to make your payments SEPA compliant

- Choose a non-urgent payment option.
- Include the beneficiary International Bank Account Number (IBAN) and bank SWIFT code (BIC).
- Pay the RBS charge, the beneficiary will then pay any fee that the beneficiary bank may charge.

“RBS intends to help shape this emerging SEPA defined payment services area and will play a leading role within the various banking industry bodies. Our core objective is to ensure our customers materially benefit from these newly defined products and services to ensure their smooth and orderly migration to the SEPA schemes.”

Neil Kelly, Head of Corporate Payments, UK & Ireland

How should you respond to SEPA?

- Identify someone in the organisation that will keep up-to-date with ongoing SEPA changes. We will help by continuing to provide information for you. Please visit www.rbs.co.uk/international for updates.
- Understand euro payment flows in and out of your business so that you can assess the potential impact of SEPA on your current business and cash management.
- BICs and IBANs – continue to collect this information from all your suppliers that you deal with. If you haven't done so already, have you BIC and IBAN printed on your company invoices.
- Consider whether you want to start collecting payments through the SEPA Direct Debit system. If so, collect BIC and IBAN information from these clients.
- Consider changing from urgent, same day payment types to non-urgent payments.
- Consider the impact of SEPA on other projects and initiatives that may be underway.

SEPA Direct Debit implementation date

With SEPA Direct Debits, your business no longer needs multiple bank accounts across Europe, or a range of complex payment instruments, to make cross-border collections. You can now make SEPA Direct Debit collections directly through Bankline, our internet banking service. This means that you will benefit from the convenience of being able to upload, authorise and track the status of all collections online and customise the service according to your business needs – in real time.

We will keep you updated on developments to SEPA Direct Debit and how the PSD will impact your business.

“SEPA is the biggest development to the banking industry in 30 years and both exciting and demanding at the same time.”

Simon Lee, Head of Cash Management, International Financial Data Services (IFDS)

SEPA checklist for corporates

- Identify a champion to monitor the impact of SEPA.
- Use IBANs and BICs on all your invoices and supplier communication.
- Discuss the impact of SEPA with your trading partners.
- Look at where you send euro payments to and receive euro payments from.
- Consider the need to change to SEPA-compliant payments.
- Consider the need to make any IT changes because of SEPA.
- Contact your Relationship Manager for further guidance.