

Single Euro Payments Area

Non-urgent payments in Europe

What is SEPA? How is it relevant to my payments activity?

SEPA is a vision held by the European Commission (EC). The EC feels that borders between European countries should have no negative impact on the experience of consumers and businesses that send and receive payments. One single customer experience for all EU member states for non-urgent euro payments is the ultimate objective.

Is SEPA relevant to my business?

The SEPA scheme has introduced new standards around service and payment formatting, which in turn have helped us reshape our Pan-European payments proposition.

HSBC's Pan-European payments proposition has been tailored to meet the circumstances of all business customers:

1. Company structure
 - Decentralised
 - Centralised
2. Nature of payments
 - Urgent/Non-urgent
 - Bulk/One-off
3. Processing preference
 - In-country, local format
 - Single format for all countries

At HSBC we make use of a variety of different clearing infrastructures including local clearing (ACH), European clearing (EBASTEP2) and the worldwide, dedicated network, SWIFT to get your payment quickly, cost-effectively and securely to its destination. SEPA has provided a new option.

Company profile	Payment requirements	Payments solution
Pan-European Centralised operations Centralised euro accounts	High-volume of cross-border payments and collections non-urgent	SEPA Credit transfers on a wide range of solutions such as secured internet protocol, HSBC <i>net</i> , SwiftNet and other local channels for payments and receivables
Pan-European Decentralised operations Multiple local accounts	High-volume European payables High-volume European receivables non-urgent	Instruction delivered in country and executed via local clearing (UK, France, Spain, Germany, Italy, Belgium, Netherlands, Malta, Greece, Poland, Ireland and Czech Republic)
Local market Single euro account Limited European suppliers and customers	Low volume of cross-border Urgent and non-urgent	SEPA Credit Transfers on a wide range of solutions such as secured internet protocol, HSBC <i>net</i> , SwiftNet and other local channels for non-urgent payments. Or same-day value, subject to cut-off times

Does HSBC's Pan-European payments offering deliver all the benefits of SEPA?

Yes. And we go further:

- We offer a range of 13 account domiciles (UK, Czech Republic, France, Spain, Germany, Italy, Belgium, Poland, Netherlands, Malta, Greece, Ireland and Slovakia)
- We take instructions in ISO20022 XML, Edifact PAYMUL, SAP Idoc and SWIFT MT103 formats. We do the mapping so customers don't have to
- We process instructions received via HSBCnet, HSBC Connect, SWIFTNet FileAct as well as local French and German channels
- While delivery within three days is the requirement of SEPA, HSBC has reduced its offering to just one day, and by meeting certain cut-off times, even achieving same-day value
- We provide full end-to-end data from remitter to beneficiary in electronic format
- For large remitters, we offer a BIC and IBAN validation/conversion tool which will assist in achieving the highest STP levels

Where does a business customer stand to benefit from such a Pan-European payment proposition?

Typically the SEPA and STEP2 clearing mechanisms will provide a lower fee alternative to customers.

- SEPA's reach extends to 32 European countries making the collection of cross-border sales revenues as easy as receiving domestic customer payments
- Establishing a bank relationship in a new market is no longer a prerequisite for companies that trade across Europe
- The ability to pay suppliers across Europe from one local euro account may encourage liquidity managers to consolidate operational euro accounts. Not only does this ease administration, it reduces outgoings on account fees and helps concentrate cash balances for interest purposes. SEPA provides greater certainty over arrival of funds.

- Richer narrative exchanged between buyer and seller improving reconciliation and, in turn, improving supplier relationships
- Higher payment success rates and greater automation, but for those payments that do fail, reason codes are provided
- Furthermore, there is a possibility that existing clearing infrastructure will be phased out in the future and so we advise customers to factor this into their own technology plans

Which countries are in the SEPA zone?

- European Union Members: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom
- European Economic Area Members: Iceland, Liechtenstein, Norway
- Monaco and Switzerland

Next steps

For more information on SEPA

- Visit www.hsbcnet.com/sepa
- Call 0800 328 8842*
- E-mail us at pcmpayment.services@hsbc.com

* Lines are open 9 am to 5 pm, Monday to Friday (excluding public holidays). To help us continually improve our service, and in the interests of security, we may monitor and/or record your calls with us

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