

The twentieth meeting of the National Payment System Committee, 31 January 2013

National Payment System Committee to manage SEPA project

The National Payment System Committee (hereinafter: "Committee") held its 20th meeting on 31 January 2013, chaired by Vicegovernor of the Croatian National Bank Adolf Matejka. Organisational issues related to the implementation of the SEPA project in the Republic of Croatia were discussed at the meeting. It was agreed that the Committee should manage the SEPA project, and that a subcommittee, as the main operational body within the organisational structure of the SEPA project, will be set up under the Committee. The subcommittee's task will be to coordinate and guide the work on the project, monitor the working groups' activities, discuss open issues and prepare project progress reports and conclusions for the Committee.

It was emphasised that the experiences of the countries in the region and other EU member states that have already implemented the project should be used in the implementation of the SEPA project. It was also stressed that, using the SEPA scheme, national communities have the possibility to regulate some of their specific characteristics (e.g. authorisation number reference or execution time $T + 0$), ensure the maintenance of the existing quality in the provision of payment services and create the basis for their further development. The forming of a national scheme, the development of infrastructure that will ensure its application and participation in the scheme enables domestic payment service providers to keep the existing and develop new transactions related to the provision of payment services. Committee members concluded that the SEPA project should also include national payment transactions in kuna, as a result of which a national scheme with options specific for the national payment system will also be created.

As after the accession to the EU regulations of that community will not be transposed into the national legislation, but will apply directly, the CNB has prepared an implementing act for the implementation of the EU regulations governing cross-border payments, technical and business requirements for credit transfers and direct debits in euro. The act determines the competent bodies, out-of-court complaint procedures and conciliation procedures, as well as minor offences. The act and the regulations concerned will enter into force on the date of accession of the Republic of Croatia to the EU. They prescribe the equality of charges for cross-border and relevant national payments in euro, notification of payment service users about their IBAN and about payment service providers' BIC, prohibition to charge such a notification and frameworks for the collection of additional charges in the event of initiating a payment transaction without the IBAN and BIC.

On the date of accession of the Republic of Croatia to the fully-fledged EU membership, certain provisions of the Payment System Act will also come into force, which require appropriate adjustments from payment service providers. For instance, pursuant to Article 43 of the Act, cross-border payment transactions in the euro and national payment transactions in the euro are executed so that the account of the payee's payment service provider must be credited by the end of the next business day. This means that the execution time is shortened from $T + 3$ to $T + 1$. For this reason, banks as payment service providers should undertake necessary measures to meet their new legal obligations on time, the Committee concluded.