SEPA
last mile

worldline
e-payment services

SEPA Express – This is the last chance for you to migrate your transactions!

With less than 60 days to go, the end-date for the migration to SEPA is approaching quickly. Authorities (Ministry of Finance, Banking communities, Domestic SEPA councils) in several countries (among which France and Germany) have recently re-emphasized their commitment to sticking to this date and reiterated the fact that there was no plan-B. After that date, banks will no longer be allowed to process domestic payment files. The corporations that will not be able to provide SEPA-compliant payment files will be left with limited options: adopting other payment means (a surge in the use of cheques is expected!), postponing their payments / collections until they are ready or manually entering their transactions into the web banking app.

Yet, the actual migration figures are still worryingly low, especially regarding the adoption of the SEPA Direct Debit. As Direct Debit usage is typically a highly concentrated market — with only a few (less than a dozen) creditors accounting for more than 80% of the total domestic volumes in a given country — we feel confident that migration figures will dramatically increase in the next few months. However, we have also noted that two main categories of actors are lagging behind.

The first category consists of the large number of small- and medium-sized corporations. Many of them learnt very late about the SEPA, what it meant for their business and what it took to adapt.

Others expected the ending date to be postponed or figured that their banks would provide them with solutions, thus waiting until the last minute to tackle the issue.

The second category consists of corporations that underestimated the complexity and impact of the SEPA project. What may at first glance appear as a pure IT project actually impacts customer workflows and other parts of the organisation deeply as well. Some of the SEPA business rules are not trivial. For instance, correctly managing the sequence of SDDs can prove extremely tricky in certain situations, not to mention the fact that while PAIN files are theoretically standard files, banks may have different interpretations of those standards or the AOS implemented locally. Many of those corporations opted for internal developments, and some are now realising that they might be unable to meet the deadline.

If you feel that your company is in one of the above categories, there is no need to worry though. There is still time for you to set up a proper SEPA compliance project and be ready on time, provided you act quickly and follow some of our below recommendations. We will focus here on the SDD and mandate management compliance, as SCT readiness can more easily be achieved through file translation solutions that are widely available.

Time-based project management and focus

- **The official ending date is 1st February, but it may not be the ending date for YOU**. If you collect money from your customers bi-monthly or quarterly, you may have a few extra weeks to complete your project.
- **Do not run two projects at the same time**. If you initiated an internal project first and feel that it is jeopardised, freeze it while you are implementing a temporary back-up solution and dedicate your resources to it. You will return to your internal project afterwards.
- **Forget about launching an in-house project** or buying mandate management software; **rather consider a Software as a Service** option. This will simplify your project, limit the number of tasks and people involved, and enable you to focus on the most important aspects, i.e., managing your customer relationship and workflows related to mandate management and SEPA collections. If owning the software is a strong requirement for you, then make sure your provider can guarantee reversibility and the ability for you to re-insource the solution after the migration.

Get help from a trusted partner

- In each country, only **a few providers have solutions actually running in production environments with real volumes**. A quick market analysis only reveals two or three names. Solid partners should be able to commit to performance and accept strict SLAs. Some will accept penalties for situations where payment files are not processed correctly or in time.
- **Most banks also provide migration services** and mandate management solutions. Include them into your selection. Make sure your partner will have the required resources to manage your project. Ask to meet the manager who will be assigned to your project.

Streamline your project

- **First, focus on a single bank**. Ideally, pick a bank with which your software vendor already has validated file formats. Make sure you can process end-to-end flows, including r-transactions. You will still have time later to validate the solution with your other banks.
- **Limit your project to Core mandates only**.
- **Simplify integration work**. Check whether your supplier can adapt to your formats, carefully pick up the flows that need to be automated compared to those that can be managed manually, at least in the beginning.
- As much as possible, **delegate to your vendor the tasks pertaining to the implementation and customisation of the solution, and focus on your customer processes**: choice of the UMR rule, communication of the allotted UMR, rejection management, requests for mandate copies.
- As much as possible, adopt the standard features of the solutions and avoid its customisation.

Following those recommendations should enable you to be ready on time for the SEPA Big Bang and to keep on collecting money from your customers accounts. Depending on the complexity of your organisation and requirements, implementing a solution that is currently available can take as little as 2 to 6 weeks.

About Worldline

Worldline, an Atos subsidiary, is the European leader and a global player in the payments and transactional services industry. Worldline delivers new generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. Key actor for B2B2C industries, with 40 years of experience, Worldline is ideally positioned to support and contribute to the success of all businesses and administrative services in a perpetually evolving market. Worldline offers a unique and flexible business model built around a global and growing portfolio, thus enabling end-to-end support. Worldline activities are organized around three axes: Merchant Services & Terminals, Mobility & e-Transactional Services, Financial Processing & Software Licensing. In 2012, Worldline's activities within the Atos Group generated (pro forma) revenues of 1.1 billion euros. The company employs more than 7,100 people worldwide. **worldline.com**

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