



SCT (Inst) in Europe, update from the European Payments Council (EPC)

*Giorgio Andreoli,
Director General, European Payments Council*

Salone dei Pagamenti

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EPC overview



■ EPC MISSION AND ROLE

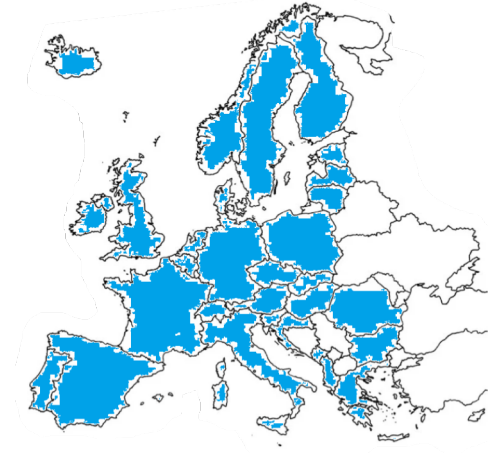
- Harmonisation, integration and development of European payments through the SEPA (“Single Euro Payments Area”)
- EPC SEPA schemes’ management (Rulebooks)
- EPC SEPA schemes’ design and standardisation (ISO20022 and API technical specs.)

■ EPC NUMBERS

- 3,900+ SEPA scheme participants
- 81 EPC Members (PSPs² and EU/National PSP associations)
- 50+ Bln of SEPA transactions per year (2023, ECB data)
- 38 SEPA countries EU-27 + 3 EEA + 6 non-EEA (incl. UK and CH)
 - Other Western Balkans and Eastern Europe countries expected to join

■ EPC PRODUCTS

- 5 payment schemes: SCT, SCT Inst, SDD Core and B2B, OCT Inst
- 3 payment-related schemes: SRTP, SPAA, VOP
- 2 community ICT services: MISP Fraud-prevention, EDS Directory Service



1. PSP = Payment Services Provider, as per Payment Services Directive 2 (PSD2) Annex I

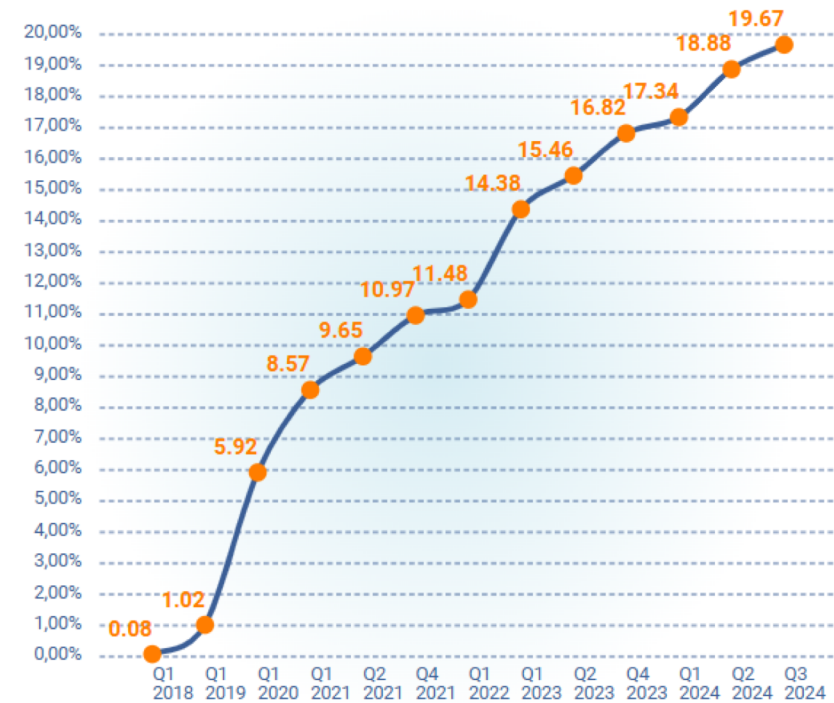
Development of Instant Payments in Europe, focus on SCT Inst scheme (1/2)



Key numbers¹

		SEPA	Euro Area	Updated to
Penetration	% (numbers) of SCT Inst vs. SCT PSPs	73% (2,627/3,592)	85% (2,563/3,022)	Nov 2024
	# Countries with SCT Inst PSPs	32 out of 38	20 out of 20	Q3-2024
Usage	% of SCT Inst on total SEPA Credit Transfers volumes ³	16.8% ⁽³⁾	22.1% ⁽²⁾	Q4-2023
	% of Instant Payments on total non-cash transactions	N/A	4.9% ⁽²⁾	Q4-2023

% of SCT Inst on total Credit Transfers (SCT + SCT Inst), SEPA area, Q3-2024

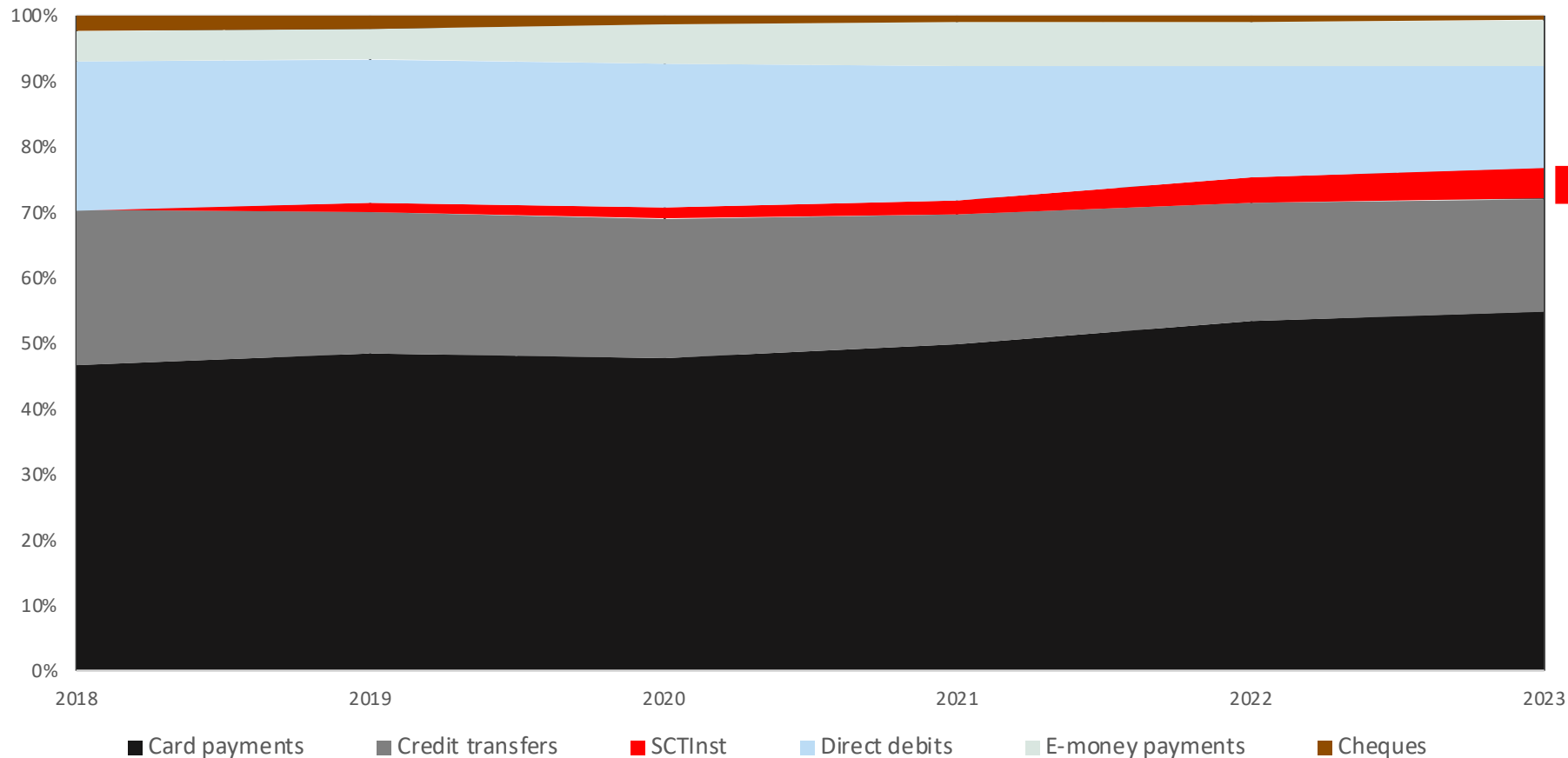


1. Source: EPC data updated to Q3-2024 unless otherwise specified
2. Source: EPC elaboration based on EPC and ECB data, May 2024
3. Calculation does not include (Instant) Credit Transfers in non-Euro currencies

Development of Instant Payments in Europe, focus on SCT Inst scheme (2/2)



2023 Total payment transactions by payment service¹, Euro Area.
(Source: EPC elaboration based on EPC and ECB data, May 2024)



SCT Inst volumes in 2023:

- **22%** of all (SEPA) Credit Transfers
- **5%** of all non-cash payment transactions¹

- **400 to 600 additional PSPs** expected to adhere to SCT Inst by early 2025

- New regulatory and business conditions expected to strongly **increase usage and volumes**

SCT Inst evolution: main changes in SCT Inst Scheme Rulebook v2025



SCT Inst Rulebook 2025 changes

■ Main regulatory changes

- The **start of the 10 seconds execution timeline** (Art 5a (3), Art 5a (4) (b), amended SEPA Regulation) is now the **time of receipt** (attribute AT-T056) of the instant credit transfer order and coincides with the **authorization of the order** by the Originator
- **New sub-timelines of 5/7/9 seconds** instead of the current **10/20/25 secs** (Art. 5a (4) (c))
- **Obligation to restore Originator's account** in case of no positive acknowledgment within 10 secs (Art. 5a (5))
- **Formal positive notification to Originator** (Art 5a (4) (e))
- **Removal of the Maximum Amount** (100,000 Euro) at Scheme level (Art. 5a (6))
- **Planned maintenance or planned downtime** (Art 11 (1) c))

■ Main business-related changes

- **Hybrid addresses:** structured, unstructured and hybrid addresses to coexist until Nov 2026, afterwards only structured and hybrid
- Inclusion of definitions for **Alias** and **Proxy**
- Rulebook clarifications on the **initiation of Recalls**, of the related **Requests for Status Update** and handling by scheme participants
- Attribute AT-T056 '**Timestamp of the SCT Inst Transaction**' must include **milliseconds**

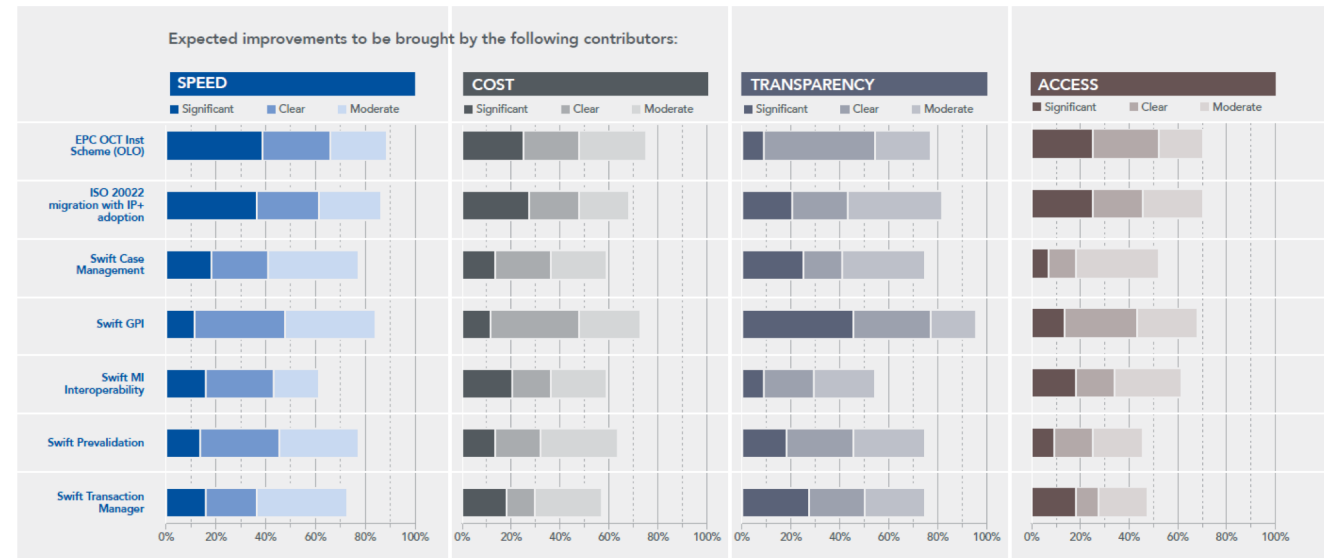
- **All five Rulebooks** to enter into force on **5 October 2025** (at 03:30 CET for SCT Inst)

Use cases enabled by SCT Inst (example): international cross border payments



One-Leg Out (OLO) Instant Credit Transfer (OCT Inst) Scheme

- OCT Inst scheme is the **international instant credit transfer scheme** developed by the EPC
 - Based on **ISO 20022 v2019**
 - Broadly aligned with **CBPR+** and **IP+** guidelines
 - Transactions can be denominated in **any currency** in the non-Euro leg
- Five types of **scheme participants** in the Euro-leg
 - Payer and Payee's PSP
 - OCT Inst Processor
 - **Entry-** and **Exit-PSP**, in charge for enabling corridors and for liquidity mgmt., FX, AML, sanctions screening
- **Adherence steadily growing in the EU**
 - Live since November 2023 (effective since **March 2024**)
 - **37 scheme participants** from 2 countries
 - **1 CSM (ACH)** actively supporting OCT Inst, **2 pan-European CSMs** joining between end-2024 and 2025
 - Nordic Payments Council (NPC) licensed OCT Inst



■ According to Euro Banking Association's survey on 44 Banks in 15 countries issued on 30 October 2024¹, **OCT Inst scheme** is considered **the most promising enabler** to achieve **G20 objectives** on **speed, cost and access**

1. "Improving cross-border payments", ABE-EBA, https://eba-cms-prod.azurewebsites.net/media/azure/production/4080/eba_egxp_20241119_improving_cross-border_payments_findings_of_eba_survey.pdf



THANK YOU!



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