



Payments: Commission proposes to accelerate the rollout of instant payments in euro

Brussels, 26 October 2022

The Commission has today adopted a legislative proposal to make instant payments in euro, available to all citizens and businesses holding a bank account in the EU and in EEA countries. The proposal aims to ensure that instant payments in euro are affordable, secure, and processed without hindrance across the EU.

Instant payments allow people to transfer money at any time of any day within ten seconds. This is much faster compared to traditional credit transfers, which are received by payment service providers only during business hours and arrive at the payee's account only by the following business day, which could take up to three calendar days. Instant payments significantly increase speed and convenience for consumers, for example when paying bills or receiving urgent transfers (e.g. in case of medical emergency). In addition, they help to significantly improve cash flow, and bring cost savings for businesses, especially for SMEs, including retailers. They free up money currently locked in transit in the financial system, the so-called 'payment float', which can be used sooner for consumption or investment (almost €200 billion euro are locked on any given day). But at the beginning of 2022, only 11% of all euro credit transfers in the EU were instant. This proposal aims to remove the barriers that prevent instant payments and their benefits to become more widespread.

Valdis **Dombrovskis**, Executive Vice-President for an Economy that Works for People, said: *"Instant payments are fast becoming the norm in many countries. They should be accessible to everyone in Europe too, so that we stay globally competitive and make the most of the innovation opportunities offered by the digital age. People gain with more choice and convenience, businesses gain with better control of their cash flow and lower operational costs. Today's proposal will strengthen our economy, make it more efficient and help it to grow."*

Mairead **McGuinness**, Commissioner for financial services, financial stability and Capital Markets Union, said: *"Moving from "next day" transfers to "ten seconds" transfers is seismic and comparable to the move from mail to e-mail. Yet today, nearly nine out of ten credit transfers in euro are still processed as traditional 'slow' transfers. There is no reason why many citizens and businesses in the EU are not able to send and receive money immediately, the technology to provide for instant payments has been in place since 2017. This facility to send and receive money in seconds is particularly important at a time when bills for households and SMEs are increasing and every cent counts. This initiative will directly benefit EU citizens and businesses."*

The proposal, which amends and modernises the 2012 Regulation on the Single Euro Payments Regulation (SEPA), consists of four requirements regarding euro instant payments:

- **Making instant euro payments universally available**, with an obligation on EU payment service providers that already offer credit transfers in euro to offer also their instant version within a defined period.
- **Making instant euro payments affordable**, with an obligation on payment service providers to ensure that the price charged for instant payments in euro does not exceed the price charged for traditional, non-instant credit transfers in euro.
- **Increasing trust** in instant payments, with an obligation on providers to verify the match between the bank account number (IBAN) and the name of the beneficiary provided by the payer in order to alert the payer of a possible mistake or fraud before the payment is made.
- **Removing friction** in the processing of instant euro payments while preserving the effectiveness of screening of persons that are subject to EU sanctions, through a procedure whereby payment service providers will verify at least daily their clients against EU sanctions lists, instead of screening all transactions one by one.

This proposal will support innovation and competition in the EU payments market, in full conformity with existing rules on sanctions and fighting financial crime. It will also contribute to the Commission's wider objectives on digitalisation and open strategic autonomy. This initiative aligns

with the Commission's priority of delivering an economy that works for people and creates a more attractive investment environment.

Background

The availability of instant payments and possible related fees vary strongly across Member States, which hinders the rollout of instant transfers in the Single Market. Legislative intervention is therefore necessary to scale up instant euro payments across the EU and unlock their benefits for EU citizens and businesses, especially SMEs. The latter would also benefit from improved cash flow and a greater choice of payment means.

Today's proposal fulfils a key commitment in the [Commission's 2020 Retail Payments Strategy](#), which aimed for the full uptake of instant payments in the EU. It takes the form of an amendment to the 2012 Regulation on a Single Euro Payments Area, which already contains general provisions for all euro (SEPA) credit transfers, adding specific provisions for euro (SEPA) instant payments. The proposal contains phased implementation deadlines, differentiated for the different components of the initiative and between euro area and non-euro area Member States, to allow adequate implementation time and full proportionality.

For more information

[Link to Q&A memo](#)

[Link to factsheet](#)

[Link to legal text](#)

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