



## DEAR READER,

*Are you ready for the SEPA? The countdown has begun. When you visit the European Payments Council website ([www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)), you can see in how many weeks the Single Euro Payments Area (SEPA) will become reality and count along. On January 1<sup>st</sup>, 2008 an entirely new era is introduced, making the euro payment traffic within Europe more efficient and less costly within the next few years. After the European regulators decreed uniform pricing of national and cross-border euro transfers as far back as 2003, it is now definitely time to get a handle on costs. The SEPA should do just that (see the interview with Gerard Hartsink, EPC Chair).*

*Europe's entire banking industry is called upon to implement the SEPA in a total of 31 countries. It is a mammoth European project, one in which the Swiss banking community has actively participated from the start. At the interbank level, the payment settlement as well as the data formats and procedural rules must be adapted for clearing systems such as EBA STEP2 (see the article about the SECB EBA connection). On the product side, electronic access systems must be made SEPA compatible. These are significant challenges as well as new opportunities for all parties involved. And this is just the beginning. The next years will show, how much time and effort will be necessary to really make the SEPA vision a reality. One thing, however, is obvious to everyone: Just the minimal requirements require massive investments in the infrastructure, products and processes – while, at the same time, prices are sinking and the competition is increasing.*

*Switzerland a part of SEPA? In November 2006, the Swiss Payments Council (SPC) has generally agreed that the Swiss financial center is to participate in the SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD), under the condition that the legal regulatory framework is met in the EU and in Switzerland. Hence, we, too, are to be ready for the SEPA and the new challenges awaiting us.*

A handwritten signature in black ink, appearing to read 'S. Zimmermann', with a stylized flourish at the end.

**Stephan Zimmermann**

*Member of the Group Managing Board at UBS and Chairman of the Telekurs Group Board of Directors*