

# SEPA DIRECT DEBIT CROSS-BORDER PAYMENT

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SEPA implements consistent procedures and standards in cashless transactions. The benefits:

- ▶ One payment processing account for all of Europe
- ▶ Domestic and cross-border direct debits in Euros
- ▶ Clear and standardised payment due dates
- ▶ Low transaction fees
- ▶ Reach new target audiences
- ▶ Reduced costs in debtor management due to standardised payment solutions within the SEPA zone

**SEPA makes direct debit payments easier, faster and safer in Europe. Use SEPA into to tap new sales potential in markets where credit cards are either not sufficient as the sole means of payment or where numerous country-specific payment methods exist.**

As part of the "Single Euro Payments Area", the SEPA direct debit procedure provides standardised domestic and cross-border payment within Europe. Payments can be made safely and cost-efficiently through a standardised legal framework and a standardised intra-European regulatory framework for SEPA payments.

SEPA makes domestic and cross-border payments as well as cost efficient refunds in the case of returned goods possible. Consumers can also use SEPA credit transfer in a standardised and quick fashion when paying for goods upon receiving an invoice.

Unlike SEPA credit transfers, a SEPA direct debit transaction is initiated by the merchant and not by the customer. To do so, a merchant requires a SEPA direct debit authorisation issued by the customer. With this authorisation the customer grants the merchant's bank the right to debit a one-time or recurring amount from his or her account and to credit said amount to the merchant's account.

## FEATURES

- ▶ Opens up new customer segments and markets: potential to reach 506 million citizens within the SEPA zone
- ▶ Cross-border and standardised payment within the eurozone in 33 countries (EU including Switzerland, Liechtenstein, Iceland, Norway and Monaco)
- ▶ Lower costs and greater manageability in liquidity and account management: Merchants can use their main bank accounts to process all payments made in the SEPA zone, no longer needing to maintain separate domestic accounts
- ▶ Very low fees for payment processing when compared to other systems
- ▶ Efficient and simple cross-border refunding of returned goods with SEPA credit transfer (e.g. no extra fees for cross-border transactions anymore)
- ▶ The merchant determines the time of payment together with the customer
- ▶ One-time only and recurring debits possible