

Demand side: self-assessment template for banks, central banks and payment institutions

15.11.2010. [State JSC "Mortgage and Land Bank of Latvia" (Mortgage Bank)]

Banks and the future payment institutions play a crucial role in the SEPA process. Not only do they contribute to the policy-setting process, they are providers of the resulting SEPA payment instruments too. Since they expect other users to adopt SEPA payment instruments, the Eurosystem also expects them to lead by example in order to be consistent. Therefore, banks should:

1. include a reference to the SEPA criteria of the European Payments Council (EPC) and the Eurosystem's expectations¹ in the text of their invitations to tender for payment processing?

Yes No Comments: As of the 9th of November, 2010 when EUR EKS (local clearing) system, which is supported and maintained by the Central Bank of Latvia (Latvijas Banka), became SEPA compliant, Mortgage Bank as the direct member of EUR EKS system has started sending and receiving SEPA payments (up to 50000.00 EUR (including)) in XML format without conversion. Mortgage Bank keeps sending/receiving the rest of SEPA payments through its SEPA agent - Deutsche Bank AG where conversion services are utilized.

2. use SEPA payment instruments (instead of legacy euro payment instruments²) and use a provider (i.e. for payments which are not "on-us" payments) which observes the EPC's and the Eurosystem's SEPA rules and expectations, and which does not necessarily need to be located within the same country, in order to:

Yes No Comments: As of the 9th of November, 2010 when EUR EKS (local clearing) system, which is supported and maintained by the Central Bank of Latvia (Latvijas Banka), became SEPA compliant, Mortgage Bank as the direct member of EUR EKS system has started sending and receiving SEPA payments (up to 50000.00 EUR (including)) in XML format without conversion. Mortgage Bank keeps sending/receiving the rest of SEPA payments through its SEPA agent - Deutsche Bank AG where conversion services are utilized.

- a. pay their suppliers. If unavailable, the Eurosystem expects banks and payment institutions to actively request the necessary SEPA identifiers from their suppliers;

¹ This expectation refers to the basic compliance based on the EPC's documentation and, additionally, the fulfilment of the expectations for SEPA providers formulated by the Eurosystem in this document.

² Transactions not denominated in euro are not affected by these expectations.

Yes No Comments: Mortgage Bank effects payments to its suppliers, using identifiers which are provided by them (IBAN and BIC/SWIFT code of the bank of beneficiary).

b. effect salary payments. The Eurosystem expects employees to provide their IBANs and BICs;

Yes No Comments: Mortgage Bank effects salary payments on the basis of identifiers which are provided by its employees (IBAN and BIC/SWIFT code of the bank of beneficiary).

3. use IBANs instead of account numbers, if the payments mentioned under 2.a and 2.b are effected in-house (i.e. "on-us payments").

Yes No Comments: Mortgage Bank uses only IBAN in internal payments.

If you have any questions with regard to this template, please contact us at: info@sepalatvija.lv.