SEPA IMPLEMENTATION IN THE SLOVAK REPUBLIC

Implementation plan

version 4.0
Contents

1. Introduction 3
2. Organization structure 5
3. Legal regulations 8
4. Payment instruments 14
   4.1 SEPA credit transfer (SCT) 18
   4.2 SEPA direct debit (SDD) 20
   4.3 SEPA payment cards framework 23
   4.4 National plan for SEPA Cash in the Slovak Republic 26
5. Payment infrastructures 31
6. Communication strategy 33
7. Tasks Summary 34
8. Annex 37
1. Introduction

Introduction of a common currency and subsequent creation of the option to use this common means of payment in the sphere of cash payments within the Euro area represented the basic impulse for the creation of a common payment area also for non-cash payments. Project, whose aim is the creation of a single payments area in Euro currency, was named as SEPA – Single Euro Payments Area. The basic role of SEPA is an practical removal of borders with respect to execution of non-cash retail payments in Euro currency. Within SEPA the consumers, enterprises, and other economic entities will be able to send and receive payments in Euro, both within the same country and cross border, under the same basic conditions, rights and obligations, and with no respect to where they are situated. The SEPA project harmonizes standards, regulations and procedures concerning credit transfers, direct debits, and payment cards.

In January 2009, after a long journey of preliminary steps and accomplishment of many important milestones, the Slovak Republic (SR) successfully introduced the new common domestic currency – Euro – and became the 16th member of the Euro area. A logical consequence of this transition to the common currency is the creation of uniform conditions applicable to execution of transactions including non-cash payments.

The Slovak banking sector also shares the idea of creating a single area for payments execution and is ready to execute steps necessary for a successful implementation of SEPA payment instruments into practice within SR as well.

The implementation of SEPA payment instruments into practice within SR is done in close cooperation of the National bank of Slovakia, Ministry of Finance of the Slovak Republic, the State Treasury, and the banks represented by the Slovak Banking Association.

The aim of the SEPA project is harmonisation of the provision of payment services within all countries of Europe listed in the Annex. Due to that the project is supported by the European Central Bank (ECB), as well as the European Commission (EC). European Payments Council has created common rules and implementation guidelines for the introduction of the SEPA payment instruments into the practice. Final adoption of the Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 was an important milestone in SEPA implementation.
The purpose of publishing the SEPA implementation plan

The version 4.0 of the implementation plan is aimed at defining the respective steps which determine the successful realisation of the SEPA implementation project in SR in accordance with the Regulation (EU) No 260/2012 of the European Parliament and of the Council establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009. The updated implementation plan should also serve as a basic means of communication for the transition to SEPA standards to the public.

The presented plan signifies a consensus of all market participants who participate through their representatives in the SEPA Committee. Implementation plan will be updated regularly in accordance with the status of the SEPA transition effort in SR, or on the basis of a motion from a SEPA Committee member.

The changes brought by this version in comparison to the previous one concern mainly on the more detail specification of the transition of the Slovak bank community to SEPA payment instruments, in accordance with the above mentioned Regulation, and include the time schedule and the institutions responsible for the respective tasks.

Document history

<table>
<thead>
<tr>
<th>Document version</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version 1.0</td>
<td>December 2006</td>
</tr>
<tr>
<td>Version 2.3</td>
<td>June 2009, approved by SEPA Committee on 4.6.2009</td>
</tr>
<tr>
<td>Version 3.0</td>
<td>February 2011</td>
</tr>
<tr>
<td>Version 4.0</td>
<td>November 2012</td>
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</table>
2. Organisation structure

**SEPA Committee**

SEPA Committee is the highest governance body of SEPA project in the SR. Its basic task is the coordination and management of the SEPA implementation process in the Slovak Republic. SEPA Committee approves outputs and supporting documents presented by the SEPA Sub-committee. Resolutions accepted by the SEPA Committee are considered as obligatory for further movement of the SEPA project. Representative of the Slovak Banking Association is the chairman of the SEPA Committee. The SEPA Committee groups together both providers and users of payment services, and works with the following structure of representatives:

- The National Bank of Slovakia,
- Ministry of Finance of the SR,
- The State Treasury,
- The Slovak Banking Association,
- Representatives of commercial banks,
- The Slovak Post,
- Representatives of small and medium enterprises,
- Representatives of business sector,
- Representatives of consumers.

**SEPA sub-committee**

SEPA Sub-committee is the highest level consulting body of the SEPA Committee – the body responsible for the determination of the overall direction and strategy of the SEPA implementation in the SR. The SEPA sub-committee deals with open issues and tasks resulting from the SEPA Implementation Plan for SR and submits proposals for approval to the SEPA Committee. The Sub-committee is chaired by a representative of the Slovak Banking Association, and its members are representatives of the National Bank of Slovakia, Ministry of Finance of the SR, the State Treasury, the Slovak Banking Association and commercial banks.

**Working groups**

Implementation of SEPA payment instruments in SR will have in more or less extent impact on all participants of the payment market. Due to that is recommended constitution of internal
workgroups for SEPA implementation, especially in the banking sector, government and public institutions, and also in large business enterprises.

**Slovak Banking Association (SBA)**

The highest managing body of SBA for SEPA project is SBA Presidium. SEPA Working group, as an executive body, is responsible for the implementation of the project from the practical side. The project manager, who is responsible for the formal side of the project, coordinates, monitors, oversees the project and informs all bodies participating on the project.

Commission for payments and settlement and payment instruments has the position of the highest professional consulting body for SEPA credit transfers and direct debits. It provides opinions and arrives at unanimous proposals of solutions in the name of SBA.

Commission for legal and entrepreneurial environment is the highest specialist consulting body of SBA for the legislative requirements of transfer to SEPA.

Commission for payment cards is the highest specialist consulting body of SBA for SEPA payments executed via payment cards, which mainly covers implementation of EMV technology into this domain.

**The National Bank of Slovakia**

The National Bank of Slovakia (NBS), as a part of the Eurosystem, significantly supports implementation of SEPA payment instruments in SR. NBS closely monitors the movement of the SEPA project, and in cooperation with Ministry of Finance of the SR creates the appropriate legislative environment for SEPA implementation. NBS also operates the retail payment system; see Chapter 5 for more detail. By means of their representatives NBS participates on the activities of the SEPA Committee, as well as SEPA Sub-committee. Bank Board of the NBS is the main governing body of NBS.

**Ministry of Finance of the SR**

Due to large volumes of payments carried out by government and public institutions, their smooth transition to SEPA payment instruments will be of great importance. These institutions are represented both in the SEPA Committee and in SEPA Sub-committee by Ministry of Finance of the Slovak Republic (MF SR). The role of MF SR in the SEPA project lies in creating the appropriate legislative environment in cooperation with NBS. MF SR supports the implementation of SEPA payment instruments in the Slovak Republic.
Organisation structure for the SEPA project, the cross-connections within SR, as well as those at the supranational level, is depicted in the graphics below:
3. Legal regulations


Further general binding legal regulations are especially
a) Act of the National Council of the Slovak Republic No. 566/1992 Coll. on the National Bank of Slovakia as amended, which among other things delimits the basic tasks and aims of the National Bank of Slovakia in relation to smooth functioning of payments and payment systems,
b) Act No. 483/2001 Coll. on Banks as amended,
c) Act of the National Council of the Slovak Republic No. 310/1992 of the Code on building and loan associations as amended (similar special legal regulations also cover Export – Import Bank and State Treasury),

Following regulations of the European Parliament and of the Council (EC) are also inherent in the Slovak law:
- Regulation No. 924/2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001,
- Regulation No. 1781/2006 on information on the payer accompanying transfers of funds, and
- Regulation No 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009

The respective articles of the Regulation No 260/2012 came into force the next day after it was published in the Official Journal of the European Union, which is as of March 31st, 2012, but some of the articles determine also other binding dates for the application of rights and obligations of the payment service providers, or other persons. This applies e.g. to setting the binding date for the execution of credit transfers and direct debits according to the SEPA Payment Schemes (February 1st, 2014), or to transitional provisions which define transitional periods for application of some of the obligations (basically this means the provisional period till February 1st, 2016).

The following tasks arise from the Regulation No 260/2012 for the Slovak Republic:

(1) **Reachability for the payment service providers (Article 3) and accessibility of payments from the point of view of payment service users (Article 9).**

   - This article determines the ability of banks to ensure processing of SEPA payments instructions, which were sent to their clients from any country of the EU (this obligations was extended by the Regulation to include credit transfers; for direct debits this was obligatory for payment service providers since 2010).

This article is in force as of March 31st, 2012.

(2) **Interoperability (Article 4)**

   - This article determines technical interoperability between retail payment systems for the purpose of processing SEPA credit transfers and SEPA direct debits.

This article is in force as of February 1st, 2014.

(3) **Technical requirements for credit transfers and direct debits**
- Technical requirements for the execution of credit transfers and direct debits are defined (e.g. International Bank Account Number - IBAN, ISO 20022 standard XML)

- Usage of Bank Identifier Code - BIC is stipulated (till February 1st, 2014 for domestic payment transactions, and till February 1st, 2016 for cross-border payment transactions), the formulation does not allow the payment service providers to ask the payment service users to provide the swift code BIC, which is at present used for directing cross-border payments.

Transitional provisions/periods (Article 16, points 5 and 6)

- A transitional period is defined till February 1st, 2016 – in relation to payment service users (legal persons) who initiate or receive individual credit transfers or direct debits that are bundled together for transmission, it allows to waive the technical requirement to use the XML message format according to the ISO 20022 standard, which means that the Slovak Republic may establish a two-year transitional period for the communication between payment service user (legal person) and payment service provider in XML message format.

- A transitional period is defined till February 1st, 2016 - usage of the BIC code for domestic payment transactions, i.e. the option to extend using the BIC code at domestic level by two years.

(4) Setting a binding date for the execution of SEPA credit transfers and SEPA direct debits

- As of February 1st, 2014 at the latest, the credit transfers and direct debits must be executed in accordance with the technical requirements of Regulation No. 260/2012 (Article 6, points 1 and 2).

- Transitional Provisions – Article 16 – specifies the transitional provisions concerning conversion for domestic payment transactions - transitional provision concerns a technical requirement – i.e. use of BBAN (account number in the existing format) as a payment account identifier instead of IBAN, stated as a technical requirement. The transitional period can be used by payment service providers on behalf of a payment service user who is a consumer.

More detailed information to the respective high level tasks is provided in parts 3.1, 4.1, 4.2, 5 and 7 of this document.

The main intention of the Payment Services Directive is the establishment of a single payment market within the Community (including the countries of the EEC), by introducing a harmonised legal framework with respect to payment services provision.

Payment Services Directive was transposed into the law of the Slovak Republic by means of adoption of a new legal regulation of binding force with date of commencement on December 1st, 2009. The adoption of the Payment Services Act has finished the transposition process, and on the adoption of the new legal form the previous Act on the Payment System was repealed. Inherent parts of the proposed Payment Services Act also include necessary indirect amendments of other legal regulations, first of all the National Bank of Slovakia Act, Act on Banks, or Act on the State Treasury.

Payment Services Act governs mainly
a) rights and obligations of the payment service providers and payment service users, concerning provision of payment services within the EEA area, in the scope of Payments Services Directive with respect to the full harmonisation principle, and concerning all the other payment services in the scope of minimum requirements for such services (out of scope of the Payment Services Directive),
b) conditions for establishing and operating of payment systems in the scope of the Directive 98/26/EC,
c) conditions applicable to establishment and business activities of payment institutions in the scope of Payments Services Directive, respecting the full harmonisation principle,
d) conditions applicable to establishment and business activities of electronic money institutions in the scope of the directive 2009/110/EC, and
e) complaints, claims, and conditions applicable to out-of-court settlements of disputes in regard to the provision of payment services.

With the view of increased economic competition in the area of payment services provision Payment Services Act stipulates the conditions applicable to establishment and business activities of a new category of payment service providers – so-called payment institutions,
which besides other payment service providers, mainly banks, are entitled to the provision of payment services.

The category of payment service providers also includes the electronic money institutions, where the Payment Services Act stipulates special conditions applicable to establishment and business activities of these institutions concerning the issuance of electronic money (conditions differ from those for payment institutions, which cannot issue electronic money). Based on the above, activities related to the issuance of electronic money are not regarded as a payment service.

Important constituents of the Payment Services Act are also so-called national options, i.e. such provisions of the Payment Services Directive, with whose transposition the Slovak Republic can choose an option of including or not including them into the legal system of the SR.

By means of passing the Payment Services Act both the regulations for payment transaction executions (no differentiation between an domestic and a cross-border payment transaction within EEC, if not stated otherwise in the Act), and the use of the payment instruments, were harmonised.

<table>
<thead>
<tr>
<th>List of key documents for SEPA implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEPA Credit Transfer Rulebook, version 5.1 (valid from November 19th, 2011)</td>
</tr>
<tr>
<td>SEPA Direct Debit Rulebook, version 5.1 (valid from November 19th, 2011)</td>
</tr>
<tr>
<td>Credit Transfer and Direct Debit Implementation Guidelines, versions appropriate to respective versions of rulebooks</td>
</tr>
<tr>
<td>SEPA Card Framework 2.1 SEPA Cards Standardization Volume - Book of Requirements, version 6.0</td>
</tr>
<tr>
<td><strong>SEPA Testing Framework, version 2.3</strong></td>
</tr>
<tr>
<td><strong>PE-ACH/CSM Framework, version 1.2</strong></td>
</tr>
<tr>
<td><strong>UNIFI (ISO 20022) XML standard</strong></td>
</tr>
<tr>
<td><strong>Payment Services Directive, after commencement Payment Services Act</strong></td>
</tr>
<tr>
<td><strong>Decree No 8/2009 of NBS which establishes the structure of the bank account number, the structure of the international bank account number and details on the issuance of the identification codes converter</strong></td>
</tr>
</tbody>
</table>

**3.1 Transitional provisions under Regulation No 260/2012**

Slovak Republic in accordance with Article 16(1) of Regulation No 260/2012 has allowed payment service providers to provide payment service users, until 1 February 2016, with conversion services for national payment transactions enabling payment service users that are consumers to continue using BBAN instead of IBAN as payment account identifier (conversion service BBAN – IBAN). In case of conversion service BBAN – IBAN, the payment service provider is fully responsible for such service.
Slovak Republic in accordance with Article 16(5) of Regulation No 260/2012 has allowed payment service users – legal person, until 1 February 2016, to waive the requirement to use the XML standard for message format according to the ISO 20022 only in cases that payment service users – legal persons initiate or receive individual credit transfers or direct debits that are bundled together for transmission. Notwithstanding the waiver, payment service providers fulfil the requirement to use the XML standard for message format where a payment service user – legal person request such service in communication with payment service provider.

Slovak Republic in accordance with Article 16(6) of Regulation No 260/2012 has not allowed using the transitional period relating to provision of BIC. In this case, the provision of Article 5(7) of Regulation No 260/2012 fully applies.

Above mentioned transitional provisions will be notified by the Ministry of Finance of the Slovak Republic to the European Commission.
4. Payment instruments

The payment instruments used nowadays in the Slovak Republic are characterized by a high level of automation, efficiency and security. That reduces the necessity of manual interference into processing close to zero and provides the possibility of automated processing of payments in the entire payment chain. The existing credit transfers, direct debits, as well as payment cards are bonded with confidence of the payment service users.

With respect to the above, the aim of the banking community is to transfer certain existing elements (e.g. variable, constant and specific symbols) also into the SEPA environment.

The first SEPA payment instrument which payment service users can really use is SEPA credit transfer (since 28.1.2008). The SEPA direct debit scheme was started on 1.11.2009. The SEPA credit transfer scheme encompasses 4 491 banks involved, including 9 banks operating in SR, the basic SEPA direct debit scheme (called “Core”) encompasses almost 4000 banks, including 12 Slovak banks, and the SEPA direct debit scheme for direct debit transactions between enterprises (called “B2B”) was joined by at least 3500 banks, including 2 Slovak ones.

The scope of SBA activity includes the so-called National Adherence Support Organisation (NASO), which obtains and formally checks requests for access into the Scheme from the banking sector, which are subsequently sent to the European Payments Council.

The table below shows the payment instruments used at present in SR and their corresponding equivalents in SEPA:

<table>
<thead>
<tr>
<th>Payment instrument in SR</th>
<th>SEPA payment instrument</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit transfer</td>
<td>SEPA Credit Transfer</td>
<td></td>
</tr>
<tr>
<td>Standing order for credit transfer</td>
<td>SEPA Credit Transfer</td>
<td></td>
</tr>
<tr>
<td>Direct debit</td>
<td>SEPA Direct Debit</td>
<td></td>
</tr>
<tr>
<td>Debit cards</td>
<td>SEPA Cards Framework</td>
<td></td>
</tr>
<tr>
<td>Credit cards</td>
<td>SEPA Cards Framework</td>
<td></td>
</tr>
<tr>
<td>Cheques</td>
<td>Out of SEPA scope</td>
<td>Practically not used</td>
</tr>
</tbody>
</table>
Credit transfer is the most frequently used payment instrument in SR, the share of cheques is almost negligible. The statistics of number of payments by categories for 2010 is shown in the table below.

<table>
<thead>
<tr>
<th>Transaction type</th>
<th>Number (in mill.)</th>
<th>Proportion in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit transfer</td>
<td>252,36</td>
<td>55,90</td>
</tr>
<tr>
<td>Paper form</td>
<td>20,99</td>
<td>4,65</td>
</tr>
<tr>
<td>Electronic</td>
<td>231,37</td>
<td>51,25</td>
</tr>
<tr>
<td>Direct debit</td>
<td>69,59</td>
<td>15,41</td>
</tr>
<tr>
<td>Payment cards</td>
<td>129,49</td>
<td>28,68</td>
</tr>
<tr>
<td>Debit card</td>
<td>117,17</td>
<td>25,95</td>
</tr>
<tr>
<td>Credit card</td>
<td>12,32</td>
<td>2,73</td>
</tr>
<tr>
<td>Cheques</td>
<td>0,05</td>
<td>0,01</td>
</tr>
<tr>
<td>Total</td>
<td>451,49</td>
<td>100</td>
</tr>
<tr>
<td>Cross-border thereof</td>
<td>3,17</td>
<td>0,70</td>
</tr>
</tbody>
</table>

Source: Blue Book, data is from 2010
SEPA implementation in the Slovak Republic is divided into the following phases:

- Phase 1 - compliance with the requirements set by SEPA cards Framework at the latest towards the end of 2011,
- Phase 2 – implementation of SEPA credit transfer for credit transfers executed via EURO SIPS retail payment system in the second half of 2012,
- Phase 3 – implementation of the SEPA credit transfer and SEPA direct debit in accordance with the Regulation No 260/2012 till February 1st, 2014.
4.1 SEPA credit transfer (SCT)

Basic bank account number (BBAN) is used at present within SR for domestic transfers to identify both the payer account and the payee account. For SEPA, the BBAN in communication between a payment service provider and a payment service user, where the user is a consumer, will be replaced by an account number in IBAN format as of February 1st, 2016 for a domestic credit transfer (as of February 1st, 2014 for cross-border credit transfer). Where users are legal persons, IBAN will be used in communication between a payment service provider and a payment service user as of February 1st, 2014, in accordance with the Regulation No 260/2012. At present IBAN is only used for cross-border payments, but after implementation of SEPA credit transfers in SR and later after the converter is switched off, IBAN will be the only valid format for bank account identifier for domestic payments.

In accordance with the regulation 260/2012 the payment service providers will communicate while executing payments with respect to the following requirements:

a) they must use the identifier of a payment account number which is, as stated by the Regulation No 260/2012, IBAN, for identification of payment accounts regardless of the location of payment service providers concerned

b) for the purpose of sending payment transactions they must use the XML message format according to the ISO 20022 standard.

In SR IBAN consists of 24 characters where, as stated in the Decree No 8/2009 of NBS which establishes the structure of the bank account number, the structure of the international bank account number and details on the issuance of the identification codes converter:

a) the first two characters are alphabetic characters defining the country code

b) the third and fourth characters are two check digits calculated by a special control system

c) fifth through eighth characters are a numerical bank identification code

d) ninth through fourteenth characters are an account number prefix digits

e) fifteenth through twenty fourth characters are the basic account number containing ten digits.

Besides the rights and obligations of the payment service providers, stipulated by the legal code of the Slovak Republic for the provision of payment services, especially the Payment Services Act, it is further established that:
- payment service provider of a payer must ensure that the payer provides the data listed in the point 2 letter a) of the Annex of the Regulation No 260/2012,
- payment service provider of the payer must provide the data listed in the point 2 letter b) and c) of the Annex of the Regulation No 260/2012 to the payment service provider of the payee, and
- payment service provider of the payee must provide the data listed in the point 2 letter d) of the Annex of the Regulation No 260/2012 to the payee.

As stated in the Regulation No 260/2012, after February 1st, 2014 for domestic payment transactions, and after February 1st, 2016 for cross-border payment transactions, the payment service providers will not ask that the payment service users provide the BIC code of the payment service provider of the payer or of the payee. Simultaneously, this does not prohibit the use of BIC code in communication between the payment service providers. In case the BIC code has to be provided, it will be added by the payment service provider.

The banking community of SR has decided to keep the use of existing symbols (constant, variable, specific) within SR also for SEPA credit transfers.
4.2  SEPA direct debit (SDD)

Use of direct debit is the favourite payment instrument in the SR. This can also be stated on the basis of the number of executed direct debits per capita (in average 5-6 direct debits a month are executed from an account of a payment service user). Direct debit brings many advantages both for payers, and for payees. Payers need not watch for due dates of their payables and on the other hand direct debit enables relatively simple way of clearing the receivables of the payees. For that reason direct debit is a widely used means of settlement of due payments from the public, especially by large companies as e.g. electricity suppliers, gas suppliers, telecommunications companies, or insurance companies. Starting from February 1st, 2014 direct debit will be performed in SR in accordance with the Regulation No 260/2012, i.e. the SEPA rules. SEPA direct debit brings along first of all the possibility of cross-border direct debit, i.e. payment service providers in SR enable the payment service users the option of direct debiting from abroad (for payees), and will process a direct debit sent from another EU country within SEPA area. That will of course be bound to fulfilment of conditions set in the Terms and Conditions of the payment service providers.

Adjustment of the present domestic direct debit scheme to the SEPA scheme is bound, apart from other matters, with the change of assigning direct debit mandates from the present “Debtor Mandate Flow” (the payer gives direct debit mandate to his bank) to the so-called “Creditor Mandate Flow” (the payer gives direct debit mandate to the payee). SEPA direct debit also brings along substantial process type changes, which will bring necessity of adjustments of software applications both on the side of payment service providers, and on the side of the payment service users (especially in case of corporate clients).

According to the valid version of SEPA Core Direct Debit Rulebook v 5.1, the Slovak banking community also treated the problem of defining the so-called Creditor Identifier (CID) for SR, which is an obligatory element of the SEPA direct debit, as well as the way of administering the database of assigned identifiers. The individual banks also consider risk management after switching to SEPA direct debits. CID is assigned as a unique number to the creditor and its purpose is explicit identification of the particular creditor without respect to his account number, since a creditor can have more than one account. This identifier is not used for verification of direct debit payments, only to certify the existence of the creditor, or for creditor data verification. According to SEPA rules the CID consists of ISO country code, check digits, eventual specification of business activities of the creditor, and up to 28 digits.
allocated for the national creditor identifier. Such identifier was not used within the existing domestic direct debit scheme of SR.

The approved way of defining the part of national identifier within SR is assignment of a 11 digit local number beginning with the digit 7 (at the leftmost position), while this will be assigned as a sequential number – i.e. starting with the number 70000000001 ascending, by adding 1 to the last number assigned (next CID assigned will contain the part 70000000002, following 70000000003, etc.). The role of the administrator of the centralised database, or evidence will be executed, due to a mutual approval, in the course of the first phase, by the Slovak Banking Association. The first phase means the period when the number of requests for CID assignment will be negligible. During the following months of 2012, the possibilities of changing the existing CID database administration will be analysed, as well as the possibility of adding a black list of payees (payees who were assigned a CID but have misused it).

In accordance with the regulation No. 924/2009 on cross-border payments in the Community the Slovak banking sector has ensured the so-called condition of reachability for SEPA direct debit as of 1.11.2010, i.e. starting on that date all Slovak banks which provide the product of direct debit are capable of processing incoming cross-border SEPA direct debit transactions. To enter the SEPA direct debit scheme each of these banks signed a contract called “Adherence Agreement”.

The basic legal requirements for SEPA direct debits, according to Regulation No. 260/2012, include:

(1) Reachability for SEPA direct debits (as mentioned above, this requirement was fulfilled as of 1.11.2010).

(2) From February 1st, 2014 the direct debits must be executed in accordance with conditions determined by Regulation No. 260/2012. This means:

- IBAN as the unique identifier of the payment account number (till February 1st, 2016 for payment system users who are consumers and for whom the payment system provider ensures technical conversion to account number in IBAN format, and only provided the direct debit is domestic) and the ISO 20022 XML as the common message format.

Since IBAN as the unique identifier of the payment account number will be used by legal persons as of February 1st, 2014, this change will necessitate updating the eventual databases in the internal systems of legal persons (i.e. conversion of the payment account number in the
existing BBAN format to the IBAN format). These are eventual databases administered for the purpose of direct debiting the payers (the change can also be done by the payment service provider of the payee before the first execution of the common SEPA scheme direct debit).

Besides the rights and obligations of the payment service providers, stipulated by the legal code of the Slovak Republic for the provision of payment services, especially the Payment Services Act, it is further established that:

- payment service provider of a payee must ensure that the payee provides the data listed in the point 3 letter a) of the Annex of the Regulation No 260/2012,
- payment service provider of the payee must ensure that the payer gives the consent to SEPA direct debit to the payee, as well as to the payment services provider of the payer (directly, or indirectly via the payee),
- payment service provider of the payee must provide the data listed in the point 3 letter b) of the Annex of the Regulation No 260/2012 to the payment services provider of the payer,
- payment service provider of the payer must provide the data listed in the point 3 letter c) of the Annex of the Regulation No 260/2012 to the payer, and
- payment service provider of the payee must pass the information concerning the direct debit mandate to the payment service provider of the payer, and that with each direct debit.

Besides the rights and obligations of the payment service providers stipulated by the legal code of the Slovak Republic for the provision of payment services, especially the Payment Services Act, it is further established that:

- right of the payer who is a consumer to an agreement with his payment service provider concerning
  (i) limiting the direct debit to a certain amount and/or periodicity
  (ii) checking the data connected with the direct debit (amount, eventually also periodicity) in the case of so-called “No Refund Scheme”
  (iii) blocking of (a) all direct debits or (b) direct debits from specified payees, or enable direct debit from a particular payee, or from specified payees,
  - before the first direct debit the payer informs the payee of his IBAN and BIC (BIC code only if it is needed, otherwise only till February 1\textsuperscript{st}, 2016 for cross-border direct debits)
  - payee will send to his payment service provider mandate-related information (with the first or one-off direct debit, and with each further direct debit)
Where the framework agreement between the payer and the payer’s payment service provider (PSP) does not provide for the right to a refund, according to the Payment Services Act, the payer’s PSP shall verify each direct debit transaction to check whether the amount of the submitted direct debit transaction is equal to the amount and periodicity agreed in the mandate before debiting the payer’s payment account, based on the mandate-related information.

(3) Multilateral Interchange Fees for direct debit can only be applied till November 1st, 2012 for cross-border direct debits and till February 1st, 2017 for domestic direct debits, only for R-transactions under the conditions defined in Article 8 of the Regulation No 260/2012.

(4) Valid direct debit mandates given by payers before February 1st, 2014, will remain valid after this date, and are considered to be mandates for direct debit in accordance with the requirements of the Regulation No 260/2012, including the agreed authorisations (e.g. right to a refund). In this context it is necessary to transform the present mandates – authorisations, which work on the basis of the validation of the (payee) account number, variable symbol, specific symbol, into SDD mandates (CID, mandate reference) in cooperation between PSPs and creditors.

The above implies that payment service providers can in their Terms and Conditions establish the level of protection of the accounts of their clients against direct debiting within the common scheme, e.g. (a) option to set up a general refusal of an incoming direct debit (no debiting allowed from that payment account), (b) direct debiting allowed for a particular payee on the basis of a pre-provided information on direct debit consent from the payer to the payment service provider, or (c) option of honouring each eventual incoming direct debit (so-called payment account without additional protection).

4.3 SEPA payment cards framework (SCF)

According to Slovak Banking Association statistics 14 banks – issuers of payment cards – operate in Slovakia. The number of payment cards issued in 2011 increased in comparison to the previous year by 7.6% from 4.97 million payment cards to 5.34 million bank payment cards. By the end of 2011 the bank clients could use a network of 2 404 ATMs and 37 978 POS terminals in the Slovak Republic.

The aim of SEPA Cards Framework, version 2.1 (SCF, document valid since 18.12.2009) is the status where payment cards issued by banks in accordance with the SEPA standards are useable and accepted under the same conditions in all countries within SEPA. In relation to
the Phase 1 of this Implementation Plan the conditions set by SEPA via SEPA Cards Framework have been complied with on year-end of 2011. This requirement has been achieved by issuing and accepting payment cards under an SCF compatible card scheme brand. Such compliant schemes already operate in Slovakia e.g. under the brand of VISA and MasterCard companies.

The main SCF requirement in this context is provision of technologically secure payments within the SEPA framework e.g. by equipping the cards and POS terminals by standardised EMV chip technology and by providing for processing of transactions using this technology on year-end of 2011. According to EMV Implementation Questionnaire of 30.12.2011, 100% of ATM, 99,65% of POS terminals, 95,51% of debit payment cards, and 96,76% of credit payment cards were converted to this technology in SR. Another important recommendation of SCF is facilitation and giving priority to acceptance of SEPA compatible cards in accordance with the EMV standard, i.e. including the chip peruse and prompting for PIN code input on all POS terminals. This aims at having an SCF compatible network of POS terminals at sales points on year-end of 2011, i.e. facilitation of the broadest possible acceptability of SCF payment cards within SEPA countries. Nevertheless the payment terminals will keep on accepting products without chip technology with respect to the necessity of acceptance of payment cards from countries outside SEPA.

The present SCF determines a migration term, during which all organisations issuing so-called “general purpose cards”, i.e. payment cards issued to a client’s current account, within Euro zone should migrate their portfolios to SEPA products. Slovak card issuer banks since as far back as 2008 have been offering SEPA compatible cards; from 2009 on all newly issued SEPA compatible cards are equipped with EMV chip technology, and on the end of the migration period in 2011 also all „general purpose cards“ in circulation issued by a SEPA bank are SEPA compatible.

However, any massive issuance of cards with usability limited to SEPA area is not expected. The future is envisaged as issuance of worldwide useable card products. Slovak payment cards acceptors (11 banks at present) provide for acceptance of payment cards according to licences which they were assigned for the activity. It is every bank’s business decision which card products they will offer to accept and the merchant will decide which cards he will accept in his stores.
The technical standards are defined in the document SEPA Cards Standardisation Volume – Book of Requirements, version 6.0.
4.4 National plan for SEPA Cash in the Slovak Republic

4.4.1 Principles of the SEPA Framework

4.4.1.1 Cross-border Access to services in the sphere of cash („remote access“)

During 2011 National Bank of Slovakia has not registered any request from a non-residential bank for the use of NBS’s services in the cash sphere. In the case of a non-residential bank request for the use of cash services NBS is ready to provide these services in full scope under the same conditions as those for residential banks.

4.4.1.2 Sufficient cash-sphere services coverage, mutual interchangeability of euro-cash draw/deposit sphere services.

NBS provides cash services by means of their Central Cash Desk Section in the NBS headquarter building in Bratislava and in five branch offices (Nové Zámky, Banská Bystrica, Žilina, Poprad, and Košice).

4.4.1.3 Information exchange and feedback between banks and the central bank.

A commercial bank announces delivery or draw of euro-cash to NBS always a day ahead using the NBS information system to the particular branch office or to the Central Cash Desk Section. Announcement a day ahead enables the depositary site of NBS to get ready in advance for receipt or release of euro-banknotes and euro-coins.

The Eurosystem is currently preparing an application which will enable cross-border communication of central banks, which should also enable communication of a central bank with a non-residential bank using the local application.

4.4.1.4 Stability of services provided and their conditions

Minimum level of services in the cash sphere provided to the banks by NBS is defined in Common Eurosystem fee policy for cash transactions of professional clients at NCB counters of March 1st, 2002. The material specifies the scope of services which must be provided by each bank of the Eurosystem on their respective territories free of charge, and fee services beyond the free-of-charge scope of services.
A Standard of services and their conditions are also specified in the *Agreement on Receipt and Release of Money* which was exchanged by NBS with all banks performing cash services in the SR territory.

**4.4.1.5 Cancellation of the request on lining up the Euro banknotes along the direction and face of print**

Since January 1st, 2011, in Euro zone the Euro banknotes will no longer be required to be lined up along the direction and face of print at receipt and release.

From the point of view of NBS this means that a bank will be able to deposit free of charge to NBS Euro banknotes not lined up along the direction and face of print and at the same time NBS will not be obliged to release Euro banknotes to banks lined up in this way. In case a bank asks for Euro banknotes lined up along the direction and face of print, the service will be charged a fee by NBS.

**4.4.2 Harmonisation of operation conditions**

**4.4.2.1 Regulations on debit and credit booking**

On entry of the National Bank of Slovakia into the European System of Central Banks - January 1st, 2009 - the system of net payments settlement was changed into system of gross real-time settlement - Target 2. Upon a deposit of cash by banks, with the Target 2 system of accounts, the funds are passed to the credit of their accounts on the same day as that of deposit. Likewise, on the day of a Euro cash draw, the funds are debited to the accounts. The procedure of debit and credit clearing is included in the *Agreement on Receipt and Release of Money*.

**4.4.2.2 Cash working hours**

NBS cash working hours fully comply with the Eurosystem requirements. NBS cash working hours comply with the minimum six hours limit in all their workplaces. In cases of unexpected receipts or disbursements of Euro cash by banks, which go beyond the current working hours frame, NBS is ready to prolong them, being aware of the limit needed for the clearing of the funds within the TARGET2 system. There was no request for additional
change of the length of cash working hours either from banks, or from mediatory companies; therefore no further change is expected.

4.4.2.3 Measures against counterfeiting of Euro notes and Euro coins

At the Euro zone level the measures against counterfeiting of Euro notes and Euro coins are defined by Council regulation (EC) No 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting as amended by Council Regulation (EC) No. 44/2009. Every subject working with Euro cash is obliged to check the genuineness of the Euro notes and Euro coins received by them, and in case a Euro note or Euro coin is suspicious, shall be obliged to hand it over without delay for further analysis to NBS. The framework for returning the bank notes back to circulation was in 2010 replaced by the Decision of the ECB on the authenticity and fitness checking and recirculation of euro banknotes. In the sphere of euro coins the European Commission issued the Regulation (EU) No 1210/2010 of the European Parliament and of the Council of 15 December 2010 concerning authentication of euro coins and handling of euro coins unfit for circulation.

4.4.2.4 Quality control of Euro cash

One of the main roles of the Euro zone Central banks, ensuing directly from the Statute of the European System of Central Banks, is ensuring the quality of the Euro notes in circulation and thus the confidence of the citizens in the Euro currency. An eminent interest on the part of European Central Bank in maintaining the purity of the money flow is expressed at multiple levels:

- each Euro zone country must ensure a sufficient Euro notes quality control on its territory. For the purpose of circulating Euro notes quality control ECB requires to be regularly presented with a certain number of notes from the money flow which will then be analysed according to the quality standards approved by ECB.
- quality of the circulating Euro banknotes will also be reflected as its perception by the public as the main user of the Euro cash. ECB executes a bi-yearly survey on the quality of the Euro banknotes in circulation and the satisfaction of the people concerning this quality.
4.4.3 Cash processing efficiency enhancement

4.4.3.1 Shortening the cash processing cycle (transport, Euro banknotes sorting out)

In the first half of 2011 NBS evaluated the efficiency of the usage of their branch offices and has decided to close four branch offices (in Bratislava, Trenčín, Lučenec and Humenné) as of 31.12.2011.

4.4.3.2 Maintaining the quality of Euro banknotes and Euro coins in circulation.

Maintaining of the quality of the circulating euro banknotes and euro coins includes an important part which is their sorting not just by authenticity, but also by their quality, both by the central bank, and also by banks and professional money processing bodies. Here the Euro zone came up with the directly applicable legal forms in the Decision of the ECB on the authenticity and fitness checking and recirculation of euro banknotes, and the Regulation (EU) No 1210/2010 of the European Parliament and of the Council concerning authentication of euro coins and handling of euro coins unfit for circulation.

4.4.3.3 Struggle against counterfeit – Euro banknotes and Euro coins

The main requirements of the SECA Framework concerning struggle against counterfeit are:

- use of cash by population in a secure manner,
- information exchange between the central bank and the banks, and
- abidance by rules concerning genuineness control of Euro banknotes and Euro coins.

Exchange of information between NBS and Eurosistem is provided for by a monitoring system on counterfeits (Counterfeit Monitoring System, CMS). CMS is a database of all counterfeits in the Euro zone, including exact specification and classified into the relevant counterfeit group. Upon recognition of new counterfeit Euro banknotes of Euro coins NBS regularly updates the system. Moreover the system is made accessible to Europol and to selected members of the police force of SR.

Information Exchange between the Eurosistem and the banks is provided for by means of an Internet application Euro Check Website. This is a page where a bank, upon typing in the
nominal value of the Euro banknote, its serial number, and the number of the printing plate, learns immediately whether it is a counterfeit, or a suspect banknote. NBS granted Access to maximum of 50 users.

Banks have the technology for early identification of counterfeit Euro banknotes and Euro coins. NBS organizes regular trainings of certified instructors (multipliers) of banks, where the participants are notified of new types of counterfeits and security elements of Euro banknotes.

4.4.3.4 Reporting requirements

NBS fulfil their obligations towards European Central bank concerning reporting by means of an information system on cash – Currency Information System II.

The reporting commitment of the banks concerning the second group of data – to NBS and subsequently to ECB is also embodied in Agreement on Receipt and Release of Money.

4.4.3.5 Costs arising from money circulation

NBS does not have access to any analysis quantifying the cost arising from money circulation.
Payment infrastructures

Payment system EURO SIPS is the only interbank payment system of the Slovak Republic for low value payments processing, where immediate finality is not required. The final and irrevocable settlement of the results of the SIPS system processing is done by means of the TARGET2 system. EURO SIPS is a so-called ancillary system of the TARGET2 system.

NBS Bank Board on their 35th meeting on 13.10.2009 approved the document “Implementation Strategy of SEPA payment instruments in the National Bank of Slovakik”, which apart from other things contains the implementation strategy of SEPA payment instruments, i.e. SEPA credit transfers and SEPA direct debits, in the EURO SIPS payment system. This document implies the decision, on the basis of which the payment system EURO SIPS will be changed to so-called “SEPA Scheme Compliant” payment system for the processing of domestic SEPA payments (payments within SR).

The project “Implementation of domestic SEPA payments in the EURO SIPS system” is being implemented at present. This project aims at modification of the existing system for interbank payment traffic EURO SIPS into a payment system for the processing of cashless transactions in accordance with SEPA standards. In the course of the project the credit transfer instructions (and direct debit instructions) in all clearing records (national message format) will be replaced by the XML message format (according to the international technical standard ISO 20022 XML). The implementation of the domestic SEPA credit transfers within the interbank payment system EURO SIPS will mainly mean the change of the format of the outgoing and incoming messages and the change of the account number format from BBAN to IBAN.

The output of the project also included the so-called SEPA SIPS converter, which converts data from the clearing record format into XML and also reversal conversion. SEPA SIPS converter is provided to the payment system participants free of charge for a transitional period while the individual participants are adjusting their systems for the use of domestic SEPA credit transfers, but not after the final date stipulated by the Regulation No 260/2012, which means till 1.2.2014.
Duration of the project was scheduled from July 2011 to April 2013, with an intermediate date of 1.12.2012 for the start of pilot operation of the system updated by implemented functionality of domestic SEPA credit transfers, to ensure the stabilisation of system operation before implementation of domestic SEPA credit transfers. The duration of the pilot operation is estimated at about 3 months, where the first phase will be run in a non-changed setting, with the participants sending their data in the clearing record format, then in the second phase the participants of the interbank payment system would be allowed to send data also in XML format.

After updating their internal systems the participants of the interbank payment system will stop using the SEPA SIPS converter and will send payment instructions only in XML format, at the latest as of 1.2.2014.

EURO SIPS will also provide its participants with processing of domestic SEPA direct debits, as well as cross border processing of credit transfers and direct debits in Euro within EU countries in accordance with the requirements set in the Regulation No 260/2012. Functional and technical requirements will be continuously consulted with the representatives of the banking sector.
6. Communication strategy

Communication is an important part of the successful implementation of the SEPA payment instruments into life. For that reason a detailed strategy of a communication campaign for the transition to SEPA Credit Transfer and SEPA Direct Debit will be worked out till the end of September 2012 in cooperation of the National Bank of Slovakia, Ministry of Finance of SR, and the Slovak Banking Association. The strategy will be worked out in a separate document, which will then become a component of the Implementation Plan.
# 7. Tasks summary

<table>
<thead>
<tr>
<th>No</th>
<th>Task</th>
<th>Responsible</th>
<th>Finish</th>
<th>Status</th>
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<tbody>
<tr>
<td>1</td>
<td>Analysis of possibilities in implementing the symbols used at present in SR into SEPA</td>
<td>Slovak Banking Association, National bank of Slovakia</td>
<td>June 2009</td>
<td>finished</td>
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<td>2</td>
<td>Analysis of differences between the domestic payments and SEPA payments (SCT)</td>
<td>Slovak Banking Association, National bank of Slovakia</td>
<td>September 2009</td>
<td>finished</td>
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<tr>
<td>3</td>
<td>Transposition of the Payment Services Directive (PSD) into the national legislation</td>
<td>Ministry of Finance of SR National Bank of Slovakia</td>
<td>December 2009</td>
<td>finished</td>
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<td>4</td>
<td>Strategy of adapting the EURO SIPS payment system for SEPA payments processing</td>
<td>National Bank of Slovakia</td>
<td>December 2009</td>
<td>finished</td>
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<td>5</td>
<td>Conversion specification of the domestic bank account number format BBAN to IBAN</td>
<td>Slovak Banking Association, National Bank of Slovakia</td>
<td>December 2009</td>
<td>finished</td>
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<td>6</td>
<td>Analysis of the possibilities of implementing additional services (AOS) to SCT</td>
<td>banking sector, National Bank of Slovakia</td>
<td>February 2010</td>
<td>finished</td>
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<td>7</td>
<td>Analysis of the possibilities of defining the structure of a unique identifier of direct debit payee in SR (Creditor Identifier)</td>
<td>Slovak Banking Association, National Bank of Slovakia</td>
<td>June 2010</td>
<td>finished</td>
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<tr>
<td>8</td>
<td>Consultations of NBS and banking sector concerning technical specification of EURO-SEPA-SIPS for SCT</td>
<td>Slovak Banking Association, National Bank of Slovakia</td>
<td>September 2010</td>
<td>finished</td>
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<tr>
<td>9</td>
<td>Consultations of NBS and banking sector concerning technical specification of EURO-SEPA-SIPS for SDD and interoperability</td>
<td>Slovak Banking Association, National Bank of Slovakia</td>
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<tr>
<td>10</td>
<td>Reachability of Slovak banks for SDD</td>
<td>banking sector</td>
<td>1.11.2010</td>
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<tr>
<td>11</td>
<td>Definition of a unique identifier of a direct debit creditor in SR (Creditor Identifier) and its administration</td>
<td>Slovak Banking Association, National Bank of Slovakia</td>
<td>December 2010</td>
<td>Phase 1 finished</td>
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<tr>
<td>12</td>
<td>Legal question of validity of the present direct debit mandate after transition to SEPA (SEPA mandate)</td>
<td>Ministry of Finance of SR National Bank of Slovakia</td>
<td>June 2011</td>
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<tr>
<td>13</td>
<td>Working out a content-uniform blank form for SCT</td>
<td>Slovak Banking Association</td>
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<td>14</td>
<td>Analysis of the core scheme for SDD and comparison to existing direct debit scheme in SR</td>
<td>Slovak Banking Association, National Bank of Slovakia</td>
<td>December 2011</td>
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<tr>
<td>15</td>
<td>Implementation of EMV chip technology (ATM, POS, debit and credit payment cards)</td>
<td>Slovak Banking Association, banking sector</td>
<td>December 2011</td>
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<tr>
<td>16</td>
<td>Analysis of implementation of XML standards at the client-bank and bank – client level</td>
<td>banking sector</td>
<td>June 2012</td>
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<tr>
<td>17</td>
<td>Decision on transitional period concerning BBAN to IBAN conversion on behalf of PSUs who are consumers</td>
<td>Ministry of Finance of SR in cooperation with the National Bank of Slovakia</td>
<td>On approval of this document</td>
<td>finished</td>
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<tr>
<td>18</td>
<td>Decision on transitional period concerning XML message format communication between PSU and PSP</td>
<td>Ministry of Finance of SR in cooperation with the National Bank of Slovakia</td>
<td>On approval of this document</td>
<td>finished</td>
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<tr>
<td>19</td>
<td>Decision on provisional period concerning use of BIC for domestic payment transactions</td>
<td>Ministry of Finance of SR in cooperation with the National Bank of Slovakia</td>
<td>On approval of this document</td>
<td>finished</td>
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<tr>
<td>20</td>
<td>Preparing for the SEPA SIPS testing, including converters</td>
<td>Slovak Banking Association, National Bank of Slovakia, banks, public sector, enterprises</td>
<td>September 1st, 2012</td>
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<tr>
<td>21</td>
<td>Work out of the communication strategy for transition to SCT/SDD</td>
<td>Slovak Banking Association, National Bank of Slovakia, Ministry of Finance</td>
<td>September 2012</td>
<td></td>
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<tr>
<td>22</td>
<td>Finishing the testing of SEPA SIPS including converters</td>
<td>Slovak Banking Association, National Bank of Slovakia, banks, public sector, enterprises</td>
<td>November 30th, 2012</td>
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<td>23</td>
<td>Analysis of the possibility to change the existing administration of CID database including addition of a black list</td>
<td>Slovak Banking Association, National Bank of Slovakia</td>
<td>December 2012</td>
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<tr>
<td>24</td>
<td>Finding the way of switching the existing direct debit consents into SEPA mandates, linking CID, mandate reference</td>
<td>Slovak Banking Association, National Bank of Slovakia</td>
<td>December 2012</td>
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<tr>
<td>26</td>
<td><strong>Pilot/live operation of SEPA SIPS (phase of sending data both in old format and in XML, start of routine operation)</strong></td>
<td>Slovak Banking Association, National Bank of Slovakia, banks, public sector, enterprises</td>
<td>February 1st, 2013</td>
<td></td>
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<tr>
<td>27</td>
<td><strong>Update of the existing databases, or creation of new ones, connected to routing the payments (e.g. BBAN to IBAN and BIC, ..)</strong></td>
<td>Slovak Banking Association, National Bank of Slovakia, banks, public sector, enterprises</td>
<td>January 31st, 2014</td>
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<tr>
<td>28</td>
<td><strong>Implementing the technical requirements – changes of systems, testing, transition to SCT/SDD – framework task, will be monitored</strong></td>
<td>Slovak Banking Association, National Bank of Slovakia, banks, public sector, enterprises</td>
<td>January 31st, 2014</td>
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<tr>
<td>29</td>
<td><strong>Completion the preparation for payment system interoperability of SEPA SIPS</strong></td>
<td>National Bank of Slovakia</td>
<td>January 31st, 2014</td>
<td></td>
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<tr>
<td>30</td>
<td><strong>Completion the preparation for the use of IBAN by legal persons</strong></td>
<td>legal persons</td>
<td>January 31st, 2014</td>
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<tr>
<td>31</td>
<td><strong>Termination of the use of SEPA SIPS converter</strong></td>
<td>National Bank of Slovakia</td>
<td>January 31st, 2014</td>
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<td>32</td>
<td><strong>Termination the transitional period of converting BBAN to IBAN on behalf of PSUs who are consumers</strong></td>
<td>consumers</td>
<td>January 31st, 2016</td>
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<td>33</td>
<td><strong>Termination the transitional period of communication in XML format at the level between PSU and PSP</strong></td>
<td>payment service providers, users</td>
<td>January 31st, 2016</td>
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</tr>
</tbody>
</table>
Appendix 1

List of countries participating on the SEPA project

17 Euro-zone countries:
Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain

The rest of 10 EU member states:
Bulgaria, Czech Republic, Denmark, Great Britain, Hungary, Latvia, Lithuania, Poland, Rumania, Sweden

3 EEC countries
Island, Liechtenstein, Norway

14 other participant countries, autonomous regions, territories and colonies:
Switzerland, Monaco, Gibraltar, Mayotte, Saint Pierre and Miquelon, French Guyana, Guadeloupe, Martinique, Réunion, Azores, Madeira, Ceuta and Melilla, Canary Islands, Åland Islands.