

Міжнародної науково-практичної конференції
«УКРАЇНА У СУЧАСНОМУ МІЖНАРОДНОМУ ПРОСТОРИ»
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SEPA PAYMENT SYSTEM, MAIN CHARACTERISTICS

SEPA (Single Euro Payments Area) is a single euro payment area, in which the differences between domestic and international payments in euros are completely eliminated. The first SEPA-related changes took effect on January 28, 2008. Works on the territory of 36 states. SEPA transfers are available for Eurozone countries, EU countries and some other countries, which support transfers in Euros. Transfers between SEPA countries are equal to domestic transfers, which avoids high fees for international transfers from banks.

The purpose of the project is to improve the efficiency of interstate payments and to unite the national markets of different countries into a single home market. A single euro payment area will allow users to make non-currency transactions in euros to any other user located anywhere in the zone using a single bank account and a single set of payment instruments.

Additional savings are achieved due to the obligation of banks to credit SEPA payments in full to the beneficiary's account and without any commissions. Payments are made no later than 1 business day after their execution.

Project includes creation of common financial instruments, standards, procedures and infrastructure for the economy across all participating countries. The result of the introduction of a single euro area of payments should be a decrease in the total costs of moving capital in the European economy (2-3% of the total value of GDP).

IBAN (International bank account number)

IBAN (International bank account number) – international bank account number . Used for international payments. Complies with ISO 13616 standards.

IBAN became initially be used to simplify and accelerate the processing of cross-border payments in the countries of the European Community . Currently used in non-EU countries as well.

The IBAN number cannot contain more than 34 characters. Each state has its own IBAN standard. The first two characters of the code indicate the country code, the next two are the control number calculated according to the ISO 7064 standard, followed by the national bank account number, which includes both the account number itself and the bank number.

In order to make a transfer to the countries of the European Union, the IBAN number must be indicated in the payment order as the recipient of the invoice. In accordance with the requirements of EU directives No. 2560/2001 and No. 1781/2006, starting from January 1, 2007, EU banks have the right not to accept payments in which the account number does not comply with IBAN standards. In this case, banks may charge a

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commission for the return of payments. In addition, the full name, address and account number of the sender of funds must be indicated in the payment order. To transfer funds between banks participating in SWIFT, it is enough to know only the recipient bank's SWIFT number and the recipient's IBAN.

SWIFT and SEPA systems and their differences.

At the moment, the most common systems in the world when it comes to international payments are SEPA and SWIFT.

The main difference between them is as follows: SEPA (or Single Euro Payment Area) is a payment in European currency without limiting the amount and within the euro zone, where the beneficiary's account number is required in the IBAN format. SEPA payments are made between the 28 EU countries, plus Norway, Iceland, Switzerland and Liechtenstein, which are part of the Schengen area. In turn, SWIFT (Society for World wide Inter bank Financial Telecommunications or Society for World Wide Interbank Financial Telecommunications) is, in fact, a global system, in which there are currently more than 210 countries and about 11,000 banks.

In truth, for ordinary users, for example, entrepreneurs, within Europe, if they make payments in euros, it makes little difference to work in the SEPA or SWIFT system. However, there are nuances. For example, the SWIFT system, although created under Belgian law, has been controlled by the **US Department of State** since 2011 !!!, which monitors all payments. But the SEPA system is strictly within the European one, and monitoring of payments in it is carried out by European structures, for example, tax authorities.

The SEPA system began working in 2008 and in a couple of years virtually all banks in the EU and the Schengen area have actively used it. Coordinated the implementation of SEPA by the European Payments Council. They created SEPA, by and large, only for one. At that time, the eurozone countries had different payment systems with their own standards and instruments, which often complicated the process of settlements in euros. When SEPA was introduced, within the unified system, the differences between payments in euros - both domestic and international - were completely eliminated. From the very beginning, the European Payments Council noted that SEPA is an innovative project, it includes various regulatory structures, payment service providers, banks, and, of course, consumers. From a legal point of view, SEPA is a set of uniform rules and standards adopted by the aforementioned European Payments Council. The project initially indicated three main points: SEPA credit transfer, SEPA direct debit, and finally, SEPA's own payment cards.

In the process of making payments in SEPA, as a rule, large organizations use a single set of financial instruments, standards and procedures. A huge plus of SEPA: when a payment is made between organizations of European countries in this unified system, banks are required to credit the full amount to the recipient's account without additional fees. In addition, payments are made quickly: no later than one business day after the document is issued. Banks operating in the SEPA system carry out international payments in Europe between individuals and businesses in the same way as domestic settlements.

It is also worth mentioning some of the local SEPA counterparts for local currencies. For example, before all the talk of leaving the EU, England had its own system focused on British pounds - Faster Payments Service (FPS). The creation of this system was

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initiated by the Association of British Banks. It is purely internal - for clients of a network of British banks, in order to reduce the time of payments between client accounts. For example, payments of up to £ 250,000 are usually made in a day, maximum three. For the transfer of money within the FPS system, banks do not charge any fees from their clients if transactions are carried out in pounds.

The world knows other domestic payment systems, for example, China. Thus, China Union Pay represents the largest payment systems of China in the world market.

It is important to understand that the SEPA system, created at the initiative of EU legislators, exists only within Europe, and not globally. But the SWIFT system works all over the world.

SEPA Direct Debit System

Direct debit (the Direct Debit) - calculation method, which allows the organization / service provider (recipient) to debit from the customer's bank account (payer), provided that the customer has provided the organization / service provider entitled to representing direct debit (the Direct Debit Mandate), stipulating conditions and terms of such operations. In this case, the write-off amount can be either fixed or variable. The main difference between the standing order (standingorder) from direct debiting is that the standing order is issued by the payer for a fixed amount, while direct debiting is carried by the recipient for an amount that can not be known in advance.

The SEPA Direct Debit system , introduced by the European Payments Council (EPC), is a pan-European direct debit system that allows customers to easily, safely and efficiently pay for goods and services in the SEPA area (EU, Norway, Iceland, Liechtenstein and Switzerland).

Main features of SEPA Direct Debit payments

An easy way to pay utility bills, taxes, insurance premiums, and more. without the risk of delaying or missing a payment;

SEPA Direct Debit service is available only for payments in euros. The payer and the beneficiary must have an account with a bank located in SEPA territory;

SEPA Direct Debit payment terms and conditions are standardized in all countries of the SEPA territory;

SEPA Direct Debit payments are processed in accordance with the SEPA Direct Debit Scheme Rulebook governing the processing of declined and refunded payments;

SEPA Direct Debit payments are free.