
PRESS RELEASE Paris, 5th December 2011

EBA CLEARING closes down STEP2 XCT Service as part of SEPA migration

Volumes of the STEP2 XCT legacy service have mostly migrated to the STEP2 SEPA Credit Transfer Service

The STEP2 XCT Service witnessed its last day of operation today, 5th December 2011.

This step is part of the industry's migration to the Single Euro Payments Area, which involves a phase-out of all non-SEPA-compliant payment services for retail transactions in euro. The volumes channelled through STEP2 XCT have mostly been migrated to the STEP2 SEPA Credit Transfer (SCT) Service over the past few months. From September to October 2011 alone, STEP2 SCT volumes grew by 19 percent.

"With STEP2 XCT, EBA CLEARING pioneered a pan-European solution for mass payments in euro, which met high demand and was well received by the banks in 2003. WestLB, as a pilot participant and being the first XCT member of the German Savings Financial Group, was in the position to provide around 400 German Savings Banks with a connection to the first pan-European ACH," said Wolfgang Ehrmann, Director, Head of Relationship-Management Domestic Banks & Saving Banks / BU Transaction Services, WestLB, and Deputy Chairman of the STEP2 XCT User Advisory Group. "The service has generated major savings at the level of our cross-border payment processing and given us the opportunity to enhance services for the Savings Banks Financial Group and its customers."

"The STEP2 XCT Service represented EBA CLEARING's step into the retail payment processing environment. It enabled the banks throughout Europe to efficiently and effectively meet the requirements of Regulation 2560/2001/EC and laid the foundation for a pan-European ACH through its full European reach," said John Broxis, Director of STEP2 Services, EBA CLEARING. "While the STEP2 XCT chapter came to an end today, the STEP2 platform has developed into a fully-fledged PE-ACH in the meantime: STEP2 processes over 2 million SEPA payments each day and will continue to grow and evolve in the ramp-up for SEPA and beyond."

The XCT Service was launched in April 2003 as the first service on EBA CLEARING's PE-ACH platform STEP2 and the first mass payment system for cross-border euro credit transfers in Europe. By processing payments governed by the Convention on Credit Transfers in Euro, STEP2 XCT provided banks across Europe with an efficient and very cost-effective ACH-type service for their cross-border retail transactions. This helped the banks to significantly lower their processing cost in view of Regulation 2560/2001/EC on cross-border payments in Europe, which stipulated that cross-border retail credit transfers in euro should be subject to the same pricing as comparable payments at national level.

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At its peak, STEP2 XCT processed nearly half a million payments per day, with over 100 direct participants providing reach across Europe.

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