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## **Irish banks choose STEP2 bilateral file exchange solution for domestic payment processing**

**Move to the PE-ACH is part of the community's SEPA migration strategy and delivers next day value payments to customers**

EBA CLEARING and the Irish Payment Services Organisation (IPSO) announced today that the Irish banking community has decided to use the STEP2 platform for processing its domestic payments. Moving their legacy payments to the PE-ACH will facilitate the Irish banks' migration to SEPA. It will also allow the banks to offer better service levels to their customers and improve their liquidity and risk management.

"This decision marks a major step in our community's migration towards SEPA and positions the Irish Banks to deliver next day value payments domestically and across SEPA," said Mick O'Neill, SEPA Programme Manager at IPSO, which facilitated the discussions between the Irish banks and EBA CLEARING. "It will enable the banks to send both cross-border and domestic payment flows through one channel while making the necessary preparations to phase out our legacy instruments."

The Irish banks asked EBA CLEARING to develop a dedicated service for handling the Irish legacy credit transfers and direct debits. The new STEP2 service will receive and process corresponding pre-sorted bilateral files exchanged between the banks, which will allow for the processing to be kept to a minimum.

"We were looking for a cost-effective and efficient solution to process our domestic payments during the transition phase to SEPA," said Diarmuid Hanrahan, EBA CLEARING Board Member and Head of Payments and E-Channels, Allied Irish Banks. "EBA CLEARING's bilateral file exchange service will enable us to further reap the investments we have already made into a pan-European infrastructure – STEP2 – by re-using this infrastructure for our legacy payments."

"The move to STEP2 will put us in a position to improve our domestic service levels by offering to our customers later cut-off times and D+1 end-to-end payment execution. At an internal level, it will help us to better manage our liquidity and risk profile," commented Sean O'Keeffe, Head of Cash Management, BNP Paribas.

"We are very pleased that the Irish banking community has chosen EBA CLEARING and STEP2 to support its migration to SEPA," said Gilbert Lichter, Chief Executive Officer of EBA CLEARING. "This is in line with our strategy to assist domestic communities in flexibly adapting their processes to the SEPA requirements."

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The bilateral file exchange service for the Irish community is scheduled to go live on the STEP2 platform in October 2011.

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