

NEWSLETTER

Serbia soon to become a member of SEPA (Single Euro Payment Area)



Author: Maja Glogovac, Junior Lawyer

The Republic of Serbia is in the final stages of joining the Single Euro Payments Area (SEPA), which will provide numerous significant benefits related to simplifying cross-border payments, not only for Serbia but also for businesses operating within its territory and other countries. The introduction of open banking is expected to create a payment infrastructure where

transactions can be executed more quickly and at significantly lower costs. This is of particular importance to the economy, given that a significant proportion of foreign trade is conducted with EU member states.

What is SEPA?

The Single Euro Payments Area (SEPA) is a mechanism designed to facilitate fast and seamless cashless payments across the SEPA region. The objective was to facilitate cross-border payments in euros under the same conditions as domestic transactions, thereby integrating national markets. At present, 36 European countries and territories are participants in SEPA, including several that are neither EU members nor part of the eurozone. The initiative was launched by EU institutions in response to the Payment Services Directive of 2007.

Serbia's Progress Towards SEPA Membership

Serbia has aligned its domestic legal framework with EU regulations, particularly in banking, payment services, and anti-money laundering efforts. A notable achievement was the enactment of amendments to the Law on Payment Services on 31 July 2024. These amendments introduced open banking concepts with the objective of fostering the development of new payment services. This includes user authentication measures and additional security checks.

The next step is the technical integration of Western Balkan payment infrastructures with that of the European Union and the European Central Bank. This will allow transactions with the EU to be processed instantly. Once this phase is complete, simplified transaction execution will be practically achievable.

According to official announcements, Serbia is expected to join SEPA in January 2025.