PAYMENTS INFRASTRUCTURE · SEPA

A Guide to SEPA Payments

How the Single Euro Payments Area works, and how direct settlement access changes what a business can rely on each day.

FINXP · GUIDES SERIES

"One EMI Licence, Independent,

Direct SEPA access, built to say yes."

INTRODUCTION

Who this guide is for

This guide is for finance and treasury teams, payment service providers and platforms working with the Single Euro Payments Area.

It sets out how SEPA works in practice and the real difference between connecting to it directly and reaching it through a sponsor bank.

What SEPA is

The Single Euro Payments Area brings euro payments together across 41 countries. A business can send and receive euro under one set of rules, wherever its accounts are held. For companies operating across Europe, that replaces a patchwork of national banking arrangements with a single predictable process.

> One distinction is rarely explained clearly: an institution can reach SEPA either directly, or through a sponsor bank standing between it and the scheme. That choice shapes speed, visibility and stability.

Three schemes sit under the SEPA umbrella

- ✓ SEPA Credit Transfer (SCT): the standard euro transfer, typically settled within one business day.
- ✓ SEPA Instant Credit Transfer (SCT Inst): settlement in seconds, available at any hour, now expected for payouts and urgent payments.
- ✓ SEPA Direct Debit (SDD): pre-authorised collections, used for recurring payments and subscriptions.

Direct participation versus indirect access

With indirect participation, payments pass through a sponsor bank that holds direct access to CENTROlink or an equivalent system. The sponsor stands between the business and the scheme, which adds steps, reconciliation work and, at times, delay.

Direct participation means holding a settlement account with the scheme operator. FinXP connects directly to SEPA as a Malta-licensed Electronic Money Institution, with no intermediary in the path. That produces fewer points of failure, more reliable settlement times and clearer visibility of each payment.

ASPECT	DIRECT PARTICIPATION (FINXP)	INDIRECT OR SPONSORED ACCESS
Settlement relationship	Held directly with CENTROlink.	Routed through a sponsor bank.
Points of failure	One regulated party in the chain.	The business, the sponsor and the scheme.
Access stability	Set by FinXP's own risk appetite.	Subject to the sponsor's risk appetite.
Payment tracing	Visible from end to end.	Limited beyond the sponsor.

Where the difference is felt

For businesses moving large volumes of euro, such as marketplaces, payroll companies, iGaming platforms and FX brokerages, the gap between direct and indirect access shows up exactly where it matters: speed, reliability and the ability to trace a payment.

APPLICATION

Where directness shows up in practice

The same infrastructure question produces different practical benefits depending on what a business is paying for, and to whom.

- **iGaming platforms**
  Player payouts land on time, including instant transfers, with no sponsor review slowing them down.

- **Payroll companies**
  Contractors are paid on schedule each period, without dependence on a sponsor's processing calendar.

- **FX and brokerage firms**
  Client transfers are traceable from start to finish, which supports client-money reporting.

- **Marketplaces and platforms**
  Suppliers and sellers are paid across borders through one relationship, rather than a bank in every market.

What to look for in a SEPA partner

- ✓ Confirmation of direct CENTROlink participation, or equivalent, rather than a sponsored arrangement.
- ✓ Clarity on settlement timing for both SCT and SCT Inst.
- ✓ A licensed EMI structure with transparent fund safeguarding.
- ✓ Sector experience relevant to your business, rather than a generic payments offering.

FAQ

Frequently asked questions

Q. How quickly do SEPA Instant payments settle?

Typically within seconds of initiation, at any time of day, including weekends and public holidays, since SCT Inst does not depend on standard banking hours.

Q. Can a business hold SEPA access alongside multi-currency accounts?

Yes. FinXP issues multi-currency IBANs alongside direct SEPA access under the same EMI licence, so the euro rails sit inside a wider account structure rather than beside it as a separate service.

Q. What happens if a payment needs to be traced or queried?

With direct CENTROlink participation, FinXP can check a payment's status within the settlement system rather than raising a query with a sponsor bank and waiting on its response.

Q. Does direct participation cost more than a sponsored arrangement?

Pricing depends on volume and flow, and the comparison is rarely like for like. A sponsored arrangement carries the sponsor's own margin and risk buffer inside its pricing, while direct participation reflects the cost of the rail itself.

Q. Why does sponsor risk appetite matter in regulated sectors?

In closely supervised sectors, sponsor arrangements are often the first thing affected when a provider changes policy. A sponsor can restrict or withdraw access at short notice, because the business is not its direct client. A direct relationship under FinXP's own EMI licence removes that dependency.

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Related guides in this series

A Guide to CENTROlink
What CENTROlink is, what direct participation means, and how to verify it independently.

A Guide to Cross-Border Payments
Where cost and delay enter an international payment, and how directly licensed infrastructure changes both.

A Guide to Banking-as-a-Service
What BaaS provides, who holds the licence behind it, and what to check before building on it.

Direct CENTROlink participation.
No sponsor bank in between.

FinXP is a privately owned European payments company with twelve years of experience supporting regulated businesses across fintechs, PSPs and banks, digital assets and Web3, marketplaces and platforms, payroll and contractors, and digital commerce.

As an independent company, FinXP has built its own infrastructure without the constraints of a parent group. With an Electronic Money Institution licence in Malta, Mastercard Principal Membership, and direct participation in CENTROlink, FinXP settles euro payments directly rather than through a sponsor bank.

12+	€4bn+	12,000+	41
YEARS IN PAYMENTS	PROCESSED ANNUALLY	BUSINESS ACCOUNTS OPENED	EUROPEAN NATIONS, DIRECT CENTROLINK

For businesses turned away elsewhere for being “too complicated”, FinXP’s independence and experience open a route to a workable answer instead of a closed door.

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