



## Financial Services Policy Committee

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### Federal Reserve System

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### **Federal Reserve Banks Form Strategic Partnerships for Cross-Border ACH Services *FedGlobal<sup>SM</sup> ACH Services to Provide Expanded Payments to Europe and Panama***

Minneapolis, April 6, 2009 — The Federal Reserve Banks announce strategic partnerships with Equens, one of Europe's largest payment processors, and ACH Directo, the Panamanian ACH. These partnerships were formed to help support the expansion of FedGlobal<sup>SM</sup> ACH Services into new regions and provide additional availability of low-cost, efficient electronic payment options to financial institutions worldwide.

“Globalization and electronification go hand-in-hand,” says Jim McKee, senior vice president of the Federal Reserve Banks’ Retail Payments Office. “Providing straight-through processing for cross-border ACH payments helps support the growth of electronic payments, both domestically and internationally.”

The strategic partnership with Equens will allow financial institutions in the U.S. and Europe to send and receive cross-border ACH payments between the U.S. and countries of the Single Euro Payments Area (SEPA). “We are constantly looking for economies of scale and, as a result of that, further reduction of processing costs to benefit our clients. Cross-border payments beyond traditional borders will definitely contribute to more efficiency on a global level. The strategic partnership with the Federal Reserve Banks is therefore of enormous importance to us,” says Michael Steinbach, chairman of Equens’ board of directors. Bidirectional payments with Europe will begin in early 2010.

The partnership between Equens and the Federal Reserve Banks grew out of the International Payments Framework (IPF), a collaborative effort among global payments groups to improve non-urgent cross-border payments.

In addition to expanded European service, commercial credit payments to and from Panama will become available in the fourth quarter of this year. “After several years of partnering with the Federal Reserve Banks to enable U.S. government payments to Panama, we’re pleased to now include commercial credit payments between the two countries as well,” says Orlando Garcia, CEO of ACH Directo, the Panamanian ACH. ACH Directo will continue to partner with the Banco Nacional de Panamá to offer these

services. “The United States accounts for more than one-third of all trade with Panama. This connection can help spur further integration between our countries,” adds Garcia.

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Representatives from the Federal Reserve Banks, Equens and ACH Directo will be available to discuss FedGlobal ACH Services at NACHA’s PAYMENTS 2009 Conference on Monday, April 6, at 10:00 AM in the St. Louis Room, and at booth #1007 throughout the conference. For more information about FedACH Services, please visit [FRBservices.org](http://FRBservices.org).



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#### Additional Information

##### **About FedACH<sup>®</sup> Services:**

The Federal Reserve Banks are the nation's largest ACH operator, bringing nearly 40 years of experience and ACH expertise. The Federal Reserve Banks strive to provide reliable, high-quality and cost-effective ACH services to financial institutions across the country. Serving more than 21,000 ACH participants, our dependability and commitment to service enable depository financial institutions to provide high-quality ACH services.

##### **About FedGlobal<sup>SM</sup> ACH Services – European Expansion:**

FedGlobal ACH Services will include the following European countries: Austria, Belgium, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and United Kingdom.

##### **About the International Payments Framework:**

Both Equens and the Federal Reserve's Retail Payments Office are founding members of the International Payments Framework (IPF), a collaborative effort among public and private payments groups in Africa, Europe, North America and South America to provide rules, standards, operating procedures, and guidelines to improve non urgent, cross-border payments. For more information about IPF, please visit [www.internationalpaymentsframework.org/](http://www.internationalpaymentsframework.org/).

##### **About Equens**

Equens SE, one of the largest and most innovative payment processors in Europe, offers a portfolio of payment and card processing services compliant with the requirements of the Single Europe Payments Area (SEPA). Based in the Netherlands, Equens has operating facilities in the Netherlands, Germany, Italy and Finland and provides inter-operability with all the major clearing and settlement systems in Europe. With an annual volume of 7.9 billion payments and 2.2 billion POS and ATM transactions, Equens currently has a market share of more than 15% within the euro zone.

For additional information, please visit [www.equens.com](http://www.equens.com) or contact:

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##### **About ACH Directo**

ACH Directo has operated the ACH network for Panama since 1998. Today the network has 33 member financial institutions and more than 3,500 originators. In November 2004, ACH Directo started a joint service with Banco Nacional de Panamá and the Federal Reserve Banks to process and distribute U.S. government benefit payments to beneficiaries who live in Panama. A part of TELERED, which also provides ATM and check processing services for financial institutions in Panamá, ACH Directo is also a NACHA member.

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