

## EPC Newsletter

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### EPC LATEST NEWS

## Update EPC Plenary Meetings

Main decisions taken in December 2009

29.01.10 BY GERARD HARTSINK

The European Payments Council (EPC) is the coordination and decision-making body of the European payments industry. Decisions of the EPC are taken by its Plenary which consists of 76 members comprising banks and banking associations representing all banks and other payment service providers in 32 SEPA countries. The Plenary convenes four times annually. Gerard Hartsink reports on the main decisions taken at the December 2009 EPC Plenary meeting including, amongst others, approval of updated versions of the SEPA Cards Framework and the SEPA Cards Standardisation Volume - Book of Requirements and the development of a new optional SEPA Direct Debit Scheme. The latter will apply the default regime established by the Payment Services Directive (PSD) with regard to authorised transactions.



### SEPA Cards Framework version 2.1 and SEPA Cards Standardisation Volume - Book of Requirements version 4.0

The Plenary approved version 2.1 of the SEPA Cards Framework (SCF) for publication. The SCF version 2.0 was issued in March 2006 and since then there have been important developments that required an update such as publication of:

The document "[Questions & Answers clarifying key Aspects of the SEPA Cards Framework](#)" dated June 2008 which referred to version 2.0 of the SCF

The Eurosystem 6th Progress Report

The Eurosystem "Oversight Framework for Card Schemes"

The Eurosystem SEPA Compliance Requirements for Cards

The Eurosystem Terms of Reference for the monitoring of SEPA compliance of card schemes

In addition, the SCF has been aligned with the Payment Services Directive and EC Regulation 924/2009 on cross-border payments in the Community, repealing

Regulation 2560/2001. The publication of a further revised version 3.0 of the SCF in the course of 2010 is under consideration. A link to the SCF version 2.1 is included below.

The Plenary also approved the SEPA Cards Standardisation Volume - Book of Requirements version 4.0 for publication. This version was prepared by the "Volume Sub-Group" of the Cards Stakeholders Group (for more information on the Cards Stakeholders Group - CSG - refer to the article "[Get involved! EPC establishes the Cards Stakeholder Group](#)" published in issue 3 of this Newsletter). Version 4.0 has been enhanced primarily in the area of cards not present transactions. Sections 5 and 6 remain unchanged. Following public consultation in May and June 2010, a further revised version of the Volume including "certification and security" chapters is expected to be released in December 2010. A link to the SEPA Cards Standardisation Volume - Book of Requirements version 4.0 is set out below.

## New optional SEPA Direct Debit Scheme

Based on feedback received during the public consultation leading to the release of the SEPA Scheme Rulebooks to take effect in November 2010 the Plenary decided to develop a separate optional SEPA Direct Debit Scheme. The new optional SDD Scheme will apply the default regime defined in the Payment Services Directive (PSD) with regard to refund rights; e.g. the refund right is excluded in cases of authorised transactions when the exact amount of the direct debit collection is agreed between the debtor (payer) and creditor (payee). This option is contingent upon the debtor and the creditor having agreed the exact amount and the frequency of collections in the mandate. The option to exclude the refund right as specified above will be the only feature different from the SDD Core Scheme. The difference with regard to the refund rights for authorised transactions will be clearly highlighted in the mandate underlying a related direct debit collection under the new optional SDD Scheme to avoid misuse of the feature. A separate Rulebook for this new SDD Scheme will be defined. For detailed information on this new scheme refer to the article ["Optional SEPA Direct Debit Scheme in the Pipeline. Additional SDD Scheme provides maximum planning security to consumers and billers"](#) in this Newsletter.

## Extended character set solution

Part of a payment instruction is information facilitating reconciliation of the payment on the side of the receiving party such as the name of the payer or the reason for payment. The SEPA Schemes require such information to be provided using Latin characters, unless banks agree to accept other characters as well (German "Umlaute", for example). (For background information on this subject refer to the article "[It's all Greek to You? SEPA payment instruments will support all SEPA languages](#)" published in issue 3 of this Newsletter). To allow unrestricted communication between bank customers (and their banks) across 32 SEPA countries, the EPC has developed - based on ISO and UNICODE character set standards - an extended character set solution that will support the use of any characters existing in the SEPA languages. Following public consultation the Plenary approved publication of a conversion table complemented by a best practices document as an optional recommended tool for dealing with the issue. The aim is to have a consistent way of handling an extended character set catering for SEPA national language requirements to minimise any related rejects and other return transactions. Links to the "SEPA Requirements for an Extended Character Set (UNICODE Subset) Best Practices" and the "Recommendation how to convert not authorised Unicode-characters in a SEPA transaction" (conversion table) are included below.

## EPC suggestions on EU White Paper on Professional Cross-border Transportation of Euro Cash by Road between Member States in the Euro Area

The European Commission intends to introduce a proposal for a Regulation on cross-border euro cash transport by road during the second quarter of 2010. The Plenary endorsed a set of principles developed with a view to ensure greatest possible effectiveness of legislation in this matter. For detailed information on this set of principles refer to the article "[The Road Show. EC expected to harmonise rules for cross-border cash transport by road](#)" in this Newsletter.

## EPC White Paper on mobile payments

Mobile phones have achieved full market penetration and rich service levels throughout the EU, making the mobile channel an ideal launch pad for SEPA payment instruments. The EPC is therefore developing the mobile channel as an initiation channel for SEPA payments. To achieve a common understanding on mobile payments amongst all market participants and to publicise the specific activities of the EPC in this context, the Plenary endorsed the release of the "EPC White Paper on mobile payments" for consultation. For detailed information on this white paper refer to the article "[SEPA to go. EPC White Paper on mobile payments: consultation is going on now](#)" in this Newsletter.

## SEPA Payment Schemes Working Group: change of chairmanship

The Plenary expressed its appreciation for the contributions of Christian Westerhaus to the EPC as Chair of the EPC SEPA Payment Schemes Working Group. Christian Westerhaus served as an EPC office holder since 2004. As he leaves the EPC due to other commitments the Plenary elected Javier Santamaria as new Chair of the SPS WG.

*Gerard Hartsink is the Chair of the EPC.*

### Related links:

[SEPA Cards Framework version 2.1](#)

[SEPA Cards Standardisation Volume - Book of Requirements volume 4.0](#)

[SEPA Requirements for an Extended Character Set \(UNICODE Subset\) Best Practices](#)

[Recommendation how to convert not authorised Unicode-characters in a SEPA transaction](#)

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